14 August 2013

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Center,
Tower 1 Ayala Avenue, Makati City

Attention: **MS. JANET A. ENCARNACION**
Head, Disclosure Group

Gentlemen:

Attached please find the Company's SEC Form 17Q Report for quarter ending 30 June 2013 in the same form submitted to the Securities and Exchange Commission as of even date.

Thank you.

Very truly yours,

COVER SHEET

6	0	5	6	6

S.E.C. Registration Number

CENTURY PROPERTIES GROUP INCORPORATED

(Company's Full Name)

21st Floor, Pacific Star Building, Senator Gil Puyat Avenue corner Makati Avenue, Makati City
(Business Address: No. Street City / Town / Province)

RAMON S. VILLANUEVA III
Contact Person

(632) 7935500
Company Telephone Number

12 31
Month Day
Fiscal Year

1 7 - Q
FORM TYPE

06 25
Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

P3,853,283,201

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

AMENDED 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, 2013**

2. Commission identification number: **60566**

3. BIR Tax Identification: **004-504-281-000**

4. Exact name of registrant as specified in its charter:

   CENTURY PROPERTIES GROUP INC. (formerly East Asia Power Resources Corporation)

1. Province, country or other jurisdiction of incorporation or organization:

   Metro Manila, Philippines

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

7. Address of registrant's principal office/Postal Code:

   21ST Floor, Pacific Star Building, Senator Gil Puyat corner Makati Avenue, Makati City

8. Registrant's telephone number, including area code:

   (632) 7935500

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

   EAST ASIA POWER RESOURCES CORPORATION, Ground Floor, PFDA Building, Navotas Fishport Complex, Navotas Metro Manila

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 Shares	9,695,287,027 Common Shares 4,437,000 Treasury Shares

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, Inc.; Common shares

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

Yes [✓] No [ ]

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

Yes [✓] No [ ]

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CONSOLIDATED BALANCE SHEETS
(in million pesos)

		Unaudited 30-June-13		Audited 12-Dec-12
ASSETS				
Current Assets				
Cash and cash equivalents (Note 5)	**P**	**1,794.5**	P	901.8
Receivables – net (Note 6)		**6,029.5**		6,224.6
Real estate Inventory (Note 7)		**5,161.3**		3,951.8
Land held for future development (Note 8)		**1,196.5**		1,196.5
Due from related parties		**166.2**		166.2
Advances to suppliers and contractors (Note 9)		**1,015.0**		925.3
Prepayments and other current assets (Note 10)		**3,231.9**		2,387.0
Total Current Assets		**18,594.9**		15,753.2
Non-current Assets				
Non-current real estate receivables		**1,249.6**		588.7
Available-for-sale financial assets		**7.9**		7.9
Investment properties (Note 11)		**2,325.4**		1,920.1
Property and equipment – net		**187.4**		191.6
Deferred tax assets		**123.7**		89.9
Intangible assets		**2.8**		2.8
Other non-current assets (Note 12)		**130.3**		25.1
Total Non-current Assets		**4,027.1**		2,826.1
	P	**22,622.0**	P	18,579.3
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables (Note 13)	**P**	**4,306.2**	P	2,868.9
Customers' advances and deposits (Note 14)		**1,968.9**		2,288.4
Short-term debt (Note 15)		**271.7**		351.4
Current portion of:				
Long-term debt (Note 15)		**243.7**		387.4
Liability from purchased land		**2.4**		2.4
Due to related parties		**113.0**		113.0
Income tax payable		**71.1**		98.1
Total Current Liabilities		**6,977.0**		6,109.9
Non-current Liabilities				
Long-term debt - net of current portion (Note 15)		**3,269.8**		2,922.2
Liability from purchased land - net of current portion		**28.3**		28.3
Pension liabilities		**91.2**		90.1
Deferred tax liabilities – net		**1,452.0**		1,162.9
Total Non-current Liabilities		**4,841.3**		4,203.5
Total Liabilities		**11,916.3**		10,313.4
Equity				
Equity attributable to owners of the parent company:				
Capital stock (Note 16)		**5,140.9**		4,716.9
Additional paid-in capital (Note 16)		**2,643.0**		1,483.2
Treasury shares (16)	**(**	**15.9)**		**-**
Retained earnings (Note 16)		**2,949.4**		2,077.8
Equity reserves	**(**	**7.0)**	(	7.0)
Unrealized loss on available-for-sale financial assets	**(**	**4.7)**	(	4.7)
		10,705.7		8,266.2
Non-controlling interests				
Total Equity		**10,705.7**		8,266.2
	P	**22,622.0**	P	18,579.3

CENTURY PROPERTIES GROUP, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in million pesos)

	Unaudited Apr – Jun Q2 2013	Unaudited Jan – Jun 2013	Unaudited Apr - Jun Q2 2012	Unaudited Jan - Jun 2012
REVENUE				
Real estate sales	**P 2,368.0**	**P 4,574.8**	P 2,267.5	P 4,534.5
Property management fee and other services	**74.0**	**138.5**	57.2	110.1
Interest and other income	**251.5**	**577.7**	133.6	291.8
	2,693.5	**5,291.0**	2,458.3	4,936.4
COST AND EXPENSES				
Cost of real estate sales	**1,320.4**	**2,648.7**	1,298.1	2,681.7
Cost of services	**44.7**	**86.8**	42.6	74.9
General, administrative and selling expenses	**526.0**	**1,009.0**	447.6	871.9
Interest and other financing charges – net	**26.7**	**56.5**	10.3	22.9
	1,917.7	**3,801.0**	**1,798.6**	**3,651.4**
INCOME BEFORE TAX	**775.7**	**1,490.0**	**659.7**	**1,285.0**
PROVISION FOR INCOME TAX	**220.3**	**434.0**	**168.7**	**340.5**
NET INCOME	**555.4**	**1,056.0**	**491.0**	**944.5**
OTHER COMPREHENSIVE INCOME				
Unrealized gain (loss) on available-for-sales financial assets	-	-	-	-
TOTAL COMPREHENSIVE INCOME	**P 555.4**	**P 1,056.0**	P 491.0	P 944.5
Net income/(loss) attributable to:				
Equity holders of the Parent Company	**P** 555.4	1,056.0	490.5	943.4
Non-controlling interests	0.0	0.0	0.5	1.1
	P 555.4	**1,056.0**	491.0	944.5
Total comprehensive income/(loss) attributable to:				
Equity holders of the Parent Company	**P** 555.4	1,056.0	490.5	943.4
Non-controlling interests	0.0	0.0	0.5	1.1
	P 555.4	**1,056.0**	491.0	944.5
Weighted average common shares	**9,700**	**9,566**	8,900	8,678
Basic/diluted earnings per share	**P 0.06**	**P 0.11**	P 0.06	P 0.11

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in million pesos)

	Capital Stock	Additional Paid-in Capital	Retained Earnings	Reserves	Total	Non-controlling Interests	Total
At January 1, 2013	P 4,716.9	P 1,483.2	P 2,077.8	(P 11.7)	P 8,266.2	P -	P 8,266.2
Net income	-	-	1,056.0	-	1,056.0	-	1,056.0
Issuance of shares	424.0	1,159.8	-	-	1,583.8	-	1,583.8
Dividends declared	-	-	(184.4)	-	(184.4)	-	(184.4)
Acquisition of treasury shares	(15.9)	-	-	-	(15.9)	-	(15.9)
At June 30, 2013	**P 5,125.0**	**P 2,643.0**	**P 2,949.4**	**(P 11.7)**	**P 10,705.7**	**P -**	**P 10,705.7**

	Capital Stock	Additional Paid-in Capital	Retained Earnings	Reserves	Total	Non-controlling Interests	Total
At January 1, 2012	P 4,010.2	P 3.2	P 321.0	(P 4.7)	P 4,329.7	P 1.9	P 4,331.6
Net income	-	-	943.4	-	943.4	1.1	944.5
Dividends declared	-	-	(86.4)	-	(86.4)	-	(86.4)
Issuance of shares	706.7	1,479.9	-	-	2,186.6	-	2,186.6
At June 30, 2012	**P 4,716.9**	**P 1,483.1**	**P 1,178.0**	**(P 4.7)**	**P 7,373.3**	**P 3.0**	**P 7,376.3**

CONSOLIDATED CASH FLOW STATEMENTS
(in million pesos)

	Unaudited 30-June-13	Unaudited 30-June-12
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax	**P 1,490.1**	P 1,285.0
Adjustments for:		
Interest expense	**192.2**	46.2
Deprecation and amortization	**33.5**	23.3
Interest income	**(344.7)**	(201.8)
Operating income before working capital changes	**1,371.1**	1,152.7
Decrease/(increase) in:		
Receivables	**(153.7)**	(3,284.4)
Real estate inventories	**(1,251.2)**	(695.1)
Advances from suppliers and contractors	**(89.7)**	1,431.2
Prepayments and other current assets	**(804.0)**	(848.7)
Land held for future development	**-**	112.7
Increase (decrease) in:		
Accounts and other payables	**1,437.3**	1,062.2
Customers' advances and deposits	**(319.5)**	(619.8)
Pension liabilities	**1.1**	1.7
Cash used in operations	**191.4**	(1,687.5)
Interest received	**32.6**	59.4
Interest paid	**(192.2)**	(46.2)
Income taxes paid	**(205.0)**	(149.0)
Net cash used in operating activities	**(173.2)**	(1,823.3)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in non-current assets	**(105.2)**	(6.5)
Additions:		
Investment properties	**(405.3)**	(266.4)
Property and equipment	**(29.2)**	(31.4)
Decrease (increase) in due from related parties	**-**	(41.8)
Net cash provided by (used in) investing activities	**(539.7)**	(262.5)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of shares of stock	**1,583.8**	2,186.6
Availments (repayments) of:		
Short-term and long-term debt	**222.1**	284.1
Liability from purchased land	-	(8.0)
Payment of dividends	**(184.4)**	(86.6)
Acquisition of treasury shares	**(15.9)**	-
Net cash provided by (used in) financing activities	**1,605.6**	2,376.1
NET INCREASE IN CASH AND CASH EQUIVALENTS	**892.7**	290.3
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**901.8**	366.6
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**P 1,794.5**	P 656.9

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Century Properties Group, Incorporated, formerly East Asia Power Resources Corporation ("EAPRC"), ("CPGI" or the "Company" or "Century") was originally incorporated on March 23, 1975 as Northwest Holdings and Resources Corporation. In September 26, 2011, the Board of Directors of CPGI approved the change in the Company's corporate name to its present name, as well as the change in its primary business purpose from power generation to that of a holding company and real estate business. Between May and November 2011, Century Properties Inc ("CPI" or "Parent Company") entered into a series of transactions with EAPRC, a corporation organized under the laws of the Philippines and listed on the Philippine Stock Exchange, whereby, among other things, CPI acquired 96.99% of EAPRC's Common Shares and EAPRC acquired all of the subsidiaries of CPI.

Century is one of the leading real estate companies in the Philippines with over 27 years of experience. Currently, the Company has four subsidiaries namely Century City Development Corporation, Century Limitless Corporation, Century Communities Corporation, and Century Properties Management (collectively known as the "Subsidiaries"). Through its Subsidiaries, Century develops, markets and sells residential, office, medical and retail properties in the Philippines, as well as manages residential and commercial properties in the Philippines.

As of June 30, 2013, the Company completed 23 condominium and commercial buildings (6,869 units) with a total GFA of 744,576 sqm. The roster of noteworthy developments include the award-winning Essensa East Forbes ("Essensa") in Fort Bonifacio, South of Market ("SOMA") in Fort Bonifacio, SOHO Central in the Greenfield District of Mandaluyong City, Pacific Place in Ortigas and a collection of French-inspired condominiums in Makati City called Le Triomphe, Le Domaine and Le Metropole.

Currently, the Company is developing five master-planned communities that is expected to have 31 condominium and commercial buildings with approximately total expected GFA of 1,581,465.
The Company's land bank for future development consists of properties in Quezon City and Batangas that cover a site area of 1,920,000 sqm.

The Company, through Century Properties Management, Inc. ("CPMI") also engages in a wide range of property management services, from facilities management and auction services, to lease and secondary sales. Through CPMI, the Company endeavors to ensure the properties it manages maintain and improve their asset value, and are safe and secure. CPMI currently manages 50 buildings with 2.3 million square meters of managed properties and 80% of the projects CPMI manages were developed by third-parties. Notable third-party developed projects under management include the Asian Development Bank in Ortigas, BPI Buendia Center in Makati City, Philippine National Bank Financial Center in Pasay City, Pacific Star Building in Makati City, Makati Medical Center in Makati City and three Globe Telecom buildings in Cebu, Mandaluyong and Makati City, respectively.

Century's aim is to enhance the overall quality of life for Filipinos and foreign nationals by providing distinctive, high-quality and affordable properties. Century focuses on differentiation to drive demand, increase our margins and grow market share. In particular, Century identifies what the Company believes are the best global residential standards and adopts them to the Filipino market. CPGI believes that it has earned a reputation for pioneering new housing concepts in the Philippines. One of Century's significant contributions is the Fully-Fitted and Fully-Furnished ("FF/FF") concept, which is now an industry standard in the Philippines. We also employ a branding strategy that focuses on strategic arrangements with key global franchises to help capture and sustain consumers' awareness. To date, CPGI has entered into agreements with Gianni Versace S.P.A., Donald Trump (through the Trump Organization), Paris Hilton, and Missoni Homes, among others.

Century has marketed and sold to clients in more than 50 countries and, as a result, a significant portion of its residential properties are sold to Filipinos living abroad. International pre-sales accounted for approximately two-thirds of the total pre-sales, in terms of value, for each of the last three years. CPGI conduct its sales and marketing through the Company's extensive domestic and international network of 3,508 agents and brokers as of December 31, 2012.

For 2010, 2011 and 2012, our revenue was P3,071.6 million, P4,702.1 million and P9,611.1, respectively, and our net income was P179.6 million, P866.2 million and P1,844.4, respectively.

1.2 RECENT TRANSACTIONS

On January 07, 2013, the Company approved the Treasury Buyback Program of up to Eight Hundred Million shares for a time period of twenty-four (24) months starting January 2013 from any stockholders who opt to divest their shareholdings in the Company subject to further shareholders approval in the next Annual or Special Stockholders meeting.

On March 05, 2013, CPI closed on a Placing and Subscription Transaction wherein it sold 800,000,000 million shares of stock in CPGI to investors ("Placing transaction") at a price of P2.05 per share. The top up placing and subscription transaction was implemented primarily to fund the company's continued growth in land bank within Metro Manila, and expand its projects in key select secondary cities outside Metro Manila.

Concurrently, CPI and the Company entered into the Subscription Agreement relating to the subscription by CPI to 800,000,000 new common shares of the Company ("Subscription transaction"). As a result of the Placing and Subscription Transaction the Company's public float increased from 27.3% to 33.3%.

1.3 SUBSIDIARIES

Below is the Company's percentage of ownership in its Subsidiaries as of the filing of this report.

	Percentage of Ownership as of the Filing of the Report	
	Direct	Indirect
Century Communities Corporation (CCC)	100	-
Century City Development Corporation (CCDC)	100	-
Century Limitless Corporation (CLC)	100	-
Century Properties Management Inc. (CPMI)	100	-
A2 Global, Inc.	-	49%

CPGI conducts its operations through four Subsidiaries, Century Communities Corporation ("CCC"), Century Properties Management, Inc. ("CPMI"), Century City Development Corporation ("CCDC") and Century Limitless Corporation ("CLC").

Century Communities Corporation

CCC, incorporated in 1994, is focused on horizontal house and lot developments. From the conceptualization to the sellout of a project, CCC provides experienced specialists who develop and execute the right strategy to successfully market a project. CCC is currently developing Canyon Ranch, a 25-hectare house and lot development located in Carmona, Cavite.

Century City Development Corporation

CCDC, incorporated in 2006, is focused on developing mixed-use communities that contain residences, office and retail properties. CCDC is currently developing Century City, a 3.4-hectare mixed-use development along Kalayaan Avenue in Makati City.

Century Limitless Corporation

CLC, incorporated in 2008, is Century's newest brand category that focuses on developing high-quality, affordable residential projects. Projects under CLC will cater to first-time home buyers, startup families and investors seeking safe, secure and convenient homes.

Century Properties Management, Inc.

CPMI, incorporated in 1989, is one of the largest property management companies in the Philippines, as measured by total gross floor area under management. As of June 30, 2013, CPMI currently has 47 projects in its portfolio, covering a total gross floor area of 2,292,904 sqm. CPMI has been awarded 18 safety and security distinctions from the Safety Organization of the Philippines.

A2 Global, Inc.

A2Global Inc is a newly formed company incorporated last March 22, 2013 wherein CPGI has a 49% shareholdings stake. A2Global shall act as a sub-lessee for the project initiatives of Asian Carmakers Corporation (ACC) and Century Properties Group Inc. in the development and construction of two towers, one for commercial offices and the other for a hotel, with an expected gross floor area of 30,000 sqm located in Fort, Bonifacio Global City Taguig. ACC is the lessee of the property owned by AFP-MBAI.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The accompanying consolidated financial statements include the financial statements of the Company and its subsidiaries (the Group). The accompanying consolidated financial statements have been prepared on a historical cost basis, except for investment properties and available-for-sale (AFS) financial assets that are measured at fair value. The consolidated financial statements are presented in Philippine Peso, the Group's functional currency. All values are rounded to the nearest peso except when otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at June 30, 2013 and December 31, 2012 and for each of the six months in the period ended June 30, 2013 and 2012.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests (NCI) represent the portion of profit or loss and net assets in subsidiaries not wholly owned and are presented separately in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of financial position, separately from total equity attributable to owners of the Company. Losses within a subsidiary are attributed to the NCI even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any NCI and the cumulative translation differences, recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the Company's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

Reverse acquisition involving a non-trading shell company

The share swap between CPI and the Company has been accounted for similar to a reverse acquisition of a non-trading shell company. Such transaction was accounted for in the consolidated financial statements of the legal parent as a continuation of the financial statements of the private entity (the legal subsidiary).

In accounting for such transaction, the comparative information presented in these consolidated financial statements is therefore that of the "CPI subs", not that originally presented in the previous financial statements of the legal parent (accounting acquiree, which in this case is CPGI), and also is retroactively adjusted to reflect the legal capital of CPGI.

Because these consolidated financial statements represent a continuation of the financial statements of the CPI Subsidiaries, except for its capital structure, the consolidated financial statements reflect:

a) the assets and liabilities of CPI Subs recognized and measured at their pre-share swap carrying amounts;
b) the retained earnings and other equity balances of the CPI Subs pre-share swap (i.e., not those of CPGI);
c) the total equity is that of the CPI Subs but the legal capital (common shares and APIC) would be that of CPGI;
d) any difference between (1) net assets of CPI Subs and (2) the sum of the legal capital of CPGI and the combined retained earnings of the CPI Subs, shall be accounted for as equity reserve; and
e) the income statement for the prior periods reflects that of the CPI Subs while the income statement for the current period reflects that of CPI Subs for the full period together with the post-share swap results of the Company.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) which became effective beginning January 1, 2012. Except, as otherwise indicated, the adoption of these new and amended standards and Philippine Interpretations did not have any significant effect on the consolidated financial statements.

Effective 2012

- Philippine Accounting Standard (PAS) 12 (Amendment), *Income Taxes - Deferred Tax: Recovery of Underlying Assets* – This amendment to PAS 12 clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in PAS 40, *Investment Property*, should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in PAS 16, *Property, Plant and Equipment*, always be measured on a sale basis of the asset.

- PFRS 7 (Amendment), *Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements* – The amendment requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the entity's financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets.

Effective 2013

- PAS 1, *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income or OCI* (Amendments) – The amendments to PAS 1 change the grouping of items presented in OCI. Items that can be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. The amendments affect presentation only and have no impact on the Group's financial position or performance. The amendments will be applied retrospectively and will result to the modification of the presentation of items of OCI.

- PAS 19, *Employee Benefits* (Revised) – The amendments to PAS 19 range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and rewording. The revised standard also requires new disclosures such as, among others, a sensitivity analysis for each significant actuarial assumption, information on asset-liability matching strategies, duration of the defined benefit obligation, and disaggregation of plan assets by nature and risk.

  The Group reviewed its existing employee benefits and determined that the amended standard has significant impact on its accounting for retirement benefits. The Group obtained the services of an external actuary to compute the impact to the financial statements upon adoption of the standard.

- PAS 27, *Separate Financial Statements* (as revised in 2011) – As a consequence of the new PFRS 10, *Consolidated Financial Statements* and PFRS 12, *Disclosure of Interests in Other Entities*, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements.

- PAS 28, *Investments in Associates and Joint Ventures* (as revised in 2011) – As a consequence of the new PFRS 11, *Joint Arrangements* and PFRS 12, PAS 28 has been renamed PAS 28, *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates.

- PFRS 7, *Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities* (Amendments) – These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information. This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:

  a) The gross amounts of those recognized financial assets and recognized financial liabilities;
  b) The amounts that are set off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
  c) The net amounts presented in the statement of financial position;
  d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
    i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
    ii. Amounts related to financial collateral (including cash collateral); and
    ii. The net amount after deducting the amounts in (d) from the amounts in (c) above.

  The amendments to PFRS 7 are to be applied retrospectively. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- PFRS 10, *Consolidated Financial Statements* – PFRS 10 replaces the portion of PAS 27, *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12, *Consolidation - Special Purpose Entities*. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27.

- PFRS 11, *Joint Arrangements* – PFRS 11 replaces PAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly-controlled Entities - Non-monetary Contributions by Venturers*. PFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method.

- PFRS 12, *Disclosure of Interests with Other Entities* – PFRS 12 includes all of the disclosures that were previously in PAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in PAS 31 and PAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required.

- PFRS 13, *Fair Value Measurement* – PFRS 13 establishes a single source of guidance under PFRSs for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. This standard should be applied prospectively as of the beginning of the annual period in which it is initially applied. The disclosure requirements of the standard need not be applied to comparative information provided for periods before initial application.

  The Group does not anticipate that the adoption of this standard will have a significant impact on its financial position and performance.

- Philippine Interpretation IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine* This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. This new interpretation is not relevant to the Group.

Improvements to PFRSs 2010

The Annual Improvements to PFRSs (2009-2011 cycle) contain non-urgent but necessary amendments to PFRSs. The amendments are effective for annual periods beginning on or after January 1, 2013 and are applied retrospectively. Earlier application is permitted.

- PFRS 1, *First-time Adoption of PFRS - Borrowing Costs* – The amendment clarifies that, upon adoption of PFRS, an entity that capitalized borrowing costs in accordance with its previous generally accepted accounting principles, may carry forward, without any adjustment, the amount previously capitalized in its opening statement of financial position at the date of transition. Subsequent to the adoption of PFRS, borrowing costs are recognized in accordance with PAS 23, *Borrowing Costs*. The amendment does not apply to the Group as it is not a first-time adopter of PFRS.

- PAS 1, *Presentation of Financial Statements - Clarification of the Requirements for Comparative Information* – The amendments clarify the requirements for comparative information that are disclosed voluntarily and those that are mandatory due to retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. On the other hand, supporting notes for the third balance sheet (mandatory when there is a retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements) are not required. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- PAS 16, *Property, Plant and Equipment - Classification of Servicing Equipment* – The amendment clarifies that spare parts, stand-by equipment and servicing equipment should be recognized as property, plant and equipment when they meet the definition of property, plant and equipment and should be recognized as inventory if otherwise. The amendment will not have any impact on the Group's financial position or performance.

- PAS 32, *Financial Instruments: Presentation - Tax Effect of Distribution to Holders of Equity Instruments* – The amendment clarifies that income taxes relating to distributions to equity holders and to transaction costs of an equity transaction are accounted for in accordance with PAS 12, *Income Taxes*.

- PAS 34, *Interim Financial Reporting - Interim Financial Reporting and Segment Information for Total Assets and Liabilities* – The amendment clarifies that the total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the entity's previous annual financial statements for that reportable segment. The amendment affects disclosures only and has no impact on the Group's financial position or performance

Future Changes in Accounting Policies

The Group will adopt the following new and amended standards and Philippine Interpretations enumerated below when these become effective. The Group does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on the consolidated financial statements.

Effective 2014

- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments) – The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments to PAS 32 are to be retrospectively applied and affect presentation only and have no impact on the Group's financial position or performance.

Effective 2015

- PFRS 9, *Financial Instruments: Classification and Measurement - PFRS 9*, as issued in 2010, reflects the first phase on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. The standard is effective for annual periods beginning on or after January 1, 2015. In subsequent phases, hedge accounting and impairment of financial assets will be addressed with the completion of this project expected on the first half of 2012. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on classification and measurements of financial liabilities.

  The Group does not expect to implement and adopt PFRS 9 until its effective date or until all chapters of new standards have been published. Nevertheless, management is currently assessing the impact of PFRS 9 on the financial statements of the Group and is committed to conduct a comprehensive study of the potential impact of this standard to assess the impact of all changes.

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*
  This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11 or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

The adoption of the Philippine Interpretation may significantly affect the determination of the revenue from real estate sales and the corresponding costs, and the related trade receivables, deferred tax liabilities and retained earnings accounts. The Group is in the process of quantifying the impact of the adoption of this Interpretation.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placement and are subject to an insignificant risk of change in value.

Financial Instruments

a) Date of recognition – The Group recognizes a financial asset or a financial liability in the parent company statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date. Derivatives are also recognized on a trade date basis.

b) Initial recognition of financial instruments – All financial assets and financial liabilities are initially recognized at fair value. Except for financial instruments at fair value through profit or loss (FVPL), the initial measurement of financial assets and liabilities includes transaction costs.

   The Group classifies its financial assets in the following categories: financial assets at FVPL, held-to-maturity (HTM) financial assets, AFS financial assets and loans and receivable. The Group classifies its financial liabilities into financial liabilities at FVPL, derivative liabilities and other financial liabilities. The classification depends on the purpose for which the investments were acquired and whether they are quoted in an active market. The Group determines the classification of its investment at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

   The Group's financial assets and financial liabilities are of the nature of loans and receivables, AFS financial assets, and other financial liabilities, respectively.

c) Determination of fair value – The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has been no significant change in economic circumstances since the time of the transaction.

   For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

d) Day 1 difference – Where the transaction price in a non-active market is different than the fair value from other observable current market transactions of the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. These are not entered into with the intention of immediate or short-term resale and are not designated as AFS or financial assets at FVPL. This accounting policy relates to the Group's statement of financial position captions "Cash and cash equivalents", "Receivables" (excluding receivables attributable to employees) and "Due from related parties."

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate method, less allowance for impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization, if any, is included in profit or loss.

The losses arising from impairment of loans and receivables are recognized in profit or loss under "Provision for impairment losses" account.

AFS financial assets

AFS financial assets are non-derivative financial assets which are designated as such or do not qualify to be classified as designated as at FVPL, HTM, or loans and receivables.

Financial assets may be designated at initial recognition as AFS if they are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions. AFS financial assets include equity investments.

After initial measurement, AFS financial assets are measured at fair value. The unrealized gains and losses arising from the fair valuation of AFS financial assets are in other comprehensive income and are reported as "Unrealized gain on AFS financial assets" in the Group's statement of financial position.

When the security is disposed of, the cumulative gain or loss, previously recognized under "Unrealized gain or loss on AFS financial assets" is recognized in profit or loss under "Other income" account or "Miscellaneous expenses" account. Where the Group holds more than one investment in the same security, these are deemed to be disposed of on a first-in, first-out basis. The losses arising from impairment of such investments are recognized in profit or loss under the "Miscellaneous expenses" account.

Other financial assets are classified as current assets when the Group has the contractual right to receive cash or another financial asset from another entity within twelve (12) months from the reporting date.

As of June 30, 2013 and December 2012, AFS financial assets comprise of quoted equity securities.

Other financial liabilities

Other financial liabilities pertain to issued financial instruments that are not classified or designated as financial liabilities at FVPL and contain contractual obligations to deliver cash or other financial assets to the holder or to settle the obligation other than the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

This accounting policy applies primarily to the Group's "Accounts and other payables", "Due to related parties", "Long-term debt", and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable and pension liabilities).

Other financial liabilities are classified as current liabilities when it is expected to be settled within 12 months from the financial position date or the Group does not have an unconditional right to defer settlement for at least 12 months from the reporting date.

Impairment of Financial Assets

The Group assesses at each 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. 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, the probability that they will enter bankruptcy or other financial reorganization 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.

Loans and receivables

For loans and receivables carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is charged to the profit or loss. Interest income continues to be recognized based on the original effective interest rate of the asset. Receivables, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

If the Group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized are not included in a collective assessment for impairment.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as type of counterparty, credit history, past due status and term.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

AFS financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

In the case of equity investments classified as AFS financial assets, this would include a significant or prolonged decline in the fair value of the investments below their costs. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in other comprehensive income - is removed from other comprehensive income and recognized in profit or loss. Impairment losses on equity investments are not reversed through profit or loss. Increases in fair value after impairment are recognized directly in other comprehensive income.

In the case of debt instruments classified as AFS financial assets, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Future interest income is based on the reduced carrying amount and is accrued based on the rate of interest used to discount future cash flows for the purpose of measuring impairment loss. Such accrual is recorded as part of "Interest income" in profit or loss. If, in subsequent year, the fair value of a debt instrument increased and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

Derecognition of Financial liability

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

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Group's statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Real Estate Inventories

Real estate inventories are carried at the lower of cost or net realizable value (NRV).

Cost includes those costs incurred for the development and improvement of the properties such as amounts paid to contractors for construction, capitalized borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale such as commissions.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of finance cost is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for development, but only where activities are necessary to prepare the asset for the development are in progress.

Interest in Joint Venture

Interest in joint venture is limited to jointly controlled operations entered into by the Group to various landowners for the development of the relevant real estate properties. A jointly controlled operation involves the use of assets and other resources of the Group and such landowners rather than the establishment of a corporation, partnership or other entity. The Group and such third parties recognize in their financial statements the assets that it controls and the liabilities that it incurs, the expenses it incurs and the share of income that it earns from the sale of goods or services by the joint venture. Accordingly, the Group recognized in the consolidated financial statements the relevant assets and liabilities to the extent of its contribution to the joint venture.

Investment Properties

Initially, investment properties are measured at cost including certain transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. The fair value of investment properties is determined by independent real estate valuation experts based on recent real estate transactions with similar characteristics and location to those of the Group's investment properties. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use. For a transfer from investment property to inventories, the change in use is evidenced by commencement of development with a view to sale. When the Group decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized and does not treat it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment.

For a transfer from investment property carried at fair value to inventories, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property plant and equipment have been put into operation, such as repairs and maintenance are normally charged against operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation and amortization of property and equipment commences once the property and equipment are put into operational use and is computed on a straight-line basis over the estimated useful life of the property and equipment as follows:

	Years
Office equipment	3 – 5
Computer equipment	3 – 5
Furniture and fixtures	3 – 5
Transportation equipment	5
Construction equipment	5

Leasehold improvements are amortized on a straight-line basis over the term of the lease or the estimated useful life of the asset of five (5) years, whichever is shorter.

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

When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization is charged against current operations.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the expense category of the profit or loss consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

As of June 30, 2013 and December 31, 2012, the Group's intangible assets consist of software costs and trademarks.

a) Software costs – Intangible assets include costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with identifiable and unique software controlled by the Group and will generate economic benefits exceeding costs beyond one year, are recognized as intangible assets to be measured at cost less accumulated amortization and accumulated impairment, if any.

   Expenditures which enhance or extend the performance of computer software programs beyond their original specifications are recognized as capital improvements and added to the original cost of the software. System development costs, recognized as assets, are amortized using the straight-line method over their useful lives, but not exceeding a period of 5 years. Where an indication of impairment exists, the carrying amount of system development costs is assessed and written down immediately to its recoverable amount. Otherwise, such costs are recognized as expense as incurred.

b) Trademarks – Licenses for use of intellectual property have been granted for a period of ten (10) years by the relevant government agency. The trademarks provide the option of renewal at little or no cost to the Group. As a result, those licenses are assessed as having indefinite useful life.

Impairment of Non-financial Assets

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of accumulated depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Equity

Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Retained Earnings

Retained earnings represent accumulated earnings of the Group less any dividends declared, if any.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

a) Real estate sales – the Group assesses whether it is probable that the economic benefits will flow to the Group when the sales prices are collectible. Collectibility of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property sufficient that the risk of loss through default motivates the buyer to honor its obligation to the seller. Collectibility is also assessed by considering factors such as the credit standing of the buyer, age and location of the property.

   Revenue from sales of completed real estate projects is accounted for using the full accrual method. In accordance with Philippine Interpretations Committee (PIC) Q&A No. 2006-01, the percentage-of-completion method is used to recognize income from sales of projects where the Group has material obligations under the sales contract to complete the project after the property is sold, the equitable interest has been transferred to the buyer, construction is beyond preliminary stage (i.e., engineering, design work, construction contracts execution, site clearance and preparation, excavation and the building foundation are finished), and the costs incurred or to be incurred can be measured reliably. Under this method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion of a physical proportion of the contract work.

   Any excess of collections over the recognized receivables are included in the "Customers' advances and deposits" account in the "Liabilities" section of the consolidated statement of financial position.

   If any of the criteria under the full accrual or percentage-of-completion method is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the "Customers' advances and deposits" account in the "Liabilities" section of the consolidated statement of financial position.

b) Interest income – Interest income is recognized as it accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

c) Income from cancelled sales – Income from cancelled sales is recognized when the deposits from potential buyers are deemed nonrefundable due to prescription of the period for entering into a contracted sale. Such income is also recognized, subject to the

provisions of Republic Act 6552, *Realty Installment Buyer Protection (Maceda Law)*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

d) Commission income – Commission income is recognized by reference to the percentage of collection of the agreed sales price or depending on the term of the sale as provided under the marketing agreement.

e) Dividend income – Dividend income is recognized when the Group's right to receive the payment is established.

f) Management fees – Revenue from property management and other services is recognized when the related services are rendered.

g) Other income – Other customer related fees such as penalties and surcharges are recognized as they accrue, taking into account the provisions of the related contract.

Cost and Expense Recognition

a) Cost of real estate sales – Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land plus its full development costs, which include estimated costs for future development works, as determined by the Group's in-house technical staff.

b) Commission and other selling expenses – Selling expenses such as commissions paid to sales or marketing agents on the sale of precompleted real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. These are recorded as "Deferred selling expenses" under "Prepayments and other current assets" account. Accordingly, when the percentage of completion method is used, commissions are likewise charged to expense in the period the related revenue is recognized.

c) General and administrative expenses – General and administrative expenses constitute costs of administering the business and are expensed as incurred.

Pension Cost

Retirement cost is computed using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with an option to accelerate when significant changes to underlying assumptions occur. Pension cost includes current service cost, interest cost, expected return on any plan assets, actuarial gains and losses, past service cost and the effect of any curtailment or settlement.

The liability recognized by the Group in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognized actuarial gains or losses and past service costs that shall be recognized in later periods. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating to the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses of the defined benefit plan at the end of the previous reporting year exceeded 10% of the higher of the present value of the defined benefit obligation and the fair value of plan assets at that date. These actuarial gains or losses are recognized over the expected average remaining working lives of the employees participating in the defined benefit plan.

The past service cost is recognized as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a retirement plan, past service cost is recognized immediately.

Operating Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a) There is a change in contractual terms, other than a renewal or extension of the arrangement;
b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
c) There is a change in the determination of whether fulfillment is dependent on a specified asset; or
d) There is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c), or (d) and at the date of renewal or extension period for scenario (b).

Leases where the lessor retains substantially all the risks and benefits of the ownership of the asset are classified as operating leases. Fixed lease payments are recognized on a straight-line basis over the lease while the variable rent is recognized as an expense based on the terms of the lease contract.

Income Taxes

a) Current tax – Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as of the reporting date.

b) Deferred tax – Deferred tax is provided, using the liability method, on temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

   Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluations. Deferred tax assets are recognized for all deductible temporary differences, carry forward benefit of unused tax credits from the excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits from excess MCIT over RCIT and unused NOLCO can be utilized. Deferred tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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

Foreign Currency Transactions

Transactions denominated in foreign currencies are initially recorded using the exchange rates prevailing at transaction dates. Foreign currency-denominated monetary assets and liabilities are retranslated using the closing exchange rates at reporting date. Exchange gains or losses arising from foreign currency transactions are credited or charged against current operations.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on the Group's business segments is presented in Note 4 to the consolidated financial statements.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Earnings Per Share

Basic earnings per share (EPS) is computed by dividing net income attributable to common stockholders by the weighted average number of common shares issued and outstanding during the year and adjusted to give retroactive effect to any stock dividends declared during the period. Diluted EPS is computed by dividing net income attributable to common equity holders by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares. The calculation of diluted EPS does not assume conversion, exercise or other issue of potential common shares that would have an antidilutive effect on earnings per share.

For purposes of the share swap transaction, the weighted average number of common shares outstanding (the denominator of the earnings per share calculation) is:

a) the number of common shares outstanding from the beginning of the year to the transaction date shall be computed on the basis of the weighted average number of common shares of the CPI subs outstanding during the period multiplied by the exchange ratio established in the share swap agreement; and
b) the number of common shares outstanding from the acquisition date to the reporting period shall be the actual number of ordinary shares of the Parent Company outstanding during that period.

The basic earnings per share for each comparative period before the share swap date presented in the consolidated financial statements following the share swap shall be calculated by dividing the profit or loss of CPI subs attributable to common shareholders in each of those periods by CPI subs's historical weighted average number of ordinary shares outstanding multiplied by the exchange ratio established in the share swap agreement.

As of June 30, 2013 and December 31, 2012, the Parent Company and CPI subs have no dilutive potential common shares.

Contingencies

Contingent liabilities are not recognized in the Group's financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the Group's financial statements but disclosed when an inflow of economic benefits is probable (see Note 17).

Events After the Reporting Period

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the Group's financial statements. Post year-end events that are not adjusting events are disclosed in the Group's financial statements when material.

3. SIGNIFICANT ACCOUNITNG JUDGMENTS AND ESTIMATES

The preparation of the Group's financial statements in compliance with PFRS requires the Group to make judgments and estimates that affect the amounts reported in the parent company financial statements and notes. The judgments, estimates and assumptions used in the accompanying Group's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Group's financial statements. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the Group's financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

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

a) Revenue and cost recognition – Selecting an appropriate revenue recognition method for a particular real estate sale transaction requires certain judgments based on, among others:
   - Buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment; and
   - Stage of completion of the project.

b) Collectibility of the Sales Price – In determining whether the sales prices are collectible, the Group considers that initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

c) Operating lease commitments (Group as lessee) – The Group has entered into contracts of lease with La Costa Development Corporation (formerly Penta Pacific Realty Corporation) and other unit owners of the Pacific Star Building for its administrative office location and model units for ongoing projects. The Group has determined that these are operating leases since it does not bear substantially all the significant risks and rewards of ownership of these properties. In determining significant risks and benefits of ownership, the Group considered, among others, the significance of the lease term as compared with the estimated useful life of the related asset.

d) Distinction between investment properties and land held for future development – The Group determines a property as investment property if such is not intended for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. Land held for future development comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction.

e) Distinction between investment properties and owner-occupied properties – The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

   Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

f) Distinction between real estate inventories and land held for future development – The Group determines whether a land qualifies as land held for future development once the Group has a concrete plan on how the land shall be developed the following year. The Group shall then classify the land as part of the real estate inventories upon the commencement of the actual development of the land.

g) Impairment of AFS financial assets – The Group treats AFS financial assets as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is 'significant' or 'prolonged' requires judgment. The Group treats 'significant' generally as 20% or more of the original cost of investment and 'prolonged' as greater than six (6) months for quoted equity securities. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

h) Provisions and Contingencies – The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material effect on the Group's financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

Management's Use of Estimates and Assumptions

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

a) Revenue and cost recognition – The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenue and costs. The Group's revenue from real estate recognized based on the percentage of completion are measured principally on the basis of the estimated completion of a physical proportion of the contract work, and by reference to the actual costs incurred to date over the estimated total costs of the project. The rate of completion is validated by the responsible department to determine whether it approximates the actual completion rate. Changes in estimate may affect the reported amounts of revenue and cost of real estate sales and receivables. Carrying value of the real estate receivables amounted to P6,200.38 million and P5,468.14 million as of June 30, 2013 and December 31, 2012, respectively (see Note 6).

b) Fair value of investment properties – The Group carries its investment properties at fair value, with changes in fair value being recognized in profit or loss. The Group engages independent valuation specialists to determine the fair value. For the investment property, the appraisers used a valuation technique based on comparable market data available for such properties. There was no gain or loss on changes in fair value of investment properties during the period ended June 30, 2013 and 2012. Carrying value of the investment properties amounted to P2,325.45 million and P1,920.13 million as of June 30, 2013 and December 31, 2012, respectively (see Note 11).

c) Estimating allowance for impairment losses – The Group reviews its loans and receivables at each reporting date to assess whether an allowance for impairment should be recorded in the consolidated statement of financial position and any changes thereto in profit or loss. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors. Actual results may also differ, resulting in future changes to the allowance.

The Group maintains allowance for impairment losses based on the result of the individual and collective assessment under PAS 39. Under the individual assessment, the Group is required to obtain the present value of estimated cash flows using the receivable's original effective interest rate. Impairment loss is determined as the difference between the receivables' carrying balance and the computed present value. Factors considered in individual assessment are payment history, past-due status and term. The collective assessment would require the Group to classify its receivables based on the credit risk characteristics (customer type, payment history, past due status and term) of the customers. Impairment loss is then determined based on historical loss experience of the receivables grouped per credit risk profile. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for the individual and collective assessments are based on management's judgment and estimate.

Therefore, the amount and timing of recorded expense for any period would differ depending on the judgments and estimates made for the period.

As of June 30, 2013 and December 2012, the allowance for impairment losses on receivables of the Group amounted to P11.6 million (see Note 6).

The carrying values of these assets as of June 30, 2013 are as follows (in million pesos):

Receivables (Note 6)	P	7,279.1
Due from related parties		166.2

d) Estimating NRV of real estate inventories and land held for future development – The Group reviews the NRV of real estate inventories and land held for future development and compares it with the cost since assets should not be carried in excess of amounts expected to be realized from sale. Real estate inventories and land held for future development are written down below cost when the estimated NRV is found to be lower than the cost.

NRV for completed real estate inventories and land held for future development is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group having taken suitable external advice and in light of recent market transactions.

NRV in respect of inventory under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction less an estimate of the time value of money to the date of completion. The estimates used took into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

The carrying values of these assets as of June 30, 2013 are as follows (in million pesos):

Real estate inventories (Note 7)	P	5,161.32
Land held for future development (Note 8)		1,196.45

e) Impairment of non-financial assets – The Group assesses impairment on its non-financial assets (e.g., property and equipment and intangible assets) and considers the following important indicators:

- Significant changes in asset usage;
- Significant decline in assets' market value;
- Obsolescence or physical damage of an asset;

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of usage of the acquired assets or the strategy for the Group's overall business; and
- Significant negative industry or economic trends.

The Group's intangible assets with indefinite life are tested for impairment annually. If such indications are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the asset's fair value less cost to sell. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to be generated from the continued use of the asset. The Group is required to make estimates and assumptions that can materially affect the carrying amount of the asset being assessed.

The carrying values of the non-financial assets as of June 30, 2013 are shown below (in million pesos).

Property and equipment	P	187.4
Intangible assets		2.8

f) Estimating useful lives of property and equipment and intangible assets – The Group estimates the useful lives of its property and equipment and intangible assets based on the period over which the assets are expected to be available for use. The Group reviews annually the estimated useful lives of these assets based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of these assets would increase depreciation and amortization expense and decrease noncurrent assets. Property and equipment amounted to P 187.42 million and P191.64 million as of June 30, 2013 and December 31, 2012.

g) Recognition of deferred tax assets – The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces the amounts to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Significant judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future planning strategies. The Group assessed its projected performance in determining the sufficiency of the future taxable income. As of June 30, 2013 and
December 31, 2012, carrying values of these assets amounted to P123.7 million and P430.5 million, respectively.

As of June 30, 2013 and December 31, 2012, the Group has unrecognized deferred tax assets amounting to P271.0 million, which pertain to NOLCO and MCIT. Management believes that it is not probable that sufficient taxable income will be available to allow all of the deferred tax assets to be utilized.

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h) Estimating pension obligations – The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates and salary increase rates. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension obligations.

The Group's pension liabilities amounted to P91.2 million and P90.1 million as of June 30, 2013 and December 31, 2012, respectively.

i) Fair value of financial instruments – Where the fair values of financial assets and financial liabilities recorded in the Group's statement of financial position or disclosed in the notes cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation.

4. SEGMENT REPORTING

Business segment information is reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources among operating segments. Accordingly, the segment information is reported based on the nature of service the Group is providing.

The segments where the Group operate follow:

- Real estate development - sale of high-end, upper middle-income and affordable residential lots and units and lease of residential developments under partnership agreements ·
- Property management - facilities management of the residential and corporate developments of the Group and other third party projects, including provision of technical and related consultancy services.

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. The details of the Group's operating segments as of and for the period ended June 30, 2013 are as follows (in million pesos):

	Real estate Development	Property Management	Adjustments/ Elimination	Consolidated
Revenue				
Real estate sales and property management fee and other services	P 4,574.8	P 138.5	P -	P 4,713.3
Cost and expenses				
Cost of real estate sales and services	2,648.7	86.8	-	2,735.5
General, administrative and selling expenses	973.6	35.4	-	1,009.0
Operating income	**952.5**	**16.3**	**-**	**968.8**
Other income/(expenses)				
Interest and other income	842.7	0.2	(265.1)	577.7
Interest and other financing charges	(56.3)	(0.2)	-	(56.5)
Income before tax	**1,738.9**	**16.3**	**-**	**1,490.0**
Provision for income tax	429.1	4.9	-	434.0
Net income	**1,309.8**	**11.4**	**(265.1)**	**1,056.0**
Net income attributable to:				
Owners of the parent company	1,309.8	11.4	(265.1)	1,056.0
Non-controlling interest	-	-	-	-
	1,309.8	**11.4**	**(265.1)**	**1,056.0**

Other information				
Segment assets	27,521.1	127.5	(5,150.2)	22,498.4
Deferred tax assets	116.4	7.2	-	123.6
Total assets	**27,637.5**	**134.7**	**(5,150.2)**	**22,622.0**
Segment liabilities	10,357.4	104.7	2.2	10,464.3
Deferred tax liabilities	1,452.0	-	-	1,452.0
Total liabilities	**11,809.4**	**104.7**	**2.2**	**11,916.3**

5. CASH AND CASH EQUIVALENTS

This account consists of:

Cash on hand and in banks	P	1,058.5
Cash equivalents		736.0
	P	**1,794.5**

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 at the prevailing short-term rates. ranging from 1.5% to 4.5%.

6. RECEIVABLES

This account consists of:

Trade receivables		
Real estate	P	6,200.4
Management fee		71.8
Auction fee and commissions		2.4
Receivable from employees		319.9
Advances to customers		53.2
Other receivables		643.0
		7,290.7
Allowance for impairment losses	(	11.6)
		7,279.1
Noncurrent portion of real estate receivables		1,249.6
	P	**6,029.5**

Real estate receivables pertain to receivables from the sale of real estate properties including residential condominium units and subdivision house and lots. These are collectible in monthly installments over a period of one to five years and bear no interest. Titles to real estate properties are not transferred to the buyer until full payment has been made.

Management fees are revenues arising from property management contracts. These are collectible on a 15- to 30-day basis depending on the terms of the service agreement.

Auction fees and commissions are revenues earned by the Group in facilitating auction of properties and in marketing real estate properties developed by third parties and affiliates. Receivable from auction fees and commissions are due within 30 days upon billing.

Receivable from employees pertain to cash advances for retitling costs, taxes and other operational and corporate-related expenses. This also includes salary and other loans granted to the employees and are recoverable through salary deductions.

Advances to customers pertain to expenses paid by the Group in behalf of the customers for the taxes and other costs incurred in securing the title in the name of the customers. These receivables are billed separately to the respective buyers and are expected to be collected within one (1) year.

Other receivables pertain to the amount collectible from customers related to accruals made by the Group for VAT on real estate sales. These will be collected along with the monthly installments from customers over a period of one to five years. Other receivables are due and demandable and bear no interest.

7. REAL ESTATE INVENTORIES

This account represents the real estate projects for which the Group has been granted license to sell by the Housing and Land Use Regulatory Board of the Philippines. Details of this account follow:

Condominium units		5,082.6
Residential house and lots		78.7
		5,161.3

The rollforward of this account follows:

At January 1	P	3,951.8
Construction costs incurred		3,666.0
Borrowing cost capitalized		192.2
Cost of real estate sales	(	2,648.7)
At June 30	**P**	**5,161.3**

General borrowings were used to finance the Group's ongoing real estate projects. The related borrowing costs were capitalized as part of real estate inventories. The capitalization rate used to determine the borrowings eligible for capitalization ranges from 7.0% to 10.0%.

Real estate inventories recognized as "Cost of real estate sales" amounted to P2,648.7 million.
Such cost of sales is derived based on the standard cost for the current reporting period.

8. LAND HELD FOR FUTURE DEVELOPMENT

Land held for future development consists of parcels of lot acquired by the Group for future real estate development. This account consists of:

Land held by CCDC	P	1,065.4
Land held by CLC		131.1
	P	**1,196.5**

9. ADVANCES TO SUPPLIERS AND CONTRACTORS

Advances to suppliers and contractors amounting to P1,015.0 million as of June 30, 2013 are recouped upon every progress billing payment depending on the percentage of accomplishment.

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10. PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

Deferred selling expenses	P	900.9
Input taxes		793.0
Advances to land owners		919.7
Prepaid expenses		301.2
Creditable withholding taxes		266.8
Tax credit certificates		1.0
Others		49.3
	P	**3,231.9**

Deferred selling expenses pertain to costs incurred in selling real estate projects prior to its development. These capitalized costs shall be charged to expense in the period in which the construction begins and the related revenue is recognized.

Advances to land owners represent the minimum share of the lot property owners in relation to the joint venture projects of the Group. In accordance with the respective joint venture agreements, CCC and CLC advanced these shares in significant installments throughout the term of the project. The advances shall be deducted from the proceeds of the sales and collection of the land owners' units. Management has assessed that the settlement of these advances is within one year based on the pre-selling and development activities that are currently in progress. In addition, this includes the expenses shouldered by CLC that are attributable to the land owners in accordance with the joint venture agreement, which shall also be applied to the subsequent remittance on the land owners' share in the joint venture project.

Tax credit certificates pertain to the Group's claims granted by the Bureau of Internal Revenue in relation to income and value added tax refunds.

Creditable withholding taxes are attributable to taxes withheld by third parties arising from property management fees.

Input taxes are fully realizable and will be applied against output VAT. Tax credit certificates and creditable withholding taxes will be applied against income tax payable. Prepaid expenses mostly pertain to prepayments of insurance premiums which will be applied throughout the remaining term of the related contracts. Balances include prepayments pertaining to marketing expenses which will be expensed upon the recognition of the revenue on the related project.

11. INVESTMENT PROPERTIES

Movements in this account follow:

At January 1	P	1,920.1
Improvements		405.3
At June 30	**P**	**2,325.4**

Investment properties with an original cost of P170.8 million represent the portions CCDC lots that are intended to be developed for commercial and retail purposes and to be subsequently leased out to third parties. The Group's investment properties are classified as shown below:

Undeveloped land	P	1,861.7
Under construction		463.7
At June 30	**P**	**2,325.4**

Investment properties are stated at fair value, which has been determined based on valuations performed by Cuervo Appraisers, Inc., an accredited independent valuer, as of December 31, 2012. Cuervo Appraisers, Inc. is an industry specialist in valuing these types of investment properties. The value of the land was estimated by using the Sales Comparison Approach, an approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison.

The Group implemented changes in the business plan for certain lots of the ISMI properties previously intended for leasing purposes during the following periods:.

In 2010, one of the lots with a fair value of P427.9 million was utilized for the development of Centuria Medical Towers, a project of Centuria Medical Development Corporation, wherein the relevant units will be for sale. Such property was reclassified under the “Real estate inventories” with the latest fair value of the lot as its deemed cost.

In 2011, lots with fair value of P1,019.8 million and P339.0 million will be developed by the Group into a residential condominium building and commercial and office buildings, respectively, which will be available for sale.

Except for the change in the fair value investment properties, the Group did not earn any revenue from the use of the said real properties or incurred any direct operating expenses in relation to these investment properties.

12. OTHER NON-CURRENT ASSETS

This account consists of:

Rental deposits	P	21.6
Plan assets		2.5
Others		106.2
	P	**130.3**

Rental deposits mostly pertain to security deposits held and applied in relation to the Group’s lease contracts for their administrative and sales offices. The deposits are noninterest-bearing and are recoverable through application of rentals at the end of the lease term.

13. ACCOUNTS AND OTHER PAYABLES

This account consists of:

Accounts payable	P	3,909.7
Accrued expenses		239.2
Retention payable		49.5
Payable to Manila Jockey Club, Inc. (MJCI)		10.5
Funds held in trust		31.1
Other payables		66.3
	P	**4,306.3**

Accounts payable are attributable to the construction costs incurred by the Group. These are noninterest-bearing and are normally settled on 15-to 60-day terms. Accrued expenses consist mainly of utilities, marketing costs, professional fees, communication, transportation and travel, security, insurance, representation and taxes payable.

Payable to MJCI pertains to the unremitted share of MJCI on the sales of a joint venture project with CCC. The respective payables on MJCI's share over the sold units are expected to be settled upon turn-over of the units to the buyers within the year.

Retention payables are noninterest-bearing and are normally settled on a 30-day term upon completion of the relevant contracts. Other payables consist mainly of payments received by the Group in behalf of Penta Pacific Realty Corporation (Penta Pacific) for the sales management transaction between CPMI and Penta Pacific.

14. CUSTOMERS' ADVANCES AND DEPOSITS

The Group requires buyers of residential units to pay a minimum percentage of the total selling price as deposit before a sale transaction is recognized. In relation to this, the customers' advances and deposits represent payments from buyers which have not reached the minimum required percentage. When the level of required payment is reached by the buyer, a sale is recognized and these deposits and down payments will be applied against the related installment contracts receivable.

The account also includes the excess of collections over the recognized receivables based on percentage of completion. As of June 30, 2013 customers' advances and deposits amounted to P1,968.9 million.

15. SHORT-TERM AND LONG-TERM DEBT

Short-term Debt
Short-term debt consists of:

Bank loans - Philippine Peso	P	8.2
Trust receipts		263.5
	P	**271.7**

Trust receipts (TRs) are obtained for the purchase of construction materials for CCDC's projects with fixed interest rate of 8.5% per annum payable monthly in arrears and full payment of principal balance is at maturity of one year with option to prepay.

Bank loans, pertain to short-term promissory note (PN) amounting to ₱5.0 million which was obtained in 2009 from a local bank for CPMI's additional working capital requirements. This was renewed by CPMI each year for the same terms and rates of interest. The PN has a term of one (1) year, the full payment of which is to be made at maturity date at a fixed interest rate of 6.74% per annum (p.a.).

Long-term Debt

Long-term debt consists of:

Subsidiaries:		
Payable under CTS financing	P	836.1
Bank loan - Philippine Peso		2,775.3
		3,611.4
Less current portion	(	243.7)
	P	**3,367.7**

Payable under CTS financing

In 2013 and 2012, CCDC obtained various loans from a local bank through credit line facilities via receivable financing amounting to ₱130.0 million and ₱903.2 million, respectively.

The proceeds of the loans were used in the construction of its real estate projects subject to interest rate ranging from 7.5% to 10.0% per annum. The related promissory notes have terms ranging from thirty-six (36) to forty-eight (48) months and are secured by the buyer's post-dated checks, the corresponding CTS, and parcels of land held by the Company. CCDC retains the assigned receivables in the "Trade receivables" account and records the proceeds from these sales as "Long-term debt" (see Note 5).

In 2012, CPGI, MDC and CMDC also obtained CTS financing from local banks amounting to ₱107.9, ₱175.0 million and ₱50.0 million respectively. These loans bear fixed interest rates of 5.9% for CPGI, 7.9% for MDC and 10.0% for CMDC.

Bank loan – Philippine Peso

In 2012, CPGI obtained a peso-denominated loan from a local bank amounting to ₱60.0 million with a term of two years at interest rate of 6% per annum. CPGI uses the 21st floor of the Pacific Star Building as collateral for the loan.

In 2013 and 2012, CCDC obtained loans from local banks amounting to ₱110.8 million and ₱606.7 million, respectively to finance the construction costs of its projects. at interest rate ranging from 7.0% to 7.5% payable monthly in three years.

In 2013 and 2012, MDC increased their funding requirements to finance the construction of the Milano Residences. MDC obtained a peso-denominated loan from a local bank amounting to ₱35.0 million and ₱413.4 million with a term of up to five years at interest rate of 10.0% per annum.

During 2013 and 2012, CLC obtained a peso-denominated loan from a local bank amounting to ₱50.0 million ₱1,000.0 million, respectively, with a term of two years at interest rate of 1% per annum or the prevailing three month PDST-F on Interest Setting Date plus a credit spread of 3.5% per annum, whichever is higher. Principal repayment is scheduled within two years from and after the date of the initial borrowing, inclusive of a grace period of one year on principal repayment.

These bank loans contain negative covenant that the Group's payment of dividend is subject to certain financial ratios.

Car loan financing

In 2012 and 2011, the Group, through CCDC and CPMI, entered into bank financing agreement for installment payments of its transportation equipments amounting to nil and ₱4.7 million, respectively. The said assets were acquired under a joint financing plan between the Group and its managerial level employees and are capitalized and depreciated over their EUL of five years. The same transportation equipment are held on chattel mortgage by the bank as security. The loan, which bears interest ranging from 12.2% to 12.9% and payable within (5) years, amounted to ₱1.1 million and ₱2.0 million as of December 31, 2012 and 2011, respectively.

In 2011, CLC obtained a car loan from a local bank amounting to ₱0.85 million and bears interest at 17.30% per annum payable in (2) years, to finance the acquired transportation equipment. As of June 30, 2013 and December 31, 2012, outstanding balance of this loan amounted to nil.

Interest Expense
Interest expense recognized during the six months ended June 30, 2013 for the short-term and long-term debts amounted to P192.2 million.

16. EQUITY

Capital Stock
The details of the Company's common shares follow:

	As of December 2012	As of 30 June 2013
Authorized shares	10,000,000,000	10,000,000,000
Par value per share	P0.53	P0.53
Issued and subscribed shares	8,899,724,027	9,695,287,027
Treasury Shares		9,437,000

On February 09, 2000, the Company was listed with the Philippine Stock Exchange with a total of 3,554,720,004 common shares, issued, paid and outstanding out of the authorized capital stock of 6,000,000,000 shares. The offering of the shares was at P1.00 per share. As of June 30, 2013, there are 478 holders of the Company's common stock.

On August 17, 2011, the Company's BOD approved the increase in authorized capital stock of the Company from P6,000.0 million divided into 6,000,000,000 shares to P10,000.0 million divided into 10,000,000,000 shares with par value of P1.00 per share.

On October 27, 2011, the Company's application for increase in authorized common stock was approved by the SEC.

Share swap
On October 27, 2011, CPI subscribed to 4,011,671,023 shares of CPGI at a subscription price of P1.0 per share for a total of P4,011.7 million which is equivalent to the aggregate book value of CPI's shares in CPI subs as of July 31, 2011. This resulted to an increase in the capital stock account of the Company amounting to P4,011.7 million. Also on the same date, the net assets of CPGI were consolidated amounting to P1.8 million.

Additional paid-in capital
On May 24, 2011, EPHE and EPPECI agreed to condone, release and waive all claims against the Company. The condoned payable to stockholders amounting to a total of P105.6 million was recognized as additional paid-in capital.

Retained earnings
Retained earnings include the accumulated equity in undistributed net earnings of consolidated subsidiaries amounting to P 3,087.7 million as of June 30, 2013.

On April13, 2012, the Board of Directors of CPGI declared its dividend distribution amounting to P89,449,496 from its unrestricted retained earnings as of December 31, 2011 to stockholders on record date April 27, 2012.

On April 15, 2013, the BOD of the Parent Company approved the declaration of cash dividends amounting to Pesos: One Hundred Eighty Four Million Four Hundred Thirty Six Thousand One Hundred Ninety Three (Php184,436,193.0) for distribution to the stockholders of CPGI of record date as of April 29, 2013.

Quasi-reorganization
On August 17, 2011, the Company's BOD approved the equity restructuring of the Company as follows:

a) the balance of additional paid-in capital amounting to P2,875.8 million to be applied against the Company's deficit balance;
b) decrease in the par value of the Company's common shares from P1.0 per share to P0.53 per share; and;
c) the resulting additional paid-in capital from the reduction in the par value of the common shares to be applied against the Company's deficit balance.

On October 28, 2011, the SEC approved the Company's capital restructuring. The table below summarizes the effects of the equity restructuring in the stand alone financial statements of the Company:

	Before the restructuring	Adjustments (a)	(b)	(c)	After the restructuring
Capital stock	P 3,554,720,004	P 4,011,671,023	(P 3,556,203,786)	P -	P 4,010,187,241
Additional paid-in capital	2,875,763,624	-	P3,556,203,786	(6,428,731,956)	3,253,454
Deficit	(6,428,731,956)	-	-	6,428,731,956	-
	P 1,751,672	P 4,011,671,023	P -	P -	P 4,013,422,695

(a) Subscription of 4,011,671,023 common shares by CPI.
(b) Decrease in the par value of the Company's common shares from P1.00 per share to P0.53 per share.
(c) Application of the additional paid-in capital against the Company's deficit balance.

As part of the above capital restructuring, the Company applied the balance of additional paid-in capital amounting P6,428.7 million against equity reserves at the consolidated level.

Placing and Subscription Transaction
On February 20, 2012, CPI closed on a Placing and Subscription Transaction wherein it sold 1,333,333,000 shares of stock in CPGI to new investors ("Placing Tranche") at a price of P1.75 per share. Concurrently, it used the gross proceeds from the Placing Tranche, totaling Two Billion Three Hundred Thirty-Three Million, Three Hundred Thirty-Two Thousand Seven Hundred Fifty (Php2,333,332,750) to re-subscribe to new 1,333,333,000 shares of stock in CPGI ("Subscription Tranche").

On January 07, 2013, CPGI implement a share buy-back option program up to Eight Hundred Million Pesos (P800,000,000) worth of shares for a time period of up to twenty-four (24) months.

On March 05, 2013, with CPI, Standard Chartered Securities (Singapore) Pte. Limited (Standard Chartered) and Macquarie Capital (Singapore) Pte. Limited (Macquarie wherein CPI has appointed Standard Chartered and Macquarie to offer 800,000,000 exisiting common shares (the Offer Shares) of the Parent Company at P2.05 per share (the Offer Price) outside the United States in reliance on Regulation S and under U.S. Securities Act. On the same day, the Parent Company and CPI entered into a Subscription Agreement wherein CPI has agreed to subscribe for the new common shares to be issued by the Parent Company in an amount equal to the number of the Offer Shares sold by CPI at a price equal to the Offer Price.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong and healthy consolidated statement of financial position to support its current business operations and drive its expansion and growth in the future.

The Group maintains its current capital structure, and will make adjustments, if necessary, in order to generate a reasonable level of returns to shareholders over the long term. No changes were made in the objectives, policies or processes during the second quarter of 2013. Equity, which the Group considers as capital, pertains to the equity attributable to equity holders of the Company excluding equity reserve and loss on AFS financial assets amounting to a total of P10,717.4 million as of June 30, 2013.

The Group is not subject to externally imposed capital requirements.

17. PROVISIONS AND CONTINGENCIES

Some members of the Group are contingently liable for lawsuits or claims filed by third parties (including civil, criminal and administrative lawsuits and other legal actions and proceedings arising in the ordinary course of their business that are pending decision by the relevant court, tribunal or body and the final outcomes of which are not presently determinable). In the opinion of management and its legal counsels, given the present status of these cases, legal actions and proceedings, the eventual liability under these lawsuits or claims in the event adversely determined against such member of the Group, will not have a material or adverse effect on the Group's financial position and results of operations.

The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of these lawsuits, claims or assessments. No provisions were made during the period.

18. FINANCIAL INSTRUMENTS

Fair Value Information
The table below presents the carrying amounts and fair value of the Group's financial assets and liabilities are as follows:

	June 2013		December 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Loans and receivables				
Cash and cash equivalents	P 1,794.5	P 1,794.5	P 901.8	P 901.8
Receivables				
Trade receivables				
Real estate	6,200.4	6,368.7	5,468.1	5,636.8
Management fee	71.8	71.8	48.9	48.9
Auction fee and Commissions	2.4	2.4	1.4	1.4
Advances to customers	53.2	53.2	36.2	36.2
Receivable from employees	319.9	319.9	132.3	132.3
Other receivables	643.0	643.0	1,002.1	1,002.1
Due from related parties	166.2	166.2	166.2	166.2
	9,251.4	9,419.7	7,756.9	7,925.7
AFS financial assets	7.9	7.9	8.0	8,0
Total Financial Assets	P 9,259.3	P 9,427.6	P 7,764.9	P 7,933.7
Other financial liabilities				
Accounts and other payables				
Accounts payable	3,909.7	3,909.7	2,099.2	2,099.2
Accrued expenses	239.2	239.2	428.6	428.6
Payable to MJCI	10.5	10.5	10.9	10.9
Retention payable	49.5	49.5	42.2	42.2
Other payables	66.2	66.2	39.1	39.1
Due to related parties	113.0	113.0	361.0	361.0
Short-term debt	271.7	271.7	353.6	353.6
Long-term debt	3,611.4	3,725.4	3,307.4	3,421.5
Liability from purchased land	30.7	30.7	30.7	33.9
Total Financial Liabilities	P 8,301.9	P 8,416.1	P 6,673.7	P 6,974.0

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Financial assets
Cash and cash equivalents, receivables (excluding real estate receivables with more than one year tenor) and due from related parties - Carrying amounts approximate fair values due to the shortterm maturities of these instruments.

Noncurrent real estate receivables - Fair value is based on undiscounted value of future cash flows using the prevailing interest rates for similar types of receivables as of the reporting date using the remaining terms of maturity. The discount rate used ranged from 3.2% to 8.0% or the period ending June 30, 2013 and year ended December 31, 2012.

AFS financial assets - Fair values are based on quoted prices published in the market.

Other financial liabilities
The fair values of accounts and other payables, due to related parties and short-term debt approximate the carrying amount due to the short-term maturities of these instruments.

The fair value of long-term debt and liability from purchased land are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. The discount rates used for long-term debt ranged from 2.5% to 4.4% as of June 30, 2013 and December 31, 2012.

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

Level 1: quoted (unadjusted prices) in active markets for identical assets and liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As of June 30, 2013 and December 31, 2012, the Group held AFS financial assets comprising of quoted equity securities which are measured at fair value. Accordingly, such investments are classified under Level 1. The Group has no financial instruments measured under Level 2 and 3. In 2013 and 2012, the Group did not have transfers between Level 1 and 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

Financial Risk Management Policies and Objectives
The Group has various financial assets and liabilities such as cash, receivables, accounts and other payables and due to related parties, which arise directly from its operations. The Group has availed short-term and long-term debt for financing purposes.

Exposure to credit, interest rate and liquidity risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The Group's BOD reviews and approves the policies for managing each of these risks and they are summarized below:

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group trades only with recognized, creditworthy third parties. The Group's receivables are monitored on an ongoing basis resulting to manageable exposure to bad debts. Real estate buyers are subject to standard credit check procedures which are calibrated based on the payment scheme offered. The Group's respective credit management units conduct a comprehensive credit investigation and evaluation of each buyer to establish creditworthiness.

Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts. In addition, the credit risk for real estate receivables is mitigated as the Group has the right to cancel the sales contract without need for any court action and take possession of the subject house in case of refusal by the buyer to pay on time the due installment contracts receivable. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and AFS financial assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group transacts only with institutions or banks which have demonstrated financial soundness for the past 5 years.

The Group has no significant concentrations of credit risk.

The table below shows the maximum exposure to credit risk for the components of the consolidated statements of financial position.

[Amount in millions]		Unaudited 30-June-13		Audited 31-Dec-12
Cash and cash equivalents*	P	1,794.5	P	901.7
Receivables				
Trade receivables				
Real estate		6,200.4		5,468.1
Management fee		71.8		48.9
Auction fee and commissions		2.4		1.4
Advances to customers		53.2		36.1
Receivable from employees		319.9		132.3
Other receivables		643.0		1,002.1
Due from related parties		166.2		166.2
AFS financial assets		7.9		8.0
Total credit risk exposure	P	9,259.3	P	7,764.8

**Excludes cash on hand*

The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements. The subject real estate units are held as collateral for all installment contracts receivable.

As of June 30, 2013 and December 31, 2012, the aging analysis of the Group's receivables presented per class is as follows:

June 30, 2013 [Amount in millions]

	Neither Past Due nor Impaired	Past due but not impaired				Impaired Financial	
	<30 days	30-60 days	60-90 days	90-120 days	>120 days	Assets	Total
Receivables							
Trade receivables							
Real estate	6,096.7	7.0	7.7	6.0	82.8	-	6,200.4
Management fee	71.8	-	-	-	-	-	71.8
Auction fee and commissions	2.4	-	-	-	-	-	2.4
Advances to customers	53.3	-	-	-	-	-	53.3
Receivable from employees	319.9	-	-	-	-	-	319.9
Other receivables	631.4	-	-	-	-	11.6	643.0
Due from related parties	166.2	-	-	-	-	-	166.2
Total	7,341.7	7.0	7.7	6.0	82.8	11.6	7,456.9

December – 2012 [Amount in millions]

	Neither Past Due nor Impaired	Past due but not impaired				Impaired Financial	
	<30 days	30-60 days	60-90 days	90-120 days	>120 days	Assets	Total
Receivables							
Trade receivables							
Real estate	5,468.1	-	-	-	-	-	5,468.1
Management fee	48.9	-	-	-	-	2.7	51.6
Auction fee and commissions	1.4	-	-	-	-	1.0	2.4
Advances to customers	36.1	-	-	-	-	-	36.1
Receivable from employees	132.3	-	-	-	-	-	132.3
Other receivables	1,002.1	-	-	-	-	-	1,002.1
Due from related parties	166.2	-	-	-	-	-	166.2
Total	6,855.1	-	-	-	-	3.7	6,858.8

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or the counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and advances from related parties. The Group considers its available funds and its liquidity in managing its long-term financial requirements. It matches its projected cash flows to the projected amortization of long-term borrowings. For its short-term funding, the Group's policy is to ensure that there are sufficient operating inflows to match repayments of short-term debt.

The following table shows the maturity profile of the Group's financial assets used for liquidity purposes and liabilities based on contractual undiscounted payments:

	June – 2013 [Amount in millions]			
	Within 1 Year	1-5 years	More than 5 years	Total – Gross
Financial assets				
Cash and cash equivalent	1,794.5	-	-	1,794.5
Receivables				
Trade receivables				
Real estate	4,950.8	1,249.6	-	6,200.4
Management fee	71.8	-	-	71.8
Auction fee and commissions	2.4	-	-	2.4
Receivable from employees	319.9	-	-	319.9
Advances to customers	53.3	-	-	53.3
Other receivables	631.4	-	11.6	643.0
Due from related parties	166.2	-	-	166.2
	7,990.2	1,249.6	11.6	9,251.4
Financial liabilities				
Accounts and other payables	4,306.3	-	-	4,306.3
Due to related parties	113.0	-	-	113.0
Short-term debt	271.7	-	-	271.7
Long-term debt	243.7	3,367.7	-	3,611.4
Liability from purchased land	2.4	28.3	-	30.7
	4,937.1	3,396.0	-	8,333.1
Interest Payable	-	-	-	-

CENTURY PROPERTIES GROUP, INC.

	December – 2012 [Amount in millions]			
	Within 1 Year	1-5 years	More than 5 years	Total – Gross
Financial assets				
Cash and cash equivalent	901.8	-	-	901.8
Receivables				
Trade receivables				
Real estate	4,879.4	588.7	-	5,468.1
Management fee	48.9	-	-	48.9
Auction fee and commissions	1.4	-	-	1.4
Advances to customers	36.2	-	-	36.2
Receivable from employees	132.3	-	-	132.3
Other receivables	1,002.1	-	-	1,002.1
Due from related parties	166.2	-	-	166.2
	7,168.2	588.7	-	7,756.9
Financial liabilities				
Accounts and other payables	2,869.0	-	-	2,869.0
Due to related parties	113.0	-	-	113.0
Short-term debt	354.9	-	-	353.6
Long-term debt	388.0	2,919.4	-	3,307.4
Liability from purchased land	-	30.7	-	30.7
	3,723.6	2,950.1	-	8,475.5
Interest Payable	6.1	-	-	6.1

Foreign currency risk

Financial assets and credit facilities of the Group, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso. There are only minimal placements in foreign currencies and the Group does not have any foreign currency-denominated debt. As such, the Group's foreign currency risk is minimal.

Interest rate risk

Interest rate risk is the risk that changes in the market interest rates will reduce the Group's current or future earnings and/or economic value. The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest bearing debt obligations with floating interest rates or rates subject to repricing as it can cause a change in the amount of interest payments.

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EXHIBIT 1

Schedule of Financial Soundness Indicators
June 30, 2013 and June 30, 2012

	As of June 30	
	2013	**2012**
Current Ratio	**1.3x**	**1.1x**
Debt to Equity Ratio	**0.4x**	**0.1x**
Asset to Equity Ratio	**2.6x**	**2.4x**
	For the six months ended	
	2013	**2012**
Return on Assets (Annualized)	**10.3%**	**15.7%**
Return on Equity (Annualized)	**22.3%**	**32.3%**
EBIT	**1,546.5**	**1,307.9**
EBITDA	**1,580.0**	**1,331.2**
Total Debt	**3,883.1**	**1,409.0**
Net Debt	**2,088.6**	**752.1**
Gross Profit from Real Estate Sales Margin	**45.8%**	**42.7%**
Net Income Margin	**20.0%**	**19.1%**
Net debt-to-equity ratio	**0.2x**	**0.1x**
Debt-to-EBITDA ratio	**1.2x**	**0.5x**
Net debt-to-EBITDA ratio	**0.7x**	**0.3x**

Notes:

(1) Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two).

(2) Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two).

(3) EBIT is calculated as net income after adding back interest expense and provision for income tax. EBITDA is calculated as net income after adding back interest expense, depreciation and amortization and provision for income tax

(4) Net debt is calculated as total debt less cash and cash equivalents as of the end of the period.

(5) Gross profit from real estate sales margin is calculated as the sum of real estate sales and accretion of unamortized discount (which we record under interest and other income), less the cost of real estate sales, as a percentage of the sum of real estate sales and accretion of unamortized discount, for the period. We believe that including accretion of unamortized discount in this calculation is a useful measure of the profitability of our real estate operations because such unamortized discount forms part of the original contract price of the sales contracts.

(6) Net margin is calculated as net income as a percentage of revenue for the period.

(7) Net debt-to-equity ratio is calculated as net debt divided by total equity as of the end of the period.

(8) Debt-to-EBITDA ratio is calculated as total debt as of the end of the period divided by EBITDA for the period calculated on an annualized basis.

(9) Net debt to EBITDA ratio is calculated as net debt as of the end of the period divided by EBITDA for the period calculated on an annualized basis.

(10) This ratio is obtained by dividing the Current Assets of the Group by its Current liabilities. This ratio is used as a test of the Group's liquidity.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations covering 1st Half of 2013 vs 1st Half of 2012

Revenues

Real Estate

The Group recorded revenue from real estate sales amounting to P4,574.8 million for the six months ended June 30, 2013, an increase of 0.9% from P4,534.5 million in same period last year. Movement in this period's revenue was due primarily to full completion of Gramercy, Rio and Santorini and significant construction accomplishments of The Knightsbridge Residences, The Milano Residences, Centuria Medial Building, and the St. Tropez, Miami and Positano Buildings in Azure Urban Resort Residences, as well as Niagara, Sutherland Dettifoss and Livingstone Buildings of Acqua Private Residences and Canyon Ranch.

The Group account for real estate revenue from completed housing and condominium units and lots using the full accrual method. The Group uses the percentage of completion method, on a unit by unit basis, to recognize income from sales where the Group has material obligations under the sales contract to complete after the property is sold. Under this method, revenue is recognize as the related obligations are fulfilled, measured principally in relation to actual costs incurred to date over the total estimated costs. The Group requires payment of 20% to 60% of the total contract price, depending on the type of property being purchased, and buyers are given the duration of the construction period to complete such payment. In determining whether the sales prices are collectible, the Group considers that initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

- Real estate revenue of Century City buildings decreased by 48.8% to P1,478.8 million in the six months ended June 30, 2013 from P2,890.0 million for the period ended June 30, 2012. This was primarily attributable to the completion of Gramercy in 2012. Recognized revenue for the quarter ended June 30, 2013 pertains to the overall completion of Knightsbridge, Trump, Milano and Centuria's sold inventories. Century City buildings cater to the middle income and luxury segment of the market.

- Real estate revenue of Azure buildings increased by only 2.1% to P1,289.1 million in the six months ended June 30, 2013 from P1,262.3 million for the period ended June 30, 2012. This was primarily attributable to full completion Rio and Santorin and significant completion of St. Tropez, Positano and Miami Buildings' sold inventories in 2012. Azure caters to the affordable segment of the market.

- During the period, the Company recognized real estate revenue from Acqua buildings amounting to P1,487.4 million from Niagara, Sutherland, Dettifoss and Livingstone's sold inventories or 340.1% increase from the same period last year. During the period ended June 30, 2012, the Company recognized P338 million of revenue from Niagara building's sold inventories. Acqua caters to the middle income segment of the market.

- Real estate revenue of Canyon Ranch Project increased from P44.2 million in the six months ended June 31, 2012 to P306.4 million for the period ended June 30, 2012. This was primarily due to more units completed in 1st half of 2013 than in 1st half of 2012 for Phase 1 and 2 and Moderno. Canyon Ranch Project caters to the middle income segment of the market.

Interest and Other Income
Interest and other income increased by 98.0% to P577.7 million in the six months ended June 30, 2013 from P291.8 million for the period ended June 30, 2012. This increase was due primarily to non-cash accretion of unamortized discounts reflecting increased sales in the period and the increase in cumulative sales and collections from prior periods.

Property management fee and other services
Property management fee and other services increased by 25.8% to P138.5 million in the six months ended June 30, 2013 from P110.1 million for the period ended June 30, 2012. This increase was primarily due to management fee rate escalations for some of the projects under management ranging from 5% to 10%. The number of buildings under management as of June 30, 2013 is 50.

Costs and Expenses
Cost and expenses slightly increased by 4.1% to P3,801.0 million in the six months ended June 30, 2013 from P3,651.4 million for the period ended June 30, 2012.

- Cost of real estate sales decreased by 1.2% from P2,681.7 million in the six months ended June 30, 2012 to P2,648.7 million in the period ended June 30, 2013. This was primarily due to the construction costs savings from completed projects.

- Cost of services increased by 15.9% to P86.8 million in the six months ended June 30, 2013 from P74.9 million in the period ended June 30, 2012. This was primarily related to incremental revenues in 2013.

- General, administrative and selling expenses increased by 15.7% to P1009.0 million in the six months ended June 30, 2013 from P871.9 million in the period ended June 30, 2012. The increase was primarily due to amortization of deferred marketing expenses of launched projects with no percentage-of-completion as of June 30, 2012 and those incurred by the projects during the period ended June 30, 2013.

- Interest and other financing charges increased by 146.7% to P56.5 million in the six months ended June 30, 2013 from P22.9 million in the period ended June 30, 2012. This was primarily due to new project level debt raised during the period.

Provision for Income Tax
Provision for income tax increased by 27.5% to P434.0 million in the six months ended June 30, 2013 from P340.5 million in the period ended June 30, 2012. The increase was primarily due to collections on new sales during the period as well as from amortization of accounts sold in previous periods.

Net Income
As a result of the foregoing, net income increased by 11.8% from P944.5 million in the six months ended June 30, 2012 to P1056.0 million in the period ended June 30, 2013.

CENTURY PROPERTIES GROUP, INC.

Financial Condition as of June 30, 2013 vs December 31, 2012

Total assets as of June 30, 2013 were P22,622.0 million compared to P18,579.3 million as of December 31, 2012, or a 21.8% increase. This was due to the following:

- Cash and cash equivalents including short term and long-term cash investments increased by P892.7 million from P901.8 million as of December 31, 2012 to P1,794.5 million as of June 30, 2013 primarily due to receipt of proceeds from the Placing and Subscription Transaction and customers' advances and deposits.

- Receivables increased by 6.84% from P6,813.31 million to P7,279.1 million primarily due to the revenue recognized during the period.

- During the period ended June 30, 2013, Real estate inventories increased by 30.6% from P3,951.8 million to P5,161.3 million due to developments of various projects during the period.

Total liabilities as of June 30, 2013 were P11,916.3 million as compared to P10,313.1 million as of December 31, 2012. This was due to the following:

- Accounts and other payables increased by 50.1% from P2,868.9 million as of December 31, 2012 to P4,306.2 million as of June 30, 2013 due to accruals made at the end of the period.

- Customers' advances and deposits decreased by 14.0% from P2,288.4 million to P1,968.9 million since certain accounts qualified to revenue recognition during the period. Balances as of June 30, 2013, represent collections from customers which do not meet the revenue recognition criteria as of end of the period.

- Short-term and long-term debt representing the sold portion of the Company's installment contracts receivables with recourse, increased by 6.07% from P3,661.0 million as of December 31, 2012 to P3,883.2 million as of June 30, 2013 due to draw down or availments made during the period.

- Income tax payable decreased by 27.5% from P98.08 million as of December 31, 2012 to P71.1 million as of June 30, 2013 primarily due to higher lower income for the 2nd quarter of 2013 and payment of 1st quarter income tax payable.

CENTURY PROPERTIES GROUP, INC.

Total stockholder's equity net increased by 31.3% to P10,855.7 million as of June 30, 2013 from P8,266.2 million as of December 31, 2012 due to issuance of new shares and the net income recorded for the six months ended June 30, 2013.

	As of June 30	
	2013	**2012**
Current Ratio	**1.3x**	**1.1x**
Debt to Equity Ratio	**0.4x**	**0.1x**
Asset to Equity Ratio	**2.6x**	**2.4x**
	For the six months ended	
	2013	**2012**
Return on Assets (Annualized)	**10.3%**	**15.7%**
Return on Equity (Annualized)	**22.3%**	**32.3%**
EBIT	**1,546.5**	**1,307.9**
EBITDA	**1,580.0**	**1,331.2**
Total Debt	**3,883.1**	**1,409.0**
Net Debt	**2,088.6**	**752.1**
Gross Profit from Real Estate Sales Margin	**45.8%**	**42.7%**
Net Income Margin	**20.0%**	**19.1%**
Net debt-to-equity ratio	**0.2x**	**0.1x**
Debt-to-EBITDA ratio	**1.2x**	**0.5x**
Net debt-to-EBITDA ratio	**0.7x**	**0.3x**

Notes:

(1) Return on assets is calculated by dividing net income for the period by average total assets (beginning plus end of the period divided by two).

(2) Return on equity is calculated by dividing net income for the period by average total equity (beginning plus end of the period divided by two).

(3) EBIT is calculated as net income after adding back interest expense and provision for income tax. EBITDA is calculated as net income after adding back interest expense, depreciation and amortization and provision for income tax

(4) Net debt is calculated as total debt less cash and cash equivalents as of the end of the period.

(5) Gross profit from real estate sales margin is calculated as the sum of real estate sales and accretion of unamortized discount (which we record under interest and other income), less the cost of real estate sales, as a percentage of the sum of real estate sales and accretion of unamortized discount, for the period. We believe that including accretion of unamortized discount in this calculation is a useful measure of the profitability of our real estate operations because such unamortized discount forms part of the original contract price of the sales contracts.

(6) Net margin is calculated as net income as a percentage of revenue for the period.

(7) Net debt-to-equity ratio is calculated as net debt divided by total equity as of the end of the period.

(8) Debt-to-EBITDA ratio is calculated as total debt as of the end of the period divided by EBITDA for the period calculated on an annualized basis.

(9) Net debt to EBITDA ratio is calculated as net debt as of the end of the period divided by EBITDA for the period calculated on an annualized basis.

(10) This ratio is obtained by dividing the Current Assets of the Group by its Current liabilities. This ratio is used as a test of the Group's liquidity.

Material Changes to the Company's Balance Sheet as of June 30, 2013 compared to December 31, 2012 (increase/decrease of 5% or more)

Cash and cash equivalents including short term and long-term cash investments increased by P892.7 million from P901.8 million as of December 31, 2012 to P1,794.5 million as of June 30, 2013 primarily due to receipt of proceeds from the Placing and Subscription Transaction and customers' advances and deposits.

Receivables increased by 6.8% from P 6,813.3 million to P 7,279.1 million primarily due to the revenue recognized during the period.

During the period ended June 30, 2013, Real estate inventories increased by 30.6% from P3,951.9 million to P5,161.3 million due to developments of various projects during the period.

Advances to suppliers and contractors increased by 9.7% from P925.3 million as of December 31, 2012 to P1,015.0 million as of June 30, 2013 primarily due to advances made by the Group to its suppliers and contractors at the end of the period.

Prepayments and other current assets increased by 35.4% from P2,387.0 million to P3,231.9 million due to deferral of certain marketing expenses of newly launched projects with no percentage-of-completion as of June 30, 2013.

Investment properties increased by 8.21% from P1,920.1 million as of December 31, 2012 to P2,325.4 million due to improvements made during the period.

Other non-current assets increased by 419.1% from P25.1 million as of December 31, 2012 to P130.3 million due to deferred borrowing costs capitalized during the period.

Accounts and other payables increased by 50.1% from P2,868.9 million as of December 31, 2012 to P4,306.2 million as of June 30, 2013 due to accruals made at the end of the period.

Customers' advances and deposits decreased by 14.0% from P2,288.4 million to P1,968.9 million since certain accounts qualified to revenue recognition during the period. Balances as of June 30, 2013, represent collections from customers which do not meet the revenue recognition criteria as of end of the period.

Short-term and long-term debt representing the sold portion of the Company's installment contracts receivables with recourse, increased by 6.1% from P3,661.00 million as of December 31, 2012 to P3,883.2 million as of June 30, 2013 due to draw down or availments made during the period.

Income tax payable decreased by 27.5% from P98.08 million as of December 31, 2012 to P71.1 million as of June 30, 2013 primarily due to lower taxable income for the 2nd quarter of 2013 and payment of last year and 1st quarter's income tax payable.

Total stockholder's equity net increased by 29.5% to P10,705.7 million as of June 30, 2013 from P8,266.16 million as of December 31, 2012 due to issuance of new shares and the net income recorded for the six months ended June 30, 2013.

Material Changes to the Company's Statement of income for the 2nd quarter ended June 30, 2013 compared to the 2nd quarter ended June 30, 2012 (increase/decrease of 5% or more)

Interest and other income increased by 98.0% to P577.7 million in the six months ended June 30, 2013 from P291.8 million for the period ended June 30, 2012. This increase was due primarily to non-cash accretion of unamortized discounts reflecting increased sales in the period and the increase in cumulative sales and collections from prior periods.

Property management fee and other services increased by 25.8% to P138.5 million in the six months ended June 30, 2013 from P110.1 million for the period ended June 30, 2012. This increase was primarily due to management fee rate escalations for some of the projects under management ranging from 5% to 10%.

Cost of services increased by 15.9% to P86.8 million in the six months ended June 30, 2013 from P74.9 million in the period ended June 30, 2012. This was primarily related to incremental revenues in 2013.

General, administrative and selling expenses increased by 15.7% to P1009.0 million in the six months ended June 30, 2013 from P871.9 million in the period ended June 30, 2012. The increase was primarily due to amortization of deferred marketing expenses of launched projects with no percentage-of-completion as of June 30, 2012 and those incurred by the projects during the period ended June 30, 2013.

Interest and other financing charges increased by 146.7% to P56.5 million in the six months ended June 30, 2013 from P22.9 million in the period ended June 30, 2012. This was primarily due to new project level debt raised during the period.

Provision for income tax increased by 27.5% to P434.0 million in the six months ended June 30, 2013 from P340.5 million in the period ended June 30, 2012. The increase was primarily due to collections on new sales during the period as well as from amortization of accounts sold in previous periods.

There are no other material changes in the Group's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition on the Group. The Subsidiaries are contingently liable for guarantees arising in the ordinary course of business, including surety bonds, letters of guarantee for performance and bonds for all its real estate projects.

The Group is contingently liable with respect to certain lawsuits or claims filed by third parties (substantially civil cases that are either pending decision by the courts or are under negotiation, the outcomes of which are not presently determinable). In the opinion of management and its legal counsels, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing the Group's liquidity in any material way. The Group sourced its capital requirements through a mix of internally generated cash and pre-selling. The Group does not expect any material cash requirements beyond the normal course of the business. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation except for those items disclosed in the 2nd Quarter of 2013 Financial Statements.

There are no material off-balance sheet transactions, arrangements, obligation (including contingent obligations), or other relationships of the Group with unconsolidated entities or other persons created during the reporting period except those disclosed in the 2nd Quarter of 2013 Financial Statements.

There are no material commitments for capital expenditures, events or uncertainties that have had or that are reasonably expected to have a material impact on the continuing operations of the Group.

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

There are no explanatory comments on the seasonality of the operations. There are no material events subsequent to the end of the fiscal period that have not been reflected in the financial statements.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature; neither are there changes in estimates of amounts reported in a prior period of the current financial year.

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.

CENTURY PROPERTIES GROUP, INC.

PART II--OTHER INFORMATION

Item 3. 2nd Quarter of 2013 Developments

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

None

B. Composition of Board of Directors

Name of Director	Position
Jose E.B. Antonio	Chairman of the Board
John Victor R. Antonio	Director
Jose Marco R. Antonio	Director
Jose Roberto R. Antonio	Director
Jose Carlo R. Antonio	Director
Ricardo Cuerva	Director
Rafael G. Yaptinchay	Director
Washington Z. Sycip	Independent Director
Monico V. Jacob	Independent Director

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.

The Company declared dividends amounting to Php184,436,193 for all shareholders as of record date: April 29, 2013 for P0.019023 per share. Distributions of dividends were made May16, 2013.

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.

On May 20, 2013, the Nomination, Compensation and Remuneration Committee approved the proposed Employee Stock Grant and was further approved by the Board of Directors and ratified by the shareholders of the Corporation during its Annual Stockholders Meeting on July 01, 2013.

The determination of the details of the increase in authorized capital stock and the declaration of stock dividends is delegated to the management, in particular, to the Chief Financial Officer, Mr. Jose Carlo R. Antonio. To date, the details of the stock option plan is still in process pending SEC approval of the Company's amended Articles of Incorporation.

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.

I. Transferring of assets, except in normal course of business.

None.

Item 4. Other Notes as of 2nd Quarter of 2013 Operations and Financials.

J. 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.

K. 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
.

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

See Notes to Financial Statements and Management Discussion and Analysis.

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

None

N. 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

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

None

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

None.

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

None

R. 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.

S. 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.

T. 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 June 30, 2013, there are 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 2nd Quarter of 2013 financial statements.

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

None.

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

See Notes to Financial Statements and Management Discussion and Analysis (MD&A) as material changes are described in detail in the MD&A section

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

None.

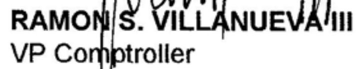
X. Disclosures not made under SEC Form 17-C.

None.

SIGNATURES

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

CENTURY PROPERTIES GROUP INC.
By:



RAMON S. VILLANUEVA III
VP Comptroller