COVER SHEET

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S.E.C. Registration Number

C E N T U R Y P R O P E R T I E S G R O U P

I N C .

(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)

JOHN PAUL C. FLORES

Contact Person

(632) 7935500

Company Telephone Number

1	2		3	1

Month Day

Fiscal Year

1	7	-	Q	

FORM TYPE

0	6		2	2

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

P11,073,993,840

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **June 30, 2015**

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)

5. 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	11,599,600,690 Common Shares 100,123,000 Treasury Shares

CENTURY PROPERTIES GROUP, INC.

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.; 4,285,040,062 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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CENTURY PROPERTIES GROUP, INC.

CONSOLIDATED BALANCE SHEETS

	Unaudited 30-June-2015	Audited 31-Dec-2014
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5 and 27)	**₱853,885,710**	₱1,429,245,106
Receivables (Notes 6 and 27)	**8,043,786,490**	7,555,891,411
Real estate inventories (Note 7)	**9,322,362,431**	8,083,615,926
Land held for future development (Note 8)	**43,313,185**	43,313,185
Due from related parties (Note 27)	**210,863,993**	145,606,224
Advances to suppliers and contractors (Note 9)	**1,332,655,943**	1,014,896,505
Prepayments and other current assets (Note 10)	**2,064,943,330**	1,583,505,863
Derivative assets (Note 27)	**37,205,744**	25,521,998
Total Current Assets	**21,909,016,826**	19,881,596,218
Noncurrent Assets		
Real estate receivables − net of current portion (Notes 6 and 27)	**6,256,996,674**	4,380,143,446
Land held for future development − net of current portion (Note 8)	**431,333,944**	431,333,944
Deposits for purchased land (Note 11)	**891,684,061**	710,851,147
Available-for-sale financial assets (Notes 12 and 27)	**8,979,580**	8,979,580
Investments in and advances to joint ventures (Note 13)	**386,986,800**	386,986,800
Investment properties (Note 14)	**4,260,261,733**	4,387,823,554
Property and equipment (Note 15)	**101,252,874**	121,821,944
Intangible assets (Note 16)	**31,243,250**	31,280,785
Deferred tax assets – net	**160,745,222**	145,823,268
Other noncurrent assets (Note 17)	**987,448,792**	1,163,566,827
Total Noncurrent Assets	**13,516,932,930**	11,768,611,295
	₱35,425,949,756	₱31,650,207,513

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 18 and 27)	**₱2,658,097,279**	₱1,730,205,301
Customers' advances and deposits (Note 19)	**3,789,488,327**	3,062,974,853
Short-term debt (Notes 20 and 27)	**560,890,015**	673,323,310
Current portion of:		
Long-term debt (Notes 20 and 27)	**3,737,927,904**	1,924,309,151
Liability from purchased land (Notes 22 and 27)	**2,899,428**	2,899,428
Due to related parties (Notes 27)	**29,322,712**	31,760,098
Derivative liability	**310,098**	–
Income tax payable	**14,773,187**	16,886,288
Total Current Liabilities	**10,793,708,950**	7,442,358,429

(Forward)

	Unaudited 30-June-2015	Audited 31-Dec-2014
Noncurrent Liabilities		
Long-term debt − net of current portion (Notes 20 and 27)	**₱4,886,297,734**	₱5,676,518,437
Bonds payable (Notes 21 and 27)	**2,657,325,062**	2,657,325,062
Liability from purchased land − net of current portion (Notes 22 and 27)	**30,741,161**	30,741,161
Pension liabilities	**194,126,199**	191,284,766
Donation liability	**41,763,183**	41,763,183
Deferred tax liabilities – net	**2,713,925,334**	2,305,775,463
Total Noncurrent Liabilities	**10,524,178,673**	10,903,408,072
Total Liabilities	**21,317,887,623**	18,345,766,501
Equity (Note 23)		
Capital stock	**6,200,853,553**	6,200,853,553
Additional paid-in capital	**2,639,742,141**	2,639,742,141
Treasury shares	**(109,674,749)**	(109,674,749)
Equity reserves	**(6,970,678)**	(6,970,678)
Retained earnings	**5,461,595,444**	4,657,974,323
Unrealized loss on available-for-sale financial assets (Note 12)	**(3,693,499)**	(3,693,499)
Remeasurement loss on defined benefit plan	**(73,790,079)**	(73,790,079)
Total Equity	**14,108,062,133**	13,304,441,012
	₱35,425,949,756	₱31,650,207,513

CENTURY PROPERTIES GROUP, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Unaudited Apr – Jun 2015 Q2 2015	**Unaudited Jan – Jun 2015 2015**	Unaudited Apr – Jun 2014 Q2 2014	Unaudited Jan – Jun 2014 2014
REVENUE				
Real estate sales	**₱2,360,237,893**	**₱4,978,340,189**	₱2,323,028,758	₱4,747,078,293
Property management fee and other services	**83,207,412**	**164,947,309**	69,368,148	141,095,730
Leasing revenue	**76,428,151**	**147,241,516**	34,094,059	49,459,509
Interest and other income	**334,634,282**	**624,675,309**	324,110,450	646,952,148
Gain from change in fair value of investment properties	**235,379,599**	**235,379,599**	–	–
Gain from change in fair value of derivatives	**9,637,502**	**15,273,077**	(7,182,740)	35,640,058
	3,099,524,839	**6,165,856,999**	2,743,418,675	5,620,225,738
COST AND EXPENSES				
Cost of real estate sales	**1,492,250,050**	**3,016,971,768**	1,396,821,510	2,932,293,695
Cost of services	**60,825,410**	**119,488,908**	54,056,032	107,920,232
Cost of leasing	**56,063,677**	**76,030,732**	24,468,360	37,507,699
General, administrative and selling expenses (Note 25)	**695,598,188**	**1,472,297,931**	468,517,704	950,880,895
Interest and other financing charges	**14,328,198**	**32,778,360**	34,897,377	109,974,720
Loss from change in fair value of derivatives	**(5,127,858)**	**3,899,430**	–	–
	2,313,937,665	**4,721,467,129**	1,978,760,982	4,138,577,241
INCOME BEFORE INCOME TAX	**785,587,174**	**1,444,389,870**	764,657,693	1,481,648,497
PROVISION FOR INCOME TAX	**250,071,202**	**439,609,840**	220,764,793	423,436,671
NET INCOME	**535,515,972**	**1,004,780,030**	543,892,900	1,058,211,826
OTHER COMPREHENSIVE LOSS				
Item that will be reclassified into profit or loss:				
Unrealized gain (loss) on available-for-sale financial assets	**–**	**–**	–	–
Item that will not be reclassified into profit or loss:				
Remeasurement loss on defined benefit plan	**–**	**–**	–	–
	–	**–**	–	–
TOTAL COMPREHENSIVE INCOME	**₱535,515,972**	**₱1,004,780,030**	₱543,892,900	₱1,058,211,826
Net income attributable to:				
Equity holders of the Parent Company	**₱535,515,972**	**₱1,004,780,030**	₱543,892,900	₱1,058,211,826
Non-controlling interests	**–**	**–**	–	–
	₱535,515,972	**₱1,004,780,030**	₱543,892,900	₱1,058,211,826
Total comprehensive income attributable to:				
Equity holders of the Parent Company	**₱535,515,972**	**₱1,004,780,030**	₱543,892,900	₱1,058,211,826
Non-controlling interests	**–**	**–**	–	–
	₱535,515,972	**₱1,004,780,030**	₱543,892,900	₱1,058,211,826
Basic/diluted earnings per share (Note 24)	**₱0.046**	**₱0.086**	₱0.047	₱0.092

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity attributable to Parent Company									
	Capital Stock (Note 23)	Additional paid-in capital (Note 23)	Treasury Shares (Note 23)	Retained Earnings (Note 23)	Equity Reserve (Note 23)	Unrealized Loss on AFS Financial Assets (Note 12)	Remeasurement Loss on Defined Benefit Plan	Total	Noncontrolling Interests	Total
At January 1, 2015	**₱6,200,853,553**	**₱2,639,742,141**	**(₱109,674,749)**	**₱4,657,974,323**	**(₱6,970,678)**	**(₱3,693,499)**	**(₱73,790,079)**	**₱13,304,441,012**	**₱–**	**₱13,304,441,012**
Net income	**–**	**–**	**–**	**1,004,780,030**	**–**	**–**	**–**	**1,004,780,030**	**–**	**1,004,780,030**
Dividends declared	**–**	**–**	**–**	**(201,158,909)**	**–**	**–**	**–**	**(201,158,909)**	**–**	**(201,158,909)**
At June 30, 2015	**₱6,200,853,553**	**₱2,639,742,141**	**(₱109,674,749)**	**₱5,461,595,444**	**(₱6,970,678)**	**(₱3,693,499)**	**(₱73,790,079)**	**₱14,108,062,133**	**₱–**	**₱14,108,062,133**

	Equity attributable to Parent Company									
	Capital Stock (Note 23)	Additional paid-in capital (Note 23)	Treasury Shares (Note 23)	Retained Earnings (Note 23)	Equity Reserve (Note 23)	Unrealized Loss on AFS Financial Assets (Note 12)	Remeasurement Loss on Defined Benefit Plan	Total	Noncontrolling Interests	Total
At January 1, 2014	**₱5,140,853,731**	**₱2,639,742,141**	**(₱22,521,542)**	**₱3,743,557,967**	**(₱6,970,678)**	**(₱3,192,061)**	**(₱56,429,351)**	**₱11,435,040,207**	**₱–**	**₱11,435,040,207**
Net income	**–**	**–**	**–**	**1,058,211,826**	**–**	**–**	**–**	**1,058,211,826**	**–**	**1,058,211,826**
Dividends declared	**–**	**–**	**–**	**(184,469,582)**	**–**	**–**	**–**	**(184,469,582)**	**–**	**(184,469,582)**
At June 30, 2014	**₱5,140,853,731**	**₱2,639,742,141**	**(₱22,521,542)**	**₱4,617,300,210**	**(₱6,970,678)**	**(₱3,192,061)**	**(₱56,429,351)**	**₱12,308,782,450**	**₱–**	**₱12,308,782,450**

CENTURY PROPERTIES GROUP, INC.

CONSOLIDATED CASH FLOW STATEMENTS

	Six Months Ended June 30	
	2015 (Unaudited)	2014 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱1,444,389,870**	₱1,481,648,497
Adjustments for:		
Interest expense	**18,610,082**	97,099,068
Depreciation and amortization	**12,169,258**	15,702,590
Retirement expense	**2,841,433**	5,714,652
Unrealized foreign exchange loss (gain)	**(15,747,358)**	62,884,130
Gain from change in fair value of derivatives	**(11,373,648)**	(35,640,058)
Interest income	**(537,977,248)**	(579,857,371)
Operating income before working capital changes	**912,912,389**	1,047,551,506
Decrease (increase) in:		
Receivables	**(1,833,351,402)**	340,236,452
Prepayments and other current assets	**(529,932,492)**	(450,957,127)
Advances from suppliers and contractors	**(317,759,438)**	(390,914,714)
Real estate inventories	**(151,365,425)**	(174,380,290)
Increase (decrease) in:		
Accounts and other payables	**726,733,069**	123,337,539
Customers' advances and deposits	**726,513,475**	(849,069,861)
Cash used in operations	**(466,249,824)**	(354,196,495)
Interest received	**6,580,342**	102,003,749
Interest paid	**(420,506,365)**	(314,033,147)
Net cash used in operating activities	**(880,175,847)**	(566,225,893)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in:		
Noncurrent assets	**176,118,036**	(294,112,915)
Due from related parties	**(67,695,154)**	64,693,446
Additions to:		
Land held for future development	**–**	(8,471,814)
Deposits for purchased land	**(180,832,914)**	(230,400,000)
Investments in and advances to joint ventures	**–**	(7,341,018)
Investment properties	**(541,970,458)**	(274,193,617)
Property and equipment	**(7,497,719)**	(3,875,470)
Intangible assets	**(17,453)**	(18,260,734)
Net cash used in investing activities	**(621,895,662)**	(771,962,123)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availments of short-term and long-term debt	**926,712,113**	1,221,316,396
Payment of dividends	**–**	(184,471,576)
Net cash provided by financing activities	**926,712,113**	1,036,844,820
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(575,359,396)**	(301,343,195)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,429,245,106**	1,438,887,780
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	**₱853,885,710**	₱1,137,544,585

CENTURY PROPERTIES GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Century Properties Group, Incorporated, ("CPGI") is one of the leading real estate companies in the Philippines with a 29-year track record. The Company is primarily engaged in the development, marketing, and sale of mid- and high-rise condominiums and single detached homes, retail and office space leasing and property management.

Currently, the Company has five principal wholly-owned subsidiaries, namely, Century City Development Corporation, Century Limitless Corporation, Century Communities Corporation, Century Properties Management, Inc. and Century Properties Hotel and Leisure, Inc. (collectively known as the "Subsidiaries"). Through its Subsidiaries, the Company develops, markets and sells residential, office, medical and retail properties in the Philippines, as well as manages residential and commercial properties in the Philippines.

The Company has completed 6 residential condominium buildings (5,119 units) with a total GFA (with parking) of 359,205 sq.m, a retail commercial building with 49,143 sq.m of GFA (with parking), and a medical office building (584 units) with 74,103 sq.m of GFA (with parking). This is in addition to the 19 buildings totaling 3,768 units and 518,634 sq.m of GFA that were completed prior to 2010 by the founding principals' prior development companies, the Meridien Group of Companies. Among the Company's noteworthy developments are the Essensa East Forbes and South of Market in Fort Bonifacio, SOHO Central in the Greenfield District of Mandaluyong City, Pacific Place in Ortigas, Le Triomphe, Le Domaine and Le Metropole in Makati City, and the Gramercy Residences in Century City in Makati.

Residential Projects	**Location**	**Type**	**GFA (with parking) sq. m.**	**Units**	**Year Completed**
Gramercy Residences	Makati City	Residential	121,595	1,428	2012
Knightsbridge Residences	Makati City	Residential	87,717	1,328	2013
Rio	Parañaque City	Residential	42,898	756	2013
Santorini	Parañaque City	Residential	36,216	553	2013
St. Tropez	Parañaque City	Residential	36,260	580	2013
Niagara	Mandaluyong City	Residential	34,519	474	2015
Total			359,205	5,119	

Commercial / Office Projects	**Location**	**Type**	**GFA (with parking) sq. m.**	**Units**	**Year Completed**
Century City Mall	Makati City	Retail	49,143	N/A	2013
Centuria Medical Makati	Makati City	Medical Office	74,103	584	2014

Note: Excluding projects completed by Meridien

In addition, the Company has agreed to purchase 50% of the usage and leasehold rights of Asian Century Center, an office building in Fort Bonifacio upon its completion in 2017. Asian Century Center is currently being developed by Asian Carmakers Corporation.

The Company's land bank for future development consists of properties in Pampanga, Quezon City and Batangas that cover a total site area of 2,000,970 square meters. The Company also signed a memorandum of agreement to acquire 56 hectares of property to develop a beachfront lifestyle destination development in the municipality of San Vicente in Palawan.

The Company, through 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 manages 51 projects as of June 30, 2015 with 2.65 million square meters of GFA (with parking) of managed properties and 82% of the projects CPMI manages were developed by third parties. Notable third-party developed projects under management include the Asian Development Bank in Ortigas, Makati Medical Center, BPI Buendia Center and Pacific Star Building in Makati City, Philippine National Bank Financial Center in Pasay City, and three Globe Telecom buildings in Cebu, Mandaluyong City and Makati City.

The Company's aim is to enhance the overall quality of life of 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. CPGI also employs 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., The Trump Organization, Paris Hilton, Missoni Homes, Yoo by Philippe Starck, Forbes Media Group LLC, Giorgio Armani S.P.A, among others.

The Company 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. The Company conducts its sales and marketing through the Company's extensive domestic and international network of 510 exclusive agents who receive monthly allowances and commissions and 3,700 non-exclusive commission based agents and brokers as of June 30, 2015.

For 2012, 2013 and 2014, our revenue was ₱9,611.17 million, ₱10,809.11 million and ₱12,760.78 million, respectively and our net income were ₱1,849.81 million, ₱1,844.72 million and ₱2,158.89 million, respectively. For the six months ended June 30, 2015 and 2014, our revenue amounted to ₱6,165.86 million and ₱5,620.23 million, respectively and net income amounted to ₱962.80 million and ₱1,058.21 million, respectively. As of June 30, 2015 and December 31, 2014, we had total assets of ₱35,425.95 million and ₱31,650.21 million, respectively and total equity of ₱14,108.06 million and ₱13,304.44 million, respectively.

1.2 RECENT TRANSACTIONS

Integrated Resort Project in Palawan

On April 21, 2015, the Company announced that it had signed a memorandum of agreement to acquire 56 hectares of property to develop a beachfront lifestyle destination development in the municipality of San Vicente in Palawan.

The Company will follow a phased development plan for the said project and has budgeted a capital expenditure of P1.5 billion over the next 3 to 5 years to complete its first phase. The pace and timing of subsequent phases will, in large part, be driven by the take up of the sale of hotel villas and residential investment properties, which will form a significant part of returns from the project.

Okada legal proceedings

On October 31, 2013, the Company signed a Memorandum of Agreement with Eagle I Landholdings, Inc. to develop 5 hectares of land within the 44 hectare site named "Manila Bay Resorts". The 5 hectare site will potentially include luxury residential and retail properties that will total over 300,000 sq m of gross floor area upon completion.

In addition, CPGI entered into an investment agreement with Eagle I whereby Century will be issued with 432,000,000 preferred shares representing 36% of Eagle I's pro forma capital stock subject to terms and conditions from both parties.

In line with this transaction, CPGI disclosed that on April 1, 2014, in connection with the Petition for Interim Measures of Protection filed on March 31, 2014 against the Okada Group and docketed as Civil Case No. 14-359 before the Regional Trial Court, Makati City Branch 66 (the "Court"), the Court issued an Order granting application by CPGI for the issuance of an immediately executory 20-day Temporary Order of Petition for another 20 days. On April 30, 2014, the Court issued and order dated April 23, 2014 extending the Temporary Order of Petition for another 20 days. Finally, on May 29, 2014, CPGI disclosed that the Court issued an order dated May 13, 2014 denying and dismissing the Petition for Interim Measures of Protection for lack of merit.

Further to the disclosures made by CPGI relative to the case against the Okada Group, CPGI was notified by its legal counsel on closing of business hours of July 28, 2014 of a Court Order dated July 25, 2014, which granted CPGI's application for preliminary prohibitory injunction against the Okada group in Civil Case No. 14-359, filed with the RTC Branch 66, Makati City entitled, "Century Properties Group, Inc. vs. Eagle I Landholdings, Inc., et al." This is in response to the Motion for Reconsideration filed by CPGI questioning the earlier ruling of the Court denying the injunctive relief prayed for by CPGI."

In its July 25, 2014 ruling, the Court ordered the issuance of injunction prohibiting the Okada group:

(1) from giving effect to the termination of their Agreements with CPGI and from committing any acts that will render the Agreements or any portion thereof unenforceable or ineffective or render any part of the dispute moot and academic;

(2) from dealing with any party with respect to any sale, disposition or original issuance of any class of the shares of stock of Eagle I and refrain from any sale, disposition or original issuance of any class of the shares of stock of Eagle I; and

(3) from dealing with any other party for the development of the commercial/residential land and the commercial/residential project itself as contained in said agreements."

From the July 2014 Order, Okada elevated the case to the Court of Appeals via a Petition for Review sometime on 13 August 2014. They questioned the Order of the lower court essentially on the ground that they have complied with the provisions of the related Agreements arguing that: (a) they have provided sufficient documents to complete the due diligence of CPGI; (b) CPGI failed in fulfilling the closing conditions, one of which is the payment of 25% subscription; (c) Century failed to establish the requisites for the issuance of interim reliefs prayed for, among others. On 29 September 2014, CPGI filed an opposition to the Petition for Review. And pursuant to the order of the Court of Appeals, CPGI filed its Memorandum on 8 December 2014.

In January 2015, Century received a copy of the Supplemental Petition filed by respondents in relation to the denial by the Court a quo of its motion for the lifting of the notices of lis pendens. In an Order dated 30 January 2015, the Court of Appeals issued a Resolution submitting the Petition for decision, even without CPGI's comment thereto. Hence, CPGI filed on 3 March 2015 an urgent motion for the filing of an opposition to the Supplemental Position. On 5 April 2015, we received the reply of Okada to CPGI's urgent motion.

On April 23, 2015, the Company was advised by its counsel of a Court Order issued by the Court of Appeals dated March 27, 2015, granting Okada's Petition for Review, thus setting aside the Court Order dated July 25, 2014 issued by the Regional Trial Court of Makati, Branch 66, which ordered in favor of CPGI the preliminary prohibitory injunction against Okada. The Company's counsels are now studying the legal options it will undertake anent to this order.

In addition, CPGI filed a Notice of Arbitration dated April 17, 2015 before the Hongkong International Arbitration Center, pursuant to the Dispute Resolution clause in the Investment Agreement executed between CPGI and Okada.

On May 14, 2015, CPGI disclosed that it has withdrawn the case it filed against the Okada Group following a meeting that settled amicably the issues between the parties.

1.3 SUBSIDIARIES AND ASSOCIATE

Below is the Company's percentage of ownership in its Subsidiaries and Associate 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	-
Century Properties Hotel and Leisure, Inc. (CPHLI)	100	-
A2Global Inc.	49	-

CPGI conducts its operations through five wholly-owned Subsidiaries, Century Communities Corporation ("CCC"), Century Properties Management, Inc. ("CPMI"), Century City Development Corporation ("CCDC"), Century Limitless Corporation ("CLC") and Century Properties Hotel and Leisure, Inc. ("CPHLI").

Century Communities Corporation
CCC, incorporated on March 15, 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 on December 19, 2006, is focused on developing mixed-use communities that comprise of 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 on July 9, 2008, focuses on developing high-quality affordable residential projects. Projects under CLC will cater to first-time home buyers, start-up families, and retirees seeking safe, secure, and convenient homes within close proximity of quality healthcare facilities.

Century Properties Management, Inc.
CPMI, incorporated on March 17, 1989, is one of the largest property management companies in the Philippines, by total gross floor area under management. CPMI has 51 projects in its portfolio, covering a total GFA of 2.56M sq.m as of June 30, 2015. CPMI is the first independent and local property management company to introduce international standards in the Philippine property market. CPMI has been awarded 18 safety and security distinctions from the Safety Organization of the Philippines.

Century Properties Hotel and Leisure, Inc.
CPHLI, incorporated in March 27, 2014, is a newly formed wholly-owned subsidiary of CPGI. CPHLI shall operate, conduct and engage in hotel business and related business ventures.

A2Global Inc.
Incorporated in 2013, CPGI has a 49% stake in A2Global, Inc., a company 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 commercial office in Fort Bonifacio.

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, 2015 and December 31, 2014 and for each of the six months in the period ended June 30, 2015 and 2014.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect that return through its power over the investee. Specifically, the Group controls an investee if an only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

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.

Total comprehensive income and 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.

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the Group's financial statements are consistent with those of the previous financial years except for the following amended standards, which were adopted as of January 1, 2015. The nature and the impact of each new standard and amendment are described below:

- *PAS 32, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amendments)*
  These amendments to PAS 32 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 affect presentation only and have no impact on the Group's financial position or performance.

- PAS 36, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets* (Amendments)
  These Amendments remove the unintended consequences of PFRS 13, Fair Value Measurement on the disclosures required under PAS 36. In addition, these Amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period. These Amendments are effective retrospectively with earlier application permitted, provided PFRS 13 is also applied. The application of these Amendments has no material impact on the disclosure in the Group's consolidated financial statements.

- *Investment Entities* (Amendments to PFRS 10, PFRS 12 and PAS 27)
  These Amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10, *Consolidated Financial Statements*. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These Amendments have no impact to the Group, since none of the entities within the Group qualifies to be an investment entity under PFRS 10.

- Philippine Interpretation IFRIC 21, *Levies*
  IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Group as it has applied the recognition principles under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, consistent with the requirements of IFRIC 21 in prior years.

- PAS 39, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting* (Amendments)
  These Amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the Group as the Group has not novated its derivatives during the current or prior years.

Future Changes in Accounting Policies

The Group will adopt the following relevant standards and interpretations when these become effective 2015.

Effective 2015

- PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions* (Amendments)
  The Amendments apply to contributions from employees or third parties to defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after January 1, 2015. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

Annual Improvements to PFRSs (2010-2012 cycle)

The Annual Improvements to PFRSs (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:

- PFRS 2, *Share-based Payment - Definition of Vesting Condition*
  This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:
  - A performance condition must contain a service condition
  - A performance target must be met while the counterparty is rendering service
  - A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
  - A performance condition may be a market or non-market condition
  - If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

- PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*
  The amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PAS 39, Financial Instruments: Recognition and Measurement (or PFRS 9, Financial Instruments, if early adopted). The Group shall consider this amendment for future business combinations.

- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
  The amendments are applied retrospectively and clarify that:
  - An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
  - The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

- PAS 16, *Property, Plant and Equipment and PAS 38, Intangible Assets- Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization - Revaluation Method - Proportionate Restatement of Accumulated Depreciation*
  The Amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. The Amendment has no impact on the Group's financial position or performance.

- PAS 24, *Related Party Disclosures - Key Management Personnel*
  The Amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The Amendments affect disclosures only and have no impact on the Group's financial position or performance.

Annual Improvements to PFRSs (2011-2013 cycle)
The Annual Improvements to PFRSs (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards. The Amendments are effective for annual periods beginning on or after January 1, 2015 and are applied prospectively. Earlier application is permitted.

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*
  The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:
  - Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
  - This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

- PFRS 13, *Fair Value Measurement - Portfolio Exception*
  The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39 (or PFRS 9, as applicable).

- PAS 40, *Investment Property*
  The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

Effective 2016

- PAS 16, *Property, Plant and Equipment, and* PAS 38*, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization* (Amendments)
  The Amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. These Amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

- PAS 16, *Property, Plant and Equipment, and PAS 41, Agriculture – Bearer Plants* (Amendments)
  The Amendments change the accounting requirements for biological assets that meet the definition of bearer plants. These Amendments are not expected to have any impact to the Group as the Group does not have any bearer plants.

- PAS 27, *Separate Financial Statements – Equity Method in Separate Financial Statements* (Amendments)
  The Amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. These Amendments will not have any impact on the Group's consolidated financial statements.

- PFRS 10, *Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
  These Amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

- PFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations* (Amendments)
  The Amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. These Amendments are not expected to have any impact to the Group.

- PFRS 14, *Regulatory Deferral Accounts*
  PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Since the Group is an existing PFRS preparer, this standard would not apply.

Annual Improvements to PFRSs (2012-2014 cycle)
The following Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact on the Group:

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations – Changes in Methods of Disposal*
  The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

- PFRS 7, *Financial Instruments: Disclosures – Servicing Contracts*
  PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- PFRS 7 - *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
  This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

- PAS 19, *Employee Benefits – regional market issue regarding discount rate*
  This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- PAS 34, *Interim Financial Reporting – disclosure of information 'elsewhere in the interim financial report'*
  The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Effective 2018

- PFRS 9*, Financial Instruments – Hedge Accounting and amendments to* PFRS 9, PFRS 7 and PAS 39 *(2013 version)*
  PFRS 9 (2013 version) already includes the third phase of the project to replace PAS 39 which pertains to hedge accounting. This version of PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a derivative instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

  PFRS 9 (2013 version) has no mandatory effective date. The mandatory effective date of January 1, 2018 was eventually set when the final version of PFRS 9 was adopted by the FRSC. The adoption of the final version of PFRS 9, however, is still for approval by BOA.

  The adoption of PFRS 9 is not expected to have any significant impact on the Group's consolidated financial statements.

- PFRS 9, *Financial Instruments (2014 or final version)*
  In July 2014, the final version of PFRS 9, Financial Instruments, was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, Financial Instruments: Recognition and Measurement, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015.

  The adoption of PFRS 9 is not expected to have any significant impact on the Group's consolidated financial statements.

The following new standard issued by the IASB has not yet been adopted by the FRSC:

- IFRS 15, *Revenue from Contracts with Customers*
  IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

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

Date of recognition
The Group recognizes a financial asset or a financial liability in the consolidated 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.

Initial recognition of financial instruments
All financial assets and 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 include transaction costs.

The Group classifies its financial assets in the following categories: financial assets at FVPL, held-to-maturity (HTM) investments, AFS financial assets and loans and receivable. The Group classifies its financial liabilities into financial liabilities at FVPL 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.

Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity net of any related income tax benefits.

As of June 30, 2015 and December 31, 2014, the Group's financial instruments are of the nature of loans and receivables, derivative instrument, AFS financial assets and other financial liabilities.

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 ask 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.

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 Group 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 or liability. 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 consolidated statements of financial position captions "Cash and cash equivalents", "Receivables", except for "Receivable from 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 "Miscellaneous" in "General, administrative and selling expenses" account.

AFS financial assets

AFS financial assets are those 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. The Group's 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 recognized in other comprehensive income and are reported as "Unrealized loss on available-for-sale financial assets" in the consolidated 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 then recognized in profit or loss under "Interest and other income" account or under "Miscellaneous" in "General, administrative and selling 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 under "Miscellaneous" in "General, administrative and selling expenses" account.

As of June 30, 2015 and December 31, 2014, 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", "Short-term debt", "Long-term debt", "Liability from purchased land", "Bonds payable" and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable and pension liabilities).

Derivative Instruments

The Group enters into short-term non-deliverable currency forwards contracts and interest and currency swap to manage its currency exchange exposure related to short-term foreign currency-denominated monetary liabilities.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedge of an identified risk and qualifies for hedge accounting treatment. The objective of hedge accounting is to match the impact of the hedged item and the hedging instrument in profit or loss. To qualify for hedge accounting, the hedging relationship must comply with strict requirements such as the designation of the derivative as a hedge of an identified risk exposure, hedge documentation, probability of occurrence of the forecasted transaction in a cash flow hedge, assessment (both prospective and retrospective bases) and measurement of hedge effectiveness, and reliability of the measurement bases of the derivative instruments. The Group did not use hedge accounting for its derivatives.

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 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 case of equity investments classified as AFS, this would include a significant or prolonged decline in the fair value of the investments below its cost. 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 profit or loss - is removed from other comprehensive income and recognized in profit or loss in the "Miscellaneous" in "General, administrative and selling expenses" account. Impairment losses on equity investments are not reversed through the consolidated statement of income.

Derecognition of Financial Assets and Liabilities

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.

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 consolidated statements 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.

Fair Value Measurement

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible to by the Group.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

Real Estate Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes:

- Land cost
- Land improvement cost
- Borrowing cost
- Amounts paid to contractors for construction and development
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale.

The cost of inventory recognized in the consolidated statement of income on disposal is determined with reference to the specific costs incurred on the property and allocated to saleable area based on relative size.

Land Held for Future Development

Land held for future development consists of properties for future development that are carried at the lower of cost or NRV. Cost includes those costs incurred for development and improvement of the properties while NRV is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale. Upon commencement of development, the subject land is transferred to “Real estate inventories”.

Deposits for Purchased Land

This represents deposits made to land owners for the purchase of certain parcels of land that are intended for future development. The Group normally makes deposits before a Contract to Sell (CTS) or Deed of Absolute Sale (DOAS) is executed between the Group and the land owner. These are recognized at cost.

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. 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 as from the commencement of the development work until the date of practical completion. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

Interest in and Advances to Joint Venture

Investments in and advances to joint venture (investee companies) are accounted for under the equity method of accounting. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

An investment is accounted for using the equity method from the day it becomes a joint venture. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and is instead included as income in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statement of income reflects the share of the results of the operations of the investee companies, if there's any. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Upon loss of significant influence over the joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in the consolidated statement of income.

Interest in a Joint Operation
The Group has an interest in a joint arrangement, whereby the parties have a contractual arrangement that establishes joint control. This joint arrangement classified as jointly controlled operations was entered into by the Group with 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's occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner's 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 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. When significant parts of property and equipment are required to be replaced in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation and amortization, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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 (EUL) 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 asset's EUL of five (5) years, whichever is shorter.

The useful lives and depreciation and amortization method are reviewed at financial year end 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 property and equipment 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 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 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 profit or loss.

As of June 30, 2015 and December 31, 2014, the Group's intangible assets consist of software costs and trademarks.

Software cost
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. Otherwise, such costs are recognized as expense as incurred.

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 computer system development costs is assessed and written down immediately to its recoverable amount.

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. Accordingly, these 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 nonfinancial assets (e.g., 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 are recognized in the expense categories of 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 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 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 and additional paid-in capital
The Group records common stocks at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity share. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

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

Treasury shares
Treasury shares are own equity instruments which are reacquired and are recognized at cost and deducted from equity. No gain or loss is recognized in the profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Parent Company and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Equity reserves
Equity reserves represent any difference between (1) acquisition cost and (2) the adjusted carrying value of the non-controlling interest at acquisition date.

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:

Real estate sales
For 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.

Property management fee and other services
Revenue from property management and other services is recognized when the related services are rendered. Property management fee and other services consist of revenue arising from management contracts, auction services and technical services.

Leasing revenue
The Group leases its commercial real estate properties to others through operating leases. Rental income on leased properties is recognized on a straight-line basis over the lease term, or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Contingent rents are recognized as revenue in the period in which they are earned.

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

Income from forfeited collections
Income from forfeited collections 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 Act*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

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

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.

Cost of services
Cost of services pertains to direct costs of property management fee and other services. These costs are expensed as incurred.

Cost of leasing
Cost of leasing pertains to direct costs of leasing the Group's commercial properties. These costs are expensed as incurred.

Commission and other selling expenses
Selling expenses such as commissions paid to sales or marketing agents on the sale of pre-completed 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.

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

Pension Cost

Pension 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 a) current service cost, interest cost, past service cost; b) gains and losses, and curtailment and non - routine settlement; and c) net interest cost on benefit obligation.

The liability recognized by the Group in respect of the unfunded 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 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.

Re-measurements, comprising of actuarial gains or losses, the effect of the asset ceiling, excluding net interest cost and the return on plan assets (excluding net interest), are recognized immediately in the statement of financial position with a corresponding debit or credit to OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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

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.

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 income will be available against which the deductible temporary differences and the carry forward of unused tax credits from MCIT 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.

Deferred tax liabilities are not provided on non-taxable temporary differences associated with investments in domestic subsidiaries and associates.
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 income 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.

As of June 30, 2015 and December 31, 2014, the Group has no dilutive potential common shares.

Contingencies

Contingent liabilities are not recognized in the consolidated 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 consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events After the Reporting Period

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

3. SIGNIFICANT ACCOUNITNG JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements in compliance with PFRS requires the Group to make judgments and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments, estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated 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 consolidated 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 consolidated financial statements.

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.

Operating lease commitments - Group as lessor
The Group has entered into commercial property leases on its investment property portfolio. Based on an evaluation of the terms and conditions of the arrangements, the Group has determined that it retains all the significant risks and rewards of ownership of these properties and accounts for them as operating leases.

A number of the Group's operating lease contracts are accounted for as noncancellable operating leases and the rest are cancellable. In determining whether a lease contract is cancellable or not, the Group considers, among others, the significance of the penalty, including the economic consequence to the lessee.

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.

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.

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 succeeding years. The Group shall then classify the land as part of the real estate inventories upon the commencement of the actual development of the land.

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.

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. 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 ₱13,302.70 million and ₱11,553.02 million as of June 30, 2015 and December 31, 2014, respectively (see Note 6).

Collectibility of the sales price
In determining whether the sales price is collectible, the Group considers that the initial and continuing investments by the buyer of 5% would demonstrate the buyer's commitment to pay as of June 30, 2015 and December 31, 2014.

Fair value of investment properties
The Group discloses the fair values of its investment properties in accordance with PAS 40. 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. In 2015, CCDC II recognized fair value gain on change in investment property amounting to ₱235.38 million. There was no gain or loss on changes in fair value of investment properties during the period ended June 30, 2014. Carrying value of the investment properties amounted to ₱4,260.26 and ₱4,387.82 million as of June 30, 2015 and December 31, 2014, respectively (see Note 14).

Impairment losses on receivables and due from related parties
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 year.

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As of June 30, 2015 and December 31, 2014, the allowance for impairment losses on receivables of the Group amounted to ₱12.70 million (see Note 6).

The carrying values of these assets as of June 30, 2015 are as follows:

Receivables (Note 6)	₱14,300,783,164
Due from related parties (Note 27)	210,863,993

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, 2015 are as follows:

Real estate inventories (Note 7)	₱9,322,362,431
Land held for future development (Note 8)	474,647,129

Impairment of nonfinancial assets
The Group assesses impairment on its nonfinancial 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 nonfinancial assets as of June 30, 2015 are shown below.

Property and equipment (Note 15)	₱101,252,874
Intangible assets (Note 16)	31,243,250

No impairment was recognized for the Group's nonfinancial assets as of June 30, 2015 and December 31, 2014.

Estimating EUL of property and equipment and intangible assets
The Group estimates the useful lives of its property and equipment and intangible assets other than those with indefinite lives based on the period over which the assets are expected to be available for use. The Group reviews annually the estimated useful lives of property and equipment 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 property and equipment would increase depreciation and amortization expense and decrease noncurrent assets. Property and equipment amounted to ₱101.25 million and ₱121.82 million as of June 30, 2015 and December 31, 2014, respectively (see Note 15).

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, 2015 and December 31, 2014, carrying values of these assets are ₱160.75 million and ₱145.82 million, respectively.

The Group has an unrecognized deferred tax asset amounting to ₱109.43 million as of June 30, 2015 and December 31, 2014.

Estimating pension obligation
The determination of the Group's pension obligations and cost of retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in notes to the consolidated financial statements and include among others, discount rates, rate of expected return on plan assets, 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 net pension liabilities amounted to ₱194.13 million and ₱191.28 million as of June 30, 2015 and December 31, 2014, respectively.

Capitalization of borrowing costs
The Group capitalizes the interest incurred on their borrowings that are directly attributable to the construction of its projects. These capitalized borrowing costs form part of the real estate inventories and are expensed out to cost of real estate sales.

The amount of borrowing costs capitalized amounted to ₱401.89 million and ₱132.50 million during the period ended June 30, 2015 and 2014, respectively.

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded in the consolidated 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.

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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
- Leasing - lease of the Group's retail mall
- 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. Details of the Group's operating segments as of and for the period ended June 30, 2015 are as follows:

	Real Estate Development	Property Management	Leasing	Adjustments and Elimination	Consolidated
Revenue	**₱4,978,340,189**	**₱164,947,309**	**₱147,241,516**	**₱–**	**₱5,290,529,014**
Costs and expenses					
Cost of real estate sales and services	**3,016,971,768**	**119,488,908**	**76,030,732**	**–**	**3,212,491,408**
General, administrative and selling expenses	**1,380,549,627**	**38,808,586**	**52,939,717**	**–**	**1,472,297,931**
Operating income	**580,818,794**	**6,649,815**	**18,271,067**	**–**	**605,739,676**
Other income (expenses)					
Interest and other income	**870,039,952**	**29,950**	**235,379,599**	**(230,121,517)**	**875,327,985**
Interest and other financing charges	**(251,364,288)**	**(160,007)**	**(15,275,012)**	**230,121,517**	**(36,677,790)**
Income before income tax	**1,199,494,458**	**6,519,758**	**238,375,654**	**–**	**1,444,389,870**
Provision for income tax	**368,995,960**	**–**	**70,613,880**	**–**	**439,609,840**
Net income	**₱830,498,497**	**₱6,519,758**	**₱167,761,775**	**₱–**	**₱1,004,780,030**
Net income attributable to:					
Owners of the Parent Company	**₱830,498,497**	**₱6,519,758**	**₱167,761,775**	**₱–**	**₱1,004,780,030**
Noncontrolling interests	**–**	**–**	**–**	**–**	**–**
	₱830,498,497	**₱6,519,758**	**₱167,761,775**	**₱–**	**₱1,004,780,030**
Other information					
Segment assets	**₱46,677,881,025**	**₱122,187,792**	**₱3,487,736,181**	**(₱15,022,600,462)**	**₱35,265,204,536**
Deferred tax assets	**146,722,070**	**14,023,151**	**–**	**–**	**160,745,222**
Total Assets	**₱46,824,603,095**	**₱136,210,943**	**₱3,487,736,181**	**(₱15,022,600,462)**	**₱35,425,949,758**
Segment liabilities	**₱27,306,048,234**	**₱106,697,740**	**₱1,194,083,266**	**(₱10,002,866,951)**	**₱18,603,962,290**
Deferred tax liabilities	**2,536,469,054**	**–**	**177,456,279**	**–**	**2,709,507,391**
Total Liabilities	**₱29,842,517,288**	**₱106,697,740**	**₱1,371,539,546**	**(₱10,002,866,951)**	**₱21,317,887,623**

5. CASH AND CASH EQUIVALENTS

This account consists of:

Cash on hand and in banks	₱846,578,504
Cash equivalents	7,307,206
	₱853,885,710

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 0.80% to 1.70%.

6. RECEIVABLES

This account consists of:

Trade receivables	
Real estate	₱13,302,694,827
Related parties	365,912,633
Management fees	65,697,534
Auction fee and commissions	2,394,043
Receivable from employees	168,217,392
Advances to customers	37,783,774
Other receivables	370,778,762
	14,313,478,965
Allowance for impairment losses	(12,695,801)
	14,300,783,164
Noncurrent portion of real estate receivables	(6,256,996,674)
	₱8,043,786,490

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, bear no interest and with lump sum collection upon project turnover. 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 which will be collected along with the monthly installments from customers over a period of one to five years. This also includes advances made to condo corp which are due and demandable and bear no interest.

Receivable financing
In 2015, the Group entered into various agreements with a local bank whereby the Group sold its real estate receivables at average interest rates of 4.85% to 8.75%. The purchase agreements provide that the Group will substitute defaulted contracts to sell with other contracts to sell of equivalent value.

The Group still retains the sold receivables in the receivables account and records the proceeds from these sales as long-term debt (see Note 20). The gross amount of real estate receivables used as collateral amounted to ₱4,573.31 million as of June 30, 2015.

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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	₱8,814,817,386
Residential house and lots	507,545,045
	₱9,322,362,431

The rollforward of this account follows:

At January 1	₱8,012,026,086
Construction costs incurred	3,270,578,416
Borrowing costs capitalized	401,896,282
Transfers from investment properties (Note 14)	654,833,415
Cost of real estate sales	(3,016,971,768)
At December 31	₱9,322,362,431

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 4.29% to 8.75%.

Real estate inventories recognized as "Cost of real estate sales" amounted to ₱3,016.97 million. Such cost of sales is derived based on the standard cost for the current reporting period.

The Group has no inventories carried at fair value. Carrying amount pledged as security for liabilities totals ₱3,545.92 million.

8. LAND HELD FOR FUTURE DEVELOPMENT

Land held for future development consists of parcels of land acquired by the Group for future real estate development.

This account consists of:

Current:	
Land held by CLC	₱43,313,185
Noncurrent:	
Land held by CLC	43,000,000
Land held by CCC	388,333,944
	₱474,647,129

Land held by CLC

On October 29, 2008, CLC entered into a contact to sell (CTS) with the United Coconut Planters Bank (UCPB) to purchase 24,837 square meters (sqm) of industrial lot situated in Mandaluyong City amounting to ₱43.31 million.

On April 5, 2011, CLC acquired an adjacent lot with an area of 14,271 sqm under the registered name of Noah's Ark Sugar Refinery for ₱43.00 million.

The Group plans to subdivide the properties into three lots in accordance with the subdivision plans, each with separate land titles, and shall have a fair value based on the valuation as determined by the seller.

Outstanding balance of the liability from purchased land as presented in the consolidated statements of financial position amounted to ₱33.64 million as of June 30, 2015 and December 31, 2014 (see Note 22).

Land held by CCC
This pertains to a property with an area of 200,000 sqm located in Novaliches, Quezon City which was acquired by the Group intended for development into a mixed development housing project.

9. ADVANCES TO SUPPLIERS AND CONTRACTORS

Advances to suppliers and contractors amounting to ₱1,332.66 million as of June 30, 2015 are recouped upon every progress billing payment depending on the percentage of accomplishment.

10. PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

Deferred selling expenses	₱748,260,217
Input taxes	614,623,873
Creditable withholding taxes	441,552,571
Marginal deposits	129,263,958
Prepaid expenses	93,337,437
Advances to land owners	23,739,844
Tax credit certificates	1,015,124
Others	13,150,306
	₱2,064,943,330

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. See Note 17 for noncurrent portion.

Input taxes are fully realizable and will be applied against output VAT.

Creditable withholding taxes are attributable to taxes withheld by third parties arising from real estate sale, property management fees and leasing revenues.

Marginal deposits represent cash hold-out for short-term loans which will be applied as payments of the related loans.

Prepaid expenses mostly pertain to prepayments of insurance premiums which will be applied throughout the remaining term of the related contracts.

Advances to land owners represent the minimum share of the land owners in relation to the joint venture projects of the Group. In accordance with the respective joint venture agreements, CCC 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.

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. Tax credit certificates and creditable withholding taxes will be applied against income tax payable.

11. DEPOSIT FOR PURCHASED LAND

This account pertains to payments made to property owners for the acquisition of parcels of land in Quezon City, Metro Manila, San Fernando, Pampanga, Novaliches, Metro Manila and Batulao, Batangas in the amount of ₱260.94 million, ₱120.00 million, ₱437.68 million and ₱73.07 million respectively. Total purchase price of the property in Pampanga consists of fixed and variable components. Fixed component of the purchase price amounts to ₱540.00 million while the variable component is a percentage of the total sales revenue collected by CLC from the sales of the saleable area of the Project.

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

This account consists:

Quoted	₱10,837,028
Unquoted	1,836,051
	12,673,079
Net unrealized loss	(3,693,499)
	₱8,979,580

Investments in unquoted shares of stock include unlisted shares of public utility companies intended to be held for cash management purposes.

Movements in the net unrealized gain on AFS financial assets are as follows:

	2014
Balance at beginning of year	₱3,192,061
Fair value changes during the year	501,438
Balance at end of year	₱3,693,499

The following table provides the fair value hierarchy of the Company's available-for-sale financial assets which are measured at fair value as of June 30, 2015.

		Fair value measurement using			
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Shares of stock:					
Unquoted	June 30, 2015	₱4,702,844	₱–	₱–	₱4,702,844
Quoted	June 30, 2015	4,276,736	4,276,736	–	–

13. INVESTMENT IN AND ADVANCES TO JOINT VENTURES

The Group's investments in and advances to joint ventures as of June 30, 2015 are shown below.

A2Global, Inc.	₱162,887,995
One Pacstar Realty Corporation	184,399,960
Two Pacstar Realty Corporation	39,698,845
	₱386,986,800

Investment in A2Global Inc.
In 2013, the Parent Company entered into an agreement with Asian Carmakers Corp. and other individuals which aim to create an entity with the primary purpose to develop, own and manage properties of all kinds and nature and to develop them into economic and tourism zones, golf course, theme parks and all other forms of leisure estates.

On February 26, 2013, the Parent Company acquired 122,200 shares in A2Global Inc.(A2Global) with an acquisition price of ₱3.06 million, for a 48.88% ownership. A2Global has six directors, three from the Parent Company and three from Asian Carmakers Corp.

According to its by-laws, most of the major business decisions of A2Global shall require the majority decision of the board. Because the board is equally represented, the arrangement is considered a joint venture and is measured using the equity method.

Total investments in and advances made by the Parent Company to A2Global for working capital and other expenses amounted to ₱162.89 million as of June 30, 2015.

As of June 30, 2015, A2Global is still in its preoperating stage.

Investment in One Pacstar Realty Corporation and Two Pacstar Realty Corporation
On October 22, 2014, CLC entered into an agreement with La Costa Development Corporation, Inc. (La Costa) to take out the loan of La Costa with Union Bank of the Philippines in its name and for its sole account.

For and in consideration of the loan take out, La Costa transferred, ceded, and conveyed 196,250 shares of One Pacstar Realty Corporation (One Pacstar) and 42,250 shares of Two Pacstar Realty Corporation (Two Pacstar).

Provisions in the agreement grant CLC to vote using the owned shares in the meetings of the stockholders of One Pacstar and Two Pacstar. The Group currently owns 50% of the total voting shares with the remaining 50% owned by La Costa for both One Pacstar and Two Pacstar. This is tantamount to the two companies sharing having joint control over One Pacstar and Two Pacstar. The primary purpose of One Pacstar and Two Pacstar is to acquire, own, lease, and manage lands and all other kinds of real estate properties.

Total investments in and advances made by CLC to One Pacstar and Two Pacstar amounted to ₱184.39 million and ₱39.70 million, respectively, as of June 30, 2015.

14. INVESTMENT PROPERTIES

The Group's investment properties are classified as of June 30, 2015 is shown below:

Land	₱1,504,388,428
Construction-in-progress	605,947,027
Building	2,149,926,278
	₱4,260,261,733

Movements in this account are as follows:

At January 1	₱4,387,823,553
Construction in progress	527,271,595
Transfers to real estate inventories (Note 7)	(654,833,415)
At June 30	₱4,260,261,733

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, 2014. Cuervo Appraisers, Inc. is an industry specialist in valuing these types of investment properties. The value of the investment properties 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.

In 2015, the Company revalued the land of CCDC II resulting to a gain on change in fair value of investment property amounting to ₱235.38 million.

For the six month period ended June 30, 2015, the Group recognized leasing revenue from the use of the said real properties amounting ₱147.24 million and incurred direct cost of leasing amounting to ₱ 76.03 million in relation to these investment properties.

15. PROPERTY AND EQUIPMENT

The Group acquired property and equipment amounting to ₱7.50 million during the six-month period ended June 30, 2015. Depreciation expense amounted to ₱28.40 million and ₱32.05 million for the six months ended June 30, 2015 and 2014, respectively.

The breakdown of depreciation expense is shown below.

Real estate inventories (Note 7)	₱16,235,652
General, administrative and selling expenses (Note 25)	12,169,258
At June 30	₱28,404,910

16. INTANGIBLE ASSETS

Intangible assets are comprised of software costs and trademarks. Software cost includes application software and intellectual property licenses owned by the Group.

Trademarks are licenses acquired separately by the Group. These licenses arising from the Group's marketing activities have been granted for a minimum of 10 years by the relevant government agency with the option to renew at the end of the period at little or no cost to the Group. Previous licenses acquired have been renewed and enabled the Group to determine that these assets have an indefinite useful life.

The Group acquired additional software and trademarks during the six-month period ended June 30, 2015 amounting to ₱0.02 million.

As of June 30, 2015 and December 31, 2014, no impairment has been assessed on these assets.

17. OTHER NON-CURRENT ASSETS

This account consists of:

Deferred selling expenses	₱759,073,896
Rental deposits	99,179,639
Deferred financing costs	76,848,277
Land	41,763,183
Miscellaneous deposits	8,290,781
Others	2,293,017
	₱987,448,792

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. See Note 10 for current portion.

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.

Deferred financing costs pertain to transaction costs incurred in obtaining certain loan facility; however, no availment was made as of June 30, 2015. These deferred financing costs will be amortized upon availment of the loan facility (see Note 20).

Land pertains to a 2,000 square-meter lot that is intended to be donated in favor of the City Government of Makati.

Miscellaneous deposits pertain primarily to utility deposits related to the construction activities of the Group.

18. ACCOUNTS AND OTHER PAYABLES

This account consists of:

Accounts payable	₱2,461,807,470
Retentions payable	139,770,094
Accrued expenses	39,293,190
Payable to related parties	17,226,525
	₱2,658,097,279

Accounts payable are attributable to the construction costs incurred by the Group. These are non- interest-bearing and with terms of 15 to 90 days.

Retentions payable are noninterest-bearing and are normally settled on a 30-day term upon completion of the relevant contracts.

Accrued expenses consist mainly of utilities, marketing costs, professional fees, communication, transportation and travel, security, insurance, representation and taxes payable.

19. 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, 2015 customers' advances and deposits amounted to ₱3,789.49 million.

20. SHORT-TERM AND LONG-TERM DEBT

Short-term Debt

Short-term debt consists of:

Trust receipts	₱555,814,235
Bank loans - Philippine Peso	5,075,780
	₱560,890,015

Trust receipts (TRs) are obtained from various banks to finance purchases mainly of construction materials for the CCDC and CLC's projects. The banks essentially pay the Company's suppliers then require the Company to execute trust receipts over the goods purchased. The TRs have a weighted average interest rate 6.1% per annum as of 2015 payable monthly or quarterly in arrears and full payment of principal balance is at maturity of one year with option to prepay or partially pay principal before maturity.

Bank loans pertain to short-term promissory note (PN) amounting to ₱5.00 million which was obtained from a local bank for CPMI's additional working capital requirements. This is renewed by CPMI for a term of one (1) year with a fixed interest rate of 6.50% per annum (p.a.) and principal repayment of which is to be made at maturity date.

Long-term Debt

Long-term debt consists of:

Payable under CTS financing	₱4,288,202,402
Bank loan - Philippine Peso	4,280,673,737
Car loan financing	55,349,499
	8,624,225,638
Less current portion	3,737,927,904
	₱4,886,297,734

Payable under CTS financing

Total outstanding loans under Contract to Sell (CTS) Purchase Agreement facility amounted to ₱4,288.20 million as of June 30, 2015.

In the six month period ended June 30, 2015, CCDC and CLC's total CTS financing facilities obtained from local banks amounted to ₱5,140.00 million. These loans bear fixed interest rates ranging from 5.75% to 8.50%. Total outstanding balances from these facilities amounted to ₱4,288.20 million as of June 30, 2015.

In the six month period ended June 30, 2015, CLC, MDC and CCDC also entered into a new CTS Purchase Agreement with a local bank in the amount of ₱1,000.00 million. Outstanding balance from this facility amounted to ₱865.53 million as of June 30, 2015. This loan has an interest rate of 5.6% per annum.

The proceeds of the loans were used in the construction of its real estate projects. 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 Parent Company. CCDC and CLC retained the assigned receivables in the "Trade receivables" account and recorded the proceeds from these assignments as "Long-term debt".

Bank loan – Philippine Peso

Parent Company

On June 11, 2013, the Parent Company entered into a loan syndication agreement with Standard Chartered Bank (SCB) to finance the planned construction and development of its properties. This loan has a facility agreement of up to ₱4,200.00 million or its USD equivalent. Under this agreement, the utilization of the loan shall be subjected to the provisions of the USD Facility agreement and PHP Facility agreement. The interest rate per annum for loans pertaining to the USD facility agreement is the LIBOR rate on the determined quotation day plus a 4.00% margin. For loans pertaining to the PHP facility agreement, the interest rate per annum is the higher of (i) the rate of interest determined at the specified time on the relevant quotation day for the loan based on 3 month PDST-F plus a 4.00% margin or (ii) the rate of interest determined at the specified time on the relevant quotation day for the loan based on BSP overnight borrowing rate plus a 2.50% margin. As of June 30, 2015, the loan balance amounted to ₱2,990.49 million.

Consequently, the Parent Company has incurred transaction costs attributable to the loan syndication agreement totaling ₱119.54 million. These transactions costs that are directly attributable to the acquisition of the loan syndication agreement are deferred and recognized over the term of the loan using effective interest rate method when the loan was availed. And where there are any unutilized loan availments from the facility, the transaction cost of which the unutilized loan area attributable to, are amortized over the loan commitment period on a straight line basis. The allocated transaction costs for the loans which are not yet utilized and are lodged under “Prepayments and other current assets” amounted to ₱95.25 million as of June 30, 2015.

Subsidiaries

In 2013 and 2012, CCDC obtained peso-denominated loans a local bank amounting to ₱300.00 million and ₱500.00 million, respectively to finance the construction costs of its projects at interest rate ranging from 6.25% payable in three to five years. As of June 30, 2015, loans from these local banks amounted to ₱700.00 million.

Additionally in 2014, CCDC obtained another availment from this local bank amounting to ₱500.00 million which shall be used to finance the construction of its projects. Principal repayment is provided with a grace period of one year, thereafter, an equal yearly amortization of ₱50.00 million to commence on its second year up to fifth year. The remaining ₱300.00 million shall be paid upon its maturity. Interest payment shall be computed on the outstanding principal amount of the loan; at a fixed rate of 6.00% per annum. As of June 30, 2015, the balance of this loan amounted to ₱450.00 million.

In 2013 and 2012, CLC obtained a peso-denominated loan from a local bank amounting to ₱322.00 million and ₱400.00 million, respectively, with terms of two years at interest rate of 1.00% per annum or the prevailing three month PDST-F on Interest Setting Date plus a credit spread of 3.50% 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. As of June 30, 2015, the balance of this loan has been fully paid.

Additionally in 2012, CLC obtained a ₱500.00 million secured transferrable term loan facility at interest rate of 4.85% per annum plus bank’s cost of funds. Principal payment is scheduled within three years from the date of the agreement. As of June 30, 2015, the outstanding balance from this loan has been fully paid.

Moreover in 2014, CLC also entered into an agreement with La Costa Development Corporation, Inc. (La Costa) to take out the loan of La Costa with a local bank in its name and for its sole account. This loan is subject to an interest rate of 8.0% per annum with a term of five years. The total outstanding balance of this loan as of June 30, 2015 amounted to ₱201.69 million.

Car loan financing
A bank has also extended a leasing facility to the Company for the purpose of renting vehicles to be used in the conduct of business. Under this facility, the lease guarantees the Company (the lessee or renter) the use of vehicles and the bank (the property owner) regular payments for a specific period.

As of June 30, 2015, CCDC and CLC outstanding loan balance under these lease facility amounted to ₱55.35 million, respectively. The lease facility bears interest ranging from 7.0% to 8.5% as of June 30, 2015. Principal amortization of the loan during the period amounted to ₱6.67 million.

Security and Debt Covenants
Certain bi-lateral, trust receipts, payables under CTS financing and bank loans have mortgaged property wherein such property can no longer be allowed to be separately used as collateral for another credit facility, grant loans to directors, officers and partners, and act as guarantor or surety in favor of banks. As of June 30, 2015, the carrying values of the properties mortgaged for trust receipts, payables under CTS financing and bank loans were totaled to ₱6,329.90 million.

Certain bi-laterals have the covenants to include maintenance of a debt-to-equity ratio of not more than 2.33 and 3.00, and a debt service coverage ratio of at least 1.5x. The syndicated term loan has a covenant, specific to the projects it is financing, of having loan to security value of no more than 50.00% and loan to gross development value of no more than 20.00%. Security value includes, among other things, valuation appraised by independent appraisers and takes into account the sold and unsold sales and market value of the properties.

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

Borrowing Costs
The total borrowing costs incurred by the Group from its short-term, long-term debts as of June 30, 2015 amounted to ₱434.67 million. Borrowing cost capitalized amounted to ₱401.90 million as of June 30, 2015.

Interest Expense
Interest and other financing charges for the short term and long-term debt for the six month period ended June 30, 2015 amounted to ₱32.78 million.

Unavailed Secured Facility Agreement
On June 13, 2014, CCDC signed a $30.00 million Secured Facility Agreement with Golden First Century Pte. Ltd., a company affiliated with Phoenix Property Investors. Proceeds from the facility shall be used to partly finance one of the Company's projects located in Century City, Makati. As of June 30, 2015, no drawdowns or availment was yet made from the facility.

Transaction costs incurred by the Company attributable to the Secured Facility Agreement amounted to ₱90.41 million. These transaction costs are recognized as deferred financing costs which will be amortized using effective interest method upon drawdowns or availment of the facility. As of June 30, 2015, deferred financing cost amounted to ₱76.85 million and presented as part of "Other noncurrent assets". And where there are any unutilized loan availments from the facility, the transaction cost of which the unutilized loan are attributable to, are amortized over the loan commitment period on a straight line basis.

21. BONDS PAYABLE

Bond payable consists of the following:

Three-year bond	₱1,187,360,000
Five-and-half year bond	1,393,530,000
Seven-year bond	119,110,000
	2,700,000,000
Less: Unamortized transaction costs	42,674,938
	₱2,657,325,062

In 2014, CPGI raised ₱2.70 billion worth of SEC-registered unsecured fixed rate peso retail bonds due on September 2, 2017 for the three-year bonds, on March 2, 2020 for the five-and-half year bonds and on September 2, 2021 for the seven-year bonds.

The CPGI bonds which were listed at the Philippine Dealing & Exchange Corp. (PDEx) on September 2, 2014, have interest rates of 6% p.a. for the three-year bonds, 6.6878% p.a. for the five-and-a-half year bonds, and 6.9758 % p.a. for the seven-year bonds. The CPGI bonds have been rated "AA+" with a Stable outlook by the Credit Rating and Investor Services Philippines Inc. (CRISP).

22. LIABILITY FROM PURCHASED LAND

This account pertains to the outstanding payable of the Company for the cost of land purchases recognized under "Real estate inventories" and "Land held for future development". These amounted to ₱33.64 million as of June 30, 2015.

In 2014, the Group reclassified "Accounts and other payables" amounting to ₱400.73 million to current portion of "Liability from purchased land" in the consolidated statement of financial position as of December 31, 2013. Management believes that this presentation appropriately reflects the classification of the Group's liabilities.

23. EQUITY

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

	30-June-2015 (Unaudited)	31-Dec-2014 (Audited)
Authorized shares	**18,000,000,000**	18,000,000,000
Par value per share	**₱0.53**	₱0.53
Issued and subscribed shares	**11,699,723,690**	11,699,723,690

Placement and Subscription Agreement between the Parent Company and CPI
On March 5, 2013, the Parent Company entered into a Subscription and Placement Agreement 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 existing common shares (the Offer Shares) of the Parent Company at ₱2.05 per share (the Offer Price) outside the United States in reliance on Regulation S under the 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.

On February 18, 2012, the Parent Company entered into a Placement Agreement with CPI, UBS AG (UBS) and Macquarie Capital (Singapore) Pte. Limited (Macquarie) wherein CPI has appointed UBS and Macquarie to offer 1,333,333,000 existing common shares (the Offer Shares) of the Parent Company at ₱1.75 per share (the Offer Price) outside the United States in reliance on Regulation S under the 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.

Treasury shares
On January 7, 2013, the BOD of the Parent Company approved a share buyback program for those shareholders who opt to divest of their shareholdings in the Parent Company. A total of ₱800.00 million worth of shares will be up for buyback for a time period of up to 24 months.

As of June 30, 2015 and December 31, 2014, a total of 114.56 million shares were reacquired at a total cost of ₱109.67 million. There are no shares reacquired during the six month period ended June 30, 2015.

Equity reserve
Equity reserve amounting to ₱6.97 million as of June 30, 2015 and December 31, 2014 is the difference between the acquisition cost and the adjusted carrying value of the noncontrolling interest in CPMI.

Retained earnings
Retained earnings include the accumulated equity in undistributed net earnings of consolidated subsidiaries amounting to ₱5,461.60 million and ₱4,657.97 million as of June 30, 2015 and December 31, 2014, respectively. These amounts are not available for dividend declaration until these are declared by the subsidiaries.

Cash dividend declaration
On June 15, 2015, the BOD of the Parent Company approved the declaration of ₱0.02 per share cash dividends amounting to ₱201.16 million for distribution to the stockholders of the Parent Company of record as of July 3, 2015.

On April 4, 2014, the BOD of the Parent Company approved the declaration of ₱0.02 per share cash dividends amounting to ₱184.47 million for distribution to the stockholders of the Parent Company of record as of May 15, 2014 which was paid on June 5, 2014.

Increase in authorized capital stock and declaration of stock dividend
At a special meeting of the Board of Directors held on June 23, 2014, the Board of Directors of Century Properties Group Inc. approved the following resolutions:

(1) Approval of the increase in the authorized capital stock of Century Properties Group Inc. (the “Corporation”) from Five Billion Three Hundred Million Pesos (₱5,300.00 million), divided into 10,000.00 million common shares, par value of ₱0.53 Peso per share, to Nine Billion Five Hundred Forty Million Pesos (₱9,540.00 million) divided into 18,000.00 million common shares with par value of ₱0.53 per share.

(2) Approval, ratification and confirmation subject to the consents and approvals, of the increase in the authorized capital stock of the Corporation at a price of ₱0.53 per share or at an aggregate price equivalent to Four Billion Two Hundred Forty Million Pesos (₱4,240.00 million) and the corresponding payment thereof by way of the declaration of stock dividends equivalent to Two Billion (2,000.00 million) common shares amounting to One Billion Sixty Million Pesos (₱1,060.00 million) to be taken out of the Corporation’s retained earnings. This amount represents at least the minimum 25% subscribed and paid-up capital requirement for the increase of the authorized capital stock from Ten Billion common shares to Eighteen Billion common shares with par value of ₱0.53 per share.

The aforesaid resolutions were approved by the Stockholders during the Annual Stockholders' Meeting held last July 23, 2014.

On October 8, 2014, the Securities and Exchange Commission (SEC) approved the increase in the authorized capital stock of the Parent Company from Five Billion Three Hundred Million Pesos (₱5,300.00 million), divided into Ten Billion (10,000.00 million) common shares, par value of ₱0.53 per share, to Nine Billion Five Hundred Forty Million Pesos (₱9,540.00 million) divided into Eighteen Billion (18,000.00 million) common shares with par value of ₱0.53 per share.

On November 11, 2014, the Philippine Stock Exchange, Inc. approved the application of the Company to list additional 730.32 million common shares, with a par value of ₱0.53 per share, to cover the Company's 20.62% stock dividend declaration to stockholders of record as of October 27, 2014 which was paid on November 14, 2014.

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 undertakes to establish the appropriate capital structure for each business line, to allow it sufficient financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

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

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. As of June 30, 2015, the Group had the following ratios:

Debt to equity	84.2%
Net debt to equity	78.1%

Debt consists of short-term and long-term debts. Net debt includes short-term and long-term debt less cash and cash equivalents, short-term investments and AFS financial assets. Equity, which the Group considers as capital, pertains to the equity attributable to equity holders of the Parent Company excluding equity reserve, loss on AFS financial assets and remeasurement loss on defined benefit plan, amounting to a total of ₱14,150.54 million and ₱13,388.90 million as of June 30, 2015 and December 31, 2014, respectively.

The Group is subject to externally imposed capital requirements due to loan covenants (see Note 20). No changes were made in the objectives, policies or processes for managing capital during the years ended June 30, 2015 and December 31, 2014.

24. EARNINGS PER SHARE

Basic/diluted earnings per share amounts attributable to equity holders of the Parent Company for June 30, 2015 and 2014 are as follow:

	June 30, 2015 (Unaudited)	June 30, 2014 (Unaudited)
Net income attributable to the owners of the Parent Company	**₱993,774,169**	₱1,058,211,826
Weighted average number of shares	**11,679,931,964**	11,546,408,840
Basic/diluted earnings per share	**₱0.085**	₱0.092

Earnings per share are calculated using the consolidated net income attributable to the equity holders of Parent Company divided by the weighted average number of shares. To determine the weighted average number of shares, the stock dividend declaration was retroactively adjusted. Stock dividend declaration was approved by the BOD on June 23, 2014 and was paid on November 14, 2014 to stockholders of record as of October 27, 2014 (see Note 23).

25. GENERAL, ADMINISTRATIVE AND SELLING EXPENSES

This account consists of:

	June 30,	
	2015	2014
Marketing and promotions	₱540,602,089	₱326,256,935
Commission	439,024,968	204,798,067
Salaries, wages and employee benefits	228,454,839	217,409,553
Taxes and licenses	116,902,781	36,651,989
Professional fees	39,020,328	62,613,702
Entertainment, amusement and recreation	23,000,232	18,156,532
Outside services	21,612,744	9,058,856
Depreciation and amortization	12,169,258	15,702,590
Communication	9,881,626	12,437,555
Transportation and travel	9,695,970	13,163,423
Supplies	5,689,272	4,989,019
Utilities	5,584,900	7,123,033
Rent	3,822,093	8,027,473
Miscellaneous	16,836,831	14,492,169
	₱1,472,297,931	₱950,880,895

Miscellaneous expenses pertain mostly to repairs and maintenance and insurance.

26. 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.

27. 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 30, 2015 (Unaudited)		December 31, 2014 (Audited)	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Loans and receivables				
Cash and cash equivalents	**₱853,885,710**	**₱853,885,710**	₱1,429,245,106	₱1,429,245,106
Receivables				
Trade receivables				
Real estate	**13,302,694,827**	**13,302,694,827**	11,553,022,779	11,945,185,806
Related parties	**365,912,633**	**365,912,633**	163,559,540	163,559,540
Management fee	**65,697,534**	**65,697,534**	66,395,787	66,395,787
Auction fee and	**2,394,043**	**2,394,043**		
commissions			2,392,406	2,392,406
Advances to customers	**37,783,774**	**37,783,774**	35,687,597	35,687,597
Other receivables	**4,866,129**	**4,866,129**	65,992,433	65,992,433
Due from related parties	**210,863,993**	**210,863,993**	145,606,224	145,606,224
	14,844,098,643	**14,844,098,643**	13,461,901,872	13,854,064,899
Derivative assets	**37,205,744**	**37,205,744**	25,521,998	25,521,998
AFS financial assets				
Quoted	**4,276,736**	**4,276,736**	4,276,736	4,276,736
Unquoted	**4,702,844**	**4,702,844**	4,702,844	4,702,844
Total Financial Assets	**₱14,890,283,967**	**₱14,890,283,967**	₱13,496,403,450	₱13,888,566,477
Other financial liabilities				
Accounts and other payables				
Accounts payable	**₱2,461,807,470**	**₱2,461,807,470**	₱1,499,632,272	₱1,499,632,272
Retentions payable	**139,770,094**	**139,770,094**	110,257,696	110,257,696
Accrued expenses	**39,293,190**	**39,293,190**	91,435,080	91,435,080
Payable to related parties	**17,226,525**	**17,226,525**	17,226,525	17,226,525
Other payables	**–**	**–**	11,653,728	11,653,728
Due to related parties	**29,322,712**	**29,322,712**	31,760,098	31,760,098
Short-term debt	**560,890,015**	**560,890,015**	673,323,310	673,323,310
Long-term debt	**8,624,225,638**	**8,624,225,638**	7,600,827,588	9,125,627,864
Bonds payable	**2,657,325,062**	**2,657,325,062**	2,657,325,062	3,420,044,813
Liability from purchased land	**33,640,589**	**33,640,589**	33,640,589	33,640,589
Total Financial Liabilities	**₱14,563,501,295**	**₱14,563,501,295**	₱12,727,081,948	₱15,014,601,975

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 short term 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 3.20% to 8.00% or the period ending June 30, 2015 and year ended December 31, 2014.

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 2.60% to 5.55% as of June 30, 2015 and December 31, 2014. The discount rates used for the liability from purchased land ranged from 2.60% to 5.55% as of June 30, 2015 and December 31, 2014.

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, 2015 and December 31, 2014, 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 2015 and 2014, 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 a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group trades only with recognized, creditworthy third parties. 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.

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.

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.

CENTURY PROPERTIES GROUP, INC.

EXHIBIT 1

Schedule of Financial Soundness Indicators
June 30, 2015 and June 30, 2014

	As of June 30	
	2015	**2014**
Current Ratio	**2.0x**	**2.1x**
Debt to Equity Ratio	**0.8x**	**0.6x**
Total Liabilities to Total Equity Ratio	**1.5x**	**1.3x**
Asset to Equity Ratio	**2.5x**	**2.3x**
	For the six months ended June 30	
	2015	**2014**
Return on Assets	**6.0%**	**7.8%**
Return on Equity	**14.7%**	**17.8%**
EBIT	**1,463.0**	**1,573.5**
EBITDA	**1,475.2**	**1,589.2**
Total Debt	**11,842.4**	**7,323.3**
Net Debt	**10,988.6**	**6,185.8**
Gross Profit from Real Estate Sales Margin	**45.2%**	**43.9%**
Net Income Margin	**16.3%**	**18.8%**
Net debt-to-equity ratio	**0.8x**	**0.5x**
Debt-to-EBITDA ratio	**4.0x**	**2.3x**
Net debt-to-EBITDA ratio	**3.7x**	**1.9x**

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.

CENTURY PROPERTIES GROUP, INC.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations covering 1st Half of 2015 vs 1st Half of 2014

Revenue

Real Estate
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 typically requires payment of 20% to 50% 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.

For the six months ended June 30, 2015, the Group recorded revenue from real estate sales amounting to ₱4,978.3 million and posted an increase of 4.9% from ₱4,747.1 million in the same period of 2014. The increase was due to recognition of more real estate sales pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectibility of sales price and the percentage of completion methods. During 2015, Century City buildings reported ₱2,089.9 million primarily from Knightsbridge, Trump Tower, Spire and Milano Residences including Centuria Medical Tower as compared to ₱1,791.2 million in the same period of 2014. CLC reported ₱2,882.1 million of revenue from real estate sales particularly from certain towers of Azure, Aqua and Commonwealth Residences as compared to ₱2,937.9 million in the same period of 2014. CCC reported ₱6.3 million of revenue from real estate sales particularly as compared to ₱18.0 million in the same period of 2014.

Interest and Other Income
Interest and other income decreased by 3.4% to ₱624.7 million for the period ended June 30, 2015 from ₱647.0 million in the same period ended June 30, 2014. This decrease was due primarily to reduced forfeited collections during the year.

Property management fee and other services
Property management fee and other services increased by 16.9% to ₱165.0 million in the period ended June 30, 2015 from ₱141.1 million in the same period ended June 30, 2014. 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, 2015 is 58.

Leasing Revenue
Leasing revenue increased to ₱147.2 million in the period ended June 30, 2015 from ₱49.46 million in the same period ended June 30, 2014 since operation of Century City Mall started only subsequent to March 2014.

Costs and Expenses

Cost and expenses increased by 14.1% to ₱4,721.5 million in the six months ended June 30, 2015 from ₱4,138.6 million for the period ended June 30, 2014.

- Cost of real estate sales increased by 2.9% from ₱2,932.3 million in the six months ended June 30, 2014 to ₱3,017.0 million in the period ended June 30, 2015. This is directly related to the improvement in real estate revenue.

- Cost of services increased by 10.7% to ₱119.5 million in the six months ended June 30, 2015 from ₱107.9 million in the period ended June 30, 2014. This was primarily due to corresponding growth in property management and other service fees.

- General, administrative and selling expenses increased by 54.8% to ₱1,472.3 million in the six months ended June 30, 2015 from ₱950.9 million in the period ended June 30, 2014. The increase was primarily due to amortization of deferred marketing expenses, increase in outsourced services due to retail mall costs, higher legal expenses and higher taxes and licenses caused by DST on transfer of land, real property tax and business permits.

- Interest and other financing charges decreased by 70.2% to ₱32.8 million for the six months ended June 30, 2015 from ₱110.0 million in the period ended June 30, 2014, since there are no significant expenses related to mark-to-market settlements in 2015 and capitalization of certain interest expenses.

Provision for Income Tax
Provision for income tax increased by 3.8% to ₱439.6 million in the six months ended June 30, 2015 from ₱423.4 million in the period ended June 30, 2014 as a result of lower taxable income during the period.

Net Income
As a result of the foregoing, net income decreased by 5.0%% to ₱1,004.8 million for the six months ended June 30, 2015 from ₱1,058.2 million in the period ended June 30, 2014.

FINANCIAL CONDITION

As of June 30, 2015 vs. December 31, 2014

Total assets as of June 30, 2015 were ₱35,425.9 million compared to ₱31,650.2 million as of December 31, 2014, or a 11.9% increase. This was due to the following:

- Cash and cash equivalents decreased by ₱575.4 million from ₱1,429.2 million as of December 31, 2014 to ₱853.9 million as of June 30, 2015 primarily due to operational activities during the period.

- Receivables increased by 19.8% from ₱11,936.0 million as of December 31, 2014 to ₱14,300.8 million as of June 30, 2015 due to the revenue recognized during the period pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectability of sales price and percentage of completion methods.

- During the six months ended June 30, 2015, real estate inventories increased by 15.3% from ₱8,083.6 million as of December 31, 2014 to ₱9,322.4 million due to development of various projects during the period and transfer of costs incurred for Spire building from investment property.

- Investment properties posted a decrease of 2.9% to ₱4,260.3 million as of June 30, 2015 as compared to ₱4,387.8 million as of December 31, 2014 primarily due to transfer of costs incurred for Spire building to inventory.

Total liabilities as of June 30, 2015 were ₱21,317.9 million compared to ₱18,345.8 million as of December 31, 2014, or a 16.2% increase. This was due to the following:

- Accounts and other payables increased by 53.6% from ₱1,730.2 million as of December 31, 2014 to ₱2,658.1 million as of June 30, 2015 due to accruals made at the end of the period.

- Short-term and long-term debt representing the sold portion of the Company's installment contracts receivables with recourse, syndicated loans, and bi-lateral term loans increased by 11.0% from ₱8,274.2 million as of December 31, 2014 to ₱9,185.1 million as of June 30, 2015 due to net draw down or availments made during the year.

- The Company issued a ₱2.7 billion bond during the year increasing the total liabilities of the Group. There are no changes in the outstanding balance of the bonds payable

- Pension liabilities increased by 1.5% from ₱191.3 million as of December 31, 2014 to ₱194.1 million as of June 30, 2015 as a result of accrual pension expense during the period.

- Income tax payable decreased by ₱2.1 million from ₱16.9 million as of December 31, 2014 to ₱14.8 million as of June 30, 2015 primarily due to full payment of year end 2014 income tax payable and accrual of 2nd quarter of 2015 income tax payable.

Total stockholder's equity net increased by 6.0% to ₱14,108.1 million as of June 30, 2015 from ₱13,304.4 million as of December 31, 2014 due to the net income recorded for the six months ended June 30, 2015 net of CPGI's dividend declaration in June 2015.

	As of June 30	
	2015	2014
Current Ratio	**2.0x**	**2.1x**
Debt to Equity Ratio	**0.8x**	**0.6x**
Total Liabilities to Total Equity Ratio	**1.5x**	**1.3x**
Asset to Equity Ratio	**2.5x**	**2.3x**
	For the six months ended June 30	
	2015	**2014**
Return on Assets	**6.0%**	**7.8%**
Return on Equity	**14.7%**	**17.8%**
EBIT	**1,463.0**	**1,573.5**
EBITDA	**1,475.2**	**1,589.2**
Total Debt	**11,842.4**	**7,323.3**
Net Debt	**10,988.6**	**6,185.8**
Gross Profit from Real Estate Sales Margin	**45.2%**	**43.9%**
Net Income Margin	**16.3%**	**18.8%**
Net debt-to-equity ratio	**0.8x**	**0.5x**
Debt-to-EBITDA ratio	**4.0x**	**2.3x**
Net debt-to-EBITDA ratio	**3.7x**	**1.9x**

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, 2015 compared to December 31, 2014 (increase/decrease of 5% or more)

Cash and cash equivalents decreased by ₱575.4 million from ₱1,429.2 million as of December 31, 2014 to ₱853.9 million as of June 30, 2015 primarily due to operational activities during the period.

Receivables increased by 19.8% from ₱11,936.0 million as of December 31, 2014 to ₱14,300.8 million as of June 30, 2015 due to the revenue recognized during the period pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectability of sales price and percentage of completion methods.

During the six months ended June 30, 2015, real estate inventories increased by 15.3% from ₱8,083.6 million as of December 31, 2014 to ₱9,322.4 million due to development of various projects during the period and transfer of costs incurred for Spire building from investment property.

Advances to suppliers and contractors increased by 31.3% to ₱1,332.7 million as of June 30, 2015 from ₱1,014.9 million as of December 31, 2014 primarily due to advances made by the Group to its suppliers at the end of the period.

Prepayments and other current assets increased by 30.4% from ₱1,583.5 million as of December 31, 2014 to ₱2,064.9 million as of June 30, 2015 due to higher input and creditable withholding taxes recognized during the six month period.

Derivative assets increased by 45.8% due to valuation gain recognized during the period.

Investment properties posted a decrease of 2.9% to ₱4,260.3 million as of June 30, 2015 as compared to ₱4,387.8 million as of December 31, 2014 primarily due to transfer of costs incurred for Spire building to inventory
Property and equipment account decreased by 16.9% from ₱121.8 million as of December 31, 2014 to ₱101.2 million as of June 30, 2015 primarily due to depreciation recognized during the period.

Other non-current assets decreased by 15.1% from ₱1,163.6 million as of December 31, 2014 to ₱987.5 million as of June 30, 2015 due to amortization of deferred marketing expenses particularly for Spire and Iquazu.

Accounts and other payables increased by 53.6% from ₱1,730.2 million as of December 31, 2014 to ₱2,658.1 million as of June 30, 2015 due to accruals made at the end of the period.

Customers' advances and deposits increased by 23.7% from ₱3,063.0 million to ₱3,789.5 million due to the increase collections from accounts that does not qualified for revenue recognition during the period. Balances as of June 30, 2015 represents collection from customers which do not meet the revenue recognition criteria as of the end of the period.

Short-term and long-term debt representing the sold portion of the Company's installment contracts receivables with recourse, syndicated loans, and bi-lateral term loans increased by 11.0% from ₱8,274.2 million as of December 31, 2014 to ₱9,185.1 million as of June 30, 2015 due to net draw down or availments made during the year.

The Company issued a ₱2.7 billion bond during the year increasing the total liabilities of the Group. There are no changes in the outstanding balance of the bonds payable

Pension liabilities increased by 1.5% from ₱191.3 million as of December 31, 2014 to ₱194.1 million as of June 30, 2015 as a result of accrual pension expense during the period.

Income tax payable decreased by ₱2.1 million from ₱16.9 million as of December 31, 2014 to ₱14.8 million as of June 30, 2015 primarily due to full payment of year end 2014 income tax payable and accrual of 2nd quarter of 2015 income tax payable.

Deferred tax liabilities (net of deferred tax assets) increased by 18.2% from ₱2,160.0 million as of December 31, 2014 to ₱2,553.2 million as of June 30, 2015 due to additional future taxable items during the period.

Total stockholder's equity net increased by 6.0% to ₱14,108.1 million as of June 30, 2015 from ₱13,304.4 million as of December 31, 2014 due to the net income recorded for the six months ended June 30, 2015 net of CPGI's dividend declaration in June 2014 and additional treasury shares during the period.

Material Changes to the Company's Statement of income for the six months ended June 30, 2015 compared to the six months ended June 30, 2014 (increase/decrease of 5% or more)

For the six months ended June 30, 2015, the Group recorded revenue from real estate sales amounting to ₱4,978.3 million and posted an increase of 4.9% from ₱4,747.1 million in the same period of 2014. The increase was due to recognition of more real estate sales pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectibility of sales price and the percentage of completion methods. During 2015, Century City buildings reported ₱2,089.9 million primarily from Knightsbridge, Trump Tower, Spire and Milano Residences including Centuria Medical Tower as compared to ₱1,791.2 million in the same period of 2014. CLC reported ₱2,882.1 million of revenue from real estate sales particularly from certain towers of Azure, Aqua and Commonwealth Residences as compared to ₱2,937.9 million in the same period of 2014. CCC reported ₱6.3 million of revenue from real estate sales particularly as compared to ₱18.0 million in the same period of 2014.

Interest and other income decreased by 3.4% to ₱624.7 million for the period ended June 30, 2015 from ₱647.0 million in the same period ended June 30, 2014. This decrease was due primarily to reduced forfeited collections during the year.

Property management fee and other services increased by 16.9% to ₱165.0 million in the period ended June 30, 2015 from ₱141.1 million in the same period ended June 30, 2014. 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, 2015 is 58.

Leasing revenue increased to ₱147.2 million in the period ended June 30, 2015 from ₱49.46 million in the same period ended June 30, 2014 since operation of Century City Mall started only subsequent to March 2014.

Cost of real estate sales increased by 2.9% from ₱2,932.3 million in the six months ended June 30, 2014 to ₱3,017.0 million in the period ended June 30, 2015. This is directly related to the improvement in real estate revenue.

Cost of services increased by 10.7% to ₱119.5 million in the six months ended June 30, 2015 from ₱ 107.9 million in the period ended June 30, 2014. This was primarily due to corresponding growth in property management and other service fees.

General, administrative and selling expenses increased by 54.8% to ₱1,472.3 million in the six months ended June 30, 2015 from ₱950.88 million in the period ended June 30, 2014. The increase was primarily due to amortization of deferred marketing expenses, increase in outsourced services due to retail mall costs, higher legal expenses and higher taxes and licenses caused by DST on transfer of land, real property tax and business permits.

Interest and other financing charges decreased by 70.2% to ₱32.8 million for the six months ended June 30, 2015 from ₱110.0 million in the period ended June 30, 2014, since there are no significant expenses related to mark-to-market settlements in 2015 and capitalization of certain interest expenses.

Provision for income tax increased by 3.8% to ₱439.6 million in the six months ended June 30, 2015 from ₱423.4 million in the period ended June 30, 2014 as a result of lower taxable income during the period.

As a result of the foregoing, net income decreased by 5.0%% to ₱1,004.8 million for the six months ended June 30, 2015 from ₱1,058.2 million in the period ended June 30, 2014.

CENTURY PROPERTIES GROUP, INC.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of operations covering 1st Half of 2014 vs 1st Half of 2013

Revenue

Real Estate
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 typically requires payment of 20% to 50% 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.

For the 1st half ended June 30, 2014, the Group recorded revenue from real estate sales amounting to ₱4,747.1 million and posted an increase of 3.8% from ₱4,574.8 million in the same period of 2013. The increase was due to recognition of more real estate sales pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectibility of sales price and the percentage of completion methods. During 2014, CCDC reported ₱1,791.2 million primarily from Knightsbridge, Trump Tower and Milano Residences including Centuria Medical Tower as compared to ₱1,478.8 million in the same period of 2013. CLC reported ₱2,937.9 million of revenue from real estate sales particularly from certain towers of Azure, Aqua and Commonwealth Residences as compared to ₱2,789.6 million in the same period of 2013. Moreover, CCC has reported ₱18.0 million of revenue from Canyon Ranch as compared to ₱306.4 million in same period of 2013.

Interest and Other Income
Interest and other income increased by 12.0% to ₱647.0 million for the period ended June 30, 2014 from ₱577.7 million in the same period ended June 30, 2013. This increase was due primarily to non-cash accretion of unamortized discounts reflecting increased revenue from real estate sales, forfeited collections during the year, and fair value gain from derivative assets.

Property management fee and other services
Property management fee and other services increased by 1.9% to ₱141.1 million in the period ended June 30, 2014 from ₱138.5 million in the same period ended June 30, 2013. 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, 2014 is 51 as of June 30, 2014.

Leasing Revenue
An increase in leasing revenue by ₱49.5 million in the period ended June 30, 2014 from nil in the same period ended June 30, 2013 is caused by the start of operation of Century City Mall in the year 2014.

Costs and Expenses

Cost and expenses increased by 8.9% to ₱4,138.6 million during the 1st half of 2014 from ₱3,801.0 million for the same period ended June 30, 2013.

- Cost of real estate sales increased by 10.7% from ₱2,648.7 million in the six months ended June 30, 2013 to ₱2,932.3 million in the period ended June 30, 2014. This was primarily due to the corresponding growth in revenue from real estate sales as well as increased in certain components of development costs.

- Cost of services increased by 24.3% to ₱107.9 million in the six months ended June 30, 2014 from ₱86.8 million in the period ended June 30, 2013. This was primarily due to corresponding growth in property management and other service fees.

- General, administrative and selling expenses decreased by 5.8% to ₱950.9 million in the six months ended June 30, 2014 from ₱1,009.0 million in the period ended June 30, 2013. The decrease in general, administrative and selling expenses due to the managements drive to reduce costs, and accrual of expenses.

- Interest and other financing charges increased by 94.7% to ₱110.0 million for the six months ended June 30, 2014 from ₱56.5 million in the period ended June 30, 2013. This was primarily due to bank fees and other financing charges paid other than capitalized borrowing costs during the year.

Provision for Income Tax
Provision for income tax decreased by 2.4% to ₱423.4 million in the six months ended June 30, 2014 from ₱434.0 million in the period ended June 30, 2013 as a result of lower taxable income during the period.

Net Income
As a result of the foregoing, net income increased by 0.2% to ₱1,058.2 million for the six months ended June 30, 2014 from ₱1,056.0 million in the period ended June 30, 2013.

FINANCIAL CONDITION

As of June 30, 2014 vs. December 31, 2013

Total assets as of June 30, 2014 were ₱27,835.5 million compared to ₱26,166.0 million as of December 31, 2013, or a 6.4% increase. This was due to the following:

- Cash and cash equivalents decreased by ₱301.4 million from ₱1,438.9 million as of December 31, 2013 to ₱1,137.5 million as of June 30, 2014 primarily due to significant spending for the construction of projects at Century City, Azure Urban Resort Residences, Acqua Private Residences, Commonwealth Residences and Canyon Ranch and reduced fund raising activity from placement and subscription agreement.

- Receivables slightly increased by 1.5% from ₱9,093.8 million as of December 31, 2013 to ₱9,231.5 million as of June 30, 2014 due to the revenue recognized during the period pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectability of sales price and percentage of completion methods.

- During the six months ended June 30, 2014, real estate inventories slightly increased by 5.9% from ₱7,026.9 million as of December 31, 2013 to ₱7,438.3 million due to project development of various projects during the period.

- Investment properties posted an increase of 6.7% to ₱4,355.0 million as of June 30, 2014 as compared to ₱4,080.8 million as of December 31, 2013 primarily due to completion of Century City Lifestyle Center and other costs incurred for Forbes and Spire Buildings.

Total liabilities as of June 30, 2014 were ₱15,526.7 million compared to ₱14,730.9 million as of December 31, 2013, or a 5.4% increase. This was due to the following:

- Accounts and other payables increased by 12.4% from ₱4,228.4 million as of December 31, 2013 to ₱4,752.5 million as of June 30, 2014 due to accruals made at the end of the reporting date.

- Short-term and long-term debt representing the sold portion of the Company's installment contracts receivables with recourse, syndicated loans, and bi-lateral term loans, increased by 21.3% from ₱6,039.1 million as of December 31, 2013 to ₱7,323.4 million as of June 30, 2014 due to draw down or availments made during the year.

- Pension liabilities slightly increased by 4.0% from ₱142.7 million as of December 31, 2013 to ₱148.4 million as of June 30, 2014 as a result of accrual pension expense during the period.

- Income tax payable increased by ₱36.3 million from ₱5.8 million as of December 31, 2013 to ₱42.1 million as of June 30, 2014 primarily due to accrual of income tax payments for the 2nd quarter of 2014.

Total stockholder's equity net increased by 7.6% to ₱12,308.8 million as of June 30, 2014 from ₱11,435.1 million as of December 31, 2013 due to the net income recorded for the six months ended June 30, 2014 net of CPGI's dividend declaration in June 2014.

	As of June 30	
	2014	2013
Current Ratio	**2.1x**	**2.7x**
Debt to Equity Ratio	**0.6x**	**0.4x**
Total Liabilities to Total Equity Ratio	**1.3x**	**1.1x**
Asset to Equity Ratio	**2.3x**	**2.1x**

	For the three months ended March 31	
	2014	2013
Return on Assets	**7.8%**	**10.3%**
Return on Equity	**17.8%**	**22.3%**
EBIT	**1,573.5**	**1,546.5**
EBITDA	**1,589.2**	**1,580.0**
Total Debt	**7,323.3**	**3,883.1**
Net Debt	**6,185.8**	**2,088.6**
Gross Profit from Real Estate Sales Margin	**43.9%**	**45.8%**
Net Income Margin	**18.8%**	**20.0%**
Net debt-to-equity ratio	**0.5x**	**0.2x**
Debt-to-EBITDA ratio	**2.3x**	**1.2x**
Net debt-to-EBITDA ratio	**1.9x**	**0.7x**

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, 2014 compared to December 31, 2013 (increase/decrease of 5% or more)

Cash and cash equivalents decreased by ₱301.4 million from ₱1,438.9 million as of December 31, 2013 to ₱1,137.5 million as of June 30, 2014 primarily due to significant spending for the construction of projects at Century City, Azure Urban Resort Residences, Acqua Private Residences, Commonwealth Residences and Canyon Ranch and reduced fund raising activity from placement and subscription agreement.

During the six months ended June 30, 2014, Real estate inventories slightly increased by 5.9% from ₱7,026.9 million as of December 31, 2013 to ₱7,438.3 million due to project development of various projects during the period.

Advances to suppliers and contractors increased by 29.7% to ₱1,705.8 million as of June 30, 2014 from ₱1,314.9 million as of December 31, 2013 primarily due to down payment subject to recoupment through progress billings.

Derivative assets increased by 119.1% due to valuation gain recognized during the period.

Prepayments and other current assets increased by 18.2% from ₱1,265.9 million as of December 31, 2013 to ₱1,496.4 million as of June 30, 2014 due to deferral of current portion of certain marketing expenses of newly launched projects with no percentage-of-completion and higher input taxes recognized during the six months period.

As of June 30, 2014, the Company invested in A2 Global, Inc. amounted to ₱56.1 million which increased by 15.0% from ₱48.8 million as of December 31, 2013. In addition to the investment made by the Company to A2 Global, Inc., the Company's deposits for land acquisitions increased by 149.1% to ₱384.9 million as of June 30, 2014 from ₱154.5 million as of December 31, 2013.

Investment properties posted an increase of 6.7% to ₱4,355.0 million as of June 30, 2014 as compared to ₱4,080.8 million as of December 31, 2013 primarily due to completion of Century City Lifestyle Center and other costs incurred for Forbes and Spire Buildings.

Property and equipment accounts decreased by 18.3% from ₱157.8 million as of December 31, 2013 to ₱128.9 million as of June 30, 2014 primarily due to depreciation recognized during the period.

As of June 30, 2014, intangible assets account increased by 84.4% to ₱33.2 million from ₱18.0 million as of December 31, 2013 due to acquisition of certain software and trademarks.

Other non-current assets increased by 38.8% from ₱758.0 million as of December 31, 2013 to ₱1,052.2 million as of June 30, 2014 due to rentals and other security deposits made during the year as well non-current portion of deferred marketing expenses for newly launched projects with no percentage-of-completion as of June 30, 2014.

Customers' advances and deposits decreased by 38.2% from ₱2,222.7 million to ₱1,373.7 million since certain accounts qualified to revenue recognition during the period. Balances as of June 30, 2014 represents collection from customers which do not meet the revenue recognition criteria as of the end of the period.

Short-term and long-term debt representing the sold portion of the Company's installment contracts receivables with recourse, syndicated loans, and bi-lateral term loans, increased by 21.3% from ₱6,039.1 million as of December 31, 2013 to ₱7,323.4 million as of June 30, 2014 due to draw down or availments made during the year.

Income tax payable increased by ₱36.3 million from ₱5.8 million as of December 31, 2013 to ₱42.1 million as of June 30, 2013 primarily due to accrual of income tax payments for the 2nd quarter of 2014.

Deferred tax liabilities (net of deferred tax assets) increased by 11.1% from ₱1,504.1 million as of December 31, 2013 to ₱1,670.7 million as of June 30, 2014 due to additional future taxable items during the period.

CENTURY PROPERTIES GROUP, INC.

Material Changes to the Company's Statement of income for the six month period ended June 30, 2014 compared to the six month period ended June 30, 2013 (increase/decrease of 5% or more)

For the 1st half ended June 30, 2014, the Group recorded revenue from real estate sales amounting to ₱4,747.1 million and posted an increase of 3.8% from ₱4,574.8 million in the same period of 2013. The increase was due to recognition of more real estate sales pursuant to higher pre-sales, in addition to the policies and estimates pursuant to the collectibility of sales price and the percentage of completion methods. During 2014, CCDC reported ₱1,791.2 million primarily from Knightsbridge, Trump Tower and Milano Residences including Centuria Medical Tower as compared to ₱1,478.8 million in the same period of 2013. CLC reported ₱2,937.9 million of revenue from real estate sales particularly from certain towers of Azure, Aqua and Commonwealth Residences as compared to ₱2,789.6 million in the same period of 2013. Moreover, CCC has reported ₱18.0 million of revenue from Canyon Ranch as compared to ₱306.4 million in same period of 2013.

Interest and other income increased by 12.0% to ₱647.0 million for the period ended June 30, 2014 from ₱577.7 million in the same period ended June 30, 2013. This increase was due primarily to non-cash accretion of unamortized discounts reflecting increased revenue from real estate sales, forfeited collections during the year, and fair value gain from derivative assets.

Cost of real estate sales increased by 10.7% from ₱2,648.7 million in the six months ended June 30, 2013 to ₱2,932.3 million in the period ended June 30, 2014. This was primarily due to the corresponding growth in revenue from real estate sales as well as increased in certain components of development costs.

Cost of services increased by 24.3% to ₱107.9 million in the six months ended June 30, 2014 from ₱ 86.8 million in the period ended June 30, 2013. This was primarily due to corresponding growth in property management and other service fees.

Interest and other financing charges increased by 94.7% to ₱110.0 million for the six months ended June 30, 2014 from ₱56.5 million in the period ended June 30, 2013. This was primarily due to bank fees and other financing charges paid other than capitalized borrowing costs during the year.

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 1st Quarter of 2015 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 3rd Quarter of 2014 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.

PART II--OTHER INFORMATION

Item 3. 2nd Quarter of 2015 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
Jose L. Cuisia, Jr	Independent Director
Stephen T. CuUnjieng	Independent Director
Carlos C. Ejercito*	Independent Director

***The election of Mr. Carlos C. Ejercito shall take effect upon the SEC's approval of the Company's amendments of Article 5 of its Articles of Incorporation to increase the number of directors from Nine (9) to Ten (10).**

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.

On June 15, 2015, the BOD of the Parent Company approved the declaration of ₱0.02 per share cash dividends amounting to ₱201.16 million for distribution to the stockholders of the Parent Company of record as of July 3, 2015.

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

None

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

None

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

Not Applicable

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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 2015 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.

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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, 2015, 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 2015 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:

JOHN PAUL C. FLORES
AVP Comptroller