CENTURY PROPERTIES GROUP, INC.

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

₱22,093,814,544

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

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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, 2019**

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
Commn Shares	11,599,600,690 Common Shares 100,123,000 Treasury Shares

11x`. 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.; 11,699,723,690 Common shares

12. Indicate by check mark whether the registrant:

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

Yes [✓] No [ ]

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

Yes [✓] No [ ]

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	**₱4,410,587,435**	₱1,950,389,193
Receivables (Note 6)	**5,767,037,233**	2,047,127,253
Contract assets (Notes 15)	**5,016,378,626**	6,827,207,071
Real estate inventories (Note 8)	**16,629,635,326**	17,257,481,436
Due from related parties (Note 16)	**417,548,825**	394,354,508
Advances to suppliers and contractors (Notes 7)	**2,673,226,059**	2,236,124,707
Other current assets (Note 13)	**1,433,667,490**	1,284,425,939
Total Current Assets	**36,348,080,994**	31,997,110,107
Noncurrent Assets		
Noncurrent contract assets (Notes 15)	**991,340,334**	1,894,555,056
Deposits for purchased land (Note 9)	**1,125,156,258**	1,189,477,058
Investments in and advances to joint ventures and associate (Note 10)	**258,768,231**	247,584,285
Investment properties (Note 11)	**12,334,689,978**	11,381,637,756
Property and equipment (Note 12)	**1,592,198,263**	1,273,790,837
Deferred tax assets (Note 24)	**37,591,671**	61,929,417
Other noncurrent assets (Note 13)	**1,192,527,401**	1,320,598,313
Total Noncurrent Assets	**17,532,272,136**	17,369,572,722
TOTAL ASSETS	**₱53,880,353,130**	₱49,366,682,829
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 14)	**₱6,198,640,957**	₱4,989,664,627
Contract liabilities (Notes 15)	**3,046,169,130**	2,294,326,736
Short-term debt (Note 17)	**2,058,719,898**	2,206,610,954
Current portion of:		
Long-term debt (Note 17)	**7,875,706,185**	5,389,150,881
Bonds Payable (Note 18)	**1,393,530,000**	–
Liability from purchased land (Note 19)	**67,200,000**	67,200,000
Lease liability (Note 25)	**15,082,317**	–
Due to related parties (Note 16)	**98,575,198**	98,575,198
Income tax payable	**9,905,974**	4,708,076
Total Current Liabilities	**20,763,529,659**	15,050,236,472
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debt (Note 17)	**7,720,389,001**	11,645,097,504
Bonds Payable (Note 18)	**3,045,469,460**	1,505,894,698
Liability from purchased land (Note 19)	**323,086,356**	301,568,733
Lease liability (Note 25)	**7,290,175**	–
Pension liabilities (Note 23)	**256,383,733**	251,101,428
Deferred tax liabilities (Note 24)	**2,457,134,844**	2,524,519,956
Other noncurrent liabilities	**762,498,002**	624,797,479
Total Noncurrent Liabilities	**14,572,251,571**	16,852,979,798
Total Liabilities	**35,335,781,230**	31,903,216,270
Equity (Note 20)		
Capital stock - ₱0.53 par value		
Authorized - 18,000,000,000 shares		
Issued - 11,699,723,690 shares	**6,200,853,553**	6,200,853,553
Additional paid-in capital	**2,639,742,141**	2,639,742,141
Treasury shares - 100,123,000 shares	**(109,674,749)**	(109,674,749)
Other components of equity	**99,393,242**	99,231,014
Retained earnings	**8,172,678,324**	7,590,086,701
Remeasurement loss on defined benefit plan	**(66,042,430)**	(66,042,430)
Total Equity Attributable to Equity Holders of the Parent Company	**16,936,950,081**	16,354,196,230
Non-controlling interest (Note 20)	**1,607,621,819**	1,109,270,329
Total Equity	**18,544,571,900**	17,463,466,559
TOTAL LIABILITIES AND EQUITY	**₱53,880,353,130**	₱49,366,682,829

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Apr-Jun 2019 Q2 2019 (Unaudited)	Apr-Jun 2018 Q2 2018 (Unaudited)	Jan-Jun 2019 1H 2019 (Unaudited)	Jan-Jun 2018 1H 2018 (Unaudited)
REVENUES				
Real estate sales	**₱2,966,838,155**	₱1,411,151,674	**₱5,414,793,579**	₱3,754,974,586
Leasing revenue (Note 11)	**139,005,435**	108,904,458	**247,857,573**	192,948,188
Property management fee and other services	**117,081,639**	87,292,185	**208,033,680**	179,535,036
Interest income from real estate sales (Notes 15)	**49,538,030**	9,465,383	**175,013,880**	198,773,050
	3,272,463,259	1,616,813,700	**6,045,698,712**	4,326,230,860
COST AND EXPENSES				
Cost of real estate sales	**1,986,985,868**	668,843,112	**3,479,968,529**	2,101,090,750
Cost of leasing (Note 11)	**44,112,896**	35,657,922	**106,192,899**	91,963,475
Cost of services	**78,863,480**	68,927,345	**150,271,904**	139,408,519
	2,109,962,244	773,428,379	**3,736,433,332**	2,332,462,744
GROSS PROFIT	**1,162,501,015**	843,385,321	**2,309,265,380**	1,993,768,116
GENERAL, ADMINISTRATIVE AND SELLING EXPENSES (Note 21)	**767,060,888**	733,420,425	**1,460,677,686**	1,579,277,450
OTHER INCOME (EXPENSES)				
Interest and other income (Note 22)	**152,375,555**	216,714,794	**310,329,539**	363,517,687
Gain from change in fair value of investment properties (Note 11)	**117,260,296**	18,131,728	**117,260,296**	18,131,728
Gain (Loss) from change in fair value of derivatives (Note 13)	**(93,057,065)**	150,592,547	**(96,698,657)**	150,592,547
Share in net earnings of joint ventures and associate	**11,183,946**	5,789,919	**11,183,946**	5,789,919
Interest and other financing charges	**(147,429,020)**	(118,369,473)	**(254,823,365)**	(248,191,961)
Unrealized foreign exchange gain (loss) (Note 17)	**58,739,848**	(194,750,000)	**66,299,848**	(194,750,000)
	99,073,560	78,109,515	**153,551,607**	95,089,920
INCOME BEFORE INCOME TAX	**494,513,687**	188,074,411	**1,002,139,301**	509,580,586
PROVISION FOR INCOME TAX (Note 24)	**106,376,988**	64,907,579	**229,870,948**	86,332,810
NET INCOME	**388,136,699**	123,166,832	**772,268,353**	423,247,776
OTHER COMPREHENSIVE INCOME (OCI)				
Items that will not be reclassified to profit or loss in subsequent periods:				
Net change in fair value of equity instruments at fair value through OCI	**162,228**	77,333	162,228	77,333
TOTAL COMPREHENSIVE INCOME	**₱388,298,927**	₱123,244,165	**₱772,430,581**	₱423,325,109
Net income attributable to:				
Equity holders of the Parent Company (Note 20)	**₱352,703,971**	₱95,565,321	**₱720,510,875**	₱365,995,132
Non-controlling interests (Note 20)	**35,432,728**	27,601,511	**51,757,478**	57,252,644
	₱388,136,698	₱123,166,832	**₱772,268,353**	₱423,247,776
Total comprehensive income attributable to:				
Equity holders of the Parent Company (Note 20)	**₱352,866,199**	₱95,642,654	**₱720,673,103**	₱366,072,465
Non-controlling interests (Note 20)	**35,432,728**	27,601,511	**51,757,478**	57,252,644
	₱388,298,927	₱123,244,165	**₱772,430,581**	₱423,325,109
Basic/diluted earnings per share (Note 20)	**₱0.030**	₱0.008	**₱0.062**	₱0.032

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	June 30, 2019 (Unaudited)	June 30, 2018 (Unaudited)
CAPITAL STOCK (Note 20)	**₱6,200,853,553**	₱6,200,853,553
ADDITIONAL PAID-IN CAPITAL(Note 20)	**2,639,742,141**	2,639,742,141
TREASURY SHARES (Note 20)	**(109,674,749)**	(109,674,749)
RETAINED EARNINGS (Note 20)		
Balance at beginning of year	**7,590,086,701**	6,804,171,335
Net Income	**720,510,875**	365,995,132
Dividends declared	**(137,919,252)**	(199,999,999)
Balance at end of period	**8,172,678,324**	6,970,166,468
OTHER COMPONENT OF EQUITY (Note 20)		
Balance at beginning of year	**99,231,014**	99,153,681
Other comprehensive income	**162,228**	77,333
Balance at end of period	**99,393,242**	99,231,014
REMEASUREMENT LOSS ON DEFINED BENEFIT PLAN		
Balance at beginning of year	**(66,042,430)**	(34,579,987)
Other comprehensive income	–	(162,228)
Balance at end of period	**(66,042,430)**	(34,742,215)
TOTAL EQUIY ATTRIBUTABLE TO PARENT COMPANY	**16,936,950,081**	15,765,413,984
NON-CONTROLLING INTEREST		
Beginning Balance	**1,109,270,329**	537,149,940
Net Income	**51,757,478**	57,252,644
Investment from non-controlling interest	**446,594,012**	106,170,325
Ending Balance	**1,607,621,819**	700,572,909
	₱18,544,571,900	₱16,465,986,893

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six-Month Periods Ended June 30	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱1,002,139,301**	₱509,580,586
Adjustments for:		
Interest and other financing charges	**254,823,365**	248,191,961
Unrealized loss (gain) from change in fair value of derivatives (Note 13)	**96,698,657**	(150,592,547)
Depreciation (Note 21)	**28,488,004**	21,946,595
Retirement expense	**7,164,260**	1,305,791
Gain from change in fair value of investment properties (Note 11)	**(117,260,296)**	(18,131,728)
Interest income from cash and cash equivalents (Note 22)	**(28,023,549)**	(31,870,769)
Interest income from real estate sales (Note 15)	**(175,013,880)**	(198,773,050)
Unrealized foreign exchange loss (gain) (Note 17)	**(66,299,848)**	194,750,000
Share in net earnings of joint ventures and associate	**(11,183,946)**	(5,789,919)
Gain on sale of investment property (Note 11)	**–**	(12,941,360)
Operating income before working capital changes	**991,532,068**	557,675,560
Decrease (increase) in:		
Receivables and contract assets (Notes 6, 15 and 29)	**(830,852,933)**	(214,476,639)
Real estate inventories (Notes 8 and 29)	**1,121,240,455**	(1,764,612,046)
Advances to suppliers and contractors (Note 7)	**(437,101,352)**	(349,933,606)
Other assets (Note 13)	**(118,245,954)**	119,922,970
Increase in:		
Liability from purchased land (Note 19)	**21,517,623**	–
Accounts and other payables (Notes 14 and 29)	**1,084,607,073**	553,575,437
Contract liabilities (Note 15)	**751,842,394**	305,762,958
Net cash provided by (used in) operations	**2,584,539,374**	(792,085,366)
Interest received	**28,023,549**	31,870,769
Interest and other financing costs paid	**(969,831,656)**	(628,821,819)
Income taxes paid	**(267,720,416)**	(111,286,167)
Retirement benefits paid	**(1,881,955)**	(28,216,453)
Net cash provided by (used in) operating activities	**1,373,128,896**	(1,528,539,036)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in due from related parties	**(23,194,317)**	(41,890,820)
Proceeds from disposal of investment property	**–**	179,598,017
Additions to:		
Investment properties (Notes 11 and 29)	**(510,986,113)**	(979,237,362)
Deposits for purchased land (Note 9)	**(101,679,200)**	(220,079,436)
Property and equipment (Note 12)	**(317,056,953)**	(52,638,420)
Net cash used in investing activities	**(952,916,583)**	(1,114,248,021)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional investment from non-controlling interest	**446,594,012**	106,170,325
Increase in due to related parties	**–**	14,991,684
Proceeds from:		
Availment of short-term and long-term debt	**3,649,915,418**	7,164,354,218
Availment of bonds payable	**3,000,000,000**	–
Deposits for preferred shares	**137,700,523**	84,982,283
Payments of:		
Short-term and long-term debt	**(5,186,127,474)**	(4,273,057,942)
Lease liabilities (Notes 25 and 29)	**(8,096,550)**	–
Net cash provided by financing activities	**2,039,985,929**	3,097,440,568
NET INCREASE IN CASH AND CASH EQUIVALENTS	**2,460,198,242**	454,653,511
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD (Note 5)	**1,950,389,193**	1,400,358,850
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 5)	**₱4,410,587,435**	₱1,855,012,361

See accompanying Notes to Interim Condensed Consolidated Financial Statement

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Century Properties Group Inc. (the Parent Company or CPGI), a publicly-listed company, was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 6, 1975. The Parent Company is a 63.59%-owned subsidiary of Century Properties Inc. (CPI) and the rest by the public. The Group is primarily engaged in the development and construction of residential and commercial real estate projects.

The registered office address of the Parent Company is 21st Floor Pacific Star Building, Sen. Gil Puyat corner Makati Avenue, Makati City.

The Parent Company and its subsidiaries are collectively referred to herein as the “Group”.

1.2 RECENT TRANSACTIONS

Completion of Asian Century Center

In the fourth quarter of 2018, CPG completed its first office building in BGC, Asian Century Center. The project was launched in partnership with Asian Carmakers Corporation. The 21-storey office building will add 29,628 leasable area to CPG’s portfolio is about 70% leased as of December 31, 2018. The building is PEZA accredited and meets its strict requirements of 100-percent power backup provision for high-speed internet and infrastructure, and a building management system.

The tower has been pre-certified for the core and shell rating of LEED (or the Leadership in Energy and Environmental Design), a globally recognized green building and sustainability certification system. Precertification is awarded to projects with achievable sustainable targets that demonstrate the project’s commitment to LEED certification. Asian Century Center is working towards a LEED Silver status.

Signing of Memorandum of Agreement with Global Development Corp.

On January 9, 2019 Global Gateway Development Corp. (GGDC) and Century Properties Group, Inc. (CPGI) signed a memorandum of agreement (MOA) to create a Joint Venture (JV) that will develop 2.6 hectares of the 177-hectare Clark Global City into a mix of residential and office buildings. Global Gateway Development Corp. is the owner and developer of Clark Global City. It is a wholly owned subsidiary of Udenna Development (UDEVCO) Corp., the real estate and property development arm of one of the fastest growing holding companies in the Philippines Udenna Corporation.

The MOA provides for mixed use development, i.e. residential and office buildings with support retail establishments. This project will be CPGI's first development in Clark, a former military base currently being transformed into the country’s next big metropolis and primed as the answer to Metro Manila’s congestion. CPGI is banking on the phenomenal growth of Central Luzon, which has the highest number of occupied housing units; and also Clark, which has emerged as the second largest market for office after Metro Manila.

Situated within the Clark Freeport Zone, the development offers an ideal regulatory, economic and operating environment. It is also poised to benefit from various public infrastructure projects such as the expansion of the Clark International Airport, NLEX-SLEX Connector Road, Subic-Clark Cargo Railway and PNR North Railway.

Launch of Phirst Park Homes, Inc.

On September 20, 2018, Century Properties Group Inc. (CPGI) and the global business enterprise Mitsubishi Corporation launched the newly-formed joint venture company PHirst Park Homes, Inc. (PPHI) at the Shangri-La Hotel in Fort Bonifacio and announced its plans to cater to the broader market of first homebuyers by rolling out 33,000 units in key locations outside of Metro Manila with an estimated sales value of P57 billion. The joint venture company is 60 percent and 40 percent owned by CPG and Mitsubishi, respectively.

PPHI will launch 15 masterplanned communities in Calabarzon and Central Luzon within the next 5 years. These new launches will entail capital expenditures of approximately P28 billion, of which P11 billion will be spent in the first 5 years. The company is also eyeing expansion into the Visayas and Mindanao regions once it has established technical and market scale.

PHirst Park Homes Homesions once it has established technical and market scale.l caTanza, Cavite, which has already sold out its first phase with 1,200 units valued at approximately Php1.4 billion. In June 2018, the company also launched PHirst Park Homes Lipa, a 20-hectare development in Lipa City, Batangas with 1,867 units valued at Php2.8 billion.

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 Destinations and Lifestyle Corp. *(Formerly Century Properties Hotel and Leisure, Inc.)*	100	-
A2Global Inc.	49	-
Phirst Park Homes Inc.	60	-

Currently, the Company has five wholly-owned subsidiaries namely Century Communities Corporation (CCC), Century City Development Corporation (CCDC), Century Limitless Corporation (CLC), Century Properties Management Inc. (CPMI) and Century Properties Hotel and Leisure, Inc. (CPHLI). Through these Subsidiaries, CPGI develops, markets and sells residential, office, medical and retail properties in the Philippines, as well as manages residential and commercial properties in the Philippines.

Century Communities Corporation

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

Century City Development Corporation

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

Century Limitless Corporation

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

Century Properties Management, Inc.

Incorporated in 1989, CPMI is one of the largest property management companies in the Philippines, as measured by total gross floor area under management. CPMI currently has 46 projects in its portfolio, covering a total gross floor area of 2.55 million sq.m. CPMI has been awarded 18 safety and security distinctions from the Safety Organization of the Philippines.

Century Destinations and Lifestyle Corp (CDLC)

Incorporated in 2014, CDLC shall operate, conduct and engage in hotel business and related business ventures.

A2Global Inc.

A2Global, Inc., in an associate incorporated in 2013, is a company where CPGI has a 49% shareholding stake.

Phirst Park Homes Inc

Incorporated in 2018, CPGI has a 60% shareholdings stake in Phirst Park Homes Inc., PHirst Park Homes, Inc. aims to launch about 15 projects within the next 5 years with a total of roughly 33,000 units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries.

The accompanying consolidated financial statements have been prepared using the historical cost basis, except for investment properties and derivative assets that are measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is the functional currency of the Parent Company and of all the investee companies. All amounts are rounded off to the nearest ₱, 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), which include the availment of the relief granted by the SEC under Memorandum Circular Nos. 14-2018 and 3-2019 as discussed in the section below on Adoption of New and Amended Accounting Standards and Interpretations. PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the Philippine Interpretations Committee (PIC).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and the following subsidiaries:

	Percentage of Ownership		
	2019	2018	2017
Century Limitless Corporation (CLC)	**100**	100	100
Century Acqua Lifestyle Corporation (CALC)	**100**	100	100
Tanza Properties I, Inc. (TPI I)	**60**	60	60
Tanza Properties II, Inc. (TPI II)	**60**	60	60
Tanza Properties III, Inc. (TPI III)	**60**	60	60
Katipunan Prime Development Corporation (KPDC)	**60**	60	–
PHirst Park Homes Development Corporation (PPHDC)	**100**	100	–
Century Properties Management, Inc. (CPMI)	**100**	100	100
Siglo Suites, Inc. (SSI)	**100**	100	100
Siglo Commercial Management Corporation (SCMC)	**100**	100	100
Century Communities Corporation (CCC)	**100**	100	100
Century City Development Corporation (CCDC)	**100**	100	100
Century City Development Corporation II (CCDC II)	**60**	60	60
Centuria Medical Development Corporation (CMDC)	**100**	100	100
Knightsbridge Residences Development Corporation*	**100**	100	100
Milano Development Corporation (MDC)	**100**	100	100
Century City Development Corporation VII*	**100**	100	100
Century City Development Corporation VIII*	**100**	100	100
Century City Development Corporation X*	**100**	100	100
Century City Development Corporation XI*	**100**	100	100
Century City Development Corporation XII*	**100**	100	100
Century City Development Corporation XIV*	**100**	100	100
Century City Development Corporation XV*	**100**	100	100
Century City Development Corporation XVI*	**100**	100	100
Century City Development Corporation XVII*	**100**	100	100
Century City Development Corporation XVIII*	**100**	100	100
Century Destination Lifestyle Corporation (CDLC)**	**100**	100	100
PHirst Park Homes, Inc. (PPHI)	**60**	60	–

**non-operating CCDC subsidiaries*
***formerly Century Properties Hotel and Leisure Inc. (CPHLI)*

On August 31, 2018, PPHI was incorporated by the Parent Company and Mitsubishi Corporation (MC) for 60% and 40% ownership interests, respectively (see Note 20). The primary purpose of PPHI is to engage in real estate development.

On July 20, 2018, KPDC was incorporated by CLC, a wholly-owned subsidiary of the Parent Company, and TCG Holdings, Inc. (THI) for 60% and 40% ownership interests, respectively (see Note 20). The primary purpose of KPDC is to engage in real estate development. KPDC has not yet started commercial operations.

On February 2, 2018, PPHDC, a wholly owned subsidiary of CLC, was incorporated. PPHDC was organized primarily to engage in real estate development.

On October 14, 2016, TPI I, TPI II and TPI III were incorporated as wholly owned subsidiaries of CPGI. On December 30, 2016, CPGI assigned all its interest to the aforementioned companies to CLC (see Note 20).

On September 19, 2016, SCMC, was incorporated as a wholly owned subsidiary of CPMI.
SCMC was organized primarily to provide professional leasing and management services to real estate properties such as building, office space, commercial lots and other related structures whether for commercial or industrial purpose except financial leasing.

On September 23, 2014, the BOD approved the cessation of operations of the non-operating CCDC subsidiaries. On the same date, the BOD approved the dissolution of these subsidiaries. Accordingly, these subsidiaries changed their basis of accounting from a going concern basis to a liquidation basis. Final dissolution will take place after the approval of the subsidiaries' application with the Bureau of Internal Revenue (BIR). As of December 31, 2018, the subsidiaries have not yet filed their application for dissolution with the BIR.

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 those returns through its power over the investee. Specifically, the Group controls an investee if and 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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and 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-assesses 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.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent 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.

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 non-controlling interests (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 parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

CENTURY
PROPERTIES GROUP, INC.

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements starting January 1, 2019. Unless otherwise indicated, adoption of these pronouncements did not have any significant impact on the Group's financial position or performance.

The nature and impact of each new standards and amendment are described below:

Effective beginning on or after January 1, 2019

- Amendments to PFRS 9, *Prepayment Features with Negative Compensation*
  Under PFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective from January 1, 2019, with earlier application permitted.

  These amendments will have no impact on the consolidated financial statements of the Group.

- PFRS 16, *Leases*
  PFRS 16 supersedes PAS 17, *Leases*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

  The Group has lease contracts for office spaces as a lessee. Before the adoption of PFRS 16, the Group classified each of its leases at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. In an operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in the condensed consolidated statements of comprehensive income on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under other current assets and accounts and other payables, respectively.

  Upon adoption of PFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

  The Group has elected to apply the following practical expedients provided by the standard:
  - Use of a single discount rate to a portfolio of leases with reasonably similar characteristics.
  - The Group relied on its assessment of whether leases are onerous immediately before the date of initial application.
  - The Group did not apply the requirements of PFRS 16 to leases for which the lease term ends within 12 months from the date of initial application.
  - The Group used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

  Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases.

The Group adopted PFRS 16 using the modified retrospective method of adoption with the date of initial application of January 1, 2019. Under this method, PFRS 16 is applied retrospectively with the cumulative effect of initially applying PFRS 16 recognized at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying PAS 17 at the date of initial application.

The adoption of PFRS 16 resulted in recognition of right-of-use asset and lease liability both amounting to ₱29.30 million as at January 1, 2019 (see Notes 14 and 28).

Set out below, are the amounts by which each financial statement line item is affected as at and for the period ended June 30, 2019 as a result of the adoption of PFRS 16. The first column shows what the amounts would have been had PFRS 16 not been adopted and the third column shows amounts prepared under PFRS 16:

Interim condensed consolidated statement of financial position

	As of June 30, 2019		
	Previous PFRS	**Increase (decrease)**	**PFRS 16**
ASSETS			
Noncurrent Assets			
Other noncurrent assets	₱1,063,252,598	₱21,701,825	**₱1,084,954,423**
LIABILITIES AND EQUITY			
Current liabilities			
Current portion of lease liability	–	15,082,317	**15,082,317**
Noncurrent liabilities			
Noncurrent portion of lease liability	–	7,290,175	**7,290,175**
Equity			
Retained earnings	8,173,348,991	(670,667)	**8,172,678,324**

Interim condensed consolidated statement of comprehensive income

	For the six-month period ended June 30, 2019		
	Previous PFRS	**Increase (decrease)**	**PFRS 16**
General, administrative and selling expenses	₱1,461,176,470	(₱498,784)	**₱1,460,677,686**
Interest and other financing charges	253,653,914	1,169,451	**254,823,365**
Net income attributable to equity holders of the Parent Company	721,181,542	(670,667)	**720,510,875**

Interim condensed consolidated statement of cash flows

	For the six-month period ended June 30, 2019		
	Previous PFRS	**Increase (decrease)**	**PFRS 16**
Net cash provided by operating activities	₱1,502,951,598	₱8,096,550	**₱1,511,048,148**
Net cash provided by financing activities	1,910,163,227	(8,096,550)	**1,902,066,677**

- Amendments to PAS 19, *Employee Benefits, Plan Amendment, Curtailment or Settlement*
  The amendments to PAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

  - Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
  - Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

  The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

  The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after January 1, 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

- Amendments to PAS 28, *Long-term Interests in Associates and Joint Ventures*
  The amendments clarify that an entity applies PFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in PFRS 9 applies to such long-term interests.

  The amendments also clarified that, in applying PFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying PAS 28, *Investments in Associates and Joint Ventures*.

  The amendments should be applied retrospectively and are effective from January 1, 2019, with early application permitted. Since the Group does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its consolidated financial statements.

- Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments*
  The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12, *Income Taxes,* and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

  The interpretation specifically addresses the following:
  - Whether an entity considers uncertain tax treatments separately
  - The assumptions an entity makes about the examination of tax treatments by taxation authorities
  - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
  - How an entity considers changes in facts and circumstances

  An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.
  The Group made a reassessment of all of its tax treatments and has determined that there are no uncertainties involved in the computation of its current and deferred taxes.

Annual Improvements to PFRSs 2015 - 2017 Cycle

- Amendments to PFRS 3, *Business Combinations*, and PFRS 11, *Joint Arrangements, Previously Held Interest in a Joint Operation*
  These amendments have no impact to the interim condensed consolidated financial statements of the Group.

- Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*
  These amendments are not relevant to the Group because dividends declared by the Group to domestic corporations do not give rise to tax obligations under the current tax laws.

- Amendments to PAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*
  Real estate entities classify its sold real estate properties (i.e. installment contracts receivable and contract assets) and unsold real estate properties (i.e. real estate inventories) which are not yet substantially completed as qualifying assets. Accordingly borrowing cost is capitalized until such qualifying assets are substantially completed.

  The amendments clarify that a real estate entity's sold and unsold real estate properties that are not yet substantially completed do not meet the criteria for a qualifying asset under PAS 23 because such assets are already available for its intended sale.

  The Group performed its initial impact assessment and assessed that it will impact the classification and measurement of its borrowing costs. The group is currently quantifying the amounts of the impact.

Effective beginning on or after January 1, 2020

- Amendments to PAS 1, *Presentation of Financial Statements, and PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*
  The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements, and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  These amendments do not have any impact on the Group's consolidated financial statements.

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification.

An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

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 six months or less from dates of placement and are subject to an insignificant risk of change in value.

Financial Instruments – Initial Recognition and Subsequent Measurement (upon adoption of PFRS 9)

Initial recognition
The Group classifies financial assets, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

For a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement of financial assets
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss
- Financial assets at fair value through OCI, where cumulative gains or losses previously recognized are reclassified to profit or loss
- Financial assets designated at fair value through OCI, where cumulative gains or losses previously recognized are not reclassified to profit or loss

Financial assets at amortized cost
The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are initially recognized at fair value plus directly attributable transaction costs and subsequently measured using the effective interest (EIR) method, less any impairment in value. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. This accounting policy relates to the Group's "Cash and cash equivalents", "Receivables" and "Due from related parties".

Financial assets at FVOCI
Debt instruments. The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit loss (ECL) model.

As of June 30, 2019, the Company does not have debt instruments at FVOCI.

Equity instruments. The Company may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognized in a business combination in accordance with PFRS 3. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its quoted equity investments under this category.

Financial assets at FVTPL

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments which the Group had not irrevocably elected to classify at fair value through OCI.

Classification of financial liabilities

Financial liabilities are measured at amortized cost, except for the following:

- financial liabilities measured at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Company retains continuing involvement;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in accordance with PFRS 3.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

- if a host contract contains one or more embedded derivatives; or
- if a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

Reclassifications of Financial Instruments (upon adoption of PFRS 9)

The Company reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the Company and any previously recognized gains, losses or interest shall not be restated. The Company does not reclassify its financial liabilities.

Impairment of Financial Assets (prior to adoption of PFRS 9)

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 EIR 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 historical loss experience is based and to remove the effects of conditions in the historical period that do not which the 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.

Impairment of Financial Assets (upon adoption of PFRS 9)
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are also recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

The Group applies a simplified approach in calculating ECLs for "Receivables". Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. For leasing receivables, the Group has established a provision matrix that is based on its historical credit loss experience. For ICR, the Company uses a vintage analysis that is based on its historical credit loss experience. Both are further adjusted for forward-looking factors specific to the debtors and the economic environment.

For all debt financial assets other than receivables, ECLs are recognized using the general approach wherein the Group tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECLs at each reporting date.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Company's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the Company from the time of origination.

The Group's "Cash and cash equivalents" and "Due from related parties" are graded to be low credit risk investment based on the credit ratings of depository banks and related parties as published by Bloomberg Terminal.

Write-off policy

The Group writes-off a financial asset, in whole or in part, when the asset is considered uncollectible, it has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Derecognition of Financial Assets and Liabilities (prior to and upon adoption of PFRS 9)

Financial asset

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities

A financial liability is derecognized when the obligation under the financial liability is discharged or 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 financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the statements of comprehensive income.

Offsetting Financial Instruments (prior to and upon adoption of PFRS 9)
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. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

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 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 is its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient date 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 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 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 each reporting date.

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.

Advances to Suppliers and Contractors
The Group recognizes advances to suppliers at the time payment has been made to specific suppliers and contractors. These are subsequently recouped upon every progress billings.

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.

Real estate inventories also consist of land held for future development. The Group has plans to construct and develop these parcels of land as a residential property for sale in the ordinary course of business. The physical construction activities have not commenced as of June 30, 2019.

Deposits for Purchased Land

This represents deposits made to land owners for the purchase of certain parcels of land which ultimate use is currently undetermined. The Group normally makes deposits before a 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 amount capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of finance 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.

Investments in and Advances to Joint Ventures and Associate

Investments in and advances to joint ventures and associate (investee companies) are accounted for under the equity method of accounting. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

An investment is accounted for using the equity method from the day it becomes a joint venture or associate. 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 comprehensive 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 joint control over the joint ventures or significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint ventures or associate and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of comprehensive income.

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 the “market approach” for its land properties which are based on recent real estate transactions with similar characteristics and location to those of the Group’s investment properties and the “income approach” for its income generating buildings which are based on the buildings discounted future cash flows. 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 lives (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
Leasehold improvements	5 or lease term, whichever is shorter
Construction equipment	5

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.

Construction in progress, included in property and equipment, is stated at cost. Depreciation is computed when the relevant asset is completed and becomes available for use in operations, at which time, the asset is reclassified to its property and equipment category.

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.

Creditable Withholding Tax (CWT)

CWTs, which are included under “Other current assets” account in the consolidated statement of financial position, are amounts withheld from income subject to expanded withholding taxes (EWT). CWTs can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation.

Impairment of Nonfinancial Assets

The Group assesses as at reporting date whether there is an indication that its nonfinancial assets (e.g., property and equipment and investments in joint ventures and associate) 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.

Deposits for Preferred Shares Subscription

Deposits for preferred share subscription represent cash received by CALC, a subsidiary that are convertible to a fixed number of CALC's stocks in the future. CALC's preferred shares are considered as compound financial instruments which contain both liability and equity components. Since the preferred shares are non-redeemable and entitles the holder to a pro-rata share of assets upon liquidation, including 28 free nights to stay at the hotel, this financial instrument is classified as an equity instrument. However, the preferred shares establish a contractual right to a dividend [i.e. the net room rental revenue (NRRR)], thus, it contains a financial liability with respect to the share in the NRRR.

Prior to full payment and availability of the rooms, the subsidiary accounts for the amounts received from the buyers of preferred shares as "Deposits for preferred shares subscription" classified as a liability under the "Other noncurrent liabilities" account, given that based on the terms of the contract, the preferred shares shall be entitled to any of the rights and benefits as stated above upon full payment of their shares and subject to the availability of the rooms. At present, the facility relating to the generation of NRRR is under construction representing an obligation on the part of CALC to the preferred shares subscribers.

Upon full payment and availability of the rooms and when the rights indicated above vest, the amounts received from the preferred shareholders is allocated between the equity and liability components.

Equity

Capital stock and additional paid-in capital

The Group records common stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par value 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.

Retained earnings

Retained earnings represent accumulated earnings of the Group less 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 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.

Revenue Recognition under PFRS 15

Revenue from Contract with Customers

The Group primarily derives its real estate revenue from the sale of vertical and horizontal real estate projects. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, electricity in its leasing units, wherein it is acting as agent.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Real estate sales
The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report prepared by the third party project engineers which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as residential and office development receivables, under trade receivables, is included in the "Contract asset" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized trade receivables and contract assets is included in the "Contract liabilities" 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.

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 recorded under "Interest and other income" 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
The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold units being recognized as cost of sales while the portion allocable to the unsold units being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

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

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

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

Contract Balances
Installment contract receivables (ICRs)
ICR represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to Obtain Contract
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are recorded as "Prepaid commissions" in the consolidated statements of financial position. These are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "General and administrative expenses" account in the consolidated statement of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Amortization, de-recognition and impairment of capitalized costs to obtain a contract
The Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using POC following the pattern of real estate revenue recognition. The amortization is included within cost of real estate sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

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 “Prepaid commissions” under “Other current assets” and “Other noncurrent assets” accounts. 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 and b) gains and losses, and curtailment and non - routine settlement.

The liability recognized by the Group in respect of the funded defined benefit pension plan is the present value of the defined benefit obligation at the reporting date. 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.

Remeasurements, 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 consolidated statement of financial position with a corresponding debit or credit to other comprehensive income (OCI) in the period in which they occur. Remeasurements 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.

Set out below are the new accounting policies of the Group upon adoption of new standards and amendments:

Right-of-use Assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the lease term.

Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term Leases and Leases of Low-value Assets

The Group applied the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applied the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

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.

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 associate.

The carrying amount of deferred tax assets is 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.

Value-added Tax (VAT)
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable and is included as part of the "Accounts and other payables" account in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset and is included as part of the "Other current assets" account in the consolidated statement of financial position to the extent of the recoverable amount.

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 to 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.

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, 2019 and December 30, 2018, 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 Date
Post year-end events up to the date of auditor's 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 ACCOUNTING 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.

Determining the lease term of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of one to three years. The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. The Group excluded the renewal period for the leases of its office spaces since there is no economic incentive that the Group will exercise the renewal option in the lease contracts.

Valuation of lease liabilities and right-of-use assets
The application of PFRS 16 requires the Group to make judgments that affect the valuation of the lease liabilities and the valuation of right-of-use assets. These include: determining contracts in scope of PFRS 16, determining the contract term and determining the incremental borrowing rate used for discounting of future cash flows.

Existence of a contract
The Group's primary document for a contract with a customer is a signed CTS. It has determined, however, that in cases wherein CTS are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Revenue recognition method and measure of progress
The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about 5% would demonstrate the buyer's commitment to pay.

The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

Incorporation of forward-looking information
The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group has considered a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group considers a representative range of possible forecast scenarios. This process involves gathering two or more economic scenarios and considering the

relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analyzing historical data over the past 5 years. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

The Group has not identified any uncertain event that it has assessed to be relevant to the risk of default occurring but where it is not able to estimate the impact on ECL due to lack of reasonable and supportable information.

Definition of default and credit-impaired financial assets
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative criteria*
  The borrower is more than 90 days past due on its contractual payments, i.e. principal and/or interest, which is consistent with the regulatory definition of default.
- *Qualitative criteria*
  The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
  - The borrower is experiencing financial difficulty or is insolvent
  - The borrower is in breach of financial covenant(s)
  - An active market for that financial assets has disappeared because of financial difficulties
  - Concessions have been granted by the Group, for economic or contractual reasons relating to the borrower's financial difficulty
  - It is becoming probable that the borrower will enter Bankruptcy or other financial reorganization
  - Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

An instrument is considered to be no longer in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months as it has exhibited a satisfactory track record. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

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.

Material partly-owned subsidiaries
In determining whether a NCI is material to the Group, management employs both quantitative and qualitative factors to evaluate the nature of, and risks associated with, the Group's interests in these entities and the effects of those interests on the Group's financial position. Factors considered include, but not limited to, carrying values of the subsidiary's NCI relative to the NCI recognized in the consolidated financial statements, the

subsidiary's contribution to the Group's revenues and net income, and other relevant qualitative risks associated with the subsidiary's nature, purpose and size of activities.

Based on management's assessment, the Group has concluded that TP I, TP II, TP III, CCDC II and PPHI are subsidiaries with NCI that are material to the Group. Information about the subsidiaries with material NCI is disclosed in Note 20 to the consolidated financial statements.

Receivable financing
The Group has entered into various receivable financing transactions with local banks to assign its ICR and contract assets. The Group has determined that it has retained substantially all the risks and rewards of ownership of these assets. Thus, the Group still retains the assigned receivables and contract assets in the receivables account and records the proceeds from these sales as long-term debt. The gross amount of ICRs and contract assets used as collateral amounted to ₱5,968.09 million and ₱6,638.84 million as of June 30, 2019 and December 31, 2018, respectively (see Note 17).

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.

Classification of deposit for preferred shares subscription
The Group determined that CALC's preferred shares under the "Other noncurrent liabilities" account are compound financial instruments, which contain both liability and equity components. However, prior to full payment and availability of the rooms, the Group has determined that amounts received from the buyers of preferred shares are classified as "Deposits for preferred shares subscription" under the "Other noncurrent liabilities" account since the shareholders rights to the 28 free nights to stay at the hotel and contractual right to dividends will inure to the shareholder only upon full payment and availability of the rooms.

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 recognition on real estate projects
The Group's revenue recognition require management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Group's revenue from real estate and construction contracts is recognized based on POC are measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving significant estimates in determining the quantity of imports such as materials, labor and equipment needed, the assessment process for the POC is complex and requires technical determination by management's specialists (third party project engineers).

Collectability 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. Based on the historical trend of cancellations of customer contracts, the management believes that 5% continues to be reasonable.

Fair value of investment properties
The Group carries its investment properties at fair value, with changes in fair value being recognized in profit or loss except for investment properties under construction. The Group determined that its investment properties under construction is to be measured at cost. During its construction phase, fair value of the investment properties is not reliably measurable. Once the construction is complete, the Group will be able to measure the property at fair value. The Group engages annually independent valuation specialists to determine the fair value. For the investment property, the appraisers used a valuation technique based on comparable market data and future cash flows available for such properties.

Evaluation of impairment of financial assets under PFRS 9
The Group uses a provision matrix to calculate ECLs for trade receivables other than ICRs. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP growth rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for ICRs and contract assets. The vintage analysis accounts is used for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The Company defines a financial instrument as in default when a customer is more than 90 days past due on its contractual obligations. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. An instrument is considered to be no longer in default (i.e. to have cured) when it no longer meets any of the default criteria.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of
customer's actual default in the future.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

As of June 30, 2019, the allowance for impairment losses on financial assets and contract assets of the Group amounted to ₱10.99 million (see Notes 6). As of June 30, 2019, the carrying values of these assets are as follows:

	June 30, 2019 (Unaudited)
Cash and cash equivalents	₱4,410,587,435
Receivables and contract assets (see Notes 6 and 15)	11,774,756,493
Due from related parties (see Note 16)	417,548,825

Estimating NRV of real estate inventories
The Group reviews the NRV of real estate inventories 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 are written down below cost when the estimated NRV is found to be lower than the cost.

NRV for completed real estate inventories 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 real estate inventories amounted to ₱16,692.64 million and ₱17,257.48 million as of June 30, 2019 and December 31, 2018, respectively (see Note 8).

Impairment of nonfinancial assets
The Group assesses impairment on its nonfinancial assets (e.g. property and equipment and investment in joint ventures and associate) 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.

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 or value in use whichever is higher. 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 follow:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Advances to suppliers and contractors (see Note 7)	**₱2,673,226,059**	₱2,236,124,707
Other current assets (see Note 13)*	**675,410,543**	429,324,334
Deposits for purchased land (see Note 9)	**1,125,156,258**	1,189,477,058
Investments in and advances to joint ventures and associate (see Note 10)	**258,768,231**	247,584,285
Property and equipment (see Note 12)	**1,592,198,263**	1,273,790,837
Other noncurrent assets (see Note 13)**	**686,169,354**	1,157,780,304

**Excluding taxes, and deposits*
***Excluding rental deposits and derivative assets*

No impairment was recognized for the Group's nonfinancial assets as of June 30, 2019 and December 31, 2018.

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.

Estimating pension liabilities
The determination of the Group's pension liabilities 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 the consolidated financial statements and include among others, discount rates and salary increase rates. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension liabilities. The Group's net pension liabilities amounted to ₱256.22 million as of June 30, 2019 (see Note 23).

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.

The financial information about the operations of these operating segments is summarized below:

	For the Six-Month Period Ended June 30, 2019				
	Real Estate Development	**Leasing**	**Property Management**	**Adjustments and Elimination**	**Consolidated**
Revenue	**₱5,753,920,947**	**₱247,857,573**	**₱208,033,680**	**(₱164,113,488)**	**₱6,045,698,712**
Costs and expenses					
Cost of real estate sales and services	**3,612,176,808**	**106,192,899**	**150,271,904**	**(132,208,279)**	**3,736,433,332**
General, administrative and selling expenses	**1,392,286,312**	**35,614,404**	**32,776,970**	**–**	**1,460,677,686**
Operating income	**749,457,827**	**106,050,270**	**24,984,806**	**(31,905,209)**	**848,587,694**
Other income	**550,930,993**	**5,920,033**	**11,060**	**(51,788,457)**	**505,073,629**
Other expense	**(356,895,803)**	**(49,337,738)**	**(118,938)**	**54,830,457**	**(351,522,022)**
Income before income tax	**943,493,017**	**62,632,565**	**24,876,928**	**(28,863,209)**	**1,002,139,301**
Provision for income tax	**201,818,168**	**18,519,817**	**9,532,963**	**–**	**229,870,948**
Net income	**₱741,674,849**	**₱43,212,905**	**₱15,343,965**	**(₱28,863,209)**	**₱772,268,353**
Net income attributable to:					
Owners of the Parent Company	**₱690,166,359**	**₱43,863,760**	**₱15,343,965**	**(₱28,863,209)**	**₱720,510,875**
Non-controlling interests	**51,508,490**	**248,988**	**–**	**–**	**51,757,478**
	₱732,141,886	**₱43,212,905**	**₱15,343,965**	**(₱28,863,209)**	**₱772,268,353**

	As of June 30, 2019				
Other information					
Segment assets	**₱58,912,884,063**	**₱12,420,674,715**	**₱326,256,809**	**(₱17,817,054,128)**	**₱53,842,761,459**
Deferred tax assets	**10,414,563**	**–**	**15,730,040**	**11,447,068**	**37,591,671**
Total Assets	**₱58,923,298,626**	**₱12,420,674,715**	**₱341,986,849**	**(₱17,805,607,060)**	**₱53,880,353,130**
Segment liabilities	**₱37,224,232,125**	**₱6,411,286,302**	**₱260,753,562**	**(₱11,017,625,603)**	**₱32,878,646,386**
Deferred tax liabilities	**1,510,906,205**	**946,228,639**	**–**	**–**	**2,457,134,844**
Total Liabilities	**₱38,735,138,330**	**₱7,357,514,941**	**₱260,753,562**	**(₱11,017,625,603)**	**₱35,335,781,230**

	For the Six-Month Period Ended June 30, 2018				
	Real Estate Development	Leasing	Property Management	Adjustments and Elimination	Consolidated
Revenue	₱3,994,142,077	₱192,948,188	₱179,535,036	(₱40,394,441)	₱4,326,230,860
Costs and expenses					
Cost of real estate sales and services	2,108,685,593	91,963,475	139,408,519	(7,594,843)	2,332,462,744
General, administrative and selling expenses	1,482,612,324	50,268,909	46,396,217	–	1,579,277,450
Operating income (loss)	402,844,160	50,715,804	(6,269,700)	(32,799,598)	414,490,666
Other income	663,117,234	5,152,132	13,197,754	(143,435,239)	538,031,881
Other expense	(583,634,985)	(2,530,398)	(211,817)	143,435,239	(442,941,961)
Income before income tax	482,326,408	53,337,538	6,716,237	(32,799,598)	509,580,585
Provision for income tax	67,283,360	16,475,754	2,573,696	–	86,332,810
Net income	₱415,043,049	₱36,861,784	₱4,142,541	(₱32,799,598)	₱423,247,776

	For the Six-Month Period Ended June 30, 2018				
	Real Estate Development	Leasing	Property Management	Adjustments and Elimination	Consolidated
Net income attributable to:					
Owners of the Parent Company	₱357,790,405	₱36,861,784	₱4,142,541	(₱32,799,598)	₱365,995,132
Non-controlling interests	57,252,644	–	–	–	57,252,644
	₱415,043,049	₱36,861,784	₱4,142,541	(₱32,799,598)	₱423,247,776
	As of December 31, 2018				
Other information					
Segment assets	₱55,908,385,967	₱6,654,424,336	₱264,786,550	(₱13,522,843,441)	₱49,304,753,412
Deferred tax assets	30,432,551	–	20,049,798	11,447,068	61,929,417
Total Assets	₱55,938,818,518	₱6,654,424,336	₱284,836,348	(₱13,511,396,373)	₱49,366,682,829
Segment liabilities	₱36,472,101,973	₱211,544,132	₱272,561,469	(₱7,577,511,260)	₱29,378,696,314
Deferred tax liabilities	2,112,061,503	412,458,453	–	–	2,524,519,956
Total Liabilities	₱ 38,584,163,476	₱624,002,585	₱272,561,469	(₱7,577,511,260)	₱31,903,216,270

5. CASH AND CASH EQUIVALENTS

This account consists of:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Cash on hand and in banks	**₱1,321,503,604**	₱1,084,410,768
Cash equivalents	**3,089,083,831**	865,978,425
	₱4,410,587,435	₱1,950,389,193

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 prevailing short-term rates ranging 0.3% to 5.2%. Interest income in cash and cash equivalents amounted to ₱28.02 million and ₱31.87 million for the six months period-ended June 30, 2019 and 2018, respectively (see Note 22).

6. RECEIVABLES

This account consists of:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Trade receivables		
ICR	**₱4,171,622,860**	₱545,989,912
Leasing receivable	**216,911,366**	148,960,355
Management fees	**166,783,399**	145,799,956
Receivable from employees and agents (see Note 16)	**431,731,548**	377,764,318
Advances to condominium corporations	**217,684,009**	196,528,227
Advances to customers	**60,366,606**	53,055,951
Other receivables	**512,926,732**	590,017,821
	5,778,026,520	2,058,116,540
Allowance for impairment losses	**(10,989,287)**	(10,989,287)
	₱5,767,037,233	₱2,047,127,253

ICR pertain to receivables from the sale of real estate properties. These are collectible in monthly installments over a period of one (1) to five (5) 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. Upon adoption of PFRS 15, the Group records any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as residential and office development trade receivables, as contract asset. As of June 30, 2019, installment contracts receivable includes transfer from contract assets from completed projects and revenue recognized during the period (see Note 15).

Leasing receivables pertain to receivables arising from leasing revenue. These receivables are billed to tenants and are expected to be collected within one (1) year.

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 management service agreement.

Receivable from employees and agents pertain to cash advances for selling and other operational-related expenses. This also includes salary and other loans granted to the employees and are recoverable through salary deductions. These are noninterest-bearing and are due and demandable
(see Note 16).

Advances to condominium corporations pertain to expenses paid by the Group in behalf of the condominium corporations for various expenses incurred for the projects already turned over. These receivables are due and demandable and bear no interest.

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 include advances to a third party amounting to ₱400.91 million as of June 30, 2019 and December 31, 2018, for a purchase of a parcel of land to be held for future development. As of December 31, 2018, this account also includes receivables from sale of investment property of the Group for the year ended December 31, 2018 amounting to ₱106.79 million.

Details of allowance for impairment losses in 2019 and 2018 follow:

	Management fee	Receivable from employees and agents	Total
At January 1, 2018	₱3,091,974	₱7,887,449	₱10,979,423
Provision (Written-off)	9,864	–	9,864
At June 30, 2019	**₱3,101,838**	**₱7,887,449**	**₱10,989,287**

Receivable financing
The Group entered into various agreements with a local bank whereby the Group assigned its ICRs and contract assets with recourse with interest rates ranging from 6.00% to 9.75% and 5.50% to 9.12% for the periods-ended June 30, 2019 and December 31, 20182018, respectively. The assignment agreements provide that the Group will substitute defaulted CTS with other CTS of equivalent value.

The Group still retains the assigned receivables in the receivables account and records the proceeds from these sales as long-term debt (see Note 17). The gross amount of ICRs and contract assets used as collateral amounted to ₱5,968.09 million and ₱6,638.84 million as of June 30, 2019 and of December 31, 2018, respectively (see Note 17).

7. ADVANCES TO SUPPLIERS AND CONTRACTORS

Advances to suppliers and contractors amounting to ₱2,673.23 million and ₱2,236.12 million as of June 30, 2019 and December 31, 2018, respectively, are recouped and capitalized as part of inventories upon every progress billing payment depending on the percentage of accomplishment. These advances are intended for the construction of the Group's projects.

8. 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 follows:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Condominium units	**₱14,284,646,805**	₱15,253,715,791
Residential house and lots	**1,538,913,461**	1,152,789,848
Land held for future developments	**806,075,060**	850,975,797
	₱16,629,635,326	₱17,257,481,436

The roll forward of this account follows:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Balance at beginning of the year, as previously reported	**₱17,257,481,436**	₱15,845,868,208
Effect of adoption of PFRS 15	**–**	(154,752,722)
Balance at beginning of the year, as restated	**17,257,481,436**	15,691,115,486
Construction costs incurred	**2,358,728,074**	5,960,617,000
Purchase of raw land	**–**	1,273,535,945
Borrowing costs capitalized (Note 17)	**584,308,090**	764,748,055
Transfer from deposits for purchased land (Note 9)	**166,000,000**	522,260,382
Transfers to investment properties (Note 11)	**(256,913,745)**	(1,299,391,797)
Cost of real estate sales	**(3,479,968,529)**	(5,655,403,635)
Balance at the end of the year	**₱16,629,635,326**	₱17,257,481,436

Real estate inventories recognized as “Cost of real estate sales” amounted to ₱3,479.97 million and ₱2,101.09 million for the six-month periods ended June 30, 2019 and 2018, respectively.

The carrying values of inventories mortgaged for trust receipts payables and bank loans amounted to ₱5,098.77 million and ₱6,672.32 million as of June 30, 2019 and December 31, 2018, respectively (see Note 17).

Land held for future development includes the following properties wherein the Group has plans to construct and develop these parcels of land as residential or commercial property for sale in the ordinary course of business:

CCC Land
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.

CLC Land
This pertains to a parcel of land situated in Batangas with an area of 359,677 sqm under the registered name of Citystate Nasugbu Development Corporation and an industrial lot located in Mandaluyong City with an area of 14,271 sqm.

9. DEPOSIT FOR PURCHASED LAND

This account consists of deposits made for purchased land amounting to ₱1,125.16 million and ₱1,189.48 million as of June 30, 2019 and December 31, 2018, respectively. The use of the parcels of land is currently undetermined.

For the six-month period ended June 30, 2019, the Group finalized its CTS for the land acquired in Novaliches. Subsequent to the finalization of the CTS, the Group initiated a plan to develop the acquired land to real estate held for sale. Concurrently, the deposit for the purchased land amounting to ₱166.00 million was reclassified to real estate inventories (see Note 8).

For the year ended December 31, 2018, the Group finalized its CTS for the land acquired in Quezon City. Subsequent to the finalization of the CTS, the Group initiated a plan to develop the acquired land to real estate held for sale. Concurrently, the deposit for the purchased land amounting to ₱522.26 million was reclassified to real estate inventories (see Note 8).

Additional deposits made by the Group for purchased land in Quezon City amounted to ₱101.68 million and ₱220.08 million for the six-months periods ended June 30, 2019 and 2018, respectively.

10. INVESTMENT IN AND ADVANCES TO JOINT VENTURES AND ASSOCIATE

Investment in and advances to joint ventures and associate amounted to ₱258.77 million and ₱247.58 million as of June 30, 2019 and December 31, 2018, respectively. For the six-month periods ended June 30, 2019 and 2018, the Group recognized share in net earnings of the joint ventures amounting to ₱11.18 million and ₱5.79 million, respectively

11. INVESTMENT PROPERTIES

The Group's investment properties are classified as follows:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Land	**₱2,390,099,800**	₱2,390,099,800
Building	**6,577,712,712**	6,460,452,416
Construction-in-progress	**3,366,877,466**	2,531,085,540
	₱12,334,689,978	₱11,381,637,756

Movements in this account are as follows:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Cost:		
Balance at the beginning of the year	**₱8,291,938,498**	₱4,945,149,725
Additions/construction costs incurred	**510,986,113**	1,981,590,313
Borrowing cost capitalized (Note 17)	**67,892,068**	130,853,284
Sale of property	–	(65,046,621)
Transfer from real estate inventories (Note 8)	**256,913,745**	1,299,391,797
Balance at the end of the year	**9,127,730,424**	8,291,938,498
Change in fair value:		
Balance at the beginning of the year	**3,089,699,258**	2,814,410,733
Sale of property	–	(101,610,036)
Gain from change in fair value of investment property	**117,260,296**	376,898,561
Balance at the end of the year	**3,206,959,554**	3,089,699,258
	₱12,334,689,978	₱11,381,637,756

Construction-in-progress pertains to properties being constructed that are intended to be leased out.

In 2018, the Group sold portion of its Gramercy property at a gain amounting to ₱12.94 million.
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, 2018. Cuervo Appraisers, Inc. is an industry specialist in valuing these types of investment properties.

The fair value of the investment properties was estimated by using the Sales Comparison Approach (SCA) and the Income Capitalization Approach (ICA). SCA is 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. ICA is a method in which the appraiser derives an indicated of value for income producing property by converting anticipated future benefits into current property value. For the Group's leasing properties, the Group adopted the Discounted Cash Flow Analysis which considers the future cash flows from lease contracts.

The fair value of the investment properties classified as buildings and land in the consolidated financial statements is categorized within level 3 of the fair value hierarchy.

The key assumptions used to determine the fair value of the investment properties and sensitivity analyses are as follows:

Property	Valuation technique	Significant unobservable inputs	Range **2018**
Buildings	DCF	Discount rates for similar lease contracts, market rent levels, expected vacancy and expected maintenance.	**Discount rate - 10 % Market rent levels - ₱ 400 to ₱1,500/sqm per month Expected vacancy - 5% to 15%; Expected maintenance - 8% to 64%% of gross revenue**
Land	SCA	Selling price for the land adjusted for external factors and internal factors External factors pertain to negative externalities outside the property limits that influence the value namely: social, economic, environmental and governmental. Internal factors include adjustments due to location, use, size and time elements	**External factors: -10% to -15% Internal factors: -3% to -15%**

For DCF, the higher the market rent levels, the higher the fair value. Also, the lower the expected vacancy, maintenance and discount rate the higher the fair value.

For SCA, the higher the price per sqm, the higher the fair value. Also, the higher the external and internal factors adjustments, the higher the fair value.

For the six-month period ended June 30, 2019 and 2018, the Group recognized leasing revenue from the use of the said real properties amounting to ₱247.86 million and ₱192.95 million, respectively, and incurred direct cost of leasing amounting to ₱106.19 million and ₱91.96 million, respectively, in relation to these investment properties.

12. PROPERTY AND EQUIPMENT

The composition and movements of this account are as follows:

	June 30, 2019 (Unaudited)								
	Office Equipment	**Computer Equipment**	**Furniture and Fixtures**	**Transportation Equipment**	**Leasehold Improvements**	**Construction Equipment**	**Construction - in -Progress**	**Right of Use Asset (see Note 25)**	**Total**
Cost									
At January 1	**₱52,831,269**	**₱43,085,203**	**₱36,222,147**	**₱76,194,662**	**₱68,854,219**	**₱251,492,426**	**₱1,193,692,369**	**₱–**	**₱1,722,372,295**
Effect of adoption of new accounting standards (Note 2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**29,299,591**	**29,299,591**
At January 1, as restated	**₱52,831,269**	**₱43,085,203**	**₱36,222,147**	**₱76,194,662**	**₱68,854,219**	**₱251,492,426**	**₱1,193,692,369**	**29,299,591**	**1,751,671,886**
Additions	**2,495,847**	**4,849,185**	**1,223,840**	**4,368,054**	**894,643**	**–**	**301,951,905**	**–**	**315,783,474**
Disposals	–	**(21,130)**	–	–	–	–	–	**–**	**(21,130)**
At June 30	**55,327,116**	**47,913,258**	**37,445,987**	**80,562,716**	**69,748,862**	**251,492,426**	**1,495,644,274**	**29,299,591**	**2,067,434,230**
Accumulated Depreciation									
At January 1	**₱30,128,127**	**₱22,339,348**	**₱29,337,427**	**₱60,799,242**	**₱54,488,845**	**₱251,488,469**	**₱–**	**₱–**	**₱448,581,458**
Depreciation	**6,362,992**	**4,047,629**	**2,181,764**	**3,388,322**	**3,095,472**	**1,694**	–	**7,597,766**	**26,675,639**
Disposals	–	**(21,130)**	–	–	–	–	–	**–**	**(21,130)**
At June 30	**36,491,119**	**26,365,847**	**31,519,191**	**64,187,564**	**57,584,317**	**251,490,163**	–	**7,597,766**	**475,235,967**
Net Book Values at June 30	**₱18,835,997**	**₱21,547,411**	**₱5,926,796**	**₱16,375,152**	**₱12,164,545**	**₱2,263**	**₱1,495,643,632**	**21,701,825**	**₱1,592,198,263**

	December 31, 2018 (Audited)							
	Office Equipment	Computer Equipment	Furniture and Fixtures	Transportation Equipment	Leasehold Improvements	Construction Equipment	Construction - in -Progress	Total
Cost								
At January 1	₱31,189,703	₱36,257,126	₱32,116,135	₱80,777,507	₱60,038,731	₱251,492,426	₱994,051,133	₱1,485,922,761
Additions	21,712,472	6,864,819	4,106,012	–	8,815,488	–	199,641,236	241,140,027
Disposals	(70,906)	(36,742)	–	(4,582,845)	–	–	–	(4,690,493)
At December 31	52,831,269	43,085,203	36,222,147	76,194,662	68,854,219	251,492,426	1,193,692,369	1,722,372,295
Accumulated Depreciation								
At January 1	17,763,664	17,655,425	25,397,308	58,109,586	46,951,668	251,485,080	–	417,362,731
Depreciation	12,430,269	4,683,923	3,940,119	5,243,943	7,537,177	3,389	–	33,838,820
Disposals	(65,806)	–	–	(2,554,287)	–	–	–	(2,620,093)
At December 31	30,128,127	22,339,348	29,337,427	60,799,242	54,488,845	251,488,469	–	448,581,458
Net Book Values at December 31	₱22,703,142	₱20,745,855	₱6,884,720	₱15,395,420	₱14,365,374	₱3,957	₱1,193,692,369	₱1,273,790,837

The Group still uses fully depreciated property and equipment with a cost of ₱359.32 million as of June 30, 2019 and December 31, 2018, respectively.

13. OTHER ASSETS

This account consists of:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Current:		
Prepaid commissions	**₱588,442,367**	₱366,119,945
Input taxes	**482,362,985**	389,052,295
Creditable withholding taxes (CWTs)	**167,988,907**	434,390,510
Marginal deposits (Note 29)	**63,185,720**	31,658,800
Rental deposits	**44,719,335**	–
Prepaid expenses	**19,638,289**	6,553,509
Derivative asset	**19,093,304**	–
Others	**48,236,583**	56,650,880
	₱1,433,667,490	₱1,284,425,939
Noncurrent:		
Prepaid commissions	**₱574,618,119**	₱581,012,743
Input taxes	**241,314,107**	–
CWTs	**154,956,460**	–
Rental deposits	**110,087,480**	162,818,009
Intangible assets	**52,250,558**	37,973,459
Deferred financing costs	**3,116,451**	3,116,451
Advances to landowners	**–**	350,000,000
Derivative asset	**–**	115,791,961
Others	**56,184,226**	69,885,690
	₱1,192,527,401	₱1,320,598,313

Prepaid commissions pertain to commissions paid to brokers and marketing agents on the sale of real estate projects. These capitalized costs are charged to expense as “Commission” in the “General, administrative and selling expenses” account in the period in which the construction begins and the related revenue is recognized.

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.

Derivative asset pertains to the cross currency and interest rate swap agreement entered by the Group for the year ended December 31, 2018 with Standard Chartered Bank (SCB) to hedge their foreign currency and interest rate risk related to the bank loan with the same bank (see Note 17). The Group will pay the principal in a fixed amount of ₱ and interest at a fixed rate of 7.5% based on the notional amount in ₱ and will receive interest at a floating rate [USD ($) LIBOR plus 3%] based on the equivalent notional amount in $ until March 2020.

Intangible assets include 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. As of June 30, 2019 and December 31, 2018, no impairment has been recognized on these assets

Deferred financing costs pertain to transaction costs incurred in obtaining certain loan facility. These deferred financing costs will be amortized upon availment of or drawdown from the loan facility (see Note 17). Deferred financing cost was reclassified as a contra-liability under "Loans Payable" since the drawdown from the related loan facility with deferred financing costs was made in 2018.

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

Advances to land owners represent the minimum share of the lot property owners in relation to the profit sharing agreement of the Group with land owners. In accordance with the profit sharing agreement, the Group advanced this share 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.

Others include miscellaneous deposits which pertain primarily to utility deposits related to the construction activities of the Group and equity instruments at FVOCI in quoted shares of stock. The Group elected to classify irrevocably its quoted equity investments under financial assets at FVOCI.

14. ACCOUNTS AND OTHER PAYABLES

This account consists of:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Accounts payable	**₱3,703,192,483**	₱3,090,029,245
Customers' advances	**1,654,758,673**	1,049,494,994
Retention payable	**367,618,026**	353,291,867
Dividends payable (Note 20)	**137,919,252**	–
Accrued expenses:		
Interest	**92,801,761**	106,351,756
Salaries and wages	**76,837,510**	85,476,183
Marketing and promotions	**48,398,486**	98,838,592
Taxes	**3,393,871**	4,437,978
Others	**25,921,231**	28,345,212
Other payables	**87,799,664**	173,398,800
	₱6,198,640,957	₱4,989,664,627

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

Customer's advances pertain to funding from buyers of real estate for future application against transfer and registration fees and other taxes to be incurred upon transfer of properties to the buyer.

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

15. CONTRACT BALANCES AND CUSTOMERS DEPOSIT

Contract assets and liabilities

This account consists of:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Contract assets:		
Current	**₱5,016,378,626**	₱6,827,207,071
Noncurrent	**991,340,334**	1,894,555,056
Contract liabilities	**3,046,169,130**	2,294,326,736

Contract assets are initially recognized for revenue earned from real estate sales as receipt of consideration is conditional on successful completion of installation. Upon completion of performance obligation and acceptance by the customer, the amounts recognized as contract assets are reclassified to ICR.

Contract liabilities consist of collections from real estate customers which have not reached the 5% threshold to qualify for revenue recognition and excess of collections over the recognized receivables and contract assets based on percentage of completion.

Details of contract assets are as follows:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Gross amount of contract assets	**₱20,762,025,383**	₱24,527,049,970
Unamortized discount arising from contract assets	**(3,189,103,171)**	(3,349,772,920)
	17,572,922,212	21,177,277,050
Percentage of completion adjustment	**(11,565,203,252)**	(12,455,514,923)
Carrying value of contract assets	**6,007,718,960**	8,721,762,127
Non-current portion	**(991,340,334)**	(1,894,555,056)
Current portion of contract assets	**₱5,016,378,626**	₱6,827,207,071

Unamortized discounts

The amortized cost was derived using the discounted cash flow model using discount rates ranging from 4.29% to 7.03% as of June 30, 2019 and December 31, 2018.

Interest income from accretion of unamortized discount on contract assets amounted to ₱175.01 million and ₱132.37 million for the six-month period ended June 30, 2019 and 2018, respectively.

16. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

Terms and Conditions of Transactions with Related Parties
The Group in their regular conduct of business has entered into transactions with related parties principally consisting of advances and reimbursement of expenses, development, management, marketing, leasing and administrative service agreements and purchases which are made at normal market prices.

The effects of the related party transactions are shown under the following accounts in the consolidated financial statements:

Due from Related Parties

	June 30, 2019	December 31, 2018	Amount of transaction	Terms and Conditions
Ultimate Parent	**₱156,151,660**	₱161,480,105	(₱5,328,445)	Noninterest bearing,
Stockholders	**188,509,843**	160,320,970	28,188,873	due and demandable,
				unsecured, no
Other affiliates	**72,887,322**	72,553,433	333,889	impairment
	₱417,548,825	₱394,354,508	₱23,194,317	

Due to Related Parties

	June 30, 2019	December 31, 2018	Amount of transaction	Terms and Conditions
Ultimate Parent	**₱37,070,486**	₱37,070,486	₱–	Noninterest bearing,
Stockholders	**19,175,305**	19,175,305	–	due and demandable,
Other affiliates	**42,329,407**	42,329,407	–	unsecured
	₱98,575,198	₱98,575,198	₱–	

Significant transactions of the Group with related parties are described below:

Due from related parties pertains to advances provided by the Group to the stockholders and other affiliates. These are generally unsecured, noninterest-bearing, and are due and demandable and are not impaired.

Due to related parties pertains to advances made by the Group for its capital expenditures. These are generally noninterest bearing and are due and demandable.

Receivable from employees and agents
The Group has advances to its employees amounting to ₱431.73 million and ₱377.76 million as of June 30, 2019 and December 31, 2018, respectively, for selling and other operational related activities. These advances also include salary and other loans granted to the employees and are recoverable through salary deductions. These are noninterest-bearing and are due and demandable (see Note 6).

Management agreement
The Group contracted Century Integrated Sales, Inc. (CISI) to manage all of its sales and marketing activities. CISI is a fully-owned subsidiary of CPI.

Key management compensation
The key management personnel of the Group include all directors, executive, and senior management. The details of compensation and benefits of key management personnel for the six-month periods ended June 30, 2019 and 2018 follow:

	June 30, 2019	June 30, 2018
Short-term employee benefits	**₱83,275,368**	₱73,638,954
Post-employment benefits	**3,011,030**	2,662,601
	₱86,286,398	₱76,301,555

Terms and condition of transactions with related parties
Outstanding balances at year-end are unsecured, interest free, collectible or payable on demand and settlement occurs generally in cash. There have been no guarantees provided or received for any related party receivables or payables. As of June 30, 2019 and December 30, 2018, the Group has not made any provision for probable losses relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

17. SHORT-TERM AND LONG-TERM DEBT

This account consists of:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Short-term debt:		
Trust receipts	**₱900,469,898**	₱805,610,954
Bank loans	**1,158,250,000**	1,401,000,000
	₱2,058,719,898	₱2,206,610,954
Long-term debt:		
Bank loans	**₱8,641,991,441**	₱9,139,599,216
Payable under CTS financing	**6,936,325,859**	7,875,795,684
Car loan financing	**17,777,886**	18,853,485
	15,596,095,186	17,034,248,385
Less current portion	**7,875,706,185**	5,389,150,881
Noncurrent portion	**₱7,720,389,001**	₱11,645,097,504

Short-term Debt
The roll-forward of the Group's short-term debt is as follows:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Balance at January 1	**₱2,206,610,954**	₱1,415,894,637
Availments	**1,051,852,576**	2,298,074,664
Principal repayments	**(1,199,743,632)**	(1,507,358,347)
	₱2,058,719,898	₱2,206,610,954

Trust receipts
Trust receipts (TRs) are facilities obtained from various banks to finance purchases of construction materials for CCDC, CLC and MDC's projects. Under these facilities, the banks pay the Group's suppliers then require the Group to execute trust receipts over the goods purchased. The TRs have a weighted average interest rate 7.13% as of June 30, 2019, higher compared to 6.76% per annum in 2018. These are paid monthly or quarterly in

arrears with full payment of principal balance at maturity of one year and with an option to prepay. Total availments of TRs during the period amounted to ₱853.65 million.

The carrying values of inventories mortgaged for trust receipts payables and bank loans amounted to ₱5,098.77 million and ₱6,672.32 million as of June 30, 2019 and December 31, 2018, respectively (see Note 8).

Bank loans
Bank loans pertain to the various short-term promissory note (PN) obtained by the Group.

On May 29, 2019, CLC and CCDC availed a short-term PN with Banco De Oro (BDO) amounting to ₱135.7 million. The loan facility has a term of six (6) months with interest rate of 6.75% which are payable monthly.

On March 5, 2019, CLC availed a short-term PN with Banco De Oro (BDO) amounting to ₱62.50 million. The loan facility has a term of six (6) months with interest rate of 6.75% which are payable monthly.

On November 22, 2018, CLC and CCDC availed a short-term PN with Banco De Oro (BDO) amounting to ₱140.21 million and ₱108.79 million, respectively. The loan facility has a term of six (6) months with principal repayment schedule of 25% on the third (3rd) month and every month thereafter, with interest rate of 6.75% which are payable monthly.

On November 27 and December 7, 2018, CLC availed a short-term promissory note (PN) with Maybank amounting to ₱250.00 million and ₱150.00 million, respectively. The loan facility has a term of 45 days and 31 days with interest rate of 2.88%, interest of which is to be paid with the principal at maturity date, respectively. The loan has already matured and paid as of June 30, 2019.

CLC has short-term promissory note (PN) with China Bank Corporation (CBC) amounting to ₱250.00 million with interest rate of 5.63%. The loan facility has a term of twelve (12) months, interest of which is to be paid quarterly and principal repayment to be made at maturity date. CLC renewed the facility on September 19, 2018.

The Parent Company renewed a short-term promissory note (PN) with China Bank Corporation (CBC) amounting to ₱497.00 million with interest rate of 5.63%. The loan facility has a term of twelve (12) months, interest of which is to be paid quarterly and principal repayment to be made at maturity date. The Parent Company renewed the facility August 6, 2018.

Bank loans of Century Properties Management, Inc. (CPMI), a subsidiary of the Parent Company, obtained a short-term promissory note (PN) amounting to ₱5.00 million from Bank of the Philippine Islands for additional working capital requirements. The PN has 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

The roll-forward of the Group's long-term debt is as follows:

	June 30, 2019 (Unaudited)			
	Bank Loans	**CTS Financing**	**Car Loan Financing**	**Total**
Principal:				
Balances at beginning of year	**₱9,264,955,585**	**₱7,875,795,684**	**₱18,853,485**	**₱17,159,604,754**
Addition	**980,039,955**	**1,616,229,887**	**1,793,000**	**2,598,062,842**
Payments	**(1,427,815,532)**	**(2,555,699,712)**	**(2,868,598)**	**(3,986,383,842)**
Effect of foreign currency translation	**(66,299,848)**	**–**	**–**	**(66,299,848)**
Balances at end of year	**8,750,880,160**	**6,936,325,859**	**17,777,887**	**15,704,983,906**
Deferred financing costs:				
Balances at beginning of year	**125,356,369**	**–**	**–**	**125,356,369**
Amortization	**(16,467,649)**			**(16,467,649)**
Balances at end of year	**108,888,720**	**–**	**–**	**108,888,720**
Carrying values	**₱8,641,991,440**	**₱6,936,325,859**	**₱17,777,887**	**₱15,596,095,186**

	December 31, 2018 (Audited)			
	Bank Loans	CTS Financing	Car Loan Financing	Total
Principal:				
Balances at beginning of year	₱5,689,119,217	₱7,541,936,091	₱29,220,065	₱13,260,275,373
Addition	5,177,756,856	3,882,681,284	635,166	9,061,073,306
Payments	(1,747,113,217)	(3,548,821,691)	(11,001,746)	(5,306,936,654)
Effect of foreign currency translation	145,192,729	–	–	145,192,729
Balances at end of year	9,264,955,585	7,875,795,684	18,853,485	17,159,604,754
Deferred financing costs:				
Balances at beginning of year	77,429,948	–	–	77,429,948
Addition	137,268,569	–	–	137,268,569
Amortization	(89,342,148)	–	–	(89,342,148)
Balances at end of year	125,356,369	–	–	125,356,369
Carrying values	₱9,139,599,216	₱7,875,795,684	₱18,853,485	₱17,034,248,385

Bank loans

Bank loans pertain to long-term debt from various banks used to finance the construction and development of the Group's projects.

In 2019, CLC obtained additional loan from DBP amounting to ₱356.00 million, interest ranging from 7.00% to 9.21% per annum are payable quarterly. The principal amount which has maturities ranging from two (2) to four (4) years will be used to fund ongoing development of its projects and for additional working capital.

CCDC II, a subsidiary of CCDC availed ₱297.32 million and ₱1,008.44 million in 2019 and 2018, respectively, from the ₱2,200.00 loan facility with BPI. The proceeds of the loan with interest ranging from 7.4% to 7.9% will be used as additional working capital. Principal repayment will be in installments on each repayment date until its final maturity date.

For the year ended December 31, 2018, CLC, CCDC and CMDC, subsidiaries of the Parent Company, entered into an Omnibus Loan and Security Agreement with Amalgated Investment Bancorporation (AIB), for a two year term-loan with a principal amount of up to ₱500.00 million. The loan facility bears interest of 7.00% per annum. As of December 31, 2018 the total amount drawn by the group from the facility amounted to ₱351.10 million. In 2019, the Group availed the remaining undrawn balance from the facility amounting to ₱148.90 million. During the period, the Group also availed additional ₱100.00 million loan in AIB, which is payable in two years with interest of 7.00% per annum.

In 2018, CLC obtained additional loan from SCB amounting to ₱471.02 million, with interest ranging from 6.46% to 7.08% per annum and will be payable in two (2) years. The proceeds of the loan will be used to fund ongoing development of its projects and for additional working capital.

In 2018, CLC availed additional loan from DBP amounting to ₱639.87 million, with interest ranging from 7.00% to 9.21% per annum. The principal amount which has maturities ranging from two (2) to four (4) years will be used to fund ongoing development of its projects and for additional working capital.

On June 29, 2018, CLC obtained a three-year loan from China Bank Savings amounting to a ₱500.00 million. The proceeds of the loan with interest of 6% per annum will be used as additional working capital.

On January 3, 2018, CLC entered into an Omnibus Agreement with Standard Chartered Bank for a senior secured dollar term loan facility up to USD 40.00 million or ₱1,990.00 million as to finance the planned construction and development of its properties and to refinance its unpaid debts. Under this agreement the utilization of the loan shall be subject to the dollar term loan facility agreement. The loan facility bears interest rate equal to the screen rate or the reference bank rate plus 3.00% margin payable quarterly. Principal repayment will be in installments on each repayment date until its final maturity on 2020.

CTS financing
CTS financing pertains to loan facilities which were used in the construction of the Group's real estate development projects. The related PNs have terms ranging from twelve (12) 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. The Group retained the assigned ICRs and contract assets and recorded the proceeds from these assignments as "Long-term debt". The gross amount of ICRs and contract assets used as collateral amounted to ₱5,968.09 million and ₱6,638.84 million as of June 30, 2019 and December 31, 2018, respectively (see Note 6).

These CTS loans bear fixed interest rates ranging from 6.00% to 9.75% and 5.50% to 9.12% for the six-month period ended June 30, 2019 and year ended December 31, 2018, respectively.

Car loan financing
Car loan financing pertains to the leasing facility of the Group for the purpose of renting vehicles to be used in the conduct of business. Under this facility, the lease guarantees the Group (the lessee or renter) the use of vehicles and in return, the bank (the property owner) is guaranteed regular payments for a specific period.

The lease facility bears interest averaging 7.50% and 11.00% as of June 30, 2019 and 8.20% and 8.06% as of December 31, 2018, respectively.

Security and Debt Covenants
Certain bilateral, trust receipts, payables under CTS financing and bank loans have mortgaged real estate inventories and assigned ICRs and contract assets wherein such assets 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, 2019 and December 31, 2018, the carrying values of these assets mortgaged for trust receipts, payables under CTS financing and bank loans amounted to ₱11,066.85 million and ₱13,311.16 million, respectively (see Notes 8 and 15).

Certain bilateral loans have the covenants including maintenance of a debt-to-equity ratio of not more than 2.33x and 3.00x, and a debt service coverage ratio of at least 1.5x. The bank loans have a covenant, specific to the projects it is financing, of having loan to security value of no more than 50.00% to 55%. Security value includes, among other things, valuation appraisal by independent appraisers and takes into account the sold and unsold sales and market value of the properties. The loan agreements require submission of the valuation of each mortgage properties on an annual basis or upon request of the facility agent.

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

As of June 30, 2019, the Group has complied with the provisions of its loan covenants (see Note 20).

Borrowing Costs
Borrowing cost capitalized amounted to ₱557.49 million and ₱806.81 million for the six-month period ended June 30, 2019 and December 31, 2018, respectively (see Notes 8 and 11).

Interest Expense and Other Finance Charges
Interest and other financing charges for the short-term and long-term debts for the periods ended June 30, 2019 and 2018 totaled to ₱243.97 million and ₱248.19 million, respectively.

18. BONDS PAYABLE

This account consists of the following:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Three-year bond	**₱3,000,000,000**	₱–
Five-and-half year bond	**1,393,530,000**	1,393,530,000
Seven-year bond	**119,110,000**	119,110,000
	4,512,640,000	1,512,640,000
Less: Unamortized transaction costs	**(73,640,540)**	(6,745,302)
	4,438,999,460	1,505,894,698
Less: Current portion	**1,393,530,000**	–
Non-current portion	**₱3,045,469,460**	₱1,505,894,698

On April 15, 2019, CPGI listed at the Philippine Dealing & Exchange Corp. (PDEx) its three-year bonds, with interest rates of 7.8203% p.a. The ₱3.00 billion proceeds of the bonds will be used to partially finance development costs for CPGI's affordable housing and townhome projects. The bonds are rated "AA" by Credit Rating and Investor Services Philippines Inc. (CRISP).

On September 2, 2014, the Group also issued and listed at the Philippine Dealing & Exchange Corp. (PDEx) its P2.7 billion bonds, which bear 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 three-year bonds matured on September 2, 2017. The bonds are rated "AA+" with a Stable outlook by Credit Rating and Investor Services Philippines Inc. (CRISP).

19. LIABILITY FROM PURCHASED LAND

This account pertains to the outstanding payable of the Group for the cost of land purchases recognized under "Real estate inventories" as follows:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Current	**₱67,200,000**	₱67,200,000
Noncurrent	**323,086,356**	301,568,733

20. EQUITY

Earnings per share

Basic/diluted earnings per share amounts attributable to equity holders of the Parent Company for the six-month period ended June 30, 2019 and 2018 are as follows:

	June 30, 2019 (Unaudited)	June 30, 2018 (Unaudited)
Net income attributable to the owners of the Parent Company	**₱720,510,875**	₱365,995,132
Weighted average number of shares	**11,599,600,690**	11,599,600,690
Basic/diluted earnings per share	**₱0.062**	₱0.032

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.

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 were up for buyback for a time period of up to 24 months. In 2014 and 2013, a total of 85.68 million shares and 14.44 million shares were reacquired at a total cost of ₱87.15 million and ₱22.52 million, respectively.

As of June 30, 2019 and December 31, 2018, treasury shares amounted to ₱109.67 million consisting of 100,123,000 shares.

Retained earnings

Retained earnings include the accumulated equity in undistributed net earnings of the subsidiaries amounting to ₱7,058.48 million and ₱7,151.80 million as of June 30, 2019 and December 31, 2018, respectively. These amounts are not available for dividend declaration until these are declared by the subsidiaries.

Cash dividend declaration

On June 28, 2019, the BOD of the Parent Company approved the declaration of ₱0.01 per share cash dividends amounting to ₱137.92 million for distribution to the stockholders of the Parent Company of record as of July 11, 2019 which will be paid on July 23, 2019.

On June 8, 2018, the BOD of the Parent Company approved the declaration of ₱0.02 per share cash dividends amounting to ₱200.00 million for distribution to the stockholders of the Parent Company of record as of June 26, 2018 which was paid on July 6, 2018.

Other components of equity

Other components of equity mainly pertains to equity reserve recognized between the consideration paid by Mitsubishi Corporation (MC) and the carrying value of the net assets of TPI I, TPI II, TPI III and CCDC II given up amounting to ₱111.38 million as of June 30, 2019 and December 31, 2018.

Non-controlling interest and equity reserve

As disclosed in Note 2, the additional investment to PPHI and KPDC in 2018 resulted in non-controlling interests amounting to ₱205.00 million and ₱4.00 million, respectively.

In 2019, PPHI issued additional 266.63 million common shares with a par value of ₱1.00 and 66,667 preferred shares with ₱1,000.00 par value to MC, which resulted in increase in the non-controlling interest amounting to ₱333.33 million.

On September 22, 2017, the SEC approved the application of TPI I to increase its authorized capital stock from ₱40.00 million, divided into 0.40 million common shares with a par value of ₱100, to ₱363.90 million, divided into 1.09 million common shares with a par value of ₱100 and 2.55 million redeemable preferred shares with a par value of 100. Subsequently, MC subscribed to 0.41 million common shares and 0.18 million redeemable preferred shares of TPI I, 0.14 million common shares of TPI II and 0.12 million common shares of TPI III at a total subscription price of ₱162.32 million for a 40% proportionate interest in TPI I, TPI II and TPI III.

The redeemable preferred shares shall have the following rights, privileges and limitations:

a. shall have the right to receive payment in full of their par value and in preference to payment of any amount to the common shares if the Company is under liquidation;
b. may be redeemed at the option of the Company; and
c. shall have no voting rights except on matters upon which non-voting shares are entitled to vote.

As of December 31, 2017, the subscription price has been fully paid. This resulted in the dilution of the Group's ownership and the recognition of non-controlling interest amounting to ₱121.67 million. The difference between the consideration paid by MC and the net assets of TPI I, TPI II and TPI III given up amounting to ₱40.65 million was accounted for as equity reserve included under "Other components of equity" in the consolidated statements of changes in equity for the year ended December 31, 2017.

On June 17, 2016, the SEC approved the application of CCDC II to increase its authorized capital stock from 2.00 million shares to 1,279.88 million shares. Subsequently on August 12, 2016, MC subscribed to 511.56 million shares of CCDC II at a subscription price of ₱905.46 million for a 40% proportionate interest in CCDC II of which ₱190.52 million has been paid. This resulted in the dilution of the Group's ownership in CCDC II and the recognition of non-controlling interest amounting to ₱119.79 million. The difference between the consideration paid by MC and the net assets of CCDC II given up amounting to ₱70.73 million is accounted for as equity reserve included under "Other components of equity" in the consolidated statements of changes in equity. In 2019 and 2018, MC paid additional ₱113.26 million and ₱212.34 million, respectively, which resulted in increase in the non-controlling interest.

The Group's non-controlling interest recognized is the proportionate interests of MC and THI to CCDC II, TPI I, TPI II, TPI III and PPHI and KPDC, respectively, net of any unpaid subscription at the subscription date.

The financial information of subsidiaries that have material non-controlling interests is provided below. The information below is based on amounts after intercompany eliminations.

Summarized statements of financial position (in millions):

	TPI I		TPI II		TPI III		CCDC II		PPHI	
	June 30, 2019	December 31, 2018	**June 30, 2019**	December 31, 2018	**June 30, 2019**	December 31, 2018	**June 30, 2019**	December 31, 2018	**June 30, 2019**	December 31, 2018
Current assets	**₱1,072.73**	₱996.62	**₱461.65**	₱387.19	**₱206.04**	₱197.55	**₱369.59**	₱395.91	**₱1,558.47**	₱1,099.06
Noncurrent assets	**6.96**	9.57	**9.62**	11.09	**7.35**	6.57	**3,403.79**	2,819.85	**20.12**	2.32
Current liabilities	**(313.78)**	(242.10)	**(282.92)**	(291.90)	**(204.58)**	(190.80)	**(235.47)**	(87.78)	**(267.43)**	(619.15)
Noncurrent liabilities	**(153.70)**	(216.98)	**–**	–	**–**	–	**(1,474.93)**	(1,175.54)	**–**	–
Total equity	**₱612.21**	₱547.11	**₱188.35**	₱106.38	**₱8.81**	₱13.32	**₱2,062.98**	₱1,952.44	**₱1,311.16**	₱482.23
Attributable to:										
Equity holders of the Parent Company	**₱381.05**	₱328.27	**₱107.98**	₱63.83	**₱5.29**	₱7.99	**₱1,295.36**	₱1,324.90	**₱786.70**	₱289.34
Non-controlling interest	**231.16**	218.84	**80.37**	42.55	**3.52**	5.33	**767.62**	627.54	**524.46**	192.89
Total equity	**₱612.21**	₱547.11	**₱188.35**	₱106.38	**₱8.81**	₱13.32	**₱2,062.98**	₱1,952.44	**₱1,311.16**	₱482.23

Summarized statements of comprehensive income (in millions):

	TPI I		TPI II		TPI III		CCDC II		PPHI	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018	**June 30, 2019**	June 30, 2018	**June 30, 2019**	June 30, 2018	**June 30, 2019**	June 30, 2018
Revenue	**₱179.02**	₱455.32	**₱208.92**	₱47.74	**₱–**	₱–	**₱–**	₱–	**₱286.36**	₱–
Cost and expenses										
Cost of real estate sales and Services	**99.81**	237.67	**83.18**	24.65	**–**	–	**–**	–	**149.14**	–
General and administrative expenses	**15.66**	63.05	**45.85**	13.99	**4.50**	9.28	**0.29**	3.06	**137.39**	–
Operating income (loss)	**63.55**	154.6	**79.89**	9.1	**(4.50)**	(9.28)	**(0.29)**	(3.06)	**(0.17)**	–
Other income (loss)	**6.24**	(8.98)	**2.92**	(0.04)	**(0.01)**	(0.15)	**(1.15)**	–	**(4.12)**	–
Provision for income tax	**(4.37)**	–	**(0.84)**	–	**–**	–	**0.27**	0.92	**(0.11)**	–
Total comprehensive income (loss)	**₱65.42**	₱145.62	**₱81.97**	₱9.06	**(₱4.51)**	(₱9.43)	**(₱1.17)**	(₱2.14)	**(₱4.40)**	₱–

	TPI I		TPI II		TPI III		CCDC II		PPHI	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018	**June 30, 2019**	June 30, 2018	**June 30, 2019**	June 30, 2018	**June 30, 2019**	June 30, 2018
Total comprehensive income (loss) attributable to:										
Equity holders of the Parent Company	**₱39.25**	₱87.37	**₱49.18**	(₱5.43)	**(₱2.71)**	(₱5.66)	**(₱0.70)**	(₱1.28)	**(₱2.64)**	₱–
Non-controlling interests	**26.17**	58.25	**32.79**	(3.63)	**(1.80)**	(3.77)	**(0.47)**	(0.86)	**(1.76)**	–
	₱65.42	₱145.62	**₱81.97**	₱9.06	**(₱4.51)**	(₱9.43)	**(₱1.17)**	(₱2.14)	**(₱4.40)**	₱–

Summarized cash flows information (in millions):

	TPI I		TPI II		TPI III		CCDC II		PPHI	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018	**June 30, 2019**	June 30, 2018	**June 30, 2019**	June 30, 2018	**June 30, 2019**	June 30, 2018
Operating	**₱210.55**	(₱86.60)	**(₱102.32)**	(₱48.43)	**(₱53.33)**	(₱40.00)	**₱207.56**	(₱38.68)	**₱113.37**	₱–
Investing	**(124.76)**	(4.26)	**(15.68)**	(3.39)	**(5.89)**	(1.89)	**(858.28)**	(433.51)	**(38.23)**	–
Financing	**(34.40)**	134.99	**123.74**	55.92	**59.22**	44.40	**771.20**	505.76	**244.69**	–

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.

For the period ended June 30, 2019 and 2018, the Group had the following ratios:

	June 30, 2019 (Unaudited)	June 30, 2018 (Unaudited)
Debt to equity	**119.14%**	116.19%
Net debt to equity	**95.36%**	104.92%

No changes were made in the objectives, policies or processes for managing capital during the periods-ended June 30, 2019 and December 31, 2018. The Group has complied with the above covenants as of June 30, 2019 and December 31, 2018 (see Note 17).

21. GENERAL, ADMINISTRATIVE AND SELLING EXPENSES

This account consists of:

	June 30, 2019 (Unaudited)	June 30, 2018 (Audited)
Marketing and promotions	**₱411,182,390**	₱799,457,248
Commission	**413,379,669**	157,285,740
Salaries, wages and employee benefits	**295,316,878**	263,491,789
Taxes and licenses	**80,900,463**	114,019,857
Professional fees	**49,381,150**	49,478,321
Entertainment, amusement and recreation	**39,002,896**	36,065,137
Depreciation	**28,488,004**	21,946,595
Outside services	**22,664,863**	11,649,542
Rent	**21,980,323**	50,956,148
Transportation and travel	**8,977,492**	9,217,850
Retirement expense	**7,164,260**	1,305,791
Communication	**8,298,589**	11,254,927
Utilities	**9,413,245**	1,271,439
Miscellaneous	**64,527,464**	51,877,066
	₱1,460,677,686	₱1,579,277,450

Miscellaneous pertains mainly insurance, business and research development and repairs and maintenance.

Repairs and maintenance for the six-month ended June 30, 2019 mainly pertain to the additional construction costs incurred for projects which were completed during the year ended December 31, 2018.

22. INTEREST AND OTHER ONCOME

This account consists of:

	June 30, 2019 (Unaudited)	June 30, 2018 (Unaudited)
Income from forfeited collections	**₱237,243,174**	₱224,456,609
Interest income from cash and cash equivalents (Note 4)	**28,023,549**	31,870,769
Gain on sale of investment property	**-**	105,537,657
Other income	**45,062,816**	1,652,652
	₱310,329,539	₱363,517,687

Income from forfeited collections pertains to forfeited collections from reservation fees whose allowable period of completion has prescribed and terminated sales contracts.

Other income mainly consists of the penalties and other surcharges billed against defaulted installments from sales contracts. Real estate buyers are normally charged a penalty of 3.00% of the monthly installment for every month in arrears from the time the specific installment becomes due and payable.

23. PENSION COST

For the six-month periods ended June 30, 2019 and 2018, the retirement expense included under "Retirement expense" under general, administrative and selling expenses amounted to ₱7.16 million and ₱1.31 million, respectively (see Note 23).

The actuarial valuation of the retirement benefit obligation will be conducted by the independent actuary on the 2019 annual financial statements. The latest actuarial valuation of the retirement benefit obligation by the independent actuary was made in 2018. As of June 30, 2019 and December 31, 2018, carrying value of retirement benefit obligation amounted to ₱256.38 million and ₱251.10 million, respectively. Total retirement benefits paid by the Group amounted to ₱1.88 million and ₱28.22 million for the six-month periods ended June 30, 2019 and 2018, respectively.

The fair value of retirement plan assets as of June 30, 2019 and December 31, 2018 amounted to ₱6.21 million and ₱5.94 million, respectively. The plan assets as of June 30, 2019 and December 31, 2018 pertain solely to bank deposits.

24. INCOME TAXES

The provision for income tax consists of:

	June 30, 2019 (Unaudited)	June 30, 2018 (Unaudited)
Current		
RCIT/MCIT	**₱267,313,604**	₱103,679,890
Final	**5,604,710**	6,374,154
	272,918,314	110,054,044
Deferred	**(43,047,366)**	(23,721,234)
	₱229,870,948	₱86,332,810

The components of the Group's deferred tax assets and deferred tax liabilities are as follows:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Recognized in the interim condensed consolidated statements of comprehensive income:		
Deferred tax assets on:		
NOLCO	**₱68,731,112**	₱60,405,244
Unrealized foreign exchange loss	**38,612,827**	58,502,781
Accrued retirement costs	**48,611,221**	20,531,884
MCIT	**18,253,586**	19,767,531
Allowance for estimated credit losses	**3,296,786**	3,296,786
	177,505,532	162,504,226
Deferred tax liabilities on:		
Effect of difference in accounting and tax base on real estate sales	**(₱1,177,973,301)**	(₱1,344,577,566)
Fair value gains on investment properties	**(962,087,866)**	(926,909,777)
Prepaid commissions	**(348,918,146)**	(227,933,259)
Effect of difference in accounting and tax base on investment properties	**(68,757,028)**	(69,218,745)
Unamortized deferred financing costs	**(55,693,713)**	(41,309,965)
Gain from change in fair value of derivatives	**(5,727,991)**	(34,737,588)
Others	**(6,194,559)**	(8,711,764)
	(2,625,352,604)	(2,653,398,664)
Recognized directly in equity:		
Deferred tax asset on re-measurement loss on retirement obligation	**28,303,899**	28,303,899
	(₱2,419,543,173)	(₱2,462,590,539)

The above deferred tax assets and liabilities are presented in the interim condensed consolidated statements of financial position as follows:

	June 30, 2019 (Unaudited)	December 31, 2018 (Audited)
Deferred tax assets	**₱37,591,671**	₱61,929,417
Deferred tax liabilities	**2,457,134,844**	2,524,519,956

25. LEASE LIABILITY

The Group has lease contracts for various office spaces with lease terms of two (2) to three (3) years. Rental due is based on prevailing market conditions.

The rollforward of this account is as follows:

	June 30, 2019 (Unaudited)
Effect of adoption of PFRS 16 (Notes 2 and 13)	**₱29,299,591**
Accretion for the year (Note 25)	**1,169,451**
Payment	**(8,096,550)**
Balance at the end of the period	**22,372,492**
Less: current portion	**15,082,317**
Noncurrent portion	**₱7,290,175**

The carrying value of right-of-use assets amounted to ₱21.70 million as of June 30, 2019 (see Note 12). The lease liabilities as at January 1, 2019 can be reconciled to the operating lease commitments as of December 31, 2018 as follows (see Notes 2 and 12):

Operating lease commitments as at December 31, 2018	**₱293,290,464**
Commitments relating to short-term and low value leases	**(176,818,959)**
Operating lease subject to discounting as at December 31, 2018	**116,471,505**
Weighted average incremental borrowing rate as at January 1, 2019	**8.82%**
Lease liabilities as at January 1, 2019	**₱29,299,591**

26. FINANCIAL INSTRUMENTS

Fair Value Information

The table below presents the carrying amounts and fair values of the Group's financial assets and financial liabilities as follows:

	June 30, 2019		December 31, 2018	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial asset at amortized cost				
Rental deposits	**₱154,806,815**	**₱156,632,699**	₱162,818,009	₱164,738,382
Other financial liabilities				
Long-term debt	**₱15,596,095,186**	**₱15,845,546,434**	₱17,034,248,385	₱17,252,185,192
Bonds payable	**4,438,999,460**	**4,521,649,375**	1,505,894,698	1,518,928,301
Liability from purchased land	**390,286,356**	**391,834,827**	368,768,733	370,231,832
Lease liability	**22,372,492**	**22,372,492**	–	–
Total financial liabilities	**₱20,447,753,494**	**₱20,781,403,128**	₱18,908,911,816	₱19,141,345,325

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

Cash and cash equivalents, receivables (excluding advances to employees, condominium corporations and other receivables), due from related parties, marginal deposit accounts and other payables, due to related parties and short-term debt

Carrying amounts approximate fair values due to the short-term maturities of these instruments.

Rental deposits
The fair values of rental deposits are based on the discounted value of future cash flows using the applicable market interest rates. Discount rates ranging from 4.29% to 5.07% and 1.91% to 5.00% were used in calculating the fair value of the Group's rental deposits as of June 30, 2019 and December 31, 2018, respectively.

Derivative asset
The fair value of cross currency swap transaction is determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions and reflect appropriate risk adjustments that market participants would make for credit and liquidity risks existing at the end each of reporting period. The fair values of cross currency swap transactions are determined based on changes in the term structure of interest rates of each currency and the spot rate.

Long-term debt, bonds payable and liability from purchased land
The fair values are estimated using the discounted cash flow method 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 4.97% to 5.04% and 2.39% to 6.34% as of June 30, 2019 and December 31, 2018, respectively. The discount rates used for the bonds payable ranged from 4.95% to 5.00% and 2.79% to 4.52% as of June 30, 2019 and December 31, 2018, respectively. The discount rates used for the liability from purchased land ranged from 4.97% to 5.18% and 2.87% to 3.15% as of June 30, 2019 and December 31, 2018, respectively.

The Group has no financial instruments measured under Level 3 of fair value hierarchy.

For the six-month period ended June 30, 2019 and for the year ended December 31, 2018, 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.

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

Credit Risk
The Group's maximum exposure to credit risk as of June 30, 2019 and December 31, 2018 is equal to the carrying values of its financial assets amounting to ₱6,411.51 million and ₱3,982.15 million, respectively, except for cash on hand amounting to ₱0.62 million each, ICR and contract assets with aggregate carrying values of ₱10,179.34 million and ₱9,267.75 million, respectively, with fair value of collateral amounting to ₱10,188.09 million and ₱9,638.84 million, respectively, and advances to employees and condominium corporations and other receivables with an aggregate carrying amount of ₱1,050.33 million and ₱975.20 million, respectively.

Cash and cash equivalents, marginal deposits, rental deposits and derivative assets - these are considered as high grade financial assets as these are entered into with reputable counterparties.

Contract assets and receivables other than advances to condominium corporation - these are considered as high grade since there are no default in payments.

Due from related parties - these are considered as standard grade as these are settled on time or are slightly delayed due to unresolved concerns.

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

	June 30, 2019		
	Within 1 Year	**1 - 5 years**	**Total**
Other financial liabilities			
Accounts and other payables*	**₱4,487,332,284**	**₱–**	**₱4,487,332,284**
Due to related parties	**98,575,198**	**–**	**98,575,198**
Short-term debt	**2,058,719,898**	**–**	**2,058,719,898**
Liability from purchased land	**67,200,000**	**323,086,356**	**390,286,356**
Lease liability	**15,082,317**	**7,290,175**	**22,372,492**
Long-term debt:			
Principal	**7,875,706,185**	**7,829,277,721**	**15,704,983,906**
Interest	**54,813,346**	**54,075,374**	**108,888,720**
Bonds payable:			
Principal	**1,393,530,000**	**3,119,110,000**	**4,512,640,000**
Interest	**6,214,156**	**74,543,578**	**80,757,734**
	₱16,057,173,384	**₱11,407,383,204**	**₱27,464,556,588**

**Excluding customers' advances and statutory liabilities amounting to ₱1,611.51 million and ₱56.55 million, respectively, as of June 30, 2019.*

	December 31, 2018		
	Within 1 Year	1 - 5 years	Total
Other financial liabilities			
Accounts and other payables*	₱3,841,749,961	₱–	₱3,841,749,961
Due to related parties	98,575,198	–	98,575,198
Short-term debt	2,206,610,954	–	2,206,610,954
Liability from purchased land	67,200,000	301,568,733	368,768,733
Long-term debt:			
Principal	5,389,150,881	11,770,453,873	17,159,604,754
Interest	39,369,461	85,986,908	125,356,369
Bonds payable:			
Principal	–	1,512,640,000	1,512,640,000
Interest	–	6,745,302	6,745,302
	₱11,642,656,455	₱13,677,394,816	₱25,320,051,271

**Excluding customers' advances and statutory liabilities amounting to ₱1,049.49 million and ₱98.42 million, respectively, as of December 31, 2018.*

The Group's financial assets amounting to ₱16,591.47 million and ₱13,250.52 million as of June 30, 2019 and December 31, 2018, respectively, can be used to settle its financial liabilities.

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.

CENTURY PROPERTIES GROUP, INC.

The following table shows the Group's consolidated foreign currency-denominated monetary assets and liability and their peso equivalents as of June 30, 2019 and December 31, 2018:

	June 30, 2019		December 31, 2018	
	Original Currency	**Peso Equivalent**	Original Currency	Peso Equivalent
Assets				
Cash and cash equivalents				
US Dollar	**$3,314,106**	**₱169,781,650**	$1,170,033	₱61,520,317
Euro	**€6,542**	**382,053**	€7,193	433,813
Loans payable				
US Dollar	**$42,600,000**	**(2,182,398,000)**	$55,000,000	(2,891,900,000)
Net foreign currency denominated instruments		**(₱2,012,234,297)**		(₱2,829,945,870)

The spot exchange rates used were ₱51.23 to US$1 and ₱58.40 to €1 as of June 30, 2019; ₱52.58 to US$1 and ₱60.31 to €1 as of December 31, 2018

Interest rate risk
The following table sets out the carrying amount, by maturity, of the Group's long term debt that are exposed to interest rate risk.

	Interest terms (p.a.)	Rate fixing period	<1 year	1 to 5 years
2019	**6.5-8%**	**Monthly; Annually**	**₱1,926,624,000**	**₱–**
2018	6.5-8%	Monthly; Annually	₱399,608,000	₱1,703,592,000

The interest rate risk exposure pertains to the Group's Omnibus Agreement with Standard Chartered Bank. This is hedged by a cross currency and interest rate swap agreement entered with the same bank.

27. PERFORMANCE OBLIGATION

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

Real estate sales
The Group entered into contracts to sell with one identified performance obligation, which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration. The sale of real estate unit may cover the contracts for condominium and residential house unit and the Group concluded that there is one performance obligation in each of these contracts. The Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payments, which are considered in revenue recognition, commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10%-20% of the contract price spread over a five-year period at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to five (5) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at June 30, 2019 and December 31, 2018 are as follows:

	June 30, 2019	December 31, 2018
Within one year	**₱3,919,752,613**	₱3,474,143,694
More than one year	**8,249,920,158**	7,312,045,153
	₱12,169,672,771	₱10,786,188,847

The remaining performance obligations expected to be recognized within one year and in more than one year relate to the continuous development of the Group's real estate projects.

All of the Group's real estate sales from residential development are revenue from contracts with customers recognized over time. The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

Project	Location	**June 30, 2019**	June 30, 2018
Century City	Makati City	**₱1,595,805,226**	₱1,417,061,203
The Residences at Commonwealth	Quezon City	**1,244,992,833**	878,628,410
The Resort Residences at Azure North	Pampanga City	**817,737,560**	577,101,678
Acqua Private Residences	Mandaluyong City	**485,524,539**	342,649,084
Azure Urban Resort Residences	Paranaque City	**470,660,717**	332,159,243
Tanza Properties	Cavite	**387,940,307**	273,780,995
PHirst Park Homes	Cavite	**282,280,446**	–
Batulao Landscapes	Batangas	**129,851,951**	–
		₱5,414,793,579	3,821,380,613

Property management
Revenue is recognized from property management over time as the services are rendered. The Group's disaggregation of each sources of revenue from property management are presented below:

	June 30, 2019	June 30, 2018
Property management fee	**₱197,695,298**	₱170,612,914
Technical services	**10,338,382**	8,922,122
	₱208,033,680	₱179,535,036

28. CONTINGENCIES

The Group is contingently liable for 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. 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 for the period-ended June 30, 2019 and December 31, 2018 with respect to the foregoing matters.

29. NOTES TO CASH FLOWS

Below are the noncash transactions for the period ended June 30, 2019 and 2018.

a. Accretion of unamortized discount for noninterest-bearing contracts receivable amounting to ₱175.01 million and ₱198.77 million for the six-month periods ended June 30, 2019 and 2018, respectively (see Note 16).

b. Borrowing costs capitalized in real estate inventories amounting to ₱584.31 million and ₱764.75 million for the six-month periods ended June 30, 2019 and 2018, respectively (see Note 8).

c. Borrowing costs capitalized in investment properties amounting to ₱67.89 million and ₱65.43 million for the six-month periods ended June 30, 2019 and 2018, respectively (see Note 12).

d. Transfer from deposit for purchased land to real estate inventories amounting to ₱166.0 million and ₱522.26 million for the six-month periods ended June 30, 2019 and 2018, respectively (see Notes 8 and 10).

e. Amortization of deferred financing costs amounting to ₱23.58 million and ₱53.85 million for the six-month periods ended June 30, 2019 and 2018, respectively (see Notes 18 and 19).

f. Transfer of investment properties to real estate inventories amounting to ₱256.91 million for the six month period ended June 30, 2019.

g. Accrued interest from long-term loans amounting to ₱92.80 million and ₱106.35 million for the six month period June 30, 2019 and December 31, 2018, respectively.

h. Recognized lease liability amounting to ₱22.37 million and rights of usage assets as part of property and equipment as of June 30, 2019 as a result of adoption of PFRS 16

i. Declaration of dividend amounting to ₱137.92 million and ₱200.00 million for the six-month periods ended June 30, 2019 and 2018, respectively (see Notes 14 and 20).

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EXHIBIT 1

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations and Material Changes to the Company's Income Statement for the six-month period ended June 30, 2019 compared to June 30, 2018
(In Millions of Peso)

			Movement	
	2019	**2018**	**Amount**	**%**
REVENUE				
Real estate revenue	**₱5,415**	₱3,754	₱1,660	44.20%
Leasing revenue	**248**	193	55	28.46%
Property management fee and other services	**208**	179	28	15.87%
Interest income from real estate sales	**175**	199	(24)	-11.95%
	6,046	4,326	1,719	39.75%
COST AND EXPENSES				
Cost of real estate revenue	**3,480**	2,101	1,379	65.63%
Cost of leasing	**107**	92	15	16.45%
Cost of services	**149**	139	10	7.15%
	3,736	2,332	1,404	60.19%
GROSS PROFIT	**2,309**	1,994	315	15.82%
GENERAL, ADMINISTRATIVE AND SELLING EXPENSES	**1,461**	1,579	(119)	-7.51%
OTHER INCOME (EXPENSES)				
Interest and other income	**310**	364	(53)	-14.63%
Gain on change in fair value of investment properties	**117**	18	99	546.71%
Gain (loss) on change in fair value of derivative asset	**(97)**	151	(247)	-164.21%
Share in net earnings of joint ventures and associate	**11**	6	5	93.16%
Interest and other financing charges	**(255)**	(248)	(7)	2.67%
Unrealized foreign exchange gain (loss)	**66**	(195)	261	-134.04%
	154	95	58	61.48%
INCOME BEFORE INCOME TAX	**1,002**	510	493	96.66%
PROVISION FOR INCOME TAX	**230**	86	144	166.26%
NET INCOME	**₱772**	₱423	₱349	82.46%

44.20% increase in real estate revenue

The increase is due to sustained revenue contribution of affordable housing segment, Batulao and additional substantial progress in construction and sales take up of on-going projects.

28.46% increase in leasing revenue

The increase were mostly due to the start of operation and recognition of revenue of Asian Century Center.

15.87% increase in property management fee and other services
The increase is primarily due to increase in management fee and service rates for property managed.

11.95% decrease in interest income from real estate sales
Interest income from real estate sales represents interest accretion from installment contract receivables (ICR) and contract asset recognized during the year. Discount subject to accretion arises from the difference between present value of ICR and contract asset and its nominal value. Income decrease since majority of the projects are already turned over and new sales fair value upon initial recognition approximates its nominal value.

65.63% increase in cost of sales
The increase is directly attributable in the increase of real estate revenue.

16.45% increase in cost of leasing
The increase is mainly due to the cost for the start operation Asian Century Center.

7.15% increase in cost of services
The increase is directly attributable in the increase in property management fee and other services.

7.51% decrease in general, administrative and selling expenses
Decrease is due to continuous cost reduction measures to improve margins. Significant reduction is mostly from marketing and selling expenses

14.63% decrease in interest and other income
The increase is due to lower income from forfeited collection.

546.71% increase in gain from change in fair value of investment properties
The increase is due to mark to market gain on Asian Century Center.

164.21% increase in loss from change in fair value of derivatives
The increase is due to mark to market loss on non-deliverable foreign currency swap entered into by the Group to hedge its foreign currency denominated debt.

93.16% increase in share in net earnings from joint ventures and associate
These increase is from the share in earnings of the Company's associates One Pacstar and Two Pacstar

134.04% increase in unrealized foreign exchange gain (loss)
These gain are offset by the gain in fair value of derivatives arising from hedging of the dollar denominated loans.

166.26% increase in provision for income tax
The increase was primarily due to higher taxable income during the period.

As a result of the foregoing, net income increased by 82.46%.

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Financial Condition and Material Changes to the Company's Statement of Financial Position for the period-ended June 30, 2019 compared to December 31, 2018
(In Millions of Peso)

			Movement	
	2019	**2018**	**Amount**	**%**
ASSETS				
Cash and cash equivalents	**₱4,411**	₱1,950	₱2,460	126.14%
Receivables	**5,767**	2,047	3,719	181.71%
Contract assets	**5,016**	6,827	(1,811)	-26.52%
Real estate inventories	**16,630**	17,257	(628)	-3.64%
Due from related parties	**418**	394	23.19	5.88%
Advances to suppliers and contractors	**2,673**	2,236	437	19.55%
Other current assets	**1,434**	1,284	149	11.62%
Total Current Assets	**36,348**	31,997	4,351	13.60%
Non-current portion of contract assets	**991**	1,895	(903)	-47.67%
Deposits for purchased land	**1,125**	1,189	(64)	-5.41%
Investments in and advances to joint ventures and associate	**259**	247	11	4.52%
Investment properties	**12,335**	11,382	953	8.37%
Property and equipment	**1,592**	1,274	318	25.00%
Deferred tax assets – net	**38**	62	(24)	-39.30%
Other noncurrent assets	**1,193**	1,321	(128)	-9.70%
Total Noncurrent Assets	**17,532**	17,370	163	0.94%
TOTAL ASSETS	**53,880**	49,367	4,514	9.14%
LIABILITIES				
Accounts and other payables	**6,199**	4,990	1,209	24.23%
Contract liabilities	**3,046**	2,294	752	32.77%
Short-term debt	**2,059**	2,207	(148)	-6.70%
Current portion of:				
Long-term debt	**7,876**	5,389	2,487	46.14%
Bonds Payable	**1,394**	-	1,394	100.00%
Liability from purchased land	**67**	67	-	0.00%
Lease liability	**15**	-	15	100.00%
Due to related parties	**99**	99	-	-
Income Tax Payable	**10**	5	5	110.40%
Total Current Liabilities	**20,686**	15,050	5,636	37.45%
Noncurrent portion of:				
Long-term debt	**7,720**	11,645	(3,925)	-33.70%
Bonds Payable	**3,045**	1,506	1,540	102.24%
Liability from purchased land	**323**	302	22	7.14%
Lease liability	**7**	-	7	0.00%
Pension liabilities	**256**	251	5	2.10%
Deferred tax liabilities	**2,457**	2,525	(67)	-2.67%
Other noncurrent liabilities	**762**	625	138	22.04%
Total Noncurrent Liabilities	**14,572**	16,853	(2,281)	-13.53%
Total Liabilities	**35,335**	31,903	3,433	10.76%
EQUITY				
Capital stock	**6,201**	6,201	-	0.00%
Additional paid-in capital	**2,640**	2,640	-	0.00%
Treasury shares	**(110)**	(110)	-	0.00%
Other components of equity	**99**	99	0	0.00%
Retained earnings	**8,173**	7,590	583	7.47%
Remeasurement loss on defined benefit plan	**(66)**	(66)	-	0.00%
Total Equity Attributable to Equity Holders of the Parent Company	**16,937**	16,354	583	3.46%
Non-controlling interest	**1,608**	1,109	498	45.30%
	18,545	17,463	1,081	6.12%
	₱53,880	₱49,367	₱4,514	9.14%

126.14% increase in cash and cash equivalents
Increase is primarily due to net proceeds from bond availment and collections from operations during the period.

9.34% increase in total receivables and contract assets
The increase is primarily due to receivables recognized for new projects qualified for revenue recognition.

19.55% increase in advances to suppliers and contractors
Increase is primarily due to additional advances to suppliers and contractors of new projects in affordable segment and Batulao project.

5.41% decrease in deposits for purchased land
In 2019, CCC finalized its DOAS for the land acquired in Novaliches, hence the initial deposit for the land purchased amounting to ₱166.00 million was reclassified to inventories.

8.37% increase in investment property
The increase is mostly attributable to the construction of Century Diamond Tower.

25.00% increase in property and equipment
The increase is mostly attributable to additional construction cost for Novotel Suites Manila at Acqua 6 Tower of Acqua Private Residences.

24.23% increase in accounts and other payables
The increase is primarily due to accruals made at the end of the period and increase in inventory related purchases.

32.77% increase in total contract liabilities
Contract liabilities represents collection from customers which do not meet the revenue recognition criteria as of the end of the period.

8.24% decrease in total short-term and long-term Debt
Decrease was due to net repayment of loans during the period.

194.77% increase in bonds payable
On April 15, 2019, the Group issued a three-year bonds listed at the Philippine Dealing & Exchange Corp. (PDEx) amounting to ₱3,000 million.

22.04% increase in other non-current liabilities
Due to the collection of its subscription of preferred shares.

45.30% increase in non-controlling interest
Primarily due to additional investment from minority interest of PPHI amounting to ₱333.33 million and collection of subscription receivable from minority interest of CCDCII amounting to ₱113.26 million.

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Key Performance Indicators

Selected Financial Indicators
June 30, 2019 and June 30, 2018

Financial ratios	Jun-19	Jun-18
Current/Liquidity Ratios		
Current Assets	36,348,080,994	31,866,235,025
Current Liabilities	20,763,529,659	13,703,464,086
Current Ratios	**1.8**	**2.3**
Current Assets	36,348,080,994	31,866,235,025
Inventory	16,629,635,326	17,995,327,361
Quick Assets	19,718,445,668	13,870,907,664
Current Liabilities	20,763,529,659	13,703,464,086
Quick Ratios	**0.9**	**1.0**
Liabilities and Debt Ratios		
Short-term debt	2,058,719,898	1,487,889,296
Long-term debt - Current	7,875,706,185	4,270,230,499
Long-term debt - Non-current	7,720,389,001	11,873,116,543
Bonds payable	4,438,999,460	1,500,966,910
Debt	**22,093,814,544**	**19,132,203,248**
Equity	**18,544,571,901**	**16,466,234,016**
Debt-to-Equity	**1.2**	**1.2**
Debt	22,093,814,544	19,132,203,248
Cash and Cash Equivalents	4,410,587,435	1,855,012,361
Net Debt	**17,683,227,109**	**17,277,190,887**
Equity	**18,544,571,900**	**16,466,234,016**
Net Debt-to-Equity	**1.0**	**1.0**
Debt	22,093,814,544	19,132,203,248
EBITDA (Annualized for Interim)	2,449,500,394	1,477,172,354
Debt-to-EBITDA	**9.02**	**12.95**
Income befor Income Tax	1,002,139,301	509,580,585
Interest expense	194,122,892	207,058,997
Depreciation and amortization	28,488,004	21,946,595
EBITDA	**1,224,750,197**	**738,586,177**
Asset to Equity Ratios		
Total Assets	53,880,353,130	47,082,253,732
Total Equity	18,544,571,900	16,466,234,016
Asset to Equity Ratio	**2.9**	**2.9**
Liabilities to Equity Ratios		
Total Liabilities	35,335,781,230	30,616,019,716
Total Equity	18,544,571,900	16,466,234,016
Liabilities to Equity Ratio	**1.9**	**1.9**

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Financial ratios	Jun-19	Jun-18
Profitability ratios		
Revenue	6,045,698,712	4,326,230,860
Gross Profit	2,309,265,380	1,993,768,116
Gross Profit Ratio	**38%**	**46%**
Net Income Attributable to Equity holders of the Parent Company	720,510,875	365,995,132
Revenue	6,045,698,712	4,326,230,860
Net Income Margin	**11.9%**	**8.5%**
Total Net Income after tax (Annualized)	**1,544,536,706**	**846,495,552**
Total Asset CY	53,880,353,130	47,082,253,732
Total Asset PY	49,366,682,829	42,555,650,621
Average total asset	**51,623,517,980**	**44,818,952,177**
Return on Asset	**3.0%**	**1.9%**
Total Net Income after tax (Annualized)	**1,544,536,706**	**846,495,552**
Total Equity CY	18,544,571,900	16,466,234,016
Total Equity PY	17,463,466,559	16,255,621,463
Average total equity	**18,004,019,230**	**16,360,927,740**
Return on Equity	**8.6%**	**5.2%**
Net Income	772,268,353	423,247,776
Revenue	6,045,698,712	4,326,230,860
Net Income Margin	**12.8%**	**9.8%**

PART II--OTHER INFORMATION

Item 3. 2nd Quarter of 2019 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
Hilda R. Antonio	Director
Jose L. Cuisia	Independent Director
Stephen T. CuUnjieng	Independent Director
Carlos C. Ejercito	Independent Director

C. Performance of the corporation or result/progress of operations.

Please see unaudited Financial Statements and Management's Discussion and Analysis.

D. Declaration of Dividends.

None

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 2019 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, 2019, 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 2019 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
VP Comptroller