SEC Number: AS 094-004462
File Number: _________

GLOBAL-ESTATE RESORTS, INC.
(Company's Full Name)

7/F Renaissance Towers, Meralco Avenue
Pasig City
(Company's Address)

(632) 625-2568
(Telephone Number)

December 31, 2013
(Fiscal Year Ending)

SEC Form 17 - A Annual Report
(Form Type)

(Amendment Designation)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17 - A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF CORPORATION CODE OF THE PHILIPPINES

1. For the calendar year ended **December 31, 2013**
2. SEC Identification Number **AS 094-004462**
3. BIR Tax Identification No. **430-000-426-523**
4. Exact name of registrant as specified in its charter

Global-Estate Resorts, Inc.

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

Pasig City, Philippines

6. Industry Classification Code: ☐ (SEC Use only)

7. Address of principal office Postal Code

7/F Renaissance Towers, Meralco Ave., Pasig City **1600**

8. Registrant's telephone number

Tel No. (632) 625-2568

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

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

Title of Each Class	Number of shares outstanding and amount of debt outstanding
Common shares	**10,986,000,000**
Outstanding debts (loans)	**None**

11. Are any or all of these securities listed on the Philippine Stock Exchange

Yes **[X]** No [ ]

12. Check whether the issuer:

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

Yes **[X]** No [ ]

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

Yes **[X]** No [ ]

13. Aggregate market value of the voting stock held by non-affiliates:

₱ 2,408,169,439 (as of December 31, 2013) based on the closing price of Php1.35 per share

DOCUMENTS INCORPORATED BY REFERENCE

14. Briefly describe documents incorporated by reference and identify the part of the SEC Form 17-A into which the document is incorporated:

2013 Audited Consolidated Financial Statements
(incorporated as reference for Item 7 of SEC Form 17-A)

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PART I – BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

Business Development

Form and Date of Organization

Global-Estate Resorts, Inc. ("GERI" or the "Company") formerly Fil-Estate Land, Inc. was incorporated on May 18, 1994 to consolidate the real estate interests and development activities of the Fil-Estate Group of Companies. GERI is also tasked to engage in land acquisitions and to maintain an inventory of raw land for future development by the Company and its subsidiaries. GERI went public in November 1995 when its common shares were listed in the Philippine Stock Exchange (PSE).

GERI is one of the leading property development companies in the Philippines and has operated through predecessor companies since 1981. The Company engages primarily in the horizontal development of residential subdivision lots, integrated residential, golf and other leisure-related properties, integrated tourism estates development and vertical development of mixed-use towers.

The Company reduces its capital exposure substantially by acquiring its land bank through joint ventures with landowners. These agreements generally provide that the Company will undertake the development and marketing of the project.

GERI has seven (7) subsidiaries:

Fil-Estate Properties, Inc. ("FEPI"), was incorporated and organized under the laws of the Philippines on February 13, 1990. FEPI is involved in the development/construction and sale of residential subdivisions and commercial lots, condominium buildings and townhouses and sale of golf and resort shares.

Fil-Estate Golf and Development, Inc. ("FEGDI"), was registered with the Securities and Exchange Commission (SEC) on March 6, 1990 to engage primarily in golf and leisure development. Among the notable projects undertaken/completed by FEGDI are The Manila Southwoods Golf Course in Carmona, Cavite, and Forest Hills Golf Course in Antipolo City .

Fil-Estate Urban Development Corporation ("FEUDC") was incorporated and organized under the laws of the Philippines on March 6, 2000. FEUDC's primary purpose is to acquire by purchase, lease, donation, or otherwise or to own, use, improve, develop, subdivide, sell, exchange, lease, hold for investment or otherwise, real estate of all kinds, including building, houses, apartments and other structures and to construct, improve, manage or otherwise dispose of buildings, condominiums and other structures of whatever kinds, together with their appurtenances; and to perform all and everything necessary and proper for the attainment of or in furtherance of this purpose, either alone or with other corporations or individuals. In 2011, FEUDC amended its Articles of Incorporation to include, as part of its primary purpose, operation of buildings, condominiums and other structures such as hotels, including but not limited to the operation of dining, function, and lodging facilities. Its development projects include townhouses and hotels.

Novo Sierra Holdings Corporation ("Novo Sierra") was incorporated and organized under the laws of the Philippines on March 4, 2010. Novo Sierra's primary purpose is to invest in, purchase or otherwise acquire and hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidence of indebtedness, contracts and other securities and obligations of any corporation, partnership, company or association, whether domestic or foreign for whatever lawful purpose or purposes the same way have been organized; and to pay therefore in money or by exchanging therefore in stocks, bonds, debentures, notes or other evidences of indebtedness or securities, and while the owner or holder of such notes, evidence of indebtedness, contracts and other securities and obligations of any corporation; to receive, collect and dispose of the interest, dividends and income arising from such property and investments and to possess and exercise in respect thereof, all rights and powers and privileges of ownership to the extent authorized by law, without however engaging in any banking or quasi-banking activities, nor shall the corporation engage in the business of an investment company as defined in the Investment Company Act (R.A. 2629) without complying with the provisions of the said act; provided it shall not engage in stock brokerage and dealer in securities.

Twin Lakes Corporation ("Twin Lakes") was incorporated and organized under the laws of the Philippines on March 2, 2011. Twin Lakes primary purpose is to acquire by purchase, lease, donation or otherwise and to own, use, improve, develop and hold for investment or otherwise, real estate of all kinds, and to construct, improve, manage or otherwise deal in or dispose lots, buildings, house and lots, as well as condominium units, townhouses, shopping malls, commercial centers, retirement communities, schools and dormitories, mixed-use property projects and other structures of whatever kind and description, together with any and all of their appurtenances, with the end in view of building and establishing new communities, towns, cities and urban centers.

Megaworld Global-Estate, Inc. ("MGEI") was incorporated and organized under the laws of the Philippines on March14, 2011. MGEI primary purpose is to market, acquire, hold, operate, dispose of by purchase, sale, exchange, mortgage, barter, lease or in any other manner, conditionally or absolutely, real estate and/or improvements thereon or other properties for residential, commercial or recreational purposes, or any interest therein, and to own, hold, improve, develop and manage any real estate, golf course, buildings, structures or other properties or interest therein so acquired, as well as erect or cause to be erected on any real estate or other properties, held or occupied by the corporation buildings, plants, factories, recreation facilities, or other similar structures with their appurtenances. It acts as the marketing arm of the Company and its subsidiaries.

Oceanfront Properties, Inc. ("OPI") was incorporated on October 12, 2010 and started commercial operations on August 9, 2012. OPI was incorporated primarily to own, use, improve, develop, subdivide, sell, exchange, lease and hold for investment or otherwise, real estate of all kinds, including buildings, houses, apartments and other structures.

GERI also owns 20% of the equity of four (4) marketing companies namely Fil-Estate Realty Corporation ("FERC"), Fil-Estate Network, Inc. ("FENI"), Fil-Estate Sales, Inc. ("FESI") and Fil-Estate Realty Sales Associates, Inc. ("FERSAI") which formerly marketed the old projects of GERI prior to the formation of MGEI.

Bankruptcy, Receivership or Similar Proceedings

None for any of the companies above.

Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets (not ordinary)

None for any of the companies above.

Products

The Company has a diversified portfolio of integrated projects, including (i) integrated tourism estates development, (ii) horizontal residential subdivision lots and residential / commercial complexes, (iii) residential communities integrated with golf, resort and other leisure related and commercial complexes, (iv) residential, office and commercial high rise, (v) business park, and (vi) low cost housing.

Percentage of sales or revenues and net income contributed by foreign sales

The Company starts to generate sales from foreign market and it contributes 8% of the consolidated real estate sales for the year 2013.

Distribution Methods of Products

The Company's products are distributed to a wide range of clients through its in-house marketing company which acts as the marketing arm of the Company and its subsidiaries.

Suppliers

The Company has a broad base of local suppliers.

Customers

GERI has a broad market base that is presently focused on local individuals, corporations, partnerships and foreign market.

The Company caters to all segments of the real estate market for its developments. Residential lots and affordable housing units are focused on the B market. The Company targets the A and B markets with special niche products such as integrated tourism estates, residential, commercial and leisure developments and condominium units. In line with the Company's focus on integrated tourism estates, sales to the latter segments are expected to provide the biggest source of revenues for the Company.

Competition

The real estate business in the Philippines remains highly competitive. The most prominent of these competitors are Ayala Land, Inc., Robinsons Land, SM Development Corporation, Filinvest, Vista Land, Landco and Sta. Lucia Realty. The Company competes with other developers in entering into joint venture arrangement with strategic partners, locate and acquire highly marketable raw lands for development located in Metro Manila and in provinces.

The Company aims to be one of the leading developers of integrated tourism estates in the Philippines. The Company's tourism estate projects located in Boracay, Nasugbu & Laurel, Batangas which feature integrated master-planned communities with world class offerings and amenities, are designed to set new standards in the Philippine tourism industry.

The Company believes that its strategically located land bank, and reputation as an experienced developer and effective marketer of innovative real estate products gives it a competitive advantage. Its ownership of at least 15% of the Boracay Island, the number one tourist destination in the Philippines, together with its prime land inventory comprising 1,210 hectares and 600 hectares respectively in Laurel and Nasugbu, Batangas gives it a lead over its competitors. Some of its competitors have their name and relative number of years in the business as their strength, but they focus on specific projects. The Company, on the other hand, is a pioneer in master-planned integrated tourism developments which its competitors have yet to venture in.

Transactions with and/or dependence on related parties

The Company and its subsidiaries, in their regular conduct of business, have entered into transactions with associates and related parties including investments in and advances granted to or obtained from subsidiaries, associates and other related parties for purposes of working capital requirements. For more information, see Note 20 to the Audited Financial Statements.

Amount spent on research and development activities and its percentage to revenues

The Company incurs minimal amounts for research and development activities which do not amount to a significant percentage of revenues.

Intellectual Property

The Company believes that its operations and that of its subsidiaries are not dependent on any trademark, patent, copyright, license, franchise or royalty agreement. Nonetheless, the Company has filed with the Intellectual Property Office separate applications to register and protect the trademarks "Global-Estate Resorts, Inc.," "Boracay Newcoast," "Twin Lakes," "Harbortown," and their respective logos/devices.

Government Approvals / Regulations

The Company secures various government approvals such as the ECC, development permits, license to sell, etc. as part of the normal course of its business.

Development Permit and License to Sell

Presidential Decree No. 957, as amended, requires landowners / developers to submit a registration statement and subdivision / condominium plan to the Housing and Land Use Regulatory Board ("HLURB"). Upon submission of the plan, the HLURB issues a development permit authorizing the development of the land, and upon filing of a performance bond as may be determined by the HLURB, the latter issues a License to Sell and a Certificate of Registration to the owner / developer.

Agrarian Reform Law

The Comprehensive Agrarian Reform Law covers: (a) alienable and disposable lands of the public domain devoted to or suitable for agriculture, (b) land owned by the Government devoted to or suitable for agriculture. No person may own or retain, directly or indirectly, any public or private agricultural land, in excess of five (5) hectares. A limit of three (3) hectares may be awarded to each child of the landowners, subject to certain qualifications. The law allows the conversion of agricultural lands to non-agricultural use when the land ceases to be economically feasible and sound for agricultural purposes. Furthermore, the Department of Agrarian Reform Administrative Order No. 01 s. 1990 provides that any such classification or re-classification made after June 15, 1988 shall be subject to Department of Agrarian Reform ("DAR") approval.

Environmental Compliance Certificate

As a general rule, developers of residential subdivisions have to submit project descriptions to regional offices of the Department of Environment and Natural Resources ("DENR"). Such descriptions set out the background of the proposed project and identify any significant environmental risk and possible measures to mitigate such environmental risks. In exceptional cases of environmentally critical projects (e.g., golf courses, beach resorts, developments adjacent to watershed areas, etc.), a detailed Environmental Impact Assessment may be required and the developer will be required to obtain Environmental Compliance Certificate ("ECC") from the DENR. Compliance with the terms and conditions of the ECC will be monitored by the appropriate DENR regional office and failure to comply may lead to penalties and sanctions being imposed, including fines and / or temporary cessation of project operation.

As a real estate developer, the Company is required to secure development permits and licenses to sell from the HLURB and land conversions from agricultural to non-agricultural use when applicable, from DAR and environmental compliance certificates from the DENR for environmentally critical projects.

In addition to compliance with said government regulations, the Company shares in the country's vision of attaining economic prosperity and stability through sustainable development. Recognizing its important role as a property developer in a growing nation, the Company pursues its mission of service - *sustainable property development* - by building communities dedicated to quality living, work and recreation, while protecting and enhancing the environment.

Effect of Existing and Probable Government Regulations

Republic Act No. 7279 requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20% of the total subdivision area or total subdivision project cost, at the option of the developer; within the same or adjacent regions, whenever feasible, and in accordance with the standards set by the HLURB.

Tax Regulations

On May 24, 2005, the President of the Philippines signed into law Republic Act No. 9337 (RA 9337), which, effective November 1, 2005, introduced the following changes, among others:

a. Increase in the corporate income tax rate from 32% to 35% with a reduction thereof to 30% beginning January 1, 2009;
b. Grant of authority to the Philippine President to increase the 10% value added tax (VAT) rate to 12%, subject to compliance with certain economic conditions. The 12% VAT took effect on February 1, 2006; and
c. Revenue Regulations No. 16-2011 increasing the amount of threshold amounts for sale of residential lot, sale of house and lot effective January 01, 2012. Sale of residential lots with gross selling price of P1,919,500 or less, and residential house and lots with gross selling price of P3,199,200 or less, are not subject to Value Added Tax (VAT)

The Maceda Law

The Maceda Law applies to all transactions or contracts involving the sale or financing of real estate on installment payments (including residential condominium units but excluding industrial and commercial lots). Under the provisions of the law, where a buyer of real estate has paid at least two years of installments, the buyer is entitled to the following rights in case he/she defaults in the payment of succeeding installments:

a. To pay, without additional interest, the unpaid installments due within the total grace period earned by him, which is fixed at the rate of one (1) month grace period for every one (1) year of installment payments made. However, the buyer may exercise this right only once in every five (5) years during the term of the contract and its extensions, if any.
b. If the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to 50% of the total payments made, and in cases where five (5) years installments have been paid, an additional 5% every year (but with a total not to exceed 90% of the total payments).

Where a buyer has paid less than two years of installments, the buyer is entitled to pay the outstanding amount due without interest within a grace period of sixty (60) days from the date the installments became due.

The Company accords buyers their rights under the law and in certain cases, made appropriate refunds to some buyers.

Zoning and Land Use

The Department of Agrarian Reform (DAR) has issued regulations to effect the provisions of the Agrarian Reform Law in the Philippines. Under the law, all land classified for agricultural purposes as of or after June 1, 1988 cannot be converted to non-agricultural use without the prior approval of the DAR.

Land use may also be limited by the zoning ordinances of Local Government Units. Lands may be classified as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process maybe lengthy and cumbersome.

The Company diligently adheres to the provision of the agrarian reform law and local ordinances in cases where a certain project requires the conversion of the land use.

Environmental Laws

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate (ECC) prior to commencement of development. The Department of Environment and Natural Resources (DENR) through its regional offices or through the Environmental Management Bureau (EMB), determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement (EIS) to the EMB while a project in an environmentally critical area are generally required to submit an Initial Environmental Examination (IEE) to the proper DENR regional office.

GERI maintains that it has complied with all applicable Philippine environmental laws and regulations. Compliance with such laws, in GERI's opinion, is not expected to have a material effect on GERI's capital expenditures, earnings or competitive position in the property market.

Employees

As of December 31, 2013, GERI group has a total of 434 employees, divided into:

Top Management	-	9
Middle Management	-	62
Rank and File	-	363

The Company expects to further increase its number of employees in the next 12 months.

The employees are not subject to any collective bargaining agreements. There has been no employees union since the start of Company's operations.

In addition to basic salary and 13^{th} month pay, other supplemental benefits provided by GERI to its employees include: retirement benefits, vacation and sick leaves, rice subsidy, dental benefits, and hospitalization benefits.

Risk Factors Relating to the Company

Highly Competitive Business Environment

The Company faces increased competition from other developers who undertake residential subdivisions and vertical residential, commercial and office projects, particularly in key cities of the Philippines where several of the Company's present and future projects are located.

Notwithstanding increased competition in the industry, GERI intends to enhance its position as one of the leading property developers of integrated tourism estates in the Philippines. The Company's track record and marketing and sales force, and strategically located land bank are perceived to be major advantages against this anticipated growth in competition. It has been a major player in the industry through predecessor companies since 1981.

Demand for Real Estate Project Developments Related to Leisure and Recreation

A portion of the Company's projected revenues and income comes from the sale of properties for secondary or vacation residences, and golf and resort share club shares. Demand for such projects is perceived to be significantly affected by any major natural calamity or change in the economic and political conditions of the country.

The Company remains on the look-out for growth opportunities in different market segments and geographic areas in order that any negative impact on a particular market segment or geographic area by reason of political, economic or other factors will allow it to pursue its projects or other developments not affected thereby, thus providing it with a steady revenue base.

Limitations on Land Acquisition

As other developers race to acquire choice locations, it may become more difficult to locate parcels of suitable size in location and at prices acceptable to the Company that will enhance its present land bank. In this regard, the Company continues to explore joint ventures as an alternative to building its land bank and continue identifying properties that can be developed under project agreements with landowners.

Legal Issues or Disputes on Projects

The implementation of projects entered into by the Company may be affected by any legal issues generally arising from the ownership of the real estate properties. Certain properties presently being developed or proposed for development in the immediate term are currently the subject of legal proceedings whose resolution is still indeterminate.

The Company is endeavoring to resolve such legal issues at the shortest time possible. Nevertheless, these disputed projects are not expected to negatively impact the Company's business or its financial condition.

Government Approvals, Licenses and Permits
The implementation of projects require various government permits, approval and clearances from various municipal, city, regional and national government authorities and offices, such as, among others, the Development Permit, Certificate of Registration, License to Sell and in certain instances, the Environment Compliance Certificate. Accordingly, any delays in obtaining such government permits, approvals and clearances may affect the Company's projects.

The Company is taking every effort to ensure that it will comply with all the requirements in a timely and orderly manner in securing the approval, permits and licenses. It intends to secure the necessary documentation within a reasonable period of time.

Political and Economic Factors
In general, the profitability of the Company depends on the overall demand for Company's products which in turn is affected by political and economic factors. Any political instability in the future may have a negative effect on the viability of real estate companies. Economic factors such as substantial increases in interest and financing costs may dampen the overall demand for Company's products in the future, thus affecting the Company's profitability.

Credit Risk
Generally, the Group's credit risk is attributable to trade receivables, rental receivables and other financial assets. The Group maintains defined credit policies and continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the consolidated statements of financial position.

Liquidity Risk
The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week, as well as on the basis of a rolling 30-day projection.

Long-term needs for a six-month and one-year period are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

Interest Rate Risk
The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group follows prudent policies in managing its exposures to interest rate fluctuation, and constantly monitors its exposure to fluctuation in interest rates to estimate the impact of interest rate movements on its interest expense.

Borrowings of the Group are usually at fixed rates and as of December 2011 and 2012 there were no outstanding loans from bank and other financing institutions. Thus, no interest rate sensitivity analysis is presented.

Foreign Exchange Risk
Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposure to currency exchange rates arise mainly from the Group's U.S. dollar-denominated cash and cash equivalents which have been used to fund new projects.

Management assessed that the foreign currency risks related to these U.S dollar-denominated cash and cash equivalents to be not material.

As of December 31, 2013, the Group has no outstanding foreign denominated loans.

ITEM 2. PROPERTIES

As part of its land bank, the Company owns 2,137 hectares of landholdings which are valued at a cost of Php7.48 billion.

These land bank held for future development are strategically located in various parts of the country, but a large portion is located in Sta. Barbara, Iloilo, Boracay, Laurel, and Nasugbu Batangas.

The total land area under joint venture is subject to various joint venture agreements with different landowner partners. The average joint venture sharing for residential subdivision and golf course communities ranges from 55%-78% in favor of GERI.

The inventory portfolio of the Company consists mainly of inventory also strategically located in various parts of the country but mainly in Iloilo, Boracay, Nasugbu and Laurel, Batangas. Real estate and golf club and resort shares for sale and land held for future development are valued at the lower of cost or net realizable value in conformity with PAS 2 "Inventories". Cost includes the acquisition cost of the land plus all costs directly attributable to the acquisition for projects where the Company is the landowner, and includes actual development cost incurred up to balance sheet date for projects where the Company is the developer. Net realizable value is the selling price in the ordinary course of business less cost to complete and to market. A valuation allowance is provided for real estate and golf club and resort shares for sale and land held for future development when the net realizable values of the properties are less than the carrying costs.

As of the filing of this report, the Company has no definitive plans to undertake any major acquisition. It is, however, open to small acquisitions as part of expansion of its present major projects as the opportunity may present itself. Funding for these small acquisitions will be internally-generated. The existing residential subdivisions, condominiums, condotels, townhouses, and leisure development projects of the Company and its subsidiaries are as follows. :

PROJECT NAME	LOCATION	LIMITATIONS ON OWNERSHIP
8 Sto. Domingo Place	Quezon City	Joint Venture
Belmont Hotel Boracay	Malay, Aklan	None
Buenavida Village	Naga City	None
Buenavista Hills	Tagaytay	Joint Venture
Caliraya Springs	Cavinti, Laguna	Joint Venture
Cathedral Heights	Quezon City	Joint Venture
Capitol Plaza	Quezon City	Co-development
Central Park Place	Mandaluyong City	Joint Venture
Fairways & Bluewaters	Boracay, Aklan	None
Festival Villas	Dueñas, Iloilo	None
Forest Hills	Antipolo City	Joint Venture
Goldridge Estate	Guiguinto, Bulacan	Joint Venture
Holiday Homes	Gen. Trias, Cavite	Joint Venture
Magnificat Executive Village	Lipa, Batangas	Joint Venture
Mango Orchard Plantation	Naic, Cavite	Joint Venture
Manila Southwoods	Biñan, Laguna	Joint Venture
Monte Cielo De Naga	Naga City	Joint Venture
Monte Cielo De Penafrancia	Naga City	Joint Venture
Mountain Meadows	Cagayan De Oro	Joint Venture
Newcoast Village	Malay, Aklan	None
Newcoast Shophouse	Malay, Aklan	Joint Venture
Newcoast Boutique Hotel	Malay, Aklan	Joint Venture
Newcoast Oceanway Residences	Malay, Aklan	None
Newport Hills	Lian, Batangas	Joint Venture
Nasugbu Harbour Town	Nasugbu, Batangas	Joint Venture

Northpointe	Baguio City	Joint Venture
Pahara at Southwoods[1]	GMA, Cavite	Joint Venture
Palacio Real	Calamba, Laguna	Joint Venture
Palmridge Point	Talisay, Batangas	Joint Venture
Parco Bello	Muntinlupa City	Joint Venture
Parklane Square	Las Piñas City	Joint Venture
Parkridge Estate	Antipolo City	Joint Venture
Paragon Plaza	Mandaluyong City	Joint Venture
Plaridel Heights	Plaridel, Bulacan	Joint Venture
Puerto Del Mar	Lucena City	Joint Venture
Puerto Real De Iloilo	Iloilo	Joint Venture
Queensborough North	Pampanga	Joint Venture
Residencia Lipa	Lipa, Batangas	Joint Venture
Renaissance 5000	Ortigas Ctr, Pasig City	Joint Venture
Richgate Condominium	Baguio City	None
Richgate Square	Baguio City	Joint Venture
Richview Square Exp'n	Baguio City	Joint Venture
Riverina	San Pablo City	Joint Venture
Savoy Hotel Boracay	Malay, Aklan	None
Sherwood Hills	Carmona, Cavite	Joint Venture
Southwoods Peak Exp'n	Carmona, Cavite	Joint Venture
Suburbia North - Ph 2	Pampanga	Joint Venture
Sta. Barbara Heights	Sta. Barbara, Iloilo	Joint Venture
Tierra Vista	Lipa, Batangas	Joint Venture
Windsor Heights	Tagaytay	Joint Venture
West Tower	Makati City	Joint Venture
Villa Maria[2]	Fairways & Bluewater, Boracay	None
Villa Margarita[3]	Fairways & Bluewater, Boracay	None
Villa Michaela[4]	Fairways & Bluewater, Boracay	None
Villa Lucia[5]	Fairways & Bluewater, Boracay	None
Villa Catalina[6]	Fairways & Bluewater, Boracay	None

[1] Launched March 2014
[2] Use for hotel operation
[3] Use for hotel operation
[4] Use for hotel operation
[5] Use for hotel operation
[6] Use for hotel operation

Villa Vittoria[7]	Fairways & Bluewater, Boracay	None
Domaine Le Jardin	Laurel, Batangas	None

ITEM 3. LEGAL PROCEEDINGS

The Company and its subsidiaries are parties to certain lawsuits or claims arising from the ordinary course of business. The management and legal counsel believe that the eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements, and thus, no provision has been made for these contingent liabilities.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

PART II – OPERATIONAL INFORMATION

ITEM 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

Market price information

The common shares of the Company are traded on the Philippine Stock Exchange ("PSE") under the symbol of GERI.

	Philippine Stock Exchange	
	Average Closing Price per Share (₱)	
	High	**Low**
2014		
First Quarter	2.12	1.22
2013		
First Quarter	2.32	1.89
Second Quarter	2.76	1.70
Third Quarter	1.87	1.30
Fourth Quarter	1.53	1.31

[7] Use for hotel operation

2012 First Quarter Second Quarter Third Quarter Fourth Quarter	 2.48 2.14 2.14 2.09	 1.93 1.63 1.79 1.80

The market capitalization of GERI as of 31 December2013 based on the closing price at Php1.35 per share of GERI's shares at that date, was approximately Php14.83billion.

Stockholders

GERI has a total of about 4,413 common shareholders as of December 31, 2013

TOP 20 STOCKHOLDERS AS OF DECEMBER 31, 2013

No.	STOCKHOLDER	NO. OF SHARES	% OF OWNERSHIP
1	ALLIANCE GLOBAL GROUP, INC.	5,405,000,000	49.199%
2	MEGAWORLD CORPORATION	2,711,722,000[8]	24.683%
3	PCD NOMINEE CORPORATION (FILIPINO)	1,140,966,994[9]	10.386%
4	FIL-ESTATE MANAGEMENT INC.	1,080,070,946[10]	9.831%
5	PCD NOMINEE CORPORATION (FOREIGN)	534,765,049	4.868%
6	CAP PENSION TRUST FUND	9,263,280	0.084%
7	GREENFIELD DEVELOPMENT CORPORATION	8,640,000	0.079%
8	JOHN T. LAO	7,035,100	0.064%
9	LUCIO W. YAN	5,755,000	0.052%
10	ROMEO G. ROXAS	3,716,000	0.034%
11	AVESCO MARKETING	3,512,106	0.032%

[8] Based on SEC Form 23-B (Statement of Beneficial Ownership) for the month of December 2013 submitted by Megaworld Corporation.

[9] Excluding shares owned by Megaworld Corporation (211,722,000 shares) and Fil-Estate Management, Inc. (215,660,000 shares) lodged with PCD Nominee Corporation.

[10] Based on FEMI's Certification letter dated 21 January 2014, FEMI owns 1,080,070,946 shares as of 31 December 2013, of which 215,660,000 shares are lodged with PCD Nominee Corporation.

12	RBL FISHING CORPORATION	2,924,998	0.027%
13	WILBUR CHAN	2,611,825	0.024%
14	JENNIFER C. LEE OR JOSEPHINE C. LIM	2,000,000	0.018%
15	GILMORE PROPERTY MARKETING ASSOCIATES, INC.	1,983,000	0.018%
16	FEDERAL HOMES, INC.	1,939,860	0.018%
17	PHILIPPINE VETERANS BANK FAO COMPREHENSIVE ANNUITY PLANS AND PENSION CORP. TA#0245	1,837,428	0.018%
18	FRITZ L. DY	1,813,500	0.017%
19	DYNALAND PROPERTIES & DEVELOPERS, INC.	1,700,001	0.015%
20	ROBERT JOHN L. SOBREPENA	1,617,485	0.015%
	TOTAL	**10,928,874,572**	**99.482%**

Dividends

Payment of dividends, either in the form of cash or stock, will depend upon the Company's earnings, cash flow and financial condition, among other factors. The Company may declare dividends only out of its unrestricted retained earnings. These represent the net accumulated earnings of the Company with its capital unimpaired, which are not appropriated for any other purpose. The Company may pay dividends in cash, by the distribution of property, or by the issue of shares of stock. Dividends paid in cash are subject to the approval by the Board of Directors. Dividends paid in the form of additional shares are subject to approval by both the Board of Directors and at least two-thirds of the outstanding capital stock of the shareholders at a shareholders' meeting called for such purpose.

The Corporation Code prohibits stock corporations from retaining surplus profits in excess of 100% of their paid-in capital stock, except when justified by definite corporate expansion projects or programs approved by the Board of Directors, or when the corporation is prohibited under any loan agreement with any financial institution or creditor from declaring dividends without its consent, and such consent has not yet been secured, or when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation.

The retained earnings account as of December 31, 2013 amounting to Php4.36 billion in December 2013 and Php4.00 billion in December 2012. is restricted from being declared as dividends to the extent of the undistributed net earnings of subsidiaries and associates. No declaration of cash dividends was made in the last three (3) years.

<u>Recent Sales of Unregistered or Exempt Securities (including recent issuance of securities constituting an exempt transaction)</u>

- On August 28,2010, the Company's stockholders approved the increase in the Company's authorized capital stock from P5 billion to P10 billion. The Company's application for increase in authorized capital stock was approved by the SEC on January 20, 2011. Thereafter, the Company issued 5.0 billion fully-paid shares to AGI representing sixty-percent (60%) of the outstanding capital stock of the Company.

  The issuance to AGI is an exempt transaction under Sec. 10.1 (i). Nonetheless, the Company filed on December 5, 2011 a Notice of Exempt Transaction in connection with the issuance of shares to AGI, citing Sec. 10.1 (i) of SEC.

- On September 2011, Lim Asia Multi-Strategy Fund, Inc. (LAMSFI) a holder of the Company's warrants, converted six million (6,000,000) warrants into six million (6,000,000) common shares of the Company at an exercise price of P1.00 per share.

  On 18 May 2012, LAMSFI converted another sixty-two million (62,000,000) warrants into sixty-two million (62,000,000) common shares of the Company at an exercise price of P1.00 per share.

  On July 30, 2012, Lim Asia Alternative Real Estate Fund SPC (LAAREF), also a holder of GERI warrants, converted sixty-eight million (68,000,000) warrants into sixty-eight million (68,000,000) common shares of the Company at an exercise price of P1.00 per share.

  The LAMSFI and LAAREF warrants comprise the one hundred thirty-six million (136,000,000) warrants that were issued by the Company for which an exemptive relief was sought. The Commission issued a Resolution dated February 16, 2007 confirming that issuance of the one hundred thirty-six (136) million warrants is exempt from registration requirements of the Securities Regulation Code.

- On 23 September 2011, the Board of Directors of Company approved the increase in authorized capital stock of the Company from Ten Billion Pesos (Php10,000,000,000.00) divided into Ten Billion (10,000,000,000) common shares with a par value of One Peso (Php1.00) each to Twenty Billion Pesos (Php20,000,000,000.00) divided into Twenty Billion (20,000,000,000) common shares with a par value of One Peso (Php1.00) each. The shareholders ratified the increase on 8 November 2011.

  On 21 June 2013, the Board of Directors of the Company approved the subscription by Megaworld Corporation to Two Billion Five Hundred Million (2,500,000,000) shares of the increase in capital stock of the Company, at the price of Two Pesos and Twenty Six (Php2.26) per share for an aggregate subscription price of Five Billion Six Hundred Fifty Million Pesos (Php5,650,000,000.00).

The Company issued 2.5 billion fully-paid shares to Megaworld Corporation representing twenty-two and 756/100 percent (22.756%) of the outstanding capital stock of the Company.

The issuance to Megaworld Corporation is an exempt transaction under Sec. 10.1 (i). Nonetheless, the Company filed on 3 July 2013 a Notice of Exempt Transaction in connection with the issuance of shares to Megaworld Corporation, citing Sec. 10.1 (i) of SEC.

- On 23 September 2011, the Board of Directors of the Company approved an Executive Stock Option Plan which was ratified on 8 November 2011 by stockholders representing at least 2/3 of the outstanding capital stock of the Company.

  Pursuant to the ESOP, on February 16, 2012, the Company granted the option to its key company directors and executives to subscribe to 100 million shares of the Company, at an exercise price of Php1.93 (1st Tranche). On the basis of the sale to less than twenty persons, A Notice of Exempt Transaction (SEC Form 10.1) was filed with the SEC on March 21, 2012.

  On 18 February 2013, the Company granted another option to key company executives to subscribe to an additional 100 million common shares of the Company at an exercise price of Php1.69 (2nd tranche). On the basis of the sale to less than twenty persons, A Notice of Exempt Transaction (SEC Form 10.1) was filed with the SEC on 21 March 2013.

No underwriters were involved in the sales of the above unregistered or exempt securities.

PART III - FINANCIAL INFORMATION

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

Key Performance Indicators

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2013	December 31, 2012
Debt to Total Assets	24%	28%
Equity to Total Assets	76%	72%
Debt to Equity	31%	40%

Debt to Total Assets
It shows the creditors' contribution to the total resources of the organization.

Equity to Total Assets
It shows the extent of owners' contribution to the total resources of the organization.

Debt to Equity
It relates the exposure of the creditors to that of the owners.

ACTIVITY RATIOS

	December 31, 2013	**December 31, 2012**
Assets Turnover	3%	3%
Return on Equity	1.6%	2.1%

Assets Turnover
It measures the level of capital investment relative to sales volume.

Return on Equity
It tests the productivity of the owners' investments.

PROFITABILITY RATIOS

	December 31, 2013	**December 31, 2012**
Earnings per Share	₱ 0.034	₱ 0.035

Earnings per Share (EPS)
It indicates the earnings for each of the common shares held.

Others

As of the year ended December 31, 2013, there are no material events and uncertainties known to management that would have an impact on the future operations such as:

a. Known trends, demands, commitments, events or uncertainties that would have an impact on the Company;
b. Material commitments for capital expenditures, the general purpose of such commitment and the expected sources of funds for such expenditures;
c. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the net sales/revenues/income from continuing operations;

d. Significant elements of income or loss that did not arise from the Company's continuing operations;
e. Causes for any material changes from period to period in one or more line item of the Company's financial operations;
f. Seasonal aspects that had a material effect on the financial condition or results of the operations;

There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Management's Discussion and Analysis of Results of Operations and Financial Conditions

On January 15, 2011, the Company's Board of Directors (BOD) approved the change in accounting period of the Company from fiscal year ending September 30 to calendar year ending December 31. The change in accounting period was approved by the Securities and Exchange Commission (SEC) on March 29, 2011.

In line with the change in accounting period approved by SEC on March 29, 2011, SEC required the Group to file short period return, October to December, for the year 2011.

Review for the year ended December 31, 2013

Results of Operations

For the year ended December 31, 2013 the Group consolidated net income amounted to Php340.9million.

Consolidated total revenues amounted to Php1.76 billion. The bulk of revenues came from real estate sales, realized profit on prior years' sales, hotel operations, rental and finance and other income. Real estate sales came from the sale of residential subdivision lots and townhouse amounting to Php906 million. The Group's registered sales came from sale of lots in Newcoast Shophouse District, Boutique Hotel and The Village in Malay, Aklan, Sta. Barbara Heights in Iloilo City, Twin Lakes Domaine Le Jardin in Laurel, Batangas and Cathedral Heights in Quezon City.

Total cost and expenses amounted to Php1.31 billion, mainly from cost of real estate sales, cost of services, cost of hotel operations and operating expenses resulting from aggressive marketing activities as well as other administrative and corporate overhead.

Financial Condition

The Group's financial position remained stable. Total Assets of Php31 billion as of December 31, 2013 compared to Php24.6 billion as of December 31, 2012 posted an increase of Php6.4 billion or 26% mainly due to subscription of Megaworld from the increase in authorized capital stock.

Cash and cash equivalents increased by 859% from Php0.47 billion in December 2012 to Php4.47 billion as of December 31, 2013 due to Subscription of Megaworld Corporation from the increase in authorized capital stock. Trade and other receivables increased by 32% mainly due to real estate sale of new projects. Other current and non-current assets increased by 8% mainly due to input tax and prepaid tax paid during the period. Real estate and resorts shares for sale increased by 18%, from Php7.8 billion as of December 31, 2012 to Php9.2 billion as of December 31, 2013, mainly due to additional construction costs attributable to on-going projects. Property Development Cost increased by 17% due to development of new projects. Investment properties decreased by 24% due to reclassification of accounts to Property and equipment. Property and equipment increased by 42% due to additional buildings used for hotel operations.

Customer's deposit increased from Php0.67 billion in December 31, 2012 to Php1.5 billion as of December 31, 2013, the 119% increase is due to increase in reservation sales for the year. Advances from related parties decreased by 51% due to payments made to related parties. Reserve for property development increased by 7% due to increase in accrual of development cost for the year. Deferred Income on real estate sales increased by 5% due to deferred gross profit from sales recognized for the year. Due to joint venture partners increased by 9% due to share of JV partner on proceeds of sale. Deferred Tax Liability also increased from Php133.5 million in December 2012 to Php200.8 million in December 2013. The 50% increase is due to increase in taxable temporary difference. Retirement benefit obligation increased by 17% from Php 35.3 million in December 2012 to Php 41.5 million in December 2013 due to additional accrual of retirement obligation. Other non-current liabilities increased from Php 60.5 million to Php63.9 million due to accrual of interest on preferred shares.

Shareholders' Equity increased by 34% from Php17.6 billion to Php23.6 billion mainly due to subscription of Megaworld Corporation from the increase in authorized capital stock and net income recognized for the period.

Material Changes in the year December 2013 Financial Statements
(Increase/decrease of 5% or more versus December 31, 2012)
Financial Position

- 859% increase in Cash and cash equivalents due to Subscription of Megaworld Corporation from increase in authorized capital stock
- 32% increase in Trade and other receivable mainly due to increase in real estate sale
- 18% increase in Real estate and resort shares for sale due to additional construction costs attributable to on-going projects
- 8% increase in Other current and non-current assets mainly due to input tax and prepaid tax paid during the period.
- 17% increase in Property Development cost due to development cost of new projects

- 24% decrease in Investment Property mainly due reclassification of accounts to Property, Plant and Equipment.
- 42% increase in Property and equipment due to additional buildings used for hotel operations
- 119% increase in Customers' deposits due to increase in reservation sales
- 51% decrease in Advances from Related Party due to payments made to related parties
- 7% increase in Reserve for property development due to additional accrual of development cost
- 5% increase in Deferred income on real estate sales due to deferred gross profit from real estate sales recognized for the year
- 9% increase in Due to joint venture due to share of JV partner on proceeds of sales
- 50% increase in Deferred tax liabilities due to increase in temporary tax difference
- 17% increase in Retirement benefit obligation due to accrual of retirement benefit
- 6% increase in Other non-current liability mainly due to accrual of interest on preferred shares
- 34% increase in equity mainly due to subscription of Megaworld Corporation from the increase in Authorized capital stock

Results of Operations

- 32% increase in Sale of Real Estate Sales due to aggressive marketing and sales generated from new projects.
- 38% decrease in Realized gross profit on prior years' real estate sales due to majority of the deferred income from old projects were realized in 2012.
- 152% increase in Hotel Operations due to expansion of hotel operations and aggressive marketing.
- 434% increase in Maintenance income due to increase in income from golf course maintenance
- 19% decrease in finance and other income due to decrease in other income
- 39% increase in Cost of Real Estate Sales due to increase in real estate sales
- 27% decrease in Deferred Gross Profit on Real Estate Sales due to increase in % of completion of various projects
- 236% increase in Cost of Hotel Operations mainly due to increase in hotel revenue.
- 235% increase in Cost of Services mainly due to increase in maintenance income.
- 12% increase in Operating expenses mainly due to increase in marketing and other administrative expenses.
- 88% decrease in Equity share in net losses of associates due to lower net loss of associates recognized for the year.
- 107% Increase in Income Tax expense due to increase in taxable income

Review for the year ended December 31, 2012.

Results of Operations

For the year ended December 31, 2012 the Group consolidated net income amounted to Php264.4million.

Consolidated total revenues amounted to Php1.39 billion. The bulk of revenues came from real estate sales, realized profit on prior years' sales, hotel operations, rental and finance and other income. Real estate sales came from the sale of residential subdivision lots amounting to Php684.9 million. The Group's registered sales came from sale of lots in Newcoast Shophouse District and Boutique Hotel in Malay, Aklan, Sta. Barbara Heights in Iloilo City, and Twin Lakes Domaine Le Jardin in Laurel, Batangas.

Total cost and expenses amounted to Php1.07 billion, mainly from cost of real estate sales and operating expenses resulting from aggressive marketing activities as well as other administrative and corporate overhead.

Financial Condition

The Group's financial position remained stable. Total Assets of Php24.6 billion as of December 31, 2012 compared to Php21.0 billion as of December 31, 2011 posted an increase of Php3.6 billion or 17%.

Cash and cash equivalents decreased by 53% from Php993 million in December 2011 to Php466 million as of December 31, 2012 as result of project development. Trade and other receivables increased by 16% mainly due to real estate sale of new projects. Other current and non-current assets increased by 50% due to input tax. Land for future development increased by 51%, mainly due to land acquisition and land investment of stockholders in Twin Lakes Corporation. Real estate and resorts shares for sale increased by 8%, from Php7.2 billion as of December 31, 2011 to Php7.8 billion as of December 31, 2012, mainly due to development of various projects. Investment properties increased by Php27.8 million due to project development. Property and equipment increased by Php163.6 million due to construction of additional buildings used for hotel operations.

Trade and other payables increased by 23% mainly due to payable to contractors and suppliers. Reserve for property development decreased by 14% due to increase in development of various projects. Advances from related parties increased by 46% due to additional advances. Redeemable preferred shares increased by 100% due to redeemable preferred shares issued to stockholders of Twin Lakes Corporation. Customer's deposit increased by 7% due to increase in reservation sales for the period. Deferred tax liability increased by 58% due to increase in taxable temporary difference. Retirement benefit obligation decreased by 20% due to decrease on accrual of retirement benefit. Other non-current liability decreased by 18% due to settlement of other liability.

Shareholders' Equity increased by 11% from Php15.9 billion to Php17.6 billion mainly due to increase in minority equity in Twin Lakes Corporation.

Material Changes in the year December 2012 Financial Statements
(Increase/decrease of 5% or more versus December 31, 2011)
Financial Position

- Cash and cash equivalents decreased by Php526.9 million (53%) to Php466.0 million from the end of December 2011 level of Php993 million as a result of project development.
- 16% increase in Trade and other receivable mainly due to increase in real estate sale
- 8% increase in Real estate for sale due to increase in project development
- 15% increase in Advances to related party mainly due to additional advances
- 50% increase on other current and non-current assets mainly due to input tax
- 51% increase in Land for future development due to land acquisition and land investment in one of the subsidiaries
- 8% increase in Investment Property mainly due to project development
- 33% increase in Property and equipment due to construction of additional buildings used for hotel operations
- 46% increase in Advances from Related Party due to additional advances
- 23% increase in Trade Payables mainly due to increase in payable to contractors and suppliers
- 7% increase in Customers' deposits due to increase in reservation sales for the period
- 14% decrease in Reserve for property development due to increase in development of various projects
- 100% increase in Redeemable preferred shares due to redeemable preferred shares issued to stockholders of Twin Lakes Corporation.
- 58% increase in Deferred tax liabilities due to increase in temporary tax difference
- 20% decrease in Retirement benefit obligation due to decrease in accrual of retirement benefit
- 18% decrease in Other non-current liability mainly due to settlement of other liability
- 11% increase in equity mainly due to increase in investment in Twin Lakes Corporation

Review of the short period covering the three months ended December 31, 2011

Results of Operations

For the three months ended December 31, 2011 the Group consolidated net income amounted to Php33.3 million. Consolidated total revenues composed of real estate sales, rental income, and other income amounted to Php252.4 million.

Total cost and expenses amounted to Php205.6 million, mainly from operating expenses resulting from aggressive marketing activities as well as other administrative and corporate overhead.

The bulk of consolidated revenues came from real estate sales and finance and other income.

Real estate sales came from the sale of horizontal residential subdivision lots and condominium units amounting to Php167.1 million. The Group's registered sales came from sale of horizontal residential subdivision lots in Riverina in San Pablo Laguna, Sta. Barbara Heights in Ilo-Ilo City and Newcoast Boracay.

Review for the year ended December 31, 2011

Results of Operations

For the year ended December 31, 2011 the Group consolidated net income amounted to Php220.1 million. Consolidated total revenues composed of real estate sales, rental income, maintenance income and other income amounted to Php1.05 billion.

Total cost and expenses amounted to Php783 million, mainly from operating expenses resulting from aggressive marketing activities as well as other administrative and corporate overhead and from cost of real estate sales.
The bulk of consolidated revenues came from real estate sales and finance and other income.

Real estate sales came from the sale of horizontal residential subdivision lots and condominium units amounting to Php470.7 million. The Group's registered sales came from sale of condominium units in Eight Sto Domingo Place in Quezon City, residential lots in Magnificat Exec. Village in Lipa Batangas, Riverina in San Pablo Laguna, Monte Cielo De Naga in Naga City, Sta. Barbara Heights in Ilo-Ilo City, Boracay Newcoast in Malay Aklan, sale of commercial lots in Carmona Cavite and sale of business park lots in Biñan, Laguna.

As of December 31, 2011

Financial Condition
The Group's financial position remained stable. Total assets as of December 31, 2011 Php21.0 billion compared to Php18.6 billion as of September 30, 2011 posted an increase of Php2.4 billion or 13%.

Cash and cash equivalents decreased by 44.36% from Php1.78 billion in September 2011 to Php993 million as of December 31, 2011 as a result of land acquisition and project development. Land for future development increased by 92% mainly due to land investment of stockholder's of Twin Lakes Corporation. Real estate and resorts share for sale increased by 5% from Php6.9 billion as of September 30, 2011 to Php7.2 billion as of December 31, 2011 mainly due to development of various project. Investment property increased by Php126.0 million due to project development. Other current and non-current asset increased by 46% due to input tax.

Shareholders' equity increased by 15% from Php13.8 billion to Php15.9 billion

Material Changes in the year December 2011 Financial Statements
(Increase/decrease of 5% or more versus September 30, 2011)
Financial Position

- Cash and cash equivalents decreased by Php791.6 million (44%) to Php993 million from the end of September 2011 level of Php1.78 billion as a result of land acquisition and project development.
- 5% Increase in Real Estate for Sales due to additional project development
- 9% Increase in Advances to Related parties mainly due to reclassification of accounts.
- 46% Increase in Other Current and non-current asset mainly due to pre-payments
- 92% Increase in Land for future development due to land investment to one of the subsidiary.
- 61% Increase in Investment property mainly due to project development.
- 111% Increase in Advances from related party due to additional advances
- 11% Decrease in Trade payables mainly due to payment and reclassification of account
- 19% Increase in Reserve for property development cost due to reclassification of account
- 15% Increase in Equity due to investment to Twin Lakes Corporation

Review of 2011 versus 2010 (for the year ended September)

Results of Operations

During the year 2011 the Group consolidated net income amounted to Php19.4 million, a significant improvement from the previous year net loss of Php153.3 million. Consolidated total revenues composed of real estate sales, rental income, service income and other income increased by 12% from Php776.3 million to Php867.5 million.

Cost and expenses decreased by 16% from Php957.1 million in 2010 to Php802.5 million in 2011, mainly due to decrease in finance cost and operating expenses.

The bulk of consolidated revenues came from real estate sales and finance and other income.

Real estate sale came from the sale of horizontal residential subdivision lots and condominium units amounting to Php326.0 million in 2011 compared to Php381.8 million in 2010, a slight decrease of 15%. The Group's registered sales came from sale of condominium units in Eight Sto Domingo Place in Quezon City, residential lots in Magnificat Exec. Village in Lipa Batangas, Riverina in San Pablo Laguna, Monte Cielo De Naga in Naga City, Sta. Barbara Heights in Ilo-Ilo City and sale of commercial lots in Carmona Cavite.

Financial Condition
The Group's stable financial position has improved further with the Php5.0 billion subscription by Alliance Global Group, Inc. (AGI) Total assets as of September 30, 2011 Php18.6 billion compared to Php15.3 billion as of September 30, 2010 posted an increase of Php3.3 billion or 22%.

Cash and cash equivalents increased by 2,078% to Php1.78 billion as a result of the subscription received from AGI. Trade and other receivables increased by 7% mainly due to revenue recognized for the period. Land for future development increased by 50% due to additional land acquisition for the period. Bank loan and bonds payable were fully paid during the period.

Shareholders' equity increased by 62% from Php8.5 billion to Php13.8 billion

Material Changes in the year 2011 Financial Statements
(Increase/decrease of 5% or more versus September 30, 2010)

Financial Position

- Cash and cash equivalents increased by Php1.80 billion (2,078%) to Php1.78 billion from the end of September 2010 level of Php81.96 million as a result of the subscriptions received from Alliance Global Group Inc.(AGI).
- 7% Increase in Trade and other receivables mainly due to revenue recognized for the period.
- 10% Increase in Real Estate for Sales due to additional project development
- 41% Decrease in Advances to Related parties mainly due to collection and proper classification of accounts.
- 9% Decrease in Other Current and non-current asset mainly due to pre-payments
- 17% Increase in Property development cost as a result of project development
- 50% Increase in Land for future development due to additional land acquisition during the period.
- 19% Decrease in Investment property mainly due to reclassification of account.
- 37% Increase in Property Plant and Equipment due to reclassification of account and additional property acquisition for the period.
- 8% Increase in Customers' deposit as a result of new project launched during the year.
- 7% Increase in Reserve for Property Development Cost due to additional accrual.
- 6% Increase in Deferred Income in relation to sales recognized during the period.
- 60% Decrease in Advances from related party due to payment and reclassification of account.
- Loans payable and Bonds payable were fully paid during the period.
- 14% Decrease in Deferred tax liability pertains to tax effects of taxable deductible temporary difference.

Results of Operations

- 15% Decrease in Sale of Real Estate Sales due to lower sales recognized for the period.