COVER SHEET

A	S	0	9	4	-	8	7	5	2

S.E.C. Registration Number

EVER-GOTESCO RESOURCES & HOLDINGS, INC. & SUBSIDIARY

(Company's Full Name)

12 FLR. EVER GOTESCO CORP. CTR 1958 C.M. RECTO, QUIAPO, MANILA

Business Address: No. Street City/Town Province)

ATTY. CHRISTINE P. BASE

Contact Person

735-0271

Company Telephone Number

AMENDED

Fiscal Year (Month / Day)	12 / 31 Friday
FORM TYPE	SEC FORM 17A
Annual Meeting (Month / Day)	August - Last

Secondary License Type, If Applicable

CRMD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign
5,763	P 810,712,475	

To be accomplished by SEC Personnel concerned

File Number

Document I.D.

STAMPS

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 Year ended December 31, 2013

2. SEC Identification Number AS 094-8752
3. BIR Tax Identification No. 032-004-817-595

4 Exact name of issuer as specified in its charter — EVER- GOTESCO RESOURCES & HOLDINGS, INC.

5. Philippines
Province country code or other jurisdiction of incorporation or organization

(SEC Use Only) Industry Classification Code:

7. 12F Ever Gotesco Corporate Center
1958 C.M. Recto Ave. Quiapo, Manila
Address of registrant's principal office

1200
Postal Code

8. 735-69-01; 735-02-71 loc. 366/248
Issuers telephone number, including area

9. Former name, former address and former fiscal year, if changed since last report - None

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

Title of Each Class	No. of Shares of Common and amount of debt outstanding
Common Stock, P 1.00 par value	5,000,000,000
Amount of Debt as of December 31, 2013	P2.3 Billion

11. Are any or all of these securities listed on a Stock Exchange?
Yes [X] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein: Philippine Stock Exchange

12. Indicate by check mark whether the registrant:

(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 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 that the registrant was required to file such report);

Yes [X] No [ ]

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

Yes [X] No [ ]

13. Aggregate market value of voting stocks held by non-affiliate - P1,850,891,003
14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the commission.

    Yes [X] No [ ]
15. There are no documents that are incorporated by reference in this SEC Form 17-A.

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NON-FINANCIAL DISCLOSURE REQUIREMENTS

PART 1 - BUSINESS

ITEM 1. Description of Business.

(1) Business Development

The Company was registered with the Securities and Exchange Commission (SEC) on September 27, 1994 primarily to purchase, subscribe for, or otherwise acquire or exchange, or otherwise dispose of real and personal property of any kind of description, including shares of stock, and to do every act and thing covered generally by the denomination “holding company”. The Company started its commercial operations on December 1, 1995.

The Company owns 100% of the outstanding capital stock of Gotesco Tyan Ming Development, Inc. (GTMDI), owner of the Ever Gotesco Ortigas Complex. GTMDI was registered with the SEC on September 21, 1994, to engage in real estate and related business. GTMDI started its commercial operations on December 1, 1995 and has contributed ₱128 million in 2012 or 37%; ₱129 million or 37% in the total revenues in 2011; and ₱133 million or 37% in the total revenues in 2010. All other information related to GTMDI is integrated in the other aspects of this report.

Gotesco Tyan Ming Development, Inc. (GTMDI) took-over ownership and operations of the Mall Cinemas (Ever Gotesco Ortigas Complex) from an Affiliate on August 15, 2003. Cinema receipts contributed to GTMDI operations – ₱2.47 million or 2% in 2012; ₱3.34 million or 3% in its total revenues in 2011; and ₱3.88 million or 3% in its total revenues in 2010. The decreasing amount is attributed to the down-trend in cinema business operations due to film piracy, internet and improved cable television connections.

The Company has two operational malls namely Ever Gotesco Commonwealth Center (EGCC) and Ever Gotesco Manila Plaza (EGMP); and one named Ever Gotesco Ortigas Complex (EGOC) by its subsidiary company. Tenants Lease contracts for EGMP were not renewed in April 1, 2011. The Company did not pursue for more mall construction as she is affected by the general economic crisis. EGOC was foreclosed and sold in public auction to Philippine National Bank in July 1999. The Company failed to redeem the property within the one-year grace period but still is in possession and continues to manage the Mall by virtue of the right of preliminary injunction that was given by the Court on December 20, 2000.

In 2009, the Company and its Subsidiary (GTMDI) entered into a Compromise Agreement (CA) with the Creditor Banks (Philippine National Bank, Development Bank of the Philippines and Security Bank) of its foreclosed properties. The Compromise Agreements put on hold pending Court cases in lieu of the Company and its Subsidiary faithful compliance with the conditions set in the CA’s. More details are discussed in Item # 3 and Item # 6 of this report.

EGHRI consolidated net income went down by 11% compared in 2011 partly due to the decreased in cinema income, in which the existing cinema houses not anymore competitive with the modern facilities of other malls. Rental mall income reduced also because of the decline on occupancy of mall tenants which were affected by the economic crisis. Another factor was the exorbitant cost of utilities like light & power, and water expenses which were main contributing factor of the mall expenses.

With the difficult market and financial environment in 2009, it was a big challenge for the group but management is positive for next year improvement.

In 2010 total revenue for EGRHI dropped by 1%, direct cost and expenses increased by 3% while general and administrative expenses decreased by 73% interest expense exceeded the other income which resulted to a decline of net income of about 59%.

Year 2011 was a good year, net income shoot up by 81% mainly due to cost cutting measures observed by operations which maintained the direct cost and related expenses, the increase in other income/accretion income was a plus factor on the increase from ₱47.23 million in 2010 to ₱85.28 million in 2011.

During the year 2011 and the preceding years, the Company and its Subsidiary have not filed for Bankruptcy; have no transactions on Receivership or Similar Proceedings; and have no transactions on any material reclassification, merger, consolidation or purchase or sale of a significant amount or assets.

In 2012 Ever Gotesco Resources and Holdings, Inc. (EGRHI) and its wholly owned subsidiary has a consolidated revenues for the year of ₱348.23 million, declined by 1% or ₱2.89 million compared with the revenues in 2011 of ₱351.12. Revenues were primarily sourced from mall leasing activities and cinema operations. The reduction was mainly due to dropped in Cinema Sales because cinema should be modernized and up-graded to be competitive with the nearby malls.

Direct cost and expenses decreased by 6% because of the cost cutting measures imposed by management, also resulted to the decrease in entertainment, amusement, by 18%, dropped in transportation & communication by 23%, office supplies by 33% that affect the total General and Administrative expense by reduction of 8%.

Net income was posted at ₱75.79 million in 2012 while ₱85.28 million in 2011, 11% decrease due to lower accretion income and the decrease in interest expense due to the prevailing interest rates were much lower than the 2011 rate.

In year 2013, Ever and its subsidiary maintained its consolidated revenues almost the same as that of last year, P347.95 million in 2013 and P348.23 in 2012. The slight reduction on leasing operations was due to timing difference on incoming tenants and the renewals of the existing leases plus the reduction on cinema rentals by 11% from P2.5 million in 2012 to P2.23 million in 2013 while the direct cost and operating expenses for cinema operations increased by 14% from P4.5 million in 2012 to P5.13 million in 2013.

In 2013, there was no significant movement on total direct cost, leasing and cinema operation compared last year from P223.09 million in 2012 to P223.84 million in 20133due to increase by 57% on taxes and licenses, increase on cost of agency fee by 32%, was offset by reduction on rental lease by 21% and others expenses by 14%. General & administrative expense shoot up by 97% mainly due to provision of doubtful accounts for advances of inactive companies operations, increased also of repairs and maintenance, office supplies and other expense by 78%, 22% and 134%, respectively.

Net income was recorded at P74.17 million in 2013 while P75.85 million in 2012, net effect of the increased in general and administrative expenses and interest expenses versus the accretion income was the reason of slight declined.

(2) Business of Issuer

(a) Description of Registrant Products

The company builds shopping malls and leases out to commercial tenants. The company’s malls are primarily leased out to Ever Department Store and Supermarket, Cinemas, banks, amusement centers, food shops, specialty stores, boutiques, drug store, service shops, gym and sporting facilities. The mall has an atrium, state-of-the-art amenities, facilities, security and safety systems.

Revenues of the company and its subsidiary (GTMDI) are generated principally from its leasing operations and other income are derived from recovery (excess) of reimbursable expenses from tenants, cinema operations, interest and penalties from late payments and service requests of tenants.

Competition

Despite the growing market base, there is stiff competition among the different shopping centers because of the growing sophistication of consumers and continuous construction of shopping malls causing a thinner market spread. The trend is toward a one-stop shopping mall with more modern and complete facilities, and attractions that includes mall shows and entertainment. The Shopping Mall Industry is dominated by SM Malls with other big shopping mall chains such as Robinsons, and Ayala Center. The Company's Ever Gotesco Commonwealth Center Mall is affected by Shoemart (SM Fairview); Robinsons (Big R in Fairview and Robinsons in Commonwealth Avenue); Rustan's (Shopwise in Commonwealth Avenue), Berkley Commercial Center (in Commonwealth Avenue); Royale Arcade (Don Antonio Ave. beside the Ever Commonwealth Mall); and Puregold (in- Commonwealth Avenue and San Mateo, Rizal). The Subsidiary's Ever Gotesco Ortigas Complex is likewise affected by shopping centers within the vicinity especially by Super 8; Robinson's Big R; Sta. Lucia East Commercial Center and Robinson's East Metropolitan Center and Shoemart Cainta. Despite the foregoing factors, the Malls of the Company are very competitive because of their strategic locations and its own captive market and regular patrons – the neighboring subdivisions and populace living therein who are proximate to the Ever Malls.

Customers

Transactions with and/or dependence on related parties

Ever Commonwealth Center, Inc. and Ever Shoppers, Inc. of the Ever Gotesco Group are the principal tenants in all the EGRHI Malls. Rental income from the Ever stores and supermarket amounted to: ₱48.7 million in 2010 and ₱69 million in 2009. During the second quarter of 2010, Management decided to enter into a sub-lease agreement with the management company in order to maximize collections and reduce management supervision cost. As a result, rental income from Ever stores and supermarkets were for the account of the management company starting August 2010. The reduction in rental income in 2010 from 2009 was due to space down-sizing and rental rate reduction. Effective January 1, 2006 and for a period until November 30, 2016 rental contract and rate for the Ever Stores and Supermarket was renewed with an escalation of 5% every two years subject to yearly review. Revised rental rate for the Ever stores and supermarket was necessary in order for them to remain competitive.

Patents, trademarks, licenses, franchises, concessions and royalty agreements.

During the past three years the Company and its subsidiary had no transactions related to the above.

Need for any governmental approval of principal products or services

No principal product or services that the company has introduced needed that governmental approval.

Effects of existing or probable governmental regulations on the business

The re-implementation of the deregulation of the oil industry and legislated wage adjustments and the loose grip of the government on the exchange rate will certainly increase the major items of expense - cost of utilities; janitors and messengerials; security and safety; repairs and maintenance and other expense items which are oil, labor and dollar based and cost of borrowings.

Amount spent for research and development activities.

During the past three years, the Company and its subsidiary have not spent for research and didn't have development activities except for minor repairs and improvements on the existing malls.

Cost and effects of compliance with environmental laws

EGRHI and its Subsidiary meet all government, environment, health and safety requirements. Tenant spaces are regularly inspected and the Company has not experienced significant governmental, environment, health or safety problems.

Employees

EGRHI and subsidiary company had the following manpower under its payroll, operations of the company's Mall in Commonwealth is managed by a Management Company and all security, janitorial and engineering maintenance requirements of the Malls are thru Contractor/manpower agencies.

	2013	2012	2011
Executive	3	3	3
Manager	15	17	18
Officers	13	12	17
Rank and File	20	18	14
Total	**51**	**50**	**52**
Administrative	33	32	31
Operations	10	11	16
Finance and Accounting	8	7	5
Total	**51**	**50**	**52**

Manpower increased in one in 2013 from 2012 was due timing difference on hiring & resignation of employees since 2011 some employees resigned for better opportunities abroad, employees come and go . Employees of the company and its subsidiary have not formed nor are they subject to any collective bargaining agreements (CBA). Wage increases are based from the legislated wage orders or based on meritorious work performances.

(b) Additional Requirements as to Certain Issues or Issuers Debt Issues

EGRHI and subsidiary company has been in business since 1995. Total consolidated networth as of December 31, 2013 amounts to ₱2.21 billion. EGRHI does not engage in unsecured bonds or securities.

ITEM 2. Description of Property.

The Company has the following properties:

Land holdings of EGRHI and subsidiary as of December 31, 2011 include:

1. A 60,000 sq. m. lot (covered by TCT No. PT-97306) located along Ortigas Ave. Ext., Barangay Rosario, Pasig City, which is the present site of the Ever Gotesco Ortigas Complex is owned by GTMDI, a wholly owned subsidiary. This property including its improvement, the Ever Gotesco Commercial Complex served as collateral for the P800 million Syndicated Five Year Loan provided by the Philippine National Bank, Metropolitan Bank and Trust Company, United Coconut Planters bank, and CityTrust Banking Corporation is secured by a Mortgage Trust Indenture (dated

April 7, 1995 and appointing PNB Trust Banking Group as Trustee). GTMDI had defaulted in its loan obligations on January 1998 which led to the foreclosure and sale through public auction to PNB on July 30, 1999. GTMDI was not able to exercise the right to redeem the property within the one-year grace period as provided by law. However, title of the property has not been transferred yet because the company filed a complaint in the Court and was given the right of preliminary injunction, *thus,* GTMDI continues to derive rental revenues therefrom. In 2009 the Company entered into a Compromise Agreement with PNB which put on hold the pending Court case. The latest appraised value of the land and its improvements is ₱2.85 billion which was conducted by Valencia Appraisal Corporation in January 21, 2008.

2. A 112,047 sq. m. lot (covered by TCT Nos. 364590, 364591, 364592, 364593, 364594, and 364595) along Provincial Road, Barangay Real, Calamba, Laguna is the site of Ever Gotesco Laguna Plaza. The aforesaid real estate properties together with an assignment of the rentals receivable on the leaseable areas of the proposed mall served as a collateral for the ₱600 million (only ₱500 million was drawn) Syndicated Loan Agreement with a five-year term with the Philippine National Bank, the Security Bank Corporation and the Development Bank of the Philippines on May 28, 1996 for the construction of Ever Gotesco Laguna Plaza. The company had defaulted in its debt obligations with the lender banks in March 1998 which led to the foreclosure and sale through public auction to PNB on November 3, 1998. The Company did not exercise its right to redeem the property within the one-year period. This property has been written-off in 1999 against the loan it secured, resulting in a foreclosure loss of about ₱663.4 million. The company filed a complaint in the Court and was granted the right of Temporary Restraining Order, and subsequently, a Temporary Injunction. In 2009 the Company entered into Compromise Agreements with the Creditor Banks for the re-acquisition of the property and which put on hold the pending Court case. Together with the improvement (at 59.02% completed), the property was appraised at ₱1.1 billion on April 16, 2012 by Vitale Valuation Services.

3. A 66,390 sq. m. lot located at the district of Caranglaan and Mayombo, Dagupan City, Pangasinan in which Ever Gotesco Dagupan Center will be constructed. The latest appraised value is ₱29.88 million as appraised by Valencia Appraisal Corporation on February 28, 2006.

4. A 17,079 sq. m. lot located in M.H. Del Pilar St., Dagupan City, Pangasinan. This served as a collatera1 for the assumed mortgage of ₱126 mi11ion from Phi1ippine Nationa1 Bank. The company had defaulted in its debt obligations with the bank in November 1997 that which led to the foreclosure and sale through public auction to PNB on March 15, 1999. The Company did not exercise its right to redeem the property within the one-year period. This property has been written off in 1999, resulting in a foreclosure loss of ₱146 million. The company filed a complaint in Court and was granted by the Court a Writ of Preliminary Injunction. The latest appraised value is ₱337 million.

Commercial Complexes and Improvements:

1. **Ever-Gotesco Commonwealth Center -** The center is located on a 5-hectare lot being leased at the corner of Don Mariano Marcos and Commonwealth Avenues, Old Balara Quezon City. The lease term is for a period of 25 years or up to year 2015 at a monthly rate of ₱525,000, with a 5% annual escalation rate. The structure consists of 5 levels and covers a total floor area of 91,053 sq. m. with parking and common spaces designed to accommodate 30,000 shoppers and promenades. Said property is free from any encumbrances. The building and other improvements including all machineries and equipments in the Mall has a fair market value of ₱2.26 billion as appraised by Valencia Appraisal Corporation on January 21, 2008.

2. **Ever-Gotesco Ortigas Complex -** The mall is 3-level commercial-cinema complex covering a total floor area of about 72,860 sq. m., built on a 6-hectare lot owned by GTMDI, a wholly owned subsidiary of EGRHI. This is the improvement on land holdings as mentioned in item # 1 above.

3. **Ever Manila Plaza -** The center is a 4-level commercial-cinema complex covering a total floor area of 16,377.2 square meters. It is strategically located along C.M. Recto Avenue, Manila

fronting Morayta Street, within the University belt. The Mall was constructed over a 25-year leased parcels of land owned by an affiliate (monthly rental rate of ₱819,082) and from certain individuals (please refer to item # 2 under Properties under Lease Agreements below). The parcels of land of the Affiliate together with the building constructed on it were used as collaterals to secure certain financial obligations of affiliate companies taken from the United Coconut Planters Bank ("UCPB").

The aforecited affiliate companies defaulted in the payment of its obligations with UCPB leading to the foreclosure of the mortgaged property and the foreclosure sale effected on December 31, 2001. The title of the property was already consolidated in the name of UCPB and presently subject of lease agreement between UCPB and Superfriend Holdings, Inc. (SHI).

Annex to the Mall building foreclosed by UCPB is the building constructed on the lease area from certain individuals (as mentioned in item # 2 under lease agreements) that which remain being operated and leased out to Tenants by EGRHI.

4. **Ever-Gotesco Laguna Plaza** - The mall would be a 5-level complex with a floor area of about 91,000 sq. m. It was envisioned as nucleus of the new mixed subdivision, which will integrate the planned hot spring resort, golf course, theme parks, commercial and residential developments in the area. Construction of this mall is partly financed by a ₱600 million (₱500 million of which has been actually drawn down) syndicated loan with PNB, SBTC and DBP to which rental receivable from this mall together with the improvements and land (as described in land holdings item # 2) are assigned as collateral. Construction of the project has slowed down towards the end of the last quarter of 1997 and eventually stopped in 1998 because of the economic crisis. Please refer to land holdings under item # 2. The cost of improvements together with the land has been written off in 1999.

5. **Ever-Gotesco Dagupan Center** - The proposed mall would be a 5-level complex with a floor area of about 91,000 sq.m. Project mobilization and ground works started during the last quarter of 1996 and had formal ground breaking and back-filling activities during the first quarter of 1997. However, management had decided to defer construction of the project because of internal and external factors that could adversely affect the project. Cost of improvements had amounted to ₱3.5 million. Please refer to land holdings item # 3.

Properties under lease agreements:

EGRHI has the following lease agreements:

1. Ever Gotesco Commonwealth Center - The lease term is for a period of 25 years or up to year 2015 at a monthly rate of ₱525,000, with a 5% annual escalation rate. Absolute ownership of the Building shall automatically be transferred to the Lessor without the need of any further act on the part of EGRHI after the expiration or termination of the term of the contract of lease.

2. Ever Gotesco Manila Plaza - A lease term (covering 469 sq.m. of the land to which the Mall partly stands) for a period of 20 years or up to 2014 with advance rental payment for the first two years and a monthly rate of ₱140,700 on the third to fifth year and thereafter annual escalation rate of 10% every after two years. EGRHI is given the priority for lease renewal or purchase of the property should the lessor decide to sell the property. EGRHI continues to derive rental income from the Tenants occupying this part of the Mall Building.

The Company and its subsidiary have no intention of acquiring within the next twelve (12) months additional properties by purchase, lease or otherwise because of financial constraints. However, the Company intends to pursue negotiations with Creditor Banks for the possible re-acquisition of some foreclosed properties.

ITEM 3. Legal Proceedings

Land Bank of the Philippines vs. Ever Gotesco Resources and Holdings, Inc.

This short-term loan by the Parent Company from LBP which was due for settlement in December 1997 was rolled over for another ninety days or up to March 1998. The loan was not allowed by the lender bank to be renewed thereafter. Initial proposal for its restructuring was not approved by the bank. As a result, the lender bank filed a civil complaint (Civil case No. 99-1454, RTC Makati, Br.56) against the company.

On November 22, 1999, the company lawyers filed their reply and submitted to the Court among others, the ongoing negotiations for the settlement of the obligations such that the complaint is premature, hence, counter-claimed that the plaintiff (Land Bank) be ordered to sit down with the company for the amicable settlement of the case. At the pre-trial set by the Court on November 12, 2000, the Court considered the company's submission that consistent with what the lawyers averred in their answer to the complaint, the company is ready to go into negotiation for the settlement of the case. The case was archived via an order dated February 9, 2009.

Be as it may the Company continues its negotiations and is optimistic that it can work out a solution that is acceptable to Land Bank of the Philippines.

Garnishment of *Bangko Sental ng Pilipinas (BSP) vs. Orient Commercial Banking Corporation* Cash and Receivables

The company and it's subsidiary company together with other affiliated companies were served a "Notice of Garnishment on Lease/Rental Payments" issued by the Regional Trial Court of Manila Branch 12, last January 27, 2000 in relation to a civil case complaint by the Bangko Sentral ng Pilipinas .

In summary, the BSP filed a case of sum of money against Orient Commercial Banking Corporation (OCBC) and other affiliate corporations of Gotesco. As a provisional remedy, BSP prayed for the granting of a writ of preliminary attachment against OCBC and other companies to which the Board of Directors of OCBC has substantial interest, including EGRHI and GTMDI, which the Court granted. OCBC, EGRHI, GTMDI and other companies filed a Petition for Certiorari with the Court of Appeals which ruled in favor of OCBC and other defendants. BSP filed a Petition before the Supreme Court, but before it could rule on it, the parties entered into a Compromise Agreement which was consequently, approved by the trial Court. Said Compromise Agreement has effectively lifted the writ of preliminary attachment and the whole obligation shall be settled on staggered basis.

BSP filed a motion for execution which was granted by the RTC. EGRHI et. al., filed a Motion for reconsideration but was denied.

EGRHI et. al., elevated the case to the Court of Appeals. An urgent Motion for Inhibition of Justice Villamor was filed by petitioners.

Gotesco Tyan Ming Development, Inc. vs. PNB et al.

GTMDI, a wholly owned subsidiary of EGRHI, had obtained a loan from a syndicate of four local banks led by the Philippine National Bank on April 7, 1995. A 60,000 sq. m. lot with its improvement – the Ever Gotesco Ortigas Complex was used as collateral for the loan. The Company had defaulted in its loan obligations in January 1998 which led to the foreclosure and sale through public auction to

PNB on July 30, 1999. The company was not able to exercise the right to redeem the property within the one-year grace period as provided by law.

The company filed a complaint (Civil Case no. 68139) with RTC Branch 168 in Pasig City seeking the Annulment of Foreclosure Proceedings with prayer for the issuance of Temporary Restraining Order and/or Injunction. Insofar as the provisional remedy is concerned, the Court granted the injunctive relief. The defendants filed a Petition for Review on Certiorari, thus, suspending the proceedings in the lower Court.

On December 21, 2000, the Regional Trial Court of Pasig, Branch 168 issued a Temporary Restraining Order, effectively restraining PNB from consolidating the ownership and taking possession of the said property. Therefore, a Writ of Preliminary Injunction was issued by the Court. Upon denial of PNB's Motion for Reconsideration, PNB elevated the matter to the Court of Appeals via a Petition for Review on Certiorari, which was unfortunately granted by the Court of Appeals whose decision was subsequently upheld by the Supreme Court. Considering the decision of the Supreme Court rendering the issue moot and academic, the proceeding before the Regional Trial Court of Pasig is now in the presentation of plaintiff's evidence. GTMDI and PNB had already entered into a Compromise Agreement.

<u>EGRHI vs. PNB and Efren Marcelino Bascos</u>

The company assumed a loan of ₱126 million from Philippine National Bank for the construction of its Ever Gotesco Commonwealth Mall on a parcel of lot located in M.H. Del Pilar St., in Dagupan City, Pangasinan that was used as collateral. The company had defaulted in its loan obligations with the Bank on November 1997 which led to the foreclosure and sale through public auction of the collateral property to PNB on March 15, 1999. The company was not able to exercise the right to redeem the property within the one-year grace period as provided by law. The property has been written off in 1999, resulting in a foreclosure loss of ₱146 million.

The company filed a complaint (Civil Case no. 2000-0355-D) with the Regional Trial Court Branch 40 in Dagupan City seeking the Annulment of Foreclosure Proceedings/Sale of the property. The Court granted the company's application for a temporary restraining order on the said foreclosure, and subsequently, a temporary injunction on January 10, 2001. PNB and other creditors filed a Notice of Appeal and until the present. The Court of Appeals ruled in favor of the Bank. The Company thereafter filed a Petition for Review under rule 45 of the Rules of Court with the Supreme Court. Unfortunately, the Supreme Court denied the Petition for Certiorari. The case is, therefore, remanded to the RTC of Dagupan City. The case was set for further proceedings.

<u>EGRHI vs. PNB, Security Bank, DBP, et. al.</u>

In May 1996, the Parent Company obtained loans from a syndicate of three local banks led by PNB, to partly finance the construction of the Ever Laguna Plaza. The parcel of land that was the site of construction, the improvements thereon and the future rental receivables of the commercial complex when completed serve as the collateral of the loan.

However, the onset of the Asian economic crisis and the downturn of real estate industry took its toll on the Parent Company as it incurred substantial losses that placed severe pressure on the cash flow thereby resulting in the Parent company defaulting on its scheduled payments in 1997 and led to the foreclosure of the aforesaid assets. The Parent Company was given redemption period until November 1999 but this was not exercised by the Parent Company. Accordingly, assets totalling about P1.365 billion, consisting of the land and its related improvements, were offset against the loan of ₱500 million with accrued interest resulting in a loss of ₱663.4 million which was recorded in 1999. Parties had entered into a compromise agreement duly approved by the Court.

Morrisson and Foerster v. EGRHI

The former overseas lawyer of EGRHI filed a case for the recovery of attorney's fees. Morrisson and Foerster's services was engaged by EGRHI to represent the interests of the Company in a case against the former franchise owner of Pricesmart membership club.

A decision was rendered on September 13, 2010, a Motion for Reconsideration was filed by EGRHI while plaintiff filed a Motion for Partial Reconsideration. Both Motions were denied. EGRHI filed a notice of appeal.

Toll Regulatory Board v. PNB, et al.

This is a case filed by the Toll Regulatory Board against the defendants for the expropriation of the parcels of land subject matter of in the case of EGRHI v. PNB as mentioned above and this case was referred to the Board of Commissioners. A writ of possession was issued by the trial court. A petition for certiorari was filed by DBP before the court of appeals. The Court of Appeals reversed and set aside the order granting the writ of possession. The trial court ordered the counsel for DBP to furnish all parties copies of the decision and resolution of the Court of Appeals. In the meantime, the trial court does not set a case for hearing.

ITEM 4. Submission of Matters to a Vote of Security Holders

The Company gave notice to Shareholders for the annual Stockholders meeting to be held on October 28, 2011 but due to lack of quorum the Stockholders meeting was not realized. The Company did not hold a Stockholders' meeting in 2010, the Securities & Exchange Commission (SEC) was properly informed of the postponement. The latest Stockholders' meeting was held on December 18, 2008. In that Stockholders' Meeting, the following were submitted to a vote by the majority Stockholders': (a) Approval of the Minutes of the Annual Stockholders' Meeting held on December 10, 2004, (b) Approval of the Annual Report and the Audited Financial Statements of the Company as of December 31, 2007, (c) Approval and ratification of all Acts, Contracts, Investments and Resolutions of the Board of Directors and Management since the last Annual Meeting, (d) Election of Directors, and (e) Appointment of External Auditors.

PART 11 - OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

(1) Market Information

The principal market of the Company's common equity is the Philippine Stock Exchange. Below are the quarterly stock prices for the 1ast three years:

	2013		2012		2011	
Quarter	High	Low	High	Low	High	Low
First	0.4450	0.2900	0.3100	0.1500	0.1200	0.1150
Second	0.3700	0.2300	0.2050	0.1550	0.1100	0.1020
Third	0.3250	0.2320	0.2180	0.1610	0.1610	0.1530
Fourth	0.2900	0.1750	0.4350	0.1810	0.1500	0.1030

The last trading date during the year was on December 27, 2013 of which price per share was at ₱0.210high and ₱.203 low.

(2) Holders

The number of stockholders of record as of December 31, 2013 was 5,763, Common shares outstanding as of the same date total 5 billion at ₱1 par value per share. Listed below are the top twenty (20) stockholders as of December 31, 2013:

		No. of Shares Held	% Of O/S	
1	GOTESCO PROPERTIES, INC.	2,6666,235,00	53.324700	%
2	PCD NOMINEE CORPORATION (FILIPINO)	1,318,795,977	26.375920	%
3	JOSE C. GO	227,820,000	4.556400	%
4	GOTESCO INVESTMENTS, INC.	105,000,000	2.100000	%
5	PCD NOMINEE CORPORATION (FOREIGN)	104,178,000	2.083000	%
6	LI CHIH-HUI	100,000,000	2.000000	%
7	JOEL T. GO	82,672,601	1.653452	%
8	PCCI SECURITIES BROKERS CORP.	78,125,000	1.562,000	%
9	JONATHAN TING GO	65,000,000	1.300000	%
10	JOHANN TING GO	65,000,000	1.300000	%
11	ERNESTO B. LIM	12,050,000	0.241000	%
12	JOSE YU GO, JR.	10,000,000	0.200000	%

13	BERNADINE TAN ONG	9,610,000	0.192200	%
14	ZHENG YUAN MING	8,000,000	0.160000	%
15	ANTONIO KAW	7,700,000	0.154000	%
16	WANG BI LING	7,000,000	0.140000	%
17	QUI YI MAN	5,300,000	0.106000	%
18	GREGORIO A. KAW	4,000,000	0.080000	
19	ALBINO A. KAW	4,000,000	0.080000	%
20	ALBERTO MENDOZA &/	2,710,000	0.054200	%
	JEANIE MENDOZA			%
		4,883,196,578	97.663932	%

3) Dividends

Dividend Policy **-** Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law and applicable rules and regulations.

Covenants **-** Under the syndicated loan agreements signed with their respective lenders, the company and its subsidiary -GTMDI, shall not declare or pay any dividend to their respective stockholders without the written consent of their respective syndicate lenders until the termination of commitments there under and the full payments of debt obligations and other amounts due them.

Declaration of Dividend **-** The Company and its subsidiary GTMDI, have not declared any dividend since the start of its commercial operation including the current year.

(4) Recent Sales of Unregistered Securities

The company and its subsidiary company did not have any sale of securities which were not registered under the RSA since its operation. Likewise, there were no sales of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities and new securities resulting from the modification of outstanding securities.

Item 6. Management 's Discussion and Analysis or Plan of Operations

Discussion and analysis of material event/s and uncertainties known to management that would address the past and would have impact on future operations of the company.

Except as discussed in the foregoing results of operations and financial conditions and the disclosure on the pull-out of Anchor tenant of a wholly owned subsidiary under this item, there is/are no known:

a. event/s that will trigger direct or contingent financial obligations that is/are material to the Company nor is/are there any other obligations in which the company may incur default or the acceleration thereof during the year;

b. material off-balance sheet transaction, arrangements, obligations real or contingent, nor was there any relationship/s of the company with unconsolidated

c. entities, or other persons entered into or created during the year under review.

Year 2013 vs. Year 2012

<u>Cause for material Changes from Period to Period of the Income Statement</u>

Total revenues was maintained with a slight declined compared last year with only a ₱0.27million or 00.08% decrease from ₱348.23million in 2012 to ₱347.95 in 2013 due to slight declined on average occupancy rate on mall operations, timing difference on tenants ending contacts compared with the incoming tenants, reduction on cinema operations plus the prevailing market competition on the nearby malls.

Direct cost and expenses escalated by 00.33% mainly due to increase in taxes & licenses on real property taxes by 57% and growth on cost of agencies by 87% like security, janitorial services, contractual brought about by mandatory wage board increase but offset by the declined on utilities by 5%, and reduction on other expenses by 14%

General and Administrative expenses shoot up by 97% mainly because of the material increase in the provisions for doubtful accounts of advances of inactive of some affiliates from ₱1.13 million to ₱47.44million in 2013., 4% increase on salaries & personnel related expenses, increased by 22% on entertainment, amusement and recreation expenses from ₱7.09 million in 2012 to ₱8.66 million n 2013 and 11% growth on transportation and communication expenses of ₱5.63 million in 2013 compared to ₱5.06 million in 2012.

Income before income tax in 2013 declared at P77.34 million in 2013 while P77.30 million in 2012. Net income was posted at ₱74.17 million in 2013 while ₱75.85 million in 2012 decreased by 2% mainly due to significant increase on general and administrative expense in 2013 compared in 2012.

Cause for material Changes from Period to Period of the Balance Sheet

Current Assets

Cash increased by 88% from ₱0.44 million in 2012 to ₱0.83 million in 2013, collections were maximized for payments of operating cost and expenses like utilities and agencies.

Receivable decreased by 13 % due to increase in collections of trade receivables from affiliates.

Total Current Assets declined by 10 % from ₱1.05 billion in 2012 to ₱0.94 billion in 2013 because of the increased in provision of income tax thus increased on availed creditable withholding taxes for 2013.

Non-Current Assets

Total Non-Current Assets decreased by 1% from ₱3.63 billion in 2012 to ₱3.59 billion in 2013 mainly because of the increase in other Noncurrent Assets by 34% and increased by 9% of Receivables from Related Parties which was offset by the decreased in investment properties by 6% and Property and Equipment by 32% due to the periodic depreciation charges and adjustment made per physical inventory count

Current Liabilities

Accounts payable and other liabilities decreased by 1% from P1.34 billion in 2012 to P1.32 billion in 2013 due to increase in payments of payables & adjustments on booked accruals.

Current portion of payables to bank increased by 1% due timing difference on payment of current portion.

Operating lease payable decreased by 27% due to updating of payments of this account from P30.88 million in 2012 to P22.52 million in 2013.

Customer's Deposits slightly declined P105.23 million in 2012 to P104.80 million in 2013 due to timing difference on in coming tenants and the moving out tenants due to end of contracts.

Non-Current Liabilities

Payables to bank- net of current portion (Long-term debt) decreased by 42% mainly because of reclassification of loans of noncurrent to current portion of long term debt plus interest from P453.02 million in 2012 to P263.99 million in 2013.

Retirement benefits liability increased by 41 % for accrual of 2013 liability.

Stockholder's Equity

Total Equity increased by 3 % because of the improved in income for 2013 compared in 2012.

Year 2012 vs. Year 2011

Cause for material Changes from Period to Period of the Income Statement

Total revenues was sustained as that of last year with only a ₱2.9 million or 1% decrease from ₱351.12 million in 2011 to ₱348.23 in 2012 due to slight declined on average occupancy rate on mall operations, timing difference on tenants ending contacts compared with the incoming tenants, reduction on cinema operations plus the prevailing market competition on the nearby malls.

Direct cost and expenses fell to 6% mainly due to declined on security and janitorial expense due to reduction of security guards, janitorial posting by 67% and film rental expense by 40% because of the slowdown on cinema operations. Adjustment on 2011 taxes and licenses reflected in 2012.

General and Administrative expenses dropped by 7% mainly because of the decreased in salaries and personnel related benefits by 2%, cut on entertainment, amusement & recreation by 18%, transportation and communication declined by 23%, professional fees reduced by 20% and office supplies by 33% offset by the 14% increase on advertising & promotions.

Net income was posted at ₱75.85 million in 2012 while ₱85.64 million in 2011 decreased by 11% mainly due to reduction on interest expense because of the decreased on prevailing interest rates in 2012 compared in 2011.

Cause for material Changes from Period to Period of the Balance Sheet

Current Assets

Cash increased by 57% although there was an increase, collections were maximized for payments of operating cost and expenses.

Receivable increased by 29% due to increase on unpaid trade receivables from affiliates.

Total Current Assets increased by 27% from ₱826.52 million in 2011 to ₱1.05 billion in 2012 because of the increase in trade receivables and the timing difference on booking of creditable withholding taxes.

Non-Current Assets

Total Non-Current Assets maintained its balance, from ₱3.89 billion in 2011 to ₱4.68 billion in 2012 decreased by only 7% mainly because of the increase in other Noncurrent Assets by 31% and decreased by 9% of Receivables from Related Parties which was offset by the decreased in property investment by 6% and Property and Equipment by 27% due to the periodic depreciation charges and adjustment made per physical inventory count.

Current Liabilities

Accounts payable and other liabilities increased by 6% from P1.26 billion in 2011 to P1.34 billion in 2012 due to increase in accruals of bank loan interest and other liabilities.

Current portion of payables to bank increased by 15% due re-classification of bank loans from non- current to current portion plus interest from P162.90 million in 2011 to P186.78 million in 2012.

Operating lease payable decreased by 41% due to updating of payments of this account and adjustment made per contract from P51.95 million in 2011 to P30.88 million in 2012.

Customer's Deposits declined by 3% due to refund made to tenants in GTMDI Ever Ortigas who discontinue their lease contract from P 108.14 million in 2011 to P105.23 million in 2012.

Non-Current Liabilities

Payables to bank- net of current portion (Long-term debt) decreased by 29% mainly because of reclassification of loans of noncurrent to current portion of long term debt plus interest from P639.82 million in 2011 to P453.02 million in 2012.

Retirement benefits liability increased by 111% for accrual of 2012 liability.

Stockholder's Equity

Total Equity increased by 4% because of the improved in income for 2012 compared in 2011.

Year 2011 vs. Year 2010

Cause for material Changes from Period to Period of the Income Statement

Total revenues in 2011 slightly decreased by 3% amounted to P351.12 million from P361.37 million in 2010, primarily due to lower occupancy rate on available space and dropped on cinema sales operations.

The Mall business continues to bring shopping convenience nearer to its customers. This is particularly true to the establishment of Shopping Malls in the densely populated villages in the metropolis, in the nearby provinces and major cities by the major players in the industry. This major thrust, while expected to create new market, is expected to narrow the market radius of the shopping centers in the metropolis. Regular tenants of shopping centers in the metropolis have established their respective outlets in these new centers and, as an offshoot, requests for down-sizing of area occupied and reduction in rental rates continue to be experienced .Cinema revenues continue to experience a downtrend due to high ticket costs and the persistence of pirated DVD's.

Direct cost and expenses reduced by a minimal of 2% or P4.92 million from P243.15 million in 2010 to P238.23 million in 2011 due to the 79% declined in Security and Janitorial services, 100% cut in management fees which resulted to a 4 % decrease in gross profit from 2010 to 2011.

General and administrative expenses grew by 13%, P52.63 million in 2011 from P46.50 in 2010 mainly due to increased in professional fees by 398%, rental expense of 68%, 33% on taxes and licenses and 61% on entertainment, amusement & recreation in 2011 compared in 2010.

Other income and other charges materially increased from a negative of P21.92 million in 2010 to an income of P26.30 million in 2011.

Net income boosted by 81% in 2011 in comparison to 2010 performance from P47.23 million to P85.64 million.

Cause for material Changes from Period to Period of the Balance Sheet

Current Assets

Cash decreased by 41% due to decrease in collections and increase in payment of operating cost and expenses.

Accounts receivable increased by 17% due to increase on unpaid trade receivables from affiliate and decrease in collections from tenants..

Total Current Assets increased by 16% from P714.43 million in 2010 to P 826.52 million in 2011 because of the increase in trade receivables and the timing difference on booking of creditable withholding taxes.

Non-Current Assets

Total Non-Current Assets maintained its balance, from P3.94 billion in 2010 to P3.89 billion in 2011 decreased by only 1 % mainly because of the decrease in property investments by 6% due to the periodic depreciation charges which was offset by 8% increase in receivables from related parties and 33% increase in other non-current assets.

Current Liabilities

Accounts payable and other liabilities increased by 9% from P1.16 billion in 2010 to P1.26 billion in 2011 due to increase in accruals of bank loan interest and other liabilities.

Current portion of payables to bank increased by 45% due re-classification of bank loans from non- current to current portion plus interest from P112.25 million in 2010 to P162.90 million in 2011.

Operating lease payable decreased by 9% or P5.20 million due to updating of payments of this account from P57.14 million in 2010 to P51.94 million in 2011.

Customer's Deposits declined by 10% due to refund made to tenants in GTMDI Ever Ortigas who discontinue their lease contract from P 119.89 million in 2010 to P108.14 million in 2011.

Non-Current Liabilities

Payables to bank- net of current portion (Long-term debt) decreased by 19% mainly because of reclassification of loans of the group noncurrent to current portion of long term debt plus interest from P785.60 million in 2010 to P639.82 million in 2011.

Retirement benefits liability increased by 11% for accrual of 2011 liability.

Stockholder's Equity

Total Equity increased by 3 % because of the improved in income for 2011 compared in 2010.

Financial Condition

The bottom line figures of EGRHI in 2013 has decreased by 2% compared to net income 2012 from ₱75.67 million to ₱74.17 million and the consolidated balance decline also as compared to last year. The total assets decreased to ₱4.54 billion in 2013 from ₱4.68 billion in 2012 mainly due to depreciable asset. Total liabilities decreased by 8% mainly due to decline on payables to banks by 48% compared last year.

Funds will be sourced from internally generated funds from rental income and cinema sales and some borrowings. The company has a low current ratio due to the garnishment of rental receivables excluding dues and other collections on some tenants that allows the continuity of the normal operations. The Garnishment case still ongoing and the management is doing some remedies to improve the company's cash position.

There are no material commitments in capital expenditures other than those performed in the ordinary course of trade or business.

There are no known trends, events, or uncertainties that have had or that are reasonably expected to have a material impact on the net sales, revenues or income from continuing operations.

There are no significant elements of income arising from continuing operations.

There is no material change from period to period in one or more line items of the financial statements.

The Group has no goods or services that are subject to seasonal changes, which might have a material effect on the financial condition or results of Group's operations.

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis and are presented in Philippine peso (Peso), which is the Company's functional currency. All values are rounded to the nearest peso except when otherwise indicated.

Statement of Compliance

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

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as of December 31 of each year. The financial statements of the subsidiary are prepared for the same financial reporting year as the Company using consistent accounting policies.

Subsidiary

A subsidiary is an entity over which the parent company has the power to govern the financial and operating policies of the entity, or generally has an interest of more than one half of the voting rights of the entity. A subsidiary is fully consolidated from the date on which control is transferred to the Group or parent company either directly or through holding companies and continues to be consolidated until the date such control ceases. Control is achieved where the parent company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All balances, transactions within the group, income and expenses, and profits and losses resulting from transactions within the group are eliminated in full.

Changes in Accounting Policies and Disclosures
The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amended PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations based on International Financial Reporting Interpretations Committee (IFRIC) interpretations effective January 1, 2013. Unless otherwise indicated, the adoption of these changes did not significantly affect the Group's consolidated financial statements.

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

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

  The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- PFRS 10, *Consolidated Financial Statements*, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard defines control when an investor 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. PFRS 10 replaces the consolidation requirements in SIC-12, *Consolidation - Special Purpose Entities* and PAS 27, *Consolidated and Separate Financial Statements*. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore are required to be consolidated by a parent, compared with the requirements in PAS 27. This new standard has no impact on the Group's financial position or performance. A reassessment of control was made and the Group determined that no additional entities need to be consolidated nor is GTMDI need to be deconsolidated.

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

- PFRS 11, *Joint Arrangements,* supersedes PAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly Controlled Entities - Non-Monetary Contributions by Venturers.* This standard describes the accounting for joint arrangements with joint control. Further, proportionate consolidation is not permitted for joint ventures under the new definition of a joint venture.

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

- PFRS 12, *Disclosures of Involvement with Other Entities*, is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The adoption of PFRS 12 affects disclosures only and has no impact on the Group's financial position or performance.

- PFRS 13, *Fair Value Measurement,* establishes new guidance on fair value measurement and disclosures. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. PFRS 13 also required additional disclosures. The adoption of PFRS 13 affects disclosures only and has no impact on the Group's financial position or performance.

- Amendments to PAS 1, *Financial Statement Presentation*, change the grouping of items presented in other comprehensive income (OCI). Items that can be reclassified or "recycled" to profit or loss at a future point in time will be presented separately from items that will never be recycled.

- Amendments to PAS 19, *Employee Benefits*, requires all actuarial gains and losses to be recognized in OCI and unvested past service costs previously recognized over the average vesting period to be recognized immediately in profit or loss when incurred.

  Prior to adoption of the revised standard, the Group recognized actuarial gains and losses as income or expense when the net cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous reporting period exceeded 10% of the higher of the defined benefit obligation and the fair value of the plan assets. These gains and losses are recognized over the average vesting period. Unvested past service costs are recognized as an expense on a straight-line basis over the average vesting period until the benefits become vested. Upon adoption of the revised standard, the Group changed its accounting policy to recognize all actuarial gains and losses in OCI and all past service costs in profit in the period they occur.

  The revised PAS 19 replaced the interest cost and expected return on plan assets with the concept of net interest on defined benefit liability or asset, which is calculated by multiplying the net defined benefit liability or asset at the beginning of the year by the discount rate used to measure the defined benefit obligation, each at the beginning of the annual period.

  The Group retained the presentation of net interest in retirement benefits in the statement of comprehensive income.

The revised standard also amended the definition of short-term employee benefits and requires employee benefits to be classified as short-term based on expected timing of settlement rather than the employee's entitlement to the benefits. It also modifies the timing of recognition for termination benefits, where termination benefits are recognized at the earlier of when the offer cannot be withdrawn or when the related restructuring costs are recognized.

The changes in the definition of short-term employee benefits and timing of recognition of termination benefits do not have any impact on the Group's financial position and financial performance.

The statement of financial position of the earliest comparative period presented and the comparative figures have been restated accordingly. The effects of the application on the financial statements are as follows:

	As at December 31, 2013	As at December 31, 2012	As at January 1, 2012
Deferred income tax assets	1,001,220	710,250	336,577
Deficit	(995,729)	(900,047)	(848,877)
Remeasurement loss on retirement benefits - net	919,153	647,273	-

	2013	2012	2011
Increase (decrease) in statements of comprehensive income:			
General and administrative expenses - salaries, wages and employee benefits	₱78,768	₱45,100	(₱512,300)
Income tax expense	(174,450)	(96,270)	153,690
Net income for the year	95,682	51,170	358,610
Other comprehensive income, net of deferred income tax	271,880	647,273	-

Remeasurement gain on retirement benefits was closed to retained earnings and other comprehensive income in equity at transition date. Subsequent to January 1, 2012, remeasurement gain (loss) on retirement benefits is separately presented in equity. Net interest cost is still presented under "Personnel costs" under costs and expenses.

The revised PAS 19 also requires more extensive disclosures which are presented in Note 15 to the financial statements

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

- Amendment to PFRS 1, *First-time Adoption of International Financial Reporting Standards – Government Loans*, requires first-time adopters to apply the requirements of PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, prospectively to government loans existing at the date of transition to PFRS. However, entities may choose to apply the requirements of PAS 39, *Financial Instruments: Recognition and Measurement*, and PAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for those loans. These amendments are not relevant to the Group as the Group is not a first time adopter of PFRS.

Annual Improvements to PFRS (2009-2011 cycle)
The *Annual Improvements to PFRS* contain non-urgent but necessary amendments to PFRS. The Group adopted these amendments for the current year.

- PFRS 1, *First-time Adoption of PFRS - Borrowing Costs*, clarifies that, upon adoption of PFRS, an entity that capitalized borrowing costs in accordance with its previous generally accepted accounting principles, may carry forward, without any adjustment, the amount previously capitalized in its opening statement of financial position at the date of transition.

  Subsequent to the adoption of PFRS, borrowing costs are recognized in accordance with PAS 23, *Borrowing Costs*. The amendment does not apply to the Group as it is not a first-time adopter of PFRS.

- PAS 1, *Presentation of Financial Statements - Clarification of the Requirements for Comparative Information*, clarifies the requirements for comparative information that are disclosed voluntarily and those that are mandatory due to retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. On the other hand, supporting notes for the third balance sheet (mandatory when there is a retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements) are not required.

- PAS 16, *Property, Plant and Equipment - Classification of Servicing Equipment*, clarifies that spare parts, stand-by equipment and servicing equipment should be recognized as property, plant and equipment when they meet the definition of property, plant and equipment and should be recognized as inventory if otherwise.

- PAS 32, *Financial Instruments: Presentation - Tax Effect of Distribution to Holders of Equity Instruments*, clarifies that income taxes relating to distributions to equity holders and to transaction costs of an equity transaction are accounted for in accordance with PAS 12, *Income Taxes*.
- PAS 34, *Interim Financial Reporting - Interim Financial Reporting and Segment Information for Total Assets and Liabilities*, clarifies that the total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the entity's previous annual financial statements for that reportable segment.

New Accounting Standards, Interpretations and Amendments to
Existing Standards Effective Subsequent to December 31, 2013

The Group will adopt the standards and interpretations enumerated in the subsequent pages when these become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended standards and interpretations to have a significant impact on the financial statements. The relevant disclosures will be included in the notes to the financial statements when these become effective.

Effective in 2014

- Amendments to PFRS 10, PFRS 12 and PAS 27, provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments are effective for annual periods beginning on or after January 1, 2014. It is not expected that this amendment would be relevant to the Group since the Group does not have an investment that would qualify to be an investment entity under PFRS 10.

- Amendments to PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*, clarify the meaning of “currently has a legally enforceable right to set-off” and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014.

- Amendments to PAS 36, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets*, remove the unintended consequences of PFRS 13 on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after January 1, 2014 with earlier application permitted, provided PFRS 13 is also applied.

- Amendments to PAS 39, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting*, provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after January 1, 2014.

- Philippine Interpretation IFRIC 21, *Levies*, clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. This interpretation is effective for annual periods beginning on or after January 1, 2014.

Annual Improvements to PFRS (2010-2012 cycle)

- PFRS 2, *Share-based Payment - Definition of Vesting Condition*, revises the definitions of vesting condition and market condition and adds the definitions of performance condition and service condition to clarify various issues. These amendments shall be prospectively applied to share-based payment transactions for which the grant date is on or after July 1, 2014.

- PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*, clarifies that a contingent consideration that meets the definition of a financial instrument should be classified as a financial liability or as equity in accordance with PAS 32. Contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PAS 39. The amendment shall be prospectively applied to business combinations for which the acquisition date is on or after July 1, 2014.

Effective in 2015

- Amendments to PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions*, apply to contributions from employees or third parties to defined benefit plans. Contributions that are set out in the formal terms of the plan shall be accounted for as reductions to current service costs if they are linked to service or as part of the remeasurements of the net defined benefit asset or liability if they are not linked to service. Contributions that are discretionary shall be accounted for as reductions of current service cost upon payment of these contributions to the plans. The amendments to PAS 19 are to be retrospectively applied for annual periods beginning on or after July 1, 2014.

Annual Improvements to PFRS (2010-2012 cycle)

- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*, requires entities to disclose the judgment made by management in aggregating two or more operating segments. This disclosure should include a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. The amendments also clarify that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if such amounts are regularly provided to the chief operating decision maker. These amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively.

- PFRS 13, *Fair Value Measurement - Short-term Receivables and Payables*, clarifies that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial.

- PAS 16, *Property, Plant and Equipment - Revaluation Method - Proportionate Restatement of Accumulated Depreciation*, clarifies that, upon revaluation of an item of property, plant and equipment, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
b. The accumulated depreciation is eliminated against the gross carrying amount of the asset.

The amendments are effective for annual periods beginning on or after July 1, 2014. The amendments shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period.

- PAS 24, *Related Party Disclosures - Key Management Personnel*, clarifies that an entity is a related party of the reporting entity if the said entity, or any member of a group for which it is a part of, provides key management personnel services to the reporting entity or to the parent company of the reporting entity. The amendments also clarify that a reporting entity that obtains management personnel services from another entity (also referred to as management entity) is not required to disclose the compensation paid or payable by the management entity to its employees or directors. The reporting entity is required to disclose the amounts incurred for the key management personnel services provided by a separate management entity. The amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively.

- PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Amortization*, clarifies that, upon revaluation of an intangible asset, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated amortization at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
b. The accumulated amortization is eliminated against the gross carrying amount of the asset. The amendments also clarify that the amount of the adjustment of the accumulated amortization should form part of the increase or decrease in the carrying amount accounted for in accordance with the standard.

The amendments are effective for annual periods beginning on or after July 1, 2014. The amendments shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period.

Annual Improvements to PFRS (2011-2013 cycle)

- PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards - Meaning of 'Effective PFRS'*, clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements.

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangement*, clarifies that PFRS 3 does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendment is effective for annual periods beginning on or after July 1 2014 and is applied prospectively.

- PFRS 13, *Fair Value Measurement - Portfolio* Exception, clarifies that the portfolio exception in PFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively.

- PAS 40, *Investment Property*, clarifies the interrelationship between PFRS 3 and PAS 40 when classifying property as investment property or owner-occupied property. The amendment stated that judgment is needed when determining whether the acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of PFRS 3. This judgment is based on the guidance of PFRS 3. This amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively.

Effectivity date to be determined

PFRS 9, *Financial Instruments*, as issued, reflects the first and third phases of the project to replace PAS 39 and applies to the classification and measurement of financial assets and liabilities and hedge accounting, respectively. Work on the second phase, which relate to impairment of financial instruments, and the limited amendments to the classification and measurement model is still ongoing, with a view to replace PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through OCI or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For liabilities designated as at FVPL using the fair value option, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change relating to the entity's own credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward to PFRS 9, including the embedded derivative bifurcation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

On hedge accounting, PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items, but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a financial instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 currently has no mandatory effective date. PFRS 9 may be applied before the completion of the limited amendments to the classification and measurement model and impairment methodology. The Group will not adopt the standard before the completion of the limited amendments and the second phase of the project.

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*, covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. This Interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, *Construction Contracts*, or involves rendering of services in which case revenue is recognized based on stage of completion. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. Adoption of the interpretation when it becomes effective will not have any impact on the financial statements of the Group.

Fair Value Measurement

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the 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.

Financial Instruments

Date of recognition

The Group recognizes a financial asset or a financial liability in the consolidated balance sheet when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial recognition and classification of financial instruments

Financial assets and financial liabilities are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets and financial liabilities, except for financial instruments measured at fair value through profit or loss (FVPL). Financial assets are classified as either financial assets at FVPL, loans and receivables, held-to-maturity (HTM) investments, or available-for-sale (AFS) financial assets. Financial liabilities on the other hand, are classified as financial liabilities at FVPL or other financial liabilities. The Group determines the classification at initial recognition and, where allowed and appropriate, reevaluates this designation at every balance sheet date.

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

As of December 31, 2013 and 2012, the Group has no financial assets and financial liabilities at FVPL, HTM investments and AFS financial assets.

Day 1 gain or loss

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a Day 1 gain or loss) in profit or loss unless it qualifies for recognition as some other type of asset. The Group recognizes the Day 1 gain or loss on loans to entities that are under common control with the Group directly in equity.

In cases where data used is not observable, the difference between the transaction price and model value is recognized only when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the Day 1 gain or loss.

Loans and receivables
Loans and receivables are nonderivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. After initial measurement, loans and receivables are carried at amortized cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. Loans and receivables (or portions of loans and receivables) are included in current assets if maturity is within 12 months from the balance sheet date. Otherwise, these are classified as noncurrent assets.

As of December 31, 2013 and 2012, the Group's loans and receivables include cash in bank, receivables and receivables from related parties.

Other financial liabilities
This category pertains to financial liabilities that are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or borrowings. These financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization or accretion for any related premium, discount and any directly attributable transaction costs. Other financial liabilities (or portions of other financial liabilities) are included in current liabilities when they are expected to be settled within 12 months from the balance sheet date or the Group does not have an unconditional right to defer settlement of the liabilities for at least 12 months from the balance sheet date.

As of December 31, 2013 and 2012, the Group's other financial liabilities include bank loans, payables to banks, accounts payable and other liabilities and customers' deposits.

Impairment of Financial Assets
An assessment is made at each balance sheet date to determine whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount.

Loans and receivables
The Group first assesses whether an objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. 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 of impairment.

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Group. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment losses account. If a future write-off is later recovered, the recovery is recognized in profit or loss. 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 reversal date.

In relation to receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through the use of an allowance account. Impaired debts are derecognized when they are assessed as uncollectible.

Derecognition of Financial Assets and Financial Liabilities

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

- the rights to receive cash flows from the asset have expired; or
- 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.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of 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 liability is discharged, cancelled or has expired.

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

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet 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. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the balance sheet.

Creditable Withholding Tax

Creditable withholding tax represents the amount withheld from income payments and is deducted from income tax payable on the same year the revenue was recognized. Unused creditable withholding taxes can be carried forward to the ensuing years. The balance of creditable withholding tax is reviewed at each balance sheet date to determine if an objective evidence exists that amounts are no longer recoverable and reduced to the amount the Group expects to recover.

Property and Equipment

The initial cost of property and equipment consists of its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use and any estimated cost of dismantling and removing the property and equipment item and restoring the site on which it is located to the extent that the Group had recognized the obligation of that cost. Such cost includes the cost of replacing part of the property and equipment if the recognition criteria are met. 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, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

When assets are retired or otherwise disposed of, their costs and related accumulated depreciation and any impairment in value are removed from the accounts and any resulting gain or loss is recognized in profit or loss.

Depreciation commences once the property and equipment are available for use and is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of Years
Furniture, fixtures and equipment	5
Cinema furniture and equipment	5
Transportation equipment	5 to 10
Other equipment	5

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

Investment Properties

Investment properties are measured initially at cost, including transaction costs. The cost of investment properties is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of PFRS. Accordingly, investment properties acquired under the asset-for- share swap agreement in 1995 were initially measured at the assigned values as approved by the Philippine SEC. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties, except for land, are carried at cost less accumulated depreciation and amortization, and any impairment losses. Land is carried at cost less any impairment in value. Interests on funds borrowed to partially finance the investment property during the construction period are capitalized to the respective property accounts.

The Group assesses if an item of property other than a piece of land or a building is regarded as part of an investment property. If an item is an integral part of an investment property, is being leased to the lessee together with the land and building as a whole and the entire group of assets is generating the income stream from the lease contract, the item is included as part of investment property.

Depreciation and amortization of investment properties is computed using the straight-line method over the following useful lives of the assets, regardless of utilization:

	Number of Years
Commercial complex and improvements	25
Machinery and equipment	10
Cinema furniture and equipment	5

Investment properties and improvements located in leased parcels of land are depreciated and amortized using the straight-line method over their useful lives, or the term of the lease, whichever is shorter.

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of investment properties.

Investment properties are derecognized when they have been either disposed of or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss on the retirement or disposal of investment properties is recognized in profit or loss in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

Impairment of Nonfinancial Assets

The carrying values of property and equipment, investment properties and other current and noncurrent assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units (CGU) are written down to their recoverable amounts. The recoverable amount of property and equipment, investment properties and other current and noncurrent assets is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Any impairment loss is recognized in profit or loss.

An assessment is made at each balance sheet 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. The increased amount cannot exceed the carrying amount that would have been determined, net of 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 a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Value-added tax (VAT)
Revenues, expenses, assets and liabilities are recognized net of the amount of VAT, except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.

VAT payable - net of input tax is included under "Accounts payable and other liabilities" account in the consolidated balance sheet.

Customers' Deposits
Customers' deposits are recognized upon receipt of advance rental payments from new tenants, which can be applied to unpaid rental receivables upon termination of the tenant's contract.

Capital Stock
The proceeds from the issuance of ordinary or common shares are presented in equity as capital stock to the extent of the par value of the issued and outstanding shares and any excess of the proceeds over the par value of shares issued, less any incremental costs directly attributable to the issuance, net of tax, is presented in equity as "Additional paid-in capital".

Retained Earnings (Deficit)
Retained earnings represent the cumulative balance of periodic total comprehensive income or loss, dividend distributions, correction of prior year's errors, effect of changes in accounting policy and other capital adjustments. When retained earnings account has a debit balance, it is called a "deficit". A deficit is not an asset but a deduction from shareholder's equity.

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

Mall rental income
Rent income from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue due to its operating nature. Rent income from fixed tenants is generally recognized on a straight-line basis over the lease term. Rental income from percentage tenants is recognized based on a minimum agreed rental or certain percentage of the tenant's gross sales, whichever is higher.

Cinema ticket sales
Revenue from cinema ticket sales is recognized upon receipt of cash from the customers.

Interest income
Interest income is recognized as it accrues, using the effective interest rate method.

Direct Costs and Expenses
Direct costs and expenses are expenses directly related to the performance of services, which are recognized as incurred.

General and Administrative Expenses
General and administrative expenses include costs of administering the business, which are recognized as incurred.

Borrowing Costs
Borrowing costs are capitalized if they are directly attributable to the acquisition and development of qualifying assets as part of the cost of such assets. Capitalization of borrowing cost commences when the activities to prepare the assets for their intended use are in progress and expenditures and borrowing costs are being incurred; is suspended during extended periods in which active development is interrupted; and, ceases when substantially all the activities necessary to prepare the assets for their intended use are complete. All other borrowing costs are expensed as incurred.

Retirement Benefits Costs
Retirement benefits costs are actuarially determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Upon introduction of a new plan or improvement of an existing plan, past service costs are recognized in profit or loss in the period they occur. Actuarial gain and losses are recognized in OCI.

Leases
The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date of whether the 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 a substantial change to the asset.

Where 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).

The Group determines whether arrangements contain a lease to which lease accounting must be applied. The costs of the agreements that do not take the legal form of a lease but convey the right to use an asset are separated into lease payments if the entity has the control of the use or access to the asset, or takes essentially all of the outputs of the asset. The said lease component for these arrangements is then accounted for as finance or operating lease.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Group as a lessee
Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the income statement.

Operating lease expense is recognized in the profit or loss on a straight-line basis over the lease term.

Income Taxes
Current income tax
Current income 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 at the balance sheet date.

Deferred income tax
Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences and carryforward benefits of unused net operating loss carryover (NOLCO) and excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and carry forward benefits of unused NOLCO and excess of MCIT over RCIT can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

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

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period 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 balance sheet date.

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

Basic/Diluted Earnings Per Share

Basic earnings per share is computed by dividing net income for the year by the weighted average number of shares outstanding during the year.

Diluted earnings per share is calculated by dividing the income for the year attributable to stockholders by the weighted average number of shares outstanding during the year, excluding treasury shares and adjusted for the effects of all potential dilutive shares, if any.

In determining both the basic and diluted earnings per share, the effect of stock dividends, if any, is accounted for retroactively.

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and the amount of obligation can be reliably estimated.

Contingent liabilities are not recognized in the consolidated financial statements but 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 Balance Sheet Date

Events after the balance sheet date that provide additional information about the Group’s position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Events after the balance sheet date that are not adjusting events are disclosed when material.

Disclosure on Garnishment of Lease Payments

The Notice of Garnishment on lease rental receivables issued on January 27, 2000 by the RTC of Manila against the parent company, its subsidiary and certain affiliates in relation to a civil complaint by the Banko Sentral ng Pilipinas was served to various tenants. This has substantially impaired collection effort on lease rental receivables and added to the company’s cash flow problems. The Garnishment Notice limited the company’s collections to tenants’ utility dues and other assessments, which were exempted from the Garnishment. Cash Flows from these collections, however, allow the continuity of the mall operations and sustain the company’s going concern. The company’s counsels filed a Motion to Dismiss on the grounds, among others, that (a) summons were improperly served such that the Court did not acquire jurisdiction over the Company and certain affiliates, and (b) the complaint states no cause of action or if it does so state, it is founded on illegality. The said Motion to Dismiss was consolidated with a Motion to Dissolve the Writ of Preliminary Attachment. In 2003, the Group together with their co-defendants, on the garnishment case, entered into an extra-judicial settlement with the plaintiff. As a result, the RTC lifted the garnishment of lease payments on January 14, 2004 which the RTC returned to the Company. However, as the parties have agreed on the amortization schedule, the BSP filed a motion of execution anchored on the compromise agreement. While the RTC-Manila initially denied such motion, it eventually granted the same via a motion for execution. As a result thereof, Writ of Garnishment was issued.

Foreclosure of Mortgaged Properties

The property of GTMDI in Pasig City (land and mall), which secure certain loans from a syndicated lender banks led by PNB. Due to GTMDI's default in its debt obligations, the Pasig land and mall were foreclosed in 1999 (also please refer to part 1 item 3 – Legal Proceedings). GTMDI is in possession and in complete control of the properties. It continues to operate the mall and draws rental income there from.

On June 17, 2009, GTMDI and PNB entered into a compromise agreement which was approved by the Court on August 14, 2009. GTMDI shall pay PNB an amount of P565 million, of which P80 million shall be paid upon the execution of the agreement. The remaining amount payable to PNB shall be settled within seven years at 8% interest per annum. The compromise agreement provides that upon GTMDI's full payment of the compromise amount and all advances, taxes, fees and expenses, and both parties' compliance with all their respective obligations under the agreement, each party therefore releases and discharges the other party, their directors, officers, agents and employees from any and all claims arising from PNB's foreclosure and consolidation of the property subject of MTI.

Meanwhile, the other creditor banks continue to hold their respective proportionate undivided interest over the subject parcels of land and mall.

The company's liquidity position has remained to be in weak position. It will continue to focus its effort in negotiation with the remaining lender banks for the redemption of the foreclosed properties, (GTMDI land and mall) and the restructuring of debt obligations into serviceable terms. In July 2010, the Regional Trial Court, Manila issued notice of garnishment on lease payments and levy made upon receivables or sum of money arising from rentals and other revenues of the company and certain related parties. This has substantially impaired the collection effort on lease rental receivables (see note 1 to the Financial Statements). Due to the continued tight liquidity position, the company has not nor does it intend to enter into any material commitment for capital expenditures within the next twelve (12) months.

Disclosure on the pull out of Anchor Tenant (Cinema)

The adverse impact of movie piracy has taken its toll on the movie industry. Gotesco Investments, Inc. (GII), a major player in the cinema business and an anchor tenant of the Company, was no exception. GII originally occupied and operated ten (10) cinemas at GTMDI, a wholly owned subsidiary of EGRHI, and nine (9) cinemas at EGRHI, the parent company. Towards the end of 2002, GII closed five (5) out of ten (10) cinemas at GTMDI and expected to consolidate patrons in its five (5) remaining cinemas. However, GII continued to experience a deteriorating traffic of movie-goers and the consequential drop of its ticket revenues. As a result, GII management decided to totally close the five (5) remaining cinemas and three (3) cinemas in 2003 and turned over the same to GTMDI and EGRHI, respectively.

In 2004, GII turned over nine (9) remaining cinemas to EGHRI, the parent company. EGRHI generates an average monthly rental revenue of P1.227 million or P14.727 million annually for the said remaining cinemas. The closure translates to an annual rental revenue loss for EGRHI by P14.7 million or 9% of its total annual revenue generation, and 4.6% to the consolidated rental revenue.Moreover, the Cinemas are considered as one of the major amenities of, and basic to, mall operations. Minus the Cinemas, low customers' traffic may be experienced.To preserve the contributions of the Cinemas to the mall's customers' traffic and to lessen the impact of rental revenue loss, GTMDI management, with the corresponding approval of its Board of Directors, decided to retain and takeover the operation of the five (5) cinemas. Operation of the cinemas generated revenue of ₱2.47 million in 2012; ₱3.34 million in 2011; and ₱3.88 million in 2010. In EGRHI, the parent company, the four (4) cinemas retained and presently being operated by Eagle Production Int'l Films

Inc. while the remaining five (5) cinemas were converted to leasable spaces such as amusement, foods and other retail stalls.

FIVE (5) KEY PERFORMANCE INDICATORS

The key operating performance indicators which remain to be the profit and loss determinants, earnings/losses per share and liquidity position of the Company and its wholly owned subsidiary are discussed hereunder.

1. Revenue – The decrease in rental income was due to lower occupancy rate on rentable spaces.

	FOR THE YEAR (In Million Pesos)		
	2013	2012	2011
Rental Income	345.72	345.76	347.78
Cinema Tickets Sales	2.23	2.47	3.34
Total	**347.95**	**348.23**	**351.12**

2. Cost Effective Measures - During the year ended 2013, the Company has been able to control and manage costs to minimum effective levels despite of relative increases in the major costs particularly the labor and energy based items.

	2013 (In Million Pesos)		
	Mall	**Cinema**	**Total**
Revenues	345.72	2.23	347.95
Direct cost	218.76	5.08	223.84
General and administrative expenses	95.95	.05	96.00
Total	**31.01**	**(2.90)**	**28.11**

	2012 (In Million Pesos)		
	Mall	Cinema	Total
Revenues	345.75	2.47	348.22
Direct cost	218.68	4.41	223.09
General and administrative expenses	48.62	.10	48.72
Total	78.45	(2.04)	76.41

3. Net Operating Profit – The Company's income for the actual mall and cinema operations, computed as Total revenue less the direct cost & expenses and General & Administrative expenses.

	FOR THE YEAR (In Million Pesos)		
	2012	2011	2011
Revenue	347.95	348.23	351.12
Income (Loss) from Operation	77.34	77.30	85.64
Percentage	22%	22%	25%

4. Earnings Per Share – Earnings per share for the year 2013 and 2012 was P0.015 as compared to P0.017 earning per share in 2011 and P0.009 in 2010. The earnings per share were calculated by dividing the Net Income before tax by the weighted number of shares outstanding. There were no factors that would have dilutive effects on the Earnings per share.

5. Liquidity Position – Current ratio as of December 31, 2013 is 45.92%, 50.41 % and 41.31% as of December 31, 2012 and 2011

ITEM 7. Financial Statements

The consolidated financial statement and schedules listed in the accompanying index to Financial Statements and Supplementary Schedules are filed as part of the SEC Form 17A . This part will be accomplished together with the audited Financial Statements.

ITEM 8. Information on Independent Accountant and Other Related Matters

The principal accountants and external auditors of the Company is the accounting firm of SyCip, Gorres, Velayo & Co (SGV & Co). The same accounting firm is being recommended for re-election at the scheduled annual meeting.

Representatives of SGV & Co are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Pursuant to SRC Rule 68, Paragraph 3(b) (iv) Memorandum Circular No. 8, on Series of 2003 (Rotation of External Auditors), the Company has engaged SGV & Co. as external auditor for 2013 with Catherine E. Lopez as the Partner In-charge since audit year 2010 replacing Martin C. Grantes who was the Partner In-charge for audit year 2009.

The Audit and Audit-Related Fees amounted to P1,050,000.00 in 2013, P1,000,000.00 in 2011 and P1,128,400.00 in 2011.

The engagement of the external auditors was favorably endorsed by the Audit Committee to the Board of Directors and ultimately submitted for approval of the stockholders.

The company's management has no changes in or disagreements with Accountants on Accounting and Financial disclosure.

PART 111 - CONTROL AND COMPENSATION

INFORMATION

ITEM 9. Directors, Executive Officers, Promoters and Control Persons of the Issuer

As of December 31, 2013, the members of the Board of Directors and the incumbent executive officers are as follows:

Office	Name	Age
Chairman, & Chief Executive Officer	Jose C. Go	65
Director, Treasurer	Evelyn C. Go	59
Director	Lourdes Go-Ortiga	56
Director, President	Joel T. Go	41
Director	Jonathan T. Go	39
Independent Director	Christian Grant Yu Tomas	37
Independent Director	Antonio P. Jamon, Jr.	58
Corporate Secretary	Cristine P. Base	43
Assistant Corporate Secretary	Caesar R. Certeza	41
Chief Finance Officer	Vacant	
AVP-Comptroller	Cynthia T. Dizon	54

Board of Directors

JOSE C. GO, Chairman, President and Chief Executive Officer, graduated from the University of Santo Tomas. Mr. Go received his extensive business and entrepreneurial training and experience from his early exposure to the various aspects of operations of family-owned corporations. At present, he is also the Chairman, President and Director of Gotesco Land, Inc. (formerly Suricon Resources Corporation) and Gotesco Properties, Inc. He is also Chairman and Chief Executive Officer of Gotesco Tyan Ming Development, Inc.. In addition, Mr. Go is the President of Ever Emporium, Inc., Gulod Resort, Inc., GMCC United Development Corp., Ever Plaza, Inc., Ever Center, Inc., Ever Commonwealth Center, Inc., and Nasugbu Resort, Inc..

Period & Term of Office:
- Elected Chairman and President for one year or until his successor-in-office shall have been elected and qualified during Stockholders' meeting on December 18, 2008.
- Elected and held the same position during the Stockholders' Annual Meeting held on December 10, 2004.
- Elected Chairman and President during a re-organizational meeting on December 23, 1998 and held the office until elected again on December 10, 2004.
- Elected President for the period September 17, 1997 to December 23, 1998
- Elected Chairman and President for the period December 7, 1995 to September 17, 1997

EVELYN C. GO, is a graduate from the Philippine School of Business Administration with a degree in Business Management. Ms. Go started her practical business training at an early age covering various positions and aspects of the Go Tong family business enterprises. She is currently President/Chief Operating Officer of Gotesco Tyan Ming Development, Inc., Executive Vice President of Ever Emporium, Inc., Ever Plaza, Inc. Ever Center, Inc., Ever Commonwealth Center, Inc., Director and/or Treasurer of Gotesco Properties, Inc., Megaheights Realty & Development Corp., Gulod Resort, Inc., Gotesco Land, Inc., (formerly Suricon Resources Corp.), Nasugbu Resort, Inc., and Masipag Manpower Agency, Inc.

Period & Term of Office: Treasurer and Director of the Company since the election on December 7, 1995. She holds the same position up to the present as she is always the one elected for the Position.

LOURDES GO-ORTIGA, is a Fine Arts Major in Interior Design graduate from the University of Santo Tomas. Ms. Ortiga is presently Director and Corporate Secretary of Gotesco Tyan Ming Development, Inc.; Gotesco Properties, Inc.; Ever Shoppers, Inc.; Gusset Realty & Development, Corp.; and Revere Realty and Development, Corp.. Ms. Ortiga is also a Director of Gotesco Holdings, Inc.; Ever Emporium, Inc.; Ever Plaza, Inc.; Ever Commonwealth Center, Inc.; Ever Center, Inc. and Primeworld Management Services, Inc. Presently Ms. Ortiga is also the executive Vice President for Marketing Communications Services of the Ever Gotesco Group of Companies.

Period & Term of Office : Ms. Ortiga was elected Director of the company on December 18, 2008 for another year-term or until her successor-in-office shall have been elected and qualified during Stockholders' meeting on December 18, 2008. She holds the office since September 25, 1998.

JOEL T. GO, is a graduate in Bachelor of Science in Electronics & Communications Engineering from De Lasalle University. He is the first child of the three children of Mr. Jose C. Go. He's work experiences are with the family businesses and at present he is the Chairman and President of Ever Plus Meisec Corp.; Ever Plus Superstore, Inc.; Ever Plus Convinience Stores, Inc. He is also President and Director of United Doctors Service Corp.; Majestic Plus Holdings Intl. Inc.; and Eagles Production Intl. Inc. and Director and Treasurer of Evercrest Golf Club Resort, Inc.

Period & Term of Office: Mr. Joel T. Go was elected Director of the company on December 18, 2008 and will serve as such for year-term or until his successor-in-office shall have been elected and qualified during Stockholders' meeting on December 18, 2008. He holds the office since being elected in Stockholders' meeting on December 10, 2004.

JONATHAN T. GO, is a graduate of Bachelor of Science Major in Business Management from De La Salle University. He is the second child of the three children of Mr. Jose C Go. He is also a Registered and Accredited Real Estate Broker. He's work experience with the family business and at present he is the President of Homeworks the Homecenter ; Lamin8 INC., and JTG TRADING. He is also a director of United Doctors Service Corporation.

CHRISTIAN GRANT YU TOMAS, Filipino, 36, years old is the Head, Legal Department , Tyche Consulting Ltd. Phils Regional Operating Headquarters. Previously, he worked as Legal Counsel of Alphaland Corporation; Executive Assistant, Commission On Elections, Office of Commissioner Larrazabal; and Associate, ZAMORA POBLADOR VASQUEZ & BRETAÑA LAW OFFICES. He is a graduate of Ateneo De Manila University School of Law with a Degree of Juris Doctor in 2004. He passed the Bar Examination in 2004. He graduated from De La Salle University with a Bachelor of Science Degree in Applied Economics in 1999.

ANTONIO "BUTCH" PANGAN JAMON, JR., is a Lawyer. He obtained his Bachelor of Laws from the University of the Philippines in 1981, had earned MA/PhD credits in Political Science from the same University in 1983 and Master of Laws from the San Beda Graduate School of Law in 2008. Atty. Jamon, Jr is presently engaged as a Corporate Lawyer with wide experiences in all aspects in Corporate Legal services for almost 28 years already. He is also a Senior Partner of the Kintanar Jamon Parungo & Ladia Law Firm. Also, he is engaged in various capacities, either as Corporate Secretary or Legal Consultant/Counsel for several Companies and government agencies like: United Laboratories, Inc. (Unilab); Qualifirst Health, Inc.; Office of the Secretary, Department of Health (DOH); Board of Trustees of the Specialty Hospitals, Department of Health; National Committee on Bio-Safety of the Philippines (NCBP), DOST; Institute of Strategic and Development Studies (ISDS); Veterans Memorial Hospital (VMMC) and Clint Technologies, Inc. (Affiliate of Unilab). Atty. Jamon, Jr. is also a College of Law Professorial Lecturer at the Arellano University; De La Salle University and Polytechnique University of the Philippines and a Professorial Lecturer in the College of Social Sciences and Philosophy at the University of the Philippines. His public service involvement includes as a TV Talk Show Host of the News & Public Affairs, Infomax 8 in San Fernando City; Pampanga and as the Vice Chairman & Director for Legal and Legislative Affairs of Nationwide Association of Cosumers, Inc. Previous work experiences in varied capacities of Atty. Jamon, Jr. were with United States Agency for International Development (USAID)/Nathan Associates/Carana Corp; USAID/Development Alternatives, Inc.; Civil Aviation Authority of the Philippines (CAAP); Office of the President, Office of the Chief of Staff; Commission on Elections (COMELEC); Chemphil Group of Companies; Bureau of Customs; Department of Environment & Natural Resources (DENR) and Ledesma, Saludo And Associates Law Offices.

Period & Term of Office: Atty. Jamon, Jr. was elected as the 2nd Independent Director of the Company on November 17, 2010 to fill up the vacancy of resigned Director, Mr. Arturo M. Garcia. He will serve as such until the election and qualification of his successor.

CRISTINE P. BASE. Filipino, 43 years old, is the Compliance Office of Bloomberry Resorts Corporation(formely: Active Alliance, Inc.) and is currently a Securities, Corporate and Tax Lawyer at Pacis and Reyes, Attorneys and the Managing Director of Legisforum, Inc. She is a Director and the Corporate Secretary of Anchor Land Holdings, Inc. and the Corporate Secretary of Araneta Properties, Inc. and Asiasec Equities, Inc. She is also a director and Corporate Secretary of several private corporations. She was an Auditor and then Tax Lawyer at Sycip, Gorres, Velayo & Co. She is a graduate of Ateneo De Manila University School of Law with a degree of Juris Doctor. She passed the Bar Examination in 1997. Ms. Base is also a Certified Public Accountant. She graduated from De La Salle University with a Bachelor of Science Degree in Commerce Major in Accounting.

CEASAR P. CERTEZA, Assistant Corporate Secretary, graduated from Ateneo De Manila University School of Law with a degree of Juris Doctor in 1995. He also graduated as Magna Cum Laude in Bachelor of Arts – Major in Economics in University of Santo Tomas in 1991. He passed the Philippine Bar Examination in 1995. He is currently the Corporate Legal Counsel in Metropolitan Medical Center. He become lawyer of CRCerteza Law Office in 2007-2011. A Partner in Halili Certiza Matibag Law Office 2000-2007. Legal Officer I of NGL Pacific, Ltd., 1998-2000. Associate Lawyer of Sebastian Liganor Galinato and Tierra Law Offices 1995-1998. He is a Legal Apprentice in Bautista Picazo Buyco Tan and Fider Law during summer of 1993 and 1994. Atty. Certeza is also an Instructor I in University of Santo Tomas – Faculty of Arts and Letters in schoolyear 1991 to 1998. A Member of The Fraternal Order of Utopia and Intergrated Bar of The Philippines.

C**YNTHIA T. DIZON**, AVP-Controller, graduated from Polytechnic University of the Philippines (3- yrs curriculum). She is a Certified Public Accountant and had been connected in various local and multinational companies with diverse industries like Hooven (Comalco) Phil. Inc., Windjammer Cruises, East Asiatic Corporation, Gold Packaging Corp., Richard Hamilton Properties Inc., Century Canning Corporation. Before she joined the company she was the Accounting Head of House of Investments Inc, the holding company of Yuchengco Group of Companies.

Period & Term of Office: Appointed as AVP-Controller effective June, 2012.

(2) Significant Employee

No particular individual employee who is not an executive officer can be singularly identified as making significant contribution to the business, because the strength of the company lies in the cooperative efforts of all officers, staff and employees of the organization.

(3) Family Relationships

The Go's are siblings while Mr. Joel T. Go and Jonathan T. Go are the sons of Mr. Jose C. Go. All other directors and officers have no family relationships in any civil degree either by consanguinity or affinity.

(4) Involvement in Certain Legal Proceedings

1) No director, executive officer, promoter or control person of the company or its subsidiary, GTMDI, has any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

2) Some members of the Board of Directors are involved in some criminal proceedings emanating from the closure of the Orient Commercial Banking Corporation. These criminal proceedings include violation of Batas Pambansa Blg. 22, violation of the General Banking Acts, and particularly on DOSRI loans and falsification cases.

3) Some directors, in their personal capacities are currently subject of a writ of preliminary attachment issued by the Court in connection with the Civil case entitled "Bangko Sentral ng Pilipinas vs. Orient Commercial Banking Corp." now pending before Branch 12, Manila Regional Trial Court.

4) No director, executive officer, promoter or control person of the company or its subsidiary is found by a domestic or foreign court of competent jurisdiction (in a civil action), the commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation, and the judgement has not been reversed, suspended, or vacated.

5) Some depositors of the Orient Commercial Banking Corporation (OCBC) filed criminal cases against some of the bank officers and directors including Messrs. Jose C. Go, George C. Go (until December 10, 2004), and Vicente C. Go (until May 31, 2004), who are also directors of this company, for failure of said depositors to withdraw their respective money deposits with OCBC. Some of these cases have already been dismissed.

6) Certain cases involving violations of the Revised Penal Code and Batas Pambansa No. 22 have been initiated against Mr. Jose C. Go which are pending before various Prosecutors' Offices. Some of these cases are still pending in courts and in certain of these cases, Mr. Jose C. Go is in the process of negotiating for an amicable settlement.

7) Except as above discussed, the company is not aware nor have any personal knowledge of any other legal proceeding involving the company and any other officers and directors of the company which are material to the evaluation or integrity of said officers and directors of the company.

ITEM 10. Executive Compensation

(1) General Compensation of Executive Officers

The by-laws officers shall receive such remuneration as the Board of Directors may determine. All other officers shall receive such remuneration as the Board of Directors may determine upon recommendation of the President. A director shall not be precluded from serving the corporation in any other capacity as an officer, agent or otherwise and receiving compensation thereof.

(2) Summary Compensation Table

The following table summarizes the names and aggregate compensation paid or accrued during the last two years and to be paid in the ensuing year to the company's Chief Executive Officer and other officers.

ll Officers and Directors as a group

		2014 Estimate			2013			2012		
Name	**Position**	**Salary**	**Bonus**	**Other Annual Compensation**	**Salary**	**Bonus**	**Other Annual Compensation**	**Salary**	**Bonus**	**Other Annual Compensation**
Jose C. Go	Chairman									
Joel T. Go	President/ Director									
Diana T. Huang	AVP-Corporate Planning									
Cynthia T. Dizon	AVP-Controller									
Evelyn C. Go	Director									
Christian Grant Y Tomas	Director									
Lourdes Go Ortiga	Director									
Antonio P. Jamon Jr.	Director									
	Total	4.10	-	-	3.90	-	-	3.58	-	-

Ms. Mendoza resigned effective June 16, 2012; Ms. Dizon joined the Company in June, 2012 also for the transition.

Since December 1, 1995 up to the present, the directors (except for the Independent Director) and some of the Executive officers of EGRHI didn't receive any compensation from the company. These executives (President, Treasurer, and Corporate Secretary) acted their positions at EGRHI in their concurrent capacities at Gotesco Properties, Inc.

(3) Compensation of Directors

By resolution of the Board, each director, shall receive a per diem allowance of P 5,000.00 for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the company during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders. For the last three years, the directors didn't draw any salaries or bonuses from the Company and there are no accruals for Directors' per diem.

The Independent Directors are given a monthly honorarium of P20,000.00 effective their date of election as Director in the Company.

(4) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

Ms. Cynthia T. Dizon was hired as AVP-Controller in June, 2012 to replace Ms. Jeanne C. Mendoza who resigned on effective June 16, 2012.

There are no termination of employment and change in control arrangement and warrants, options outstanding and re-pricing held by the CEO and named executive officers and all other officers and directors except for the resignation of Ms. Jeanne C. Mendoza on June 16, 2012, Mr. Arturo M. Garcia on October 15, 2010 and Mr. Yao on July 31, 2008.

(5) Warrants and Options Outstanding: Re-pricing

There are no known outstanding warrants or options held by the company's named executive officers, and other officers and directors as a group.

ITEM 11. Security Ownership of Certain Beneficial Owners and Management

a. Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2013, EGRHI knows of no one who beneficially owns in excess of 5% of EGRHI's common stock except as set forth in the table below:

Title of Class	Name of Record of Beneficial Owner/Relationship	Name of Beneficial Owner	Citizenship	Record of Beneficial Ownership	Percent
Common	Gotesco Properties Inc.- Affiliate 1958 C. M. Recto Ave. Manila		Filipino	2,666,235,000	53.324700
Common	PCD Nominee Corp. G/F Makati Stock Exchange Bldg. Ayala Ave., Makati City		Filipino	1,318,795,977	26.375920

The is no individual, record or beneficial owner of more than 5% of the shares of stocks under PCD Nominee Corp. as of December 31, 2013.

Mr. Jose C. Go is natural person who has voting power over shares of Gotesco Properties, Inc. as approved by the Board of Directors of Gotesco Properties, Inc.

b) **Security Ownership of Management**

Title of Class	Name of Record of Beneficial Owner/Relationship	Citizenship	Record of Beneficial Ownership	Percent
Common	Jose C. Go	Filipino	227,820,000	4.556400
Common	Joel T. Go	Filipino	82,672,601	1.653452
Common	Jonathan T. Go	Filipino	65,000,000	1.300000
Common	Evelyn C. Go	Filipino	2,371,315	0.047426
Common	Edgar A. Pacis	Filipino	10,000	0.000200
Common	Antonio P. Jamon, Jr.	Filipino	10,000	0.000200
Common	Lourdes G. Ortiga	Filipino	81	0.000002
Common	Christian Grant Yu Tomas	Filipino	1	0.000000
	Total		**377,883,998**	

c) **Voting Trust Holders**

EGRHI is not a party to any voting trust. No stockholder of the Company holds more than 10% of its outstanding capital stock through a voting trust or other similar agreements.

d) C**hanges in Control**

As of December 31, 2013, there are no arrangements which may result in a change in control of the Company.

ITEM 12. Certain Relationships and Related transactions

Gotesco Properties, Inc. (GPI) provides certain treasury, security, internal audit, industrial relations and other management services to the company and has seconded certain management personnel to provide services to the company. Members of the Go family who either individually or collectively have controlled GPI since inception, have private interests in number of companies either alone or together with other family members. The respective businesses or activities of these companies do not compete with GPI business activities. However, certain of these companies have significant commercial transactions with GPI and its controlled companies. In addition, GPI and certain of its subsidiaries and affiliates, including the company, have, from time to time, made cash advances to each other. All of these transactions have been entered into on arms' length commercial terms.

Listed below is Ownership structure, and percentage of control of EGRHI and Parent Company as of December 31, 2013:

Name of Stockholder	Gotesco Properties, Inc.	EGRHI
GPI	53.3247%	0
Gotesco Investments, Inc.	2.1000%	25.00%
Ever Emporium, Inc.	0	25.00%
Ever Plaza, Inc.	0	25.00%
Gotesco Holdings, Inc.	0	25.00%
Jose C. Go	4.5564%	0
Joel T. Go	1.6535%	0
Evelyn C. Go	0.0474%	0
Cristina Aragon	0.0002	0
Edgar Pacis	0.0002%	0
Antonio P. Jamon, Jr.	0.0002%	0
Others	39.1512%	0
Total	100.0000%	100.00%
Authorized Capital Stock	5,000,000,000	5,000,000,000
Subscribed Capital Stock	5,000,000,000	1,250,000,000
Paid-up Capital Stock	5,000,000,000	1,250,000,000

REGISTRATION STATEMENT AND PROSPECTUS PROVISIONS

Not applicable

PART IV - EXHIBITS AND SCHEDULE

ITEM 13. Exhibits and Reports on SEC 17-C

a) Exhibits - See accompanying Index to Exhibits
The following exhibit is filed as a separate section of this report. Subsidiaries of the Registrant
The other exhibits as indicated in the index to exhibits are either not applicable to the company or requires no answer.

b) Reports on SEC Form 17-C

During the year, the Company had filed six (6) reports on Form 17-C, to wit.:

Date of Report	Nature of Items Reported
January 4, 2013	Certificate of Attendance of Board of Directors
January 7, 2013	Certification of Manual on Corporate Governance
February 28, 2013	Annual Stockholders rescheduling of Annual Stockholders Meeting
April 4, 2013	Confirmation/Ratification of Short-term Cash Advances to Affiliates and Approval of the Issuance of 2012 Audited Financial Statements
July 16, 2013	Annual Stockholders Meeting
August 30, 2013	New Officer

SIGNATURES

Pursuant to the requirement of section 17 of SRC and section 141 of the Corporation Code, this report signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Manila on APR 15 2014 2014.

By:

____________________ Date:______________
JOSE C. GO
Chairman

____________________ Date:______________
JOEL T. GO
President

____________________ Date:______________
EVELYN C. GO
Sr. Vice President / Treasurer

____________________ Date:______________
CYNTHIA T. DIZON
AVP – Controller

christineplbase

____________________ Date:______________
CHRISTINE P. BASE
Corporate Secretary

APR 15 2014

Subscribed and sworn to me this ______________ day of _________ 2014 affiants exhibiting to me their Passport / Driver's Licenseas follows:

NAMES	PPN /DLN	DATE OF ISSUE	PLACE OF ISSUE
Jose C. Go	EB6088994	valid until 08/05/17	Manila
Joel T. Go	EB6703613	valid until 11/07/17	NCR West
Evelyn C. Go	XX31438702	valid until 12/28/19	Manila
Christine P. Base	XX4766696	valid until 10/14/14	Manila
Cynthia T. Dizon	NO3-95-182332	valid until 11/08/16	Cainta Rizal

NOTARY PUBLIC

Doc. No. 365
Book No. 24
Series of 2014

ATTY. ROLANDO L. PINEDA
NOTARY PUBLIC
UNTIL DECEMBER 31,2014
PTR # 0275477
IBP # 0911726
ROLL # 01296

EVER-GOTESCO RESOURCES AND HOLDINGS, INC. AND SUBSIDIARY
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES FORM 17-A, Item 7

* *These schedules, which are required by Section 17.2 of SRC Rule 68.1, have been omitted because they are either not required, not applicable or the information required to be presented is included in the Company's consolidated financial statements or the notes to consolidated financial statements.*

STATEMENT OF MANAGEMENT'SRESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Ever- Gotesco Resources and Holdings, Inc. is responsible for the preparation and fair presentation of the financial statements for the year ended December 31, 2013 and 2012, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders or members.

Sycip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has examined the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such examination.

JOSE C. GO
Chairman of the Board

JOEL T. GO
President

EVELYN C. GO
Treasurer

Signed this 14th day of April, 2014

APR 15 2014

SUBSCRIBED AND SWORN
BEFORE ME ON THIS ___ DAY OF
20__ AT PASIG CITY EXHIBITING
HIS/HER ID CARD
NO.
MANILA

ATTY. CESAR G. VIOLA
NOTARY PUBLIC
UNTIL DEC. 31, 2014
PTR NO. 2532586 / 01-02-2014
IBP NO. 905607 / 11-09-12
ROLL NO. 15654
MCLE COMPLIANCE NO. IV
0004741-03-05-12

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