ARANETA PROPERTIES INCORPORATED

INFORMATION STATEMENT

(SEC FORM 20-IS)

November 19, 2014
At 9:30 a.m.
21st Floor Citibank Tower, Paseo de Roxas,
Makati City, Philippines

ARANETA PROPERTIES INCORPORATED
21st Floor Citibank Tower, Paseo de Roxas, Makati City
Phone: (02)-848-1501 to 04

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO OUR STOCKHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of **Araneta Properties Incorporated** (the "Company") will be held at the 21st Floor Citibank Tower, Paseo de Roxas, Makati City, Philippines on November 19, 2014 at 9:30 a.m. with the following agenda:

1. Call to order;
2. Proof of notice and due calling of meeting; Determination of a quorum;
3. Approval of Minutes of the Annual Stockholders' Meeting held on November 20, 2013;
4. Report of the President;
5. Presentation and approval of the Financial Statements as of December 31, 2013;
6. Ratification of the acts of the Board of Directors and Officers;
7. Election of members of the Board of Directors;
8. Appointment of External Auditors;
9. Other Matters;
10. Adjournment.

Minutes of the November 20, 2013 Annual Meeting of Stockholders will be available for examination during office hours at the Office of the Corporate Secretary.

The Board has fixed the close of business hours on October 7, 2014 as of the record date for the determination of stockholders entitled to notice of meeting and to vote at the specified election date.

In accordance with Section 7 of Article II of the Company's By-Laws and for purposes of election of the Board of Directors, any and all nominations shall be submitted to and received at the principal office of the Company on or before the date of the meeting, addressed to the attention of the Corporate Secretary.

Registration starts at 9:00 a.m. Please bring this notice and any form of identification such as driver's license, TIN card, passport, etc. to facilitate registration.

Makati City, September 19, 2014

christinepbase

CHRISTINE P. BASE
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
    Preliminary Information Statement
    X Definitive Information Statement

2. Name of Registrant as specified in its charter: **ARANETA PROPERTIES, INC.**

3. **21st Floor, CitibankTower, Paseo de Roxas, Makati City, Philippines**
Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: **152249**

5. BIR Tax Identification Code: **050-000-840-355**

6. **21st Floor, CitibankTower, Paseo de Roxas, MakatiCity, Phillipines**
Address of principal office Postal Code

7. Registrant's telephone number, including area code **(02) 848-1501 to 04**

8. Date, time and place of the meeting of security holders
November 19, 2014; 9:30a.m.; 21st/F Citibank Tower, Paseo de Roxas, MakatiCity

9. Approximate date on which the Information Sheet is first to be sent or given to security holders on **October 27, 2014**.

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA(information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Stock, Php1.00 par value	1,561,110,070 shares

11. Are any or all of registrant's securities listed on a Stock Exchange?

    Yes **X** No _

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
Philippine Stock Exchange **Common shares**

ARANETA PROPERTIES INCORPORATED
INFORMATION STATEMENT

A. GENERAL INFORMATION

ITEM 1: DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS

Date: November 19, 2014
Time: 9:30 a.m.
Place: 21st Floor, Citibank Tower, Paseo de Roxas, Makati City
Principal Office: 21st Floor, Citibank Tower, Paseo de Roxas, Makati City

Approximate Date of Distribution to Security Holders: October 27, 2014.

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO
SEND US A PROXY**

ITEM 2.DISSENTER'S RIGHT OF APPRAISAL

There are no matters to be acted upon at the meeting involving instances set forth in the Corporation Code of the Philippines for which a stockholder may exercise the right of appraisal.

Pursuant to Section 81 Title X, Appraisal Right Corporation Code of the Philippines, any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances: (1) in case of any amendment to the articles of incorporation that has the effect of changing or restricting the rights of any stockholder or class of shares, or authorizing preferences in any respect superior to those of outstanding shares of any class, or extending or shortening the term of corporate existence; (b) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets, and (c) in case of merger.

Section 82 of the Corporation Code also provides that, this appraisal right may be exercised by any stockholder who shall have voted against the proposed action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed action is implemented or affected, the corporation shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the value thereof as of the day prior to the date on which the vote was taken, excluding ay appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made. No payment shall be made to the dissenting stockholder unless the bank has unrestricted retained earnings in its book to cover such payment. Upon payment by the Corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Corporation.

From the time of demand for payment of the fair value of a stockholder's shares until either the abandonment of the corporate action involved or the purchase of the said shares by the corporation, all rights accruing to such shares, including voting and dividend right, shall be suspended, except the right of such stockholder to receive payment of the fair value thereof: Provided, that if the dissenting stockholder is not paid the value of his shares within 30 days after the award , his voting right and dividend rights shall immediately be restored (*Section 83 of the Corporation Code).*

Within ten (10) days after demanding payment of his shares, a dissenting stockholder shall submit the certificate(s) of stock representing his shares to the Corporation for notation thereon that such shares are dissenting shares. His failure to do so shall, at the option of the Corporation, terminate his appraisal right. *(Section 86, Corporation Code)*. No demand for payment as aforesaid may be withdrawn by the dissenting stockholder unless the Corporation consents thereto *(Section 84, Corporation Code)*.

The appraisal right shall be exercised in accordance with Title X of the Corporation Code.

ITEM 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

Other than the election to office, there is no matter to be acted upon during the Annual Stockholders' Meeting to which a beneficial owner, director or officer has any substantial interest.

No director has informed the Company in writing of his intentions to oppose any action to be taken during the proposed Annual Stockholders' Meeting.

B. CONTROL AND COMPENSATION INFORMATION

ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As of August 31, 2014, there are 1,561,110,070 subscribed, issued and outstanding common shares entitled to vote at the meeting, with each share entitled to one vote. Out of the said issued and outstanding common shares, 7,689,599 are owned by foreigners.

All stockholders of record at the close of business hours of October 7, 2014 shall be entitled to cumulative voting rights with respect to the election of directors. A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company as of October 7, 2014 multiplied by the whole number of directors to be elected.

Security Ownership of Certain Record & Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

There were no delinquent stocks, and the direct and indirect record and beneficial owners of more than five percent (5%) of the Company's voting securities as of August 31, 2014 are as follows:

Title of Class	Name and Address of Record owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Share	Nature of Ownership	% Held
Common	Carmel Development, Inc. 21/F Citibank Tower Paseo de Roxas, Makati City	Nominee: Gregorio Ma. Araneta III	Filipino	499,999,997	Direct	32.03%
Common	Gamma Properties, Inc., 21/F Citibank Tower Paseo de Roxas, Makati City	Nominee: Gregorio Ma. Araneta III	Filipino	264,472,892	Direct	15.78%
Common	PCD Nominee	Various clients and Philippine Depository & Trust Corp. (PDTC)	Filipino	757,257,872		48.51%
Common	LBC Express, Inc. LBC Compound Aviation Center, Airport Road, Pasay City	Nominee: Santiago Araneta	Filipino	195,043,074	Direct	12.49%
Common	Olongapo Mabuhay Express Corporation, LBC Compound Aviation Center, Airport Road, Pasay City	Nominee:	Filipino	124,855,422	Direct	8.00%

(2) Security Ownership of Management

The following is a summary of the aggregate shareholdings of the Company's Directors and executive officers in the Company and the percentage of their shareholdings as of August 31, 2014:

Title of Class	Name & Address of Beneficial Owner	No. of shares & nature of Beneficial Ownership	Citizenship	Nature of Ownership	Percent of Class (%)
Common	**Gregorio Ma. Araneta** 21/F Citibank Tower, Paseo de Roxas, Makati City	120,060	Filipino	*Direct*	0.0096
		499,999,997 (**Carmel Development, Inc.**)		*Indirect*	
		437,929,567 (**Gamma Properties, Inc.)**		*Indirect*	

				Indirect	
Common	**Carlos R. Araneta** RMS 801-802, PSE Plaza, Ayala Triangle, Ayala Ave., Makati City	21,660	Filipino	***r & b*** *Direct*	0.0017
Common	**Alfonso Araneta** 21/F Citibank Tower, Paseo de Roxas, Makati City	1	Filipino	***r & b*** *Direct*	0.0000
Common	**Luis Araneta** 21/F Citibank Tower, Paseo de Roxas, Makati City	1	Filipino	***r & b*** *Direct*	0.0000
Common	**Perry L. Pe** Romulo Mabanta Law Offices 30/F Citibank Tower, Paseo de Roxas, Makati City	1	Filipino	***r & b*** *Direct*	0.0000
Common	**Alfredo de Borja** Unit 300, Mile long Bldg. Amorsolo St. Legaspi Village, Makati City	1	Filipino	***r & b*** *Direct*	0.0000
Common	**Alfredo D. Roa III** 119 Avocado Dr., Ayala Alabang, Muntinlupa City	1	Filipino	***r & b*** *Direct*	0.0000
Common	**Crisanto Roy B. Alcid** 21/F Citibank Tower, Paseo de Roxas, Makati City	1	Filipino	***r & b*** *Direct*	0.0000
Common	**Santiago Araneta** LBC Compound Aviation Center, Airport Road, Pasay City	85,800	Filipino	***r & b*** *Direct*	0.0000
	TOTAL FOR THE GROUP				**0.0113**

r – record ownership
b – beneficial ownership

(3) Voting Trust Holders of 5% or More

There is no voting trust or similar arrangement involving the shares of stocks of the Company.

(4) Security ownership of certain beneficial owners and management:

Name of Company	Class	Number of shares	Nature	Percentage
Carmel Development, Inc. (of which 99% held by Gregorio Ma. Araneta III)	Common	499,999,997	Direct	32.03%
Gamma Properties, Inc. (of which 50% held by Gregorio Ma. Araneta III)	Common	264,472,892	Direct	15.78%
LBC Express Inc. **(wholly owned by LBC Development Corporation, of which 25% is owned by Santiago Araneta)**	Common	195,043,074	Direct	12.49%
Olongapo Mabuhay Express Corp. (of which 80% held by Ma. Joy A. Cruz)	Common	124,855,422	Direct	8.00%

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

Except in cases where voting by ballot is applicable, voting and counting shall be viva voce. If by ballot, the counting shall be supervised by the external auditors and transfer agent of the Company.

All stockholders of record at the close of business hours of October 7, 2014 shall be entitled to cumulative voting rights with respect to the election of directors. A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company as of October 7, 2014 multiplied by the whole number of directors to be elected.

(1) Board of Directors and Executive Officers

The incumbent directors, including independent directors and executive officers of the Company are as follows:

Office	Name	Citizenship	Age	Year of assumption of office	No. of years/ Months
Chairman/CEO/Director	Gregorio Ma. Araneta III	Filipino	66	1997	17 years
Director/President	Crisanto Roy B. Alcid	Filipino	45	1997	17 years
Director /Treasurer	Carlos R. Araneta	Filipino	69	2009	5 years
Director	Luis M. Araneta	Filipino	29	2012	2 year
Director	Alfonso M. Araneta	Filipino	30	2013	1 years
Director	Perry L. Pe	Filipino	53	2003	11 years
Director	Alfredo de Borja	Filipino	70	2009	5 years
Director	Alfredo D. Roa III	Filipino	67	2010	4 years
Director	Santiago Araneta	Filipino	42	2013	1 year
Corporate Secretary	Christine P. Base	Filipino	44	2007	7 years
Chief Finance Officer	Jose O. Eustaquio III	Filipino	67	2012	2 year

The above incumbent directors are all nominated for re-election in this year's Annual Stockholders' Meeting per SEC Memorandum Circular No. 2, Series of 2002.

Messers. Alfredo de Borja, Perry L. Pe, Alfredo Roa III are not representatives of the following substantial shareholders: Carmel Development, Inc., Gamma Properties, Inc. and Olongapo Mabuhay Express Corporation, and LBC Express, Inc.

For the term 2014-2015, Carmel Development, Inc. and Gamma Properties, Inc. through Mr. Gregorio Ma. Araneta III nominated Luis M. Araneta, Alfonso Araneta, Crisanto Alcid, and Alfredo De Borja; Olongapo Mabuhay Express Corp. through Mr. Carlos D. Araneta nominated Santiago Araneta, Perry L. Pe and Afredo D. Roa, III.

The amended by-laws of the Company include the guidelines and procedures in the nomination and election of independent directors.

The following are the rules in the nomination and election of independent directors:

a. The Nomination Committee shall have at least three members (3) members, one of whom is the independent director.

b. Nomination of independent director/s shall be conducted by the committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and the conformity of the would-be-nominees.

c. The Committee shall pre-screen the qualifications and prepare a final list of candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director/s.

d. After the nomination, the committee shall prepare a final list of candidates which shall contain all the information about the nominees for independent directors, as required under SRC Rule 12, which list shall be made available to the commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the company is required to submit to the Commission. The name of the person or group of person who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.

The nomination committee is composed of the following:

Chairman:	Alfredo de Borja;
Members:	Gregorio Ma. Araneta III;and
	Crisanto Roy B. Alcid

DIRECTORS AND EXECUTIVE OFFICERS

The following are the business experience and positions held by the Directors and Executive Officers for the past five (5) years:

GREGORIO MA. ARANETA III, 66 years old, Filipino, is the Chairman and Chief Executive Officer of Araneta Properties, Inc. He is President and Chairman of ARAZA Resources Corporation and Carmel Development Corporation, Chairman of Gregorio Araneta Inc., Gregorio Araneta Management Corporation, and Gamma Holdings Corporation. He is also a director of ISM Telecommunications, Inc. Mr. Araneta studied at the University of San Francisco and Ateneo de Manila University where he earned his Bachelor of Arts Degree in Economics.

CRISANTO ROY B. ALCID, Filipino, 45 years old, is currently the President of Araneta Properties, Inc. He is also the President of Envirotest Inc. and Roycomm Holdings, Inc. He holds directorship in various companies namely: Carmel Development Corporation, Gregorio Araneta, Inc., ARAZA Resources, Inc. HE. Heacock Corporation, Gamma Holdings, Midrac

Realty, Inc., and Philippine Coastal Storage & Pipeline Corporation. Formerly, he was connected with Ayala Land, Asiatrust Development Bank and Citibank N.A. Mr. Alcid obtained his degree in Bachelor of Science in Management Engineering from Ateneo de Manila University and has completed the General Management Program at the Harvard Business School.

LUIS M. ARANETA, Filipino, 29 years old, is currently the Business Development Manager of Araneta Properties, Inc. He was elected Director of the Company in 2012. He is the President of Estancias Holdings, Inc. and Cerros Corp, Vice-President and Treasurer of ARAZA Resources Corporation, Director and Corporate Secretary of Carmel Development, Inc, Director of PAGREL, Inc., and Corporate Secretary of Gamma Properties, Inc. Mr. Araneta studied at the Pace University in New York City where he earned his degree in Business Administration in Management.

CARLOS R. ARANETA, 69 years old, Filipino, is one of the Directors and the Treasurer of the Company. He was the Chairman of the Board of the following local companies: LBC Properties, Inc., LBC Development Corporation, LBC Development Bank, Inc., LBC Express, Inc., LBC Mabuhay Development Philippine Corporation, LBC Domestic Franchise Co., Inc., and LBC Airways, Inc. He was the Chairman of the Board of LBC Holdings USA Corp., LBC Mabuhay USA Corp., LBC Mabuhay North America Corp., LBC Mabuhay Hawaii Corp., LBC Mabuhay Saipan Corp., LBC Mabuhay Italy Corp., and LBC Travel USA Corp. Mr. Araneta holds a Bachelor of Science Degree in Business Administration from Boston University. He earned his Bachelor of Laws Degree at the Ateneo de Manila University Law School.

ALFREDO DE BORJA, 70 years old, Filipino, is one of the Directors of the Company. He is the President of Makiling Ventures, Inc. and E. Murio, Inc. He also holds directorship in various corporations such as ICCP Ventures, Inc., ICCP Management Corp., Rustans Supercenters, Inc., RFM-Science Park of the Phils., Regatta-Beacon Land Corp., Regatta Properties, Inc., Pueblo de Oro Development Corp., and Cebu Light Industrial Park, Inc. Mr. de Borja graduated in Ateneo de Manila University, where he obtained his degree in Bachelor of Science in Economics. He earned his Masters in Business Administration from Harvard University.

PERRY L. PE, 53 years old, Filipino, is one of the Directors of the Company. He is also a Director of Delphi Group, Inc., Oriental Petroleum & Minerals Corp., and Ace Saatchi & Saatchi Philippines, Inc., He is a Partner in Romulo, Mabanta, Buenaventura, Sayoc & De Los Angeles Law Firm.

ALFONSO M. ARANETA, Filipino, 30, is currently the Executive Vice-President and Director of Envirotest, Inc., Vice President and Director of Carmel Development, Inc., Vice-President and Director of Gregorio Araneta, Inc. Concurrently, he is a Director of ARAZA Resources Corp., ATSI PETC, Inc. Pagrel, Inc., Gamma Properties, Inc., Securicor Security Investigation Services, Inc., and Alumma Foods, Inc. Mr. Araneta graduated at De La Salle-College of St. Benilde, Manila where he earned his degree in Bachelor of Science in Business Administration.

ALFREDO D. ROA III, 67 years old, Filipino, is one of the Directors of the Company. He is presently the President of Inland Corporation and Chairman of JJB Inland Logistics, Inc.

SANTIAGO G. ARANETA, Filipino, 42, is the Chairman and CEO of LBC Express, Inc., the largest cargo, courier and remittance company in the Philippines. He is also the Chairman of LBC Mabuhay Hawaii Corporation, LBC Mabuhay Saipan Corporation and LBC Holdings USA Corp., Director and President of Rudy Project Philippines, a Director and Treasurer of LBC Properties Inc., a Director for Advanced Global Systems Inc. and LBC Mundial Inc. and Executive Vice President of LBC Development Corporation.

Mr. Araneta is likewise one of the Trustees of LBC's foundation, LBC Hari ng Padala Foundation, Inc. He is also the Chairman of the United Football League, the Philippines' premier professional football league. For the year 2013, Santiago Araneta was nominated as Ernst and Young's CEO. Since 2003, he has been an active member of the Philippine chapter of the Entrepreneur Organization. Mr. Araneta graduated in De La Salle University, Manila where he obtained his degree in Bachelor of Arts Major in Management.

CHRISTINE P. BASE, Filipino, 44 years old, is the Corporate Secretary of Araneta Properties, Inc. and is currently a Corporate and Tax Lawyer at Pacis and Reyes, Attorneys and the Managing Director of Legisforum, Inc. She is a Director and Corporate Secretary of Anchor Land Holdings, Inc. and the Corporate Secretary of Asiasec Equities, Inc. and AG finance Inc. She is also 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.

JOSE O. EUSTAQUIO, III, Filipino, 67 years old, is presently the Chief Financial Officer of Araneta Properties, Inc. He was a consultant of Honda Cars Makati and Honda Cars Cebu from 2007 to 2008. In 1987, he was the Financial Control Officer of Ayala Corporation (Control and Analysis Division). He was the Chief Finance Officer of Ayala Corporation for Ayala Theaters Management, Inc., Ayala Property Management Corporation, and Ayala Alabang Commercial Corporation from 1982 to 1987. He was a staff Auditor of Sycip, Gorres, Velayo & Co. Mr. Eustaquio is a Certified Public Accountant. He graduated from Philippine School of Business Administration with a Bachelor of Science Degree in Commerce Major in Accounting.

(2) Independent Directors

Three (3) incumbent Directors, namely Messrs. Perry L. Pe, Alfredo de Borja, and Alfredo D. Roa, III were independent directors of the Company for the year 2013-2014. They are not employees of the Company and have no relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibility of an independent director.

The following are nominated for election to the Board of Directors during this year’s Annual Stockholders’ meeting:

1. Gregorio Maria Araneta III — Director
2. Carlos R. Araneta — Director

3.	Crisanto Roy B. Alcid	Director
4.	Luis M. Araneta	Director
5.	Alfonso M. Araneta	Director
6.	Perry L. Pe	Independent Director
7.	Alfredo de Borja	Independent Director
8.	Santiago Araneta	Director
9.	Alfredo D. Roa, III	Independent Director

For the term 2014-2015, Carmel Development, Inc. and Gamma Properties, Inc. through Mr. Gregorio Ma. Araneta III nominated Alfredo De Borja; Olongapo Mabuhay Express Corp. through Mr. Carlos D. Araneta nominated Perry L. Pe and Alfredo D. Roa, III. The independent directors are not related with the persons nominating them by consanguinity or affinity, and have no professional or business dealings with any of them.

The term of office of all directors, including independent directors shall be one (1) year until their successors are duly elected and qualified.

(3) Family Relationships

Mr. Luis M. Araneta and Mr. Alfonso M. Araneta are the sons of Mr. Gregorio Ma. Araneta III. While Messrs. Gregorio Ma. Araneta III and Carlos R. Araneta are related to the fourth civil degree of consanguinity. Mr. Santiago Araneta is the son of Mr. Carlos Araneta. There are no family relationships within the fourth degree among the rest of the members of the Board of Directors and Senior Officers of the Company.

(4) Involvement in Certain Legal Proceedings

To the knowledge of the Company, there has been no occurrence of any of the following events during the past five (5) years up to the present which are material to an evaluation of the ability and integrity of any director, any person nominated to become director, executive officer or control person of the Company:

1. Any insolvency or bankruptcy petition filed by or against any business of which such person was a general partner or executive officer whether at the time of insolvency or within two (2) years prior to that time;
2. Any conviction by final judgment in a criminal proceeding, domestic or foreign, in any criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses.
3. Any final and executory order, judgment or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily, enjoining, barring, suspending or otherwise limiting involvement in any type of business, securities, commodities or banking activities; and
4. Any final and executory judgment by a domestic or foreign court or competent jurisdiction (in a civil action), the SEC, or comparable foreign body, or domestic or foreign exchange or electronic marketplace or self regulatory organization, for violation of a securities or commodities law.

There are no legal proceedings to which the Company or its subsidiary or any of their properties are involved in or subject to any legal proceedings which would have material effect or adverse effect on the business or financial position of the Company or its subsidiary.

(5) Significant Employees
The Company currently has no significant employees.

(6) Certain Relationships and Related Transactions
Mr. Luis M. Araneta and Alfonso Araneta are the sons of Mr. Gregorio Ma. Araneta III. Messrs. Gregorio Ma. Araneta III and Carlos R. Araneta are related to the fourth civil degree of consanguinity. Mr. Santiago Araneta is also the son of Mr. Carlose Araneta. There are no family relationships within the fourth degree among the rest of the members of the Board of Directors and Senior Officers of the Company.

As of June 30, 2014, there are no directors or officers who own ten percent (10%) or more of the outstanding shares of the parent company.

There were no business arrangement and related party transaction and/or ongoing contractual or other commitments as a result of the arrangement pursuant to disclosure requirement of SFAS/IAS 24.

There were no related party transactions as at end of December 31, 2013.
ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

(1) Compensation Table

The following is a summary of the aggregate compensation paid or accrued during the year 2012 and 2013 and to be paid in the ensuing fiscal year 2014 to the Company's Chief Executive Officer and the next most highly compensated officers who is individually named below and to all other officers and directors of the Company as a group:

Name and Principal Function	Fiscal Year	Salary	Bonus	Other Compensation
Gregorio Ma. Araneta III * Chairmanand CEO	2012 2013 2014			
Crisanto Roy Alcid* President	2012 2013 2014			
Luis M. Araneta Director	2012 2013 2014			
RhoanPurugganan* Legal Head	2012 2013 2014			
Jose O. Eustaquio III** Chief Finance Officer	2012 2013 2014			
TOTAL FOR THE GROUP	2012 2013 2014**	7,420,000.00 10,126,800.00 10,126,800.00		
Other Officers as a group unnamed	2012 2013 2014**	3,835,200.00 5,624,000.00 5,624,000.00		

* Key officers, ** Figures in Year 2014 were based on estimates

(2) Compensation of Directors and Officers

(a) Standard Arrangements

Compensation of the Chief Executive Officer and Managers of the Company are accrued and paid for the years 2012, 2013 and 2014. All other directors of the Company assumed their positions and served the Company without any compensation. The Company also does not provide any per diem to its directors.

(b) Other Arrangements

No compensatory arrangements were executed during the last three (3) years of operations other than the compensation arrangements mentioned above.

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

Employment contracts of all supervisors and rank in file employees are standard.

The remuneration committee is composed of the following:

Chairman:	Alfredo de Borja
Members:	Carlos R. Araneta; and
	Gregorio Ma. Araneta III

ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS

Sycip, Gorres, Velayo and Co. was the Independent Public Accountant for the year 2013-2014. The reappointment of the said accounting firm as Independent Public Accountant for the incoming year will be submitted to the stockholders for their confirmation and approval. The Partner-in-charge, John T. Villa, has been appointed as the Partner-in charge for the audit year 2013-2014.The duly authorized representatives of Sycip, Gorres, Velayo and Co. are expected to be present at the Annual Meeting of Stockholders and they will have the opportunity to make statements if they desire to do so and are expected to be available to respond to appropriate questions.

Pursuant to the existing regulation of the Securities and Exchange Commission, the registrant shall change its external auditor or rotate the engagement partner every five years. This is in compliance with the rotation requirement of its external auditor’s certifying partner as required under SRC Rule 68(3) (b) (iv). Considering that the assigned partner of Sycip, Gorres, Velayo and Co. has been the Company’s independent public accountant for only two (2) year since year 2012, rotation is not necessary for the years 2014-2015.

The audit committee is composed of the following:

Chairman:	Alfredo de Borja
Members:	Gregorio Ma. Araneta III; and
	Carlos Araneta

COMPENSATION PLANS

No action with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed for the year shall be discussed during the meeting.

C. ISSUANCE AND EXCHANGE OF SECURITIES

ITEM 8. AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE

The Company intends to enter into private placement agreements in order to fund its land banking activities. The Company will use the funds to acquire and develop real properties.

The Company will issue common shares of up to 25% of the Company's total issued and outstanding common shares.

The Company shall present to its stockholders for approval the issuance of shares of stock of up to 25% of the Company's total issued and outstanding capital stock, and the delegation to the board of directors the determination of the terms, and other details in relation to the said issuances.

Common stocks are entitled to dividends, but their right to exercise its pre-emptive right has been denied by the Company's Articles of Incorporation.

ITEM 9. MODIFICATION OR EXCHANGE OF SECURITIES

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of the Company's securities or the issuance of authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

ITEM 10. FINANCIAL AND OTHER INFORMATION

The audited financial statements as of December 31, 2013, Management's Discussion and Analysis, Market Price of Shares and Dividends and other data related to the Company's financial information are attached hereto as Annex "A".

ITEM 11. MERGERS, CONSOLIDATIONS, ACQUISITIONS AND SIMILAR MATTERS

There are no matters or actions to be taken up in the meeting with respect to merger, consolidation, acquisition by, sale or liquidation of the Company.

ITEM 12. ACQUISITION OR DISPOSITION OF PROPERTY

There are no matters or actions to be taken up in the meeting with respect to acquisition or disposition of any property by the Company.

ITEM 13. RESTATEMENT OF ACCOUNTS

The Company is not taking any action, which involves the restatement of any of its assets, capital, or surplus account.

D. OTHER MATTERS

ITEM 14. ACTIONS WITH RESPECT TO REPORTS

(1) Approval of the Annual Stockholders Meeting held on November 20, 2013.

The minutes of the previous Stockholders' Meeting held last November 20, 2013 shall be presented to the stockholders for approval. Items are as follows:

1. Call to order;
2. Proof of notice and due calling of meeting; Determination of a quorum;
3. Approval of Minutes of the Annual Stockholder's Meeting held on November 21, 2012;
4. Report of the President;
5. Presentation and approval of the Financial Statements as of December 31, 2012;
6. Ratification of the acts of the Board of Directors and Officers;
7. Election of members of the Board of Directors;
8. Appointment of External Auditors;
9. Other Matters;
10. Adjournment.

(2) Resolutions for Ratification by the stockholders

Resolutions of the Board of Directors for ratification are the elections of new directors and officers, approval of financial statements. Approval and ratification of the minutes, reports, resolutions, and acts will constitute approval of the matters therein.

ITEM 15. MATTERS NOT REQUIRED TO BE SUBMITTED

Other than election to office, there is no matter to be acted upon during the Annual Stockholders' Meeting to which a beneficial owner, director or officer has any substantial interest.

No director has informed in writing of his intentions to oppose any action to be taken during the proposed Annual Stockholders' meeting.

ITEM 16. AMENDMENT OF CHARTER, BY-LAWS OR OTHER DOCUMENTS

There are no proposed amendment of the Company's charter, by-laws, and other documents.

ITEM 17. OTHER PROPOSED ACTIONS

There are no other proposed actions to be taken up in the meeting.

ITEM 18. VOTING PROCEDURES

Except in cases where a higher vote is required under the Corporation Code, the approval of any corporate action shall require the majority vote of all the stockholders present in the meeting, if constituting a quorum.

Except in cases where voting by ballot is applicable, voting and counting shall be viva voce. If by ballot, the counting shall be supervised by the external auditors and transfer agent of the Company.

All stockholders of record at the close of business hours on October 7, 2014 shall be entitled to cumulative voting rights with respect to the election of directors. A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company as of October 7, 2014 multiplied by the whole number of directors to be elected.

All proxies must be in the hands of the Secretary at least ten (10) days before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary prior to a scheduled meeting or their personal attendance at the meeting. *(Par. 2 Section7, By-Laws).*

A forum for validation of proxies chaired by the Corporate Secretary or Assistant Corporate Secretary and attended by the Stock and Transfer Agent shall be convened seven (7) days before any meeting. Any questions and issues relating to the validity and sufficiency, both as to form and substance, of proxies shall only be raised during said forum and resolved by the Corporate Secretary. The Corporate Secretary's decision shall be final and binding upon the shareholders. Any such question or issue decided upon by the Corporate Secretary shall be deemed settled and those not brought before said forum shall be deemed waived and may no longer be raised during the stockholder's meeting. *(Par. 3 section 7, By-Laws)*

Except in cases where a higher vote is required under the Corporation Code, the approval of any corporate action shall require the majority vote of all the stockholders present in the meeting, if constituting a quorum.

Except in cases where voting by ballot is applicable, voting and counting shall be viva voce. If by ballot, the counting shall be supervised by the external auditors and transfer agent of the Company.

EXHIBIT

Exhibit I – The Management Report which includes, among others, A Statement of Management's Responsibility for the Financial Statements, the Audited Financial Statements ending December 31, 2013 and Interim Financial Statements ending June 30, 2014 are hereby attached and incorporated as Exhibit A.

A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A WILL BE PROVIDED WITHOUT CHARGE TO EACH PERSON UPON WRITTEN REQUEST OF ANY SUCH PERSON ADDRESSED TO:

THE OFFICE OF THE CHIEF FINANCE OFFICER
ARANETA PROPERTIES
21st Floor, Citibank Tower, Paseo de Roxas, Makati City

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on September 19, 2014.

ARANETA PROPERTIES INCORPORATED

By:

christinepbase

CHRISTINE P. BASE
Corporate Secretary

MANAGEMENT REPORT

BUSINESS AND FINANCIAL INFORMATION

BRIEF DESCRIPTION OF GENERAL NATURE AND SCOPE OF BUSINESS

OVERVIEW

The Company was formerly known as Integrated Chrome Corporation (INCHROME) organized on June 15, 1988 and its principal business was to mine chrome ore and produce ferro silicon metal or commonly known as ferrochrome. Inchrome stopped its smelting operations in January 1996 because of the depressed ferrochrome market and increasing production costs. In September 1996, the stockholders and the Board of Directors approved the following changes in the Company’s business and structure:

a.1) Changed the corporate name from INCHROME to Araneta Properties, Inc.
a.2) Amended the primary purpose of business to land and property development and maintained the smelting operations as a secondary purpose;
a.3) Removal of stockholders’ pre-emptive right;
a.4) Changed the par value from P0.30 to P1 per share;
a.5.) Increased the authorized capital stock from P300,000,000 (divided into 1 billion shares with a par value of P0.30 per share) to P5,000,000,000 (divided into 5 billion shares with a par value of P1 per share); and
a.6) Removed the classification of shares of stock.

Since its inception, the Company has not gone through any bankruptcy, receivership or similar proceeding.

There has been no material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business, except for the sale of the properties owned but no longer used in business classified under “Other Assets” (the “Smelter Plant”) account in the Balance Sheet which was sold on May 28, 2005 to a domestic corporation (PGMC) via a Conditional Deed of Sale on an installment basis for a period of (7) seven years with the amortization to start on April 2006. .

Araneta Properties, Inc. (ARA), is listed in the Philippine Stock Exchange. It is now primarily engaged in the fine-tuning of a master plan for the development of approximately 248.113 hectares of prime real estate located in San Jose del Monte, Bulacan.

The major components of the master plan consists of upper-middle to high-end residential lots and townhouses complemented by a leisure center, principal of which, is a country club, a commercial center and university center. Additional components of the plan include a nature park, corporate business center and mass housing.

The aforesaid project is the first big property development project in the northern portion of Metro Manila. Thus, there is no major industry or geographic competition.

The distribution method of the products or real property is being handled by Orchard Property Marketing.

No problems are foreseen as far as suppliers are concerned, since all the materials needed for property development are 100% available locally.

An integral part of the master plan is the planned joint venture project which would enable the Company to work together with foreign and local companies with expertise in land development projects.

There are no other transactions with and/or dependence on related parties, except for the advances made from stockholders for the Company's working capital requirements.
Since the primary business of the Company is to develop and sell real properties, it needs the following governmental approvals:

(1) Locational Clearance Certificate (LCC-Issued and Approved)
(2) License to Sell (HLURB-Issued and Approved)

As the Company's master plan is almost complete, the amount or the actual value of the research and actual development cost shall be determined in the final phase of the master plan. As of June 30, 2014, the engineering department reported percentage completion detaled below:

Percentage of Completion	As of June 30, 2014	As of June 30, 2013
Phase I	97%	94%
Phase II	98%	92%
Phase III	72%	36%
Club House / Sports Center	98%	98%

Cost and effects of the compliance with environmental laws:
a) Total project cost shall be accounted upon completion of the master plan.
b) Locational Clearance has already been approved/issued by the local government.

Recent Sales of unregistered securities
(a) Securities sold – No unregistered securities have been sold during the fiscal year last ended.
(b) Underwriter and other purchases – Not applicable
(c) Exemption from registration claimed – None/not applicable

The total number of officers, managers, consultants and regular employees as of June 30, 2014 are as follows:

Legal officer - - - - - - - - - -	1
Managers - - - - - - - - - - - -	6
Consultants - - - - - - - - - - -	3
Supervisors, Rank and File -	42
Total number of employees -	**52**

Employees & consultants described above does not include stock-transfer agent and as well as auditors.

FINANCIAL AND OTHER INFORMATION

Management's Discussion and Analysis of Plan of Operation

Basis of Presentation

The financial statement of Araneta Properties, Inc. has been prepared using the historical cost basis and are presented in Philippine Peso (₱).

Statement of Compliance

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

Financial Condition 2012-2013

The Company's total assets decreased at ₱1,482,068,780 in year 2013, as compared with ₱ 1,492,042,253 in 2012. The changes from the total assets is attributable to the cost of sold during the year.

The cash balance of ₱17.729 million as at end of December 31, 2013 changed from ₱15.052 million in 2012. The cash with banks earns interest at the respective bank deposits. Short-term investments are made for varying periods up to three (3) months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates. Interest income earned from cash in bank and short-term investments amounted to ₱92,057.00, ₱ 335,006.00, and ₱343,375.00 for the years ended December 31, 2013, 2012 and 2011 respectively. The movement of cash is attributable to the net cash flows generated by the Company in its operating activities.

The receivables increased by 8.91% from ₱166.153 million in 2012 as compared to 2013 which is ₱180.950 million. Trade receivables mainly represent the Company's outstanding balance in its share in the sale of real estate by SLRDI. Collections of interests and penalties arising from late payment of these receivables are recognized as part of "Others" in the "Revenue and Other Income" section in the statements in comprehensive income. Installment receivables pertain to uncollected portion of the amount arising from the sale of non-operating properties in 2005. The contract price is collectible in fixed monthly payment of ₱2.00 million starting January 24, 2006. Installment receivables were discounted using the credit-adjusted risk-free rates prevailing at the time of the sale which resulted to an effective interest rate of 9.45%. Interest income from accretion recognized in 2013, 2012 and 2011 amounted to ₱0.08 million, ₱0.20 million and ₱1.42 million, respectively. The Company recognizes full allowance on these receivables while they are currently on the process of renegotiating with the management of Platinum Group Metal Corporation (PGMC) with respect to the settlement of the outstanding balance of the installment receivables.

The Real Estate for Sale and Development decreased from ₱1,157,778,227 million and ₱ 1,117,236,418 million in 2012 and 2013 respectively. The movement in the Real Estate for sale and development is attributable to the cost of sold during the period. As of June 30, 2014, the residential areas of Phase 1, Phase 2, Phase 3 and the Country Club are 97%, 98%, 72% and 98% completed, respectively, based on the physical completion report provided by the joint venture's supervising engineer.

A decrease in the Property and Equipment account pertains to the recognition of depreciation expense by the Company amounting to ₱2.949 million partially offset by acquisition of additional property and equipment in the amount of ₱1.334 million.

The decrease in accounts payable and accrued expenses account was basically caused by normal recording of accrual of payables vis-a-vis payments.

The movement of Output VAT account represents normal recording of Input and Output VAT.

There was no movement in the number of issued shares as at end of June 30, 2014.

The Company has recorded a Net Income before income tax of ₱33.837 million in 2013, ₱41.422 million in 2012 and ₱4.096 million in 2011.

Status of Operation

The Company's sales output during the period remains slow as compared with that of the second quarter of the previous year. Said performance is a result of marketing strategies being implemented. More specifically, the holding of some inventory in line with price watch which shows higher forecast of demand in the real estate within the locality, evidenced by the launching of real estate projects of Ayaland Development, Inc. as well as the Avida Land, Inc. in San Jose Del Monte, Bulacan area were done.

The Company posted sales during the quarter amounting P45.518 million as compared with P46.803 million of the same period last year. The decrease in sales was the effect of marketing strategy being implemented by the Company which some of the inventory is temporarily put on-hold waiting for much better price.

As of June 30, 2014, the residential areas of Phase 1, Phase 2, Phase 3 and the Country Club are 97%, 98%, 72% and 98% completed, respectively, based on the physical completion report provided by the joint venture's supervising engineer.

Originally, it was allocated for Golf Course but was realigned and reclassified as Phase 2 residential subdivision to be complemented by a country club.

The regular cash flow requirements of the Company for the next twelve (12) months shall be funded mainly from collection of its regular monthly revenue from real estate project.

OPERATION

Results of Operation (January – June 30, 2014 vs. January – June 30, 2013)

The Company sales output during the period remains slowd as compared with that of the second quarter of the previous year. This performance is a result of marketing strategies being implemented specifically, the holding of some inventory in line with price watch which shows higher forecast of demand in the real estate within the locality, evidenced by the launching of real estate projects of Ayaland Development, Inc. as well as the Avida Land, Inc. in San Jose Del Monte, Bulacan area.

The percentage of revenues during each of the last two (2) quarters ending June 30, are as follows:

Particulars	Year 2014	Year 2013
Sale from Real Estate	83,020,298	91,915,736

Cost of Land	24,043,045	27,411,608
Percentage of revenue	51.84%	53.81%

The deficit stands at P503.023 million and P513.990 million as of June 30, 2014 and 2013, respectively.

In Million	June 30, 2014	June 30, 2013
Revenue	P47.323	P50.379
Direct Costs	P24.043	P27.411
Gross Profit Margin	P23.280	P22.967
Operating Expenses	P11.791	P10.174
Net Income before tax	P11.489	P12.793

The revenue generated during the second quarter of 2014 represents share from sales of Joint Venture Project with SLRDI. The decrease in sales was the effect of marketing strategy being implemented by the Company which some of inventory is put on-hold (temporarily) to sell to market awaiting for much better price.

Liquidity and Capital Resources

The Company posted net profit during the second quarter of 2014, a benefit from construction of the Clubhouse and Sports Center which the project engineer in-charge of the development has reported 98.76% complete as of June 30, 2014.

Particulars	June 30, 2014 (In Million)	June 30, 2013 (In Million)
Total assets as of	P1,387.542	P1,490.085
Total liabilities as of	P175.810	P286.663
Ratio of assets to liabilities	12.670%	19.238%
Financial Condition		
Cash and cash equivalent	P27.852	P14.439
Receivable	P200.504	P201.793
Real estate for sale and development	P1,079.739	P1,109.245
Property and equipment	P19.486	P20.464
Deferred income tax assets	P13.415	P16.627
Investment property	P5.444	P5.444
Other assets	P41.102	P122.074
Loans payable	P0.000	P211.248
Deposits on subscription	P120,747	P0.000
Other payables	P55,153	P75.415
Stockholders’ equity	P1,211.732	P1,203.422

Capital Expenditure

There was no capital expenditure for the period under review.

Key Performance Indicators

The Company operates in one business segment, the real estate. The Following Key Performance Indicators were adopted by the corporation in order to measure the profitability of the Company and to provide management with a measure on the financial strength, liquidity and ability to maximize the value of its stockholders' investments.

For the six months ending	**June 30, 2014**	**June 30, 2013**
Current Ratio (1)	24.11 : 1	34.88 : 1
Debt to Equity Ratio (2)	1 : 14.51	1 : 23.82
Earnings per Share (3)	1 : 0.00703	1 : 0.00931
Earnings before interest and Income Taxes (4)	P15.667 million	P20.764 million
Return on Equity (5)	0.00905	0.01208

1) Current Assets : Current Liabilities
2) Total Liabilities : Stockholders' Equity
3) Net Income : Outstanding Shares
4) Net Income plus Interest Expenses and Provision for Income Tax
5) Net Income : Average Stockholder's Equity

Results of Operation (January – June 30, 2013 vs. January – June 30, 2012)

The present business trend in the country shows a very bright scenario in all aspect, including the real estate sector and there is a strong interest in eyeing to develop new areas adjacent to Metro Manila including San Jose Del Monte, Bulacan.

This scenario will strongly influence the real estate opportunities in the area. In anticipation of this, the company boasted its land banking activities resulting in acquisitions of land parcels owned by Don Manuel Corporation on August 24, 2012 of 388,541 square meters. Another contract was concluded and signed on December 19, 2012 with BDO Strategic Holdings, Inc., for the acquisition of more or less 926.550 square meters.

The Company is optimistic that the value of the land shall dramatically be increased due to the large amount of percentage of completion from its development and eventually would generate the Company a profit margin.

PARTICULARS	For the Quarter Ended June 30, 2013 (In Million)	For the Quarter Ended June 30, 2012 (In Million)
Revenue	***50.378***	***36.771***
Direct Costs	***27.414***	***24.873***
Gross Profit Margin	***22.964***	***11.898***

Operating Expenses	***10.172***	***7.847***
Net Income (Loss) Before Tax	***12.792***	***4.051***

Revenue generated during the 2nd quarter of 2013 represents share from sales of Joint Venture Project with SLRDI and accretion of interest from installment sales of non-operating assets and sales from joint venture project.

Liquidity and Capital Resources

As mentioned above that in spite of losses incurred by the Company due to prolonged pre-operating status, the Company remains to be stable because of its large amount of resources not only on the Company's assets but also the support of its stockholders.

PARTICULARS	**As at end of June 30, 2013 (in Million)**	**As at end of June 30, 2012 (in Million)**
Total assets as at end of	1,490.085	1,204.047
Total liability as at end of	286.663	34.902
Ratio of assets to Liability	0.192%	0.029%
Financial condition		
Cash and cash equivalent	14.439	26.971
Receivable – net	201.793	153.704
House & lot available for sale	6.318	6.318
Real estate for sale & dev't	1,102.297	835.165
Property and equipment	20.464	22.847
Deferred income tax assets	16.627	19.442
Investment property	5.444	5.444
Available-for-sale Investments	2.370	1.370
Other Assets	119.704	132.784
Accounts payable & accruals	286.663	34.902
Stockholders' equity	1,203.422	1,169.145

The decrease in cash and cash equivalent is attributable to the net cash flows used by the Company in its regular operating activities.

Movement in receivable is attributable to collection of receivable from sales with joint venture project and other receivable.

The decrease in real estate for sale and development is attributed to the accounting cost of lots sold during the period.

The decrease in property and equipment is brought about by the normal provision for an estimated depreciation using straight line method.

No movement in deferred income tax assets.

Movement in available-for-sale investments is the normal accounting of provision for unrealized valuation of AFS.

The movement of other assets accounts is attributed to the memorandum of agreement (MOA) with related party for a possible land purchase approximately 50 hectares in SJDM for future development. It will be on a term sale and will be using funds from the current JVA to purchase the property.
The decrease in accounts payable and accruals is attributed to regular accruals and as well as deferred payments.

The loans payable amounting ₱2,619 million are non-interest bearing. Funds were obtained for the acquisition of two (2) parcels of land included in the "real estate for sale and development account" in the 2012 statement of financial position.

The increase in Stockholder's Equity is attributed to normal operational income in the real estate business starting year 2007, when the commercial activity of Joint Venture Project was officially launched.

Total lots sold during the six months is Sixty One Thousand Three Hundred Forty Five (61,345) square meter, Thus the Company has already sold a total area of Seven Hundred Forty Six Thousand Two Hundred Seventy Seven (746,277) square meter as of June 30, 2013.

On the revenue side, the company has posted a net profit (after tax) of P14.535 Million in the six (6) months period ending June 30, 2013 as compared with the P6.748 million in 2013 of that same period. The deficit stands at P511.933 million and P546.210 million as of June 30, 2013 and 2012, respectively.

The Company posted an increase in Stockholder's Equity which is ₱1,203.422 million as of June 30, 2013 compared to ₱1,169.144 million as of June 30, 2012, the increase is attributed to the normal operational income in the real estate business.

There is a decreased in cash and cash equivalent balances amounting to ₱14.43 million as of June 30, 2013 compared with that ₱26.971 million on June 30, 2012. The increased cash and cash equivalent is attributable to the net cash flows used by the Company in its regular operating activities.

A movement in the receivable was also posted from ₱201.7924 million as of June 30, 2013 compared to ₱153,703 million on June 30, 2012. The said movement is attributed to the recognition of current and non-current receivable from sales with Joint Venture project and other receivables.

There is also an increased in real estate for sale and development which is ₱1,109.245 million as of June 30, 2013 compared with that ₱841.483 million as of June 30, 2012, the nature of the increased is specifically attributable to the cost of parcels of land purchased from Don Manuel Corporation on August 24, 2012, and from BDO Strategic Holdings, Inc. on December 19, 2012 with BDO Strategic Holdings, Inc., details of which have been described above net of lots sold by the joint venture during the period.

Results of Operation (January – June 30, 2012 vs. January – June 30, 2011)

The business opportunity in the first quarter of 2011 has surged down as an overall effect of international economy slowdown due to political instability in the Middle East resulting to oil price hike. The said uncertainties have significantly affected domestic products and business. However, the management believed that based on economic analysis our economy will be able to recover in few months time.

Total lots sold during the six months is Forty One Thousand Four Hundred Twenty One (41,421) square meter. Thus the Company has already sold a total area of Six Hundred Eighty Four Thousand Nine Hundred Thirty Two (684,932) square meter as of June 30, 2012.

The Company has posted a net profit (after tax) of ₱6.748 Million in the first six months of 2012 as compared with the ₱2.021 million in 2011 of that same period.

The deficit stands at ₱546.210 million and ₱552.959 million as of June 30, 2012 and 2011, respectively.

The Company posted an increase in Stockholder's Equity which is ₱1,169.144 million as of June 30, 2012 compared to ₱1,161.877 million as of June 30, 2011, the increase is attributed to the normal operational income in the real estate business.

There is an increase in cash and cash equivalent balances amounting to ₱26.971 million as of June 30, 2012 compared to ₱32.753 million on June 30, 2011. The increased cash and cash equivalent is attributable to the net cash flows used by the Company in its regular operating activities.

A movement in the receivable was also posted from ₱153.704 million as of June 30, 2012 compared to ₱203,393 million on June 30, 2011. The said movement is attributed to the recognition of current and non-current receivable from sales with Joint Venture project and other receivables.

There is also a decrease in real estate for sale and development which is ₱841.483 million as of June 30, 2012 compared with ₱924.921 million as of June 30, 2011, the nature of the decrease is specifically attributable to the cost of lots sold.

Material Changes to the Balance Sheet as of December 31, 2013
Compared to December 31, 2012 (Increase/Decrease of 5% or more)

The Company's total assets decreased at ₱1,482,068,780 in year 2013, as compared with ₱ 1,492,042,253 in 2012. The change from the total assets is attributable to the cost of sold during the year.

Cash balance of ₱17.729 million as at end of December 31, 2013 as compared to ₱15.052 million in 2012, cash with banks earns interest at the respective bank deposits. Short-term investments are made for varying periods up to three (3) months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates. Interest income earned from cash in bank and short-term investments amounted ₱92,057.00, ₱335,006.00, and ₱ 343,375.00 for the years ended December 31, 2013, 2012 and 2011 respectively. The movement of cash is attributable to the net cash flows generated by the Company in its operating activities.

Receivables increased by 8.91% from ₱166.153 million in 2012 as compared to that ₱180.950 million 2013. Trade receivables mainly represent the Company's outstanding balance in its share in the sale of real estate by SLRDI. Collections of interests and penalties arising from late payment of these receivables are recognized as part of "Others" in the "Revenue and Other Income" section in the statements in comprehensive income. Installment receivables pertain to uncollected portion of the amount arising from the sale of non-operating properties in 2005. The contract price is collectible in fixed monthly payment of ₱2.00 million starting January 24, 2006. Installment receivables were discounted using the credit-adjusted risk-free rates prevailing at the time of the sale which resulted to an effective interest rate of 9.45%. Interest income from accretion recognized in 2013, 2012 and 2011 amounted to ₱0.08 million, ₱0.20 million and ₱1.42 million, respectively. The Company recognizes full allowance on these receivables while they are currently on the process of renegotiating with the management of Platinum Group Metal Corporation (PGMC) with respect to the settlement of the outstanding balance of the installment receivables.

The Real Estate for Sale and Development decreased from ₱1,157,778,227 million and ₱ 1,117,236,418 million in 2012 and 2013 respectively. The movement in the Real Estate for sale and development is attributable to the cost of sold during the period. As of June 30, 2014, the residential areas of Phase 1, Phase 2, Phase 3 and the Country Club are 97%, 98%, 72% and 98% completed, respectively, based on the physical completion report provided by the joint venture's supervising engineer.

A decrease in the Property and Equipment account pertains to the recognition of depreciation expense by the Company amounting to ₱2.949 million partially offset by acquisition of additional property and equipment in the amount of ₱1.334 million.

There is 29.66% decreased in accounts payable and accrued expenses account due to the realization of clients deposits, accounting of cost of lot purchased on installement and as well as normal recording of accrual of payables vis-a-vis payments.

The movement of Output VAT account represents normal recording of Input and Output VAT.

There were no movements in the number of issued shares in the year 2013.

The Company recorded a net income (before income tax) in the amount of ₱33.837 million in 2013 compared with ₱41.422 million in 2012.

Material Changes to the Balance Sheet as of December 31, 2012
Compared to December 31, 2011 (Increase/Decrease of 5% or more)

There is 31.71% decreased in cash and cash equivalents from ₱22.041 million in 2011 compared to ₱15,052 million in 2012 due to the net cash flows generated by the Company from its operating activities.

There is 39.35% increased in receivables mainly due to the movement of sales on installment of Joint Venture. The total gross amount of individually impaired receivables amounted to ₱55.174 million as of December 31, 2012. These receivables were fully provided with allowance for impairment losses. The current installment receivables consist of amounts arising from sale of non operating properties in 2005 and repayable in fixed monthly payment of P2.0 million beginning January 24, 2006 up to October 24, 2011. The installment receivable was discounted using the credit-adjusted risk-free rates prevailing at the time of the sale which resulted to an effective interest rate of 9.45%. The trade receivables are receivable from individual lot buyers of joint venture project with various payment terms. Other receivable such as advances for liquidation, advances to suppliers and others are non-interest bearing and are due within 12 months from balance sheet date.

There is an increased by 39.35% in the real estate for sale and development account the said movement was resulted by the acquisition of parcels of land net of cost of lot sold for the year ended December 31, 2012.

There is 10.78% decrease in Property and Equipment account due to the recognition of depreciation expense by the Company amounting to ₱2.872 million partially offset by acquisition of additional property and equipment in the amount of ₱0.401 million during the year.

There is 40.85% decreased in the other assets account the of which was brought about by the liquidation of land banking fund representing full down payment of parcels of land purchase on an installment terms from Don Manuel Corporation and BDO Strategic Holdings, Inc. details of which have been described above.

There is an increased in accounts payable and accrued expenses in the amount of 304.268 million as at end of December 31, 2012 as compared with P40.935 million in 2011, the nature of said increased was the recognition of payables from the cost of parcels of land on an installment net of accruals vis-a-vis payments.

The movement of Output VAT account represents normal recording of Input and Output VAT.

There were no movements in the number of issued shares in the year 2012.

The Company recorded a net income (before income tax) in the amount of ₱41.418 million in 2012 compared with ₱4.096 million in 2012.

Material Changes to the Balance Sheet as of December 31, 2011
Compared to December 31, 2010 (Increase/Decrease of 5% or more)

There is 11.44% increase in cash and cash equivalents from ₱19,779 million in 2010 compared to ₱22,041 million in 2011 due to the net cash flows generated by the Company in its operating activities.

There is 10.09% increase in Receivables is due mainly to the movement of sales on installment of Joint Venture. The total gross amount of individually impaired receivables amounted to ₱37.632 million as of December 31, 2010 and 2011. These receivables were fully provided with allowance for impairment losses both in 2010 and 2011. The current installment receivables consist of amounts arising from sale of non operating properties in 2005 and repayable in fixed monthly payment of P2.0 million beginning January 24, 2006 up to October 24, 2011. The installment receivable was discounted using the credit-adjusted risk-free rates prevailing at the time of the sale which resulted to an effective interest rate of 9.45%. The advances to a stockholders, officers and employees, suppliers and others are non-interest bearing and are due within 12 months from balance sheet date.

There is 6.80% decrease in the real estate for sale and development yielded from the sales of property in relation to the Joint Venture Development with SLRDI. The decline represents the cost of lot sold for the year ended December 31, 2011.

There is 10.78% decrease in Property and Equipment account due to the to the recognition of depreciation expense by the Company amounting to ₱3.092 million partially offset by acquisition of additional property and equipment in the amount of ₱0.162 million.

There is 40.00% decreased in accounts payable and accrued expenses account due to the realization of clients deposits, accounting of cost of lot purchased on installement and as well as normal accounting and recording of accrual of payables vis-a-vis payments.

The movement of Output VAT account represents normal recording of Input and Output VAT.

There were no movements in the number of issued shares in the year 2011.

The Company recorded a net income (before income tax) in the amount of ₱4.096 million in 2011 compared with ₱16.692 million in 2010.

Material Changes to the Statements of Income as of December 31, 2013 Compared to December 31, 2012 (Increase/Decrease of 5% or more)

There is 14.97% decreased in real estate revenues in 2013 compared to that of 2012 which is attributed primarily on the marketing strategy being implemented by the Company which some of inventory is put on-hold (temporarily) to sell/market awaiting for much better price.

There is 68.33% decrease in Interest Income in 2013 compared to that of 2012 which is due to the declining of the installment receivable of non-operating assets.

There is 37.86% increased in Other Income in 2013 compared to that of 2012 the increase is attributed to the accounting of penalties and surcharges from installment receivable from sales of real estate.

There is 3.50% decreased in the cost of Real Estate for Sale and Development in 2013 compared to that of 2012 which is due primarily to the cost of lots sold during the year.

There is 2.39% increased in Administrative Expenses in 2013 compared to that of 2012 which is due primarily to normal economic trend during the year.

There is 889.08% increased in Interest Expense in 2013 compared to that of 2012 detail of which is the recognition of accretion of installment payable from acquired parcels of land purchase on installment terms. The said parcels of land acquired on installment has been full paid in the second quarter of 2014.

There is 0.14% increased in Benefit from Income Taxes in 2013 compared to the year 2012 which is due to the accounting of allowance for impairment losses on installment receivable from sale of non-operating assets

Overall, the Company posted net income before tax of ₱33.837 Million for the year ended December 2013 as compared with the ₱41.422 Million in 2012.

Material Changes to the Statements of Income as of December 31, 2012 Compared to December 31, 2011 (Increase/Decrease of 5% or more)

There is 53.31% increased in real estate revenues in 2012 compared to that of 2011 which is attributed primarily to the completion percentage of its Joint Venture Agreement with SLRDI and economic market trend.

There is 69.51% decrease in Interest Income in 2012 compared to that of 2011 which is due to the declining of the installment receivable of non-operating assets.

There is 639.78% increased in Other Income in 2012 compared to that of 2011 the increase is attributed to the accounting of penalties and surcharges from installment receivable from sales of real estate.

There is 2.49% increased in Real Estate Cost of Sales in 2012 compared to that of 2011 which is due primarily to the increased in the total number of lots sold during the period.

There is 55.372% increased in Administrative Expenses in 2012 compared to that of 2011 which is due primarily to the recognition of allowance for impairment losses on installment receivable from sale of non-operating asset and other economic cycle and trend during the year.

There is 301.14%% increased in Interest Expense in 2012 compared to that of 2011 which is due to recognition of accretion of installment payable from acquired parcels of land purchase on installment terms.

There is 140.09% decreased in Benefit from Income Taxes in 2012 compared to the year 2011 which is due to the accounting of allowance for impairment losses on installment receivable from sale of non-operating assets

Overall, the Company posted a gain in the net income of ₱26.490 Million for the year ended December 2012 as compared with the ₱2.540 Million in 2011.

Material Changes to the Statements of Income as of December 31, 2011
Compared to December 31, 2010 (Increase/Decrease of 5% or more)

There is 12.98% decrease in real estate revenues in 2011 compared to that of 2010 which is attributed primarily to the decrease in project completion percentage of its Joint Venture Agreement with SLRDI and economic market trend.

There is 63.38% decrease in Interest Income in 2011 compared to that of 2010 which is due to the decrease in the installment receivable from sale of non-operating asset.

There is 2,123% increase in Other Income in 2011 compared to that of 2010 the increase is attributed to the accounting of penalties and surcharges from installment receivable from sales of real estate.

There is 6.22% decrease in Real Estate Cost of Sales in 2011 compared to that of 2010 which is due primarily to the decrease in the total number of lots sold during the period.

There is 0.62% increase in Administrative Expenses in 2011 compared to that of 2010 which is due primarily to the recognition of allowance for impairment losses on installment receivable from sale of non-operating asset.

There is 54.62%% increase in Interest Expense in 2011 compared to that of 2010 which is due to accounting of accretion of installment payable of acquired assets.

There is 56.55% increase in Benefit from Income Taxes in 2011 compared to the year 2010 which is due to the accounting of allowance for impairment losses on installment receivable from sale of non-operating assets

Overall, the Company posted a gain in the net income of ₱2.541 Million for the year ended December 2011 as compared with the ₱11.406 Million in 2010.

Capital Expenditure

There was no capital expenditure for the period under review.

Key Performance Indicators

The Company operates in one business segment, the real estate. The following Key Performance Indicators were adopted by the Company in order to measure the profitability of the Company and to provide management with a measure on the financial strength, liquidity and ability to maximize the value of its stockholders' investments.

	As of December 31, 2013	As of December 31, 2012
Current Ratio (1)	33. 227 : 1	43.263 : 1
Debt-to-Equity Ratio (2)	1 : 0.023	1 : 0.043
Assets-to-Equity Ratio (3)	1 : 1.234	1 : 1.025
Earnings per Share (4)	1 : 0.0082	1 : 0.0017
Earnings before interest and Income Tax (5)	P33.837 Million	P41.422 Million
Return on Equity (6)	1 : 1.0773	1 : 1.022

1) Current Assets / Current Liabilities
2) Total Liabilities / Stockholders' Equity
3) Total Assets / Stockholders' Equity
4) Net Income / Outstanding Shares
5) Net Income (inclusive of Interest Expenses & Provision for Income Tax)
6) Net Income / Stockholder's Equity

Stockholders' Equity

Total Stockholders' Equity in 2013 is ₱1,200,765,387 (Issued and paid of 1,561,110,070.00 shares with P1.00 par value)

Total Stockholders' Equity in 2012 is ₱1,191,484,510 (Issued and paid of 1,561,110,070.00 shares with P1.00 par value)

<u>Other Matters</u>

(a) The interim financial report have been prepared in conformity with generally accepted accounting principles in the Philippines

(b) No disclosures nor discussions were made for the following since these did not affect the past and present operations of the Company:

(c) No known trends, events or uncertainties with significant impact on net sales, or income, or have material impact on liquidity that would trigger direct or contingent liability, including default or acceleration of obligation rather than what was mentioned in the Plan of Operation.

(d) Significant elements of income or loss that did not arise from the Company's continuing operations other than what was mentioned in the revenues.

(e) All accounting policies and methods of computation and estimates are followed in the interim financial statement as compared with the most recent annual financial statement report.

(f) There were no seasonality or cyclicality aspects that have material effect in the financial statement and the financial condition or results of operations during the period.
(g) There were no material commitments affecting assets, liabilities, equity, net income, or cash flows that are unusual during the interim financial report.

(h) There were no nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

(i) There were no issuance, repurchases, and repayment of debt and equity securities, except for the payment of non-interest bearing payable obtained for the acquisition of two (2) parcels of land recorded under “real estate for sale and development account” in year 2012 statement of financial position.

(k) There were no Dividends paid during the interim financial period.

(l) The Company is reporting with only one (1) accounting segment.

(m) There were no material events that occurred during the subsequent to interim reporting period that have not been reflected in the financial statements, such as default or acceleration of an obligation or off-balance sheet transactions, arrangements, obligations, and other relationship of the company with unconsolidated entities or other persons created during the reporting period.

(n) There were no changes in the composition of the issuer during the interim period, No business combinations, acquisitions or disposal if subsidiaries and long-term investments, restructurings, and discontinuing operation during the interim period.

(o) There were no changes in contingent liabilities or contingent asset made during the interim period as compared with the most recent annual balance sheet date.

(p) No disclosures in compliance with SEC MC No. 14, Series of 2004 specifically Certain Relationship and Related Transaction or arrangements, as there were no such transaction during the period and or subsequent event occur after the close of the accounting period with respect to certain relationship or related transaction being required by SFAS/IAS No. 24.

(q) There were no events that will trigger director contingent financial obligation that is material to the company, including any default or acceleration of an obligation that need to Disclose.

(r) There were no material off-balance sheet transactions, arrangements obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

(s) The were no reclassification on Financial Instruments in the current reporting period and previous periods.

(t) PFRS 9, as issued, reflects the first phase on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. In subsequent phases, hedge accounting and impairment of financial assets will be addressed with the completion of this project. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company’s financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

(u) The Company’s Interim financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect amounts reported in the financial statements and related notes. The judgments and estimates used in the financial statements are based upon management’s evaluation of relevant facts and circumstances as of the date of the interim financial statements.

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

(w) There were no material changes in financial condition and results of operation in the interim report of the Company for the quarter ending June 30, 2012 from the compliance of the PFRS.

Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash and bank loans. The main purpose of these financial instruments is to finance the Company's operations. The Company has other financial instruments such as receivables, accounts payable and accrued expenses which arise directly from its operations. The main risks arising from the Company's financial instruments are liquidity risk, credit risk and interest rate risk. As at end of June 30, 2014 and 2013, the Company is not exposed to any significant foreign currency risk because all of its financial instruments are denominated in Philippine peso. The BOD reviews and approves the policies for managing each of these risks and they are summarized below.

Liquidity Risk

The Company seeks to manage its liquid funds through cash planning on a monthly basis. The Company uses historical figures and experiences and forecasts from its collection and disbursement.

As of June 30, 2014

	On demand
Accounts payable and accrued expenses	₱39,785,515
Deposits on subscription	120,746,957
Others	15,277,575
Total	₱175,810,047

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

The Company's principal credit risk is its dependence on one-counterparty. The credit risk of the Company is controlled by the approvals, limits and monitoring procedures. It is the Company's policy to enter into transactions with creditworthy parties to mitigate any significant concentration of credit risk. The Company ensures that credit transactions are made to parties with appropriate credit history and has internal mechanism to monitor granting of credit and management of credit exposures. The Company's maximum exposure to credit risk is equal to the carrying amount of its financial assets.

The Company sets up provision for impairment of accounts receivables equal to the balance of long-outstanding accounts receivables. The balance of long-outstanding accounts receivables subjected to the full allowance for doubtful accounts amounted to ₱55.252 million as at end of June 30, 2014.

Receivables that are neither past due nor impaired are due from creditworthy counterparties with good payment history with the Company. Except for the receivable from the sale of non-operating assets which Company is currently in discussion with the management of Platinum Group Metal Corporation (PGMC) with respect to the existing terms of the installment receivable

Cash with banks are deposits made with reputable banks duly approved by the BOD.

Interest Rate Risk

The Company's exposure to the risk pertains to bank loans. The Company relies on budgeting and forecasting techniques to address this risk.

Capital Management

the primary objective of the Company's capital management is to ensure that it maintains a strong credit standing and stable capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the six months period ended June 30, 2014.

The following table pertains to the account balance the Company considers as its core capital as at end of June 30, 2014.

Capital stock	₱1,561,110,070
Capital surplus	154,395,374
Total	₱1,715,505,444

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values:

Cash and Receivables. The carrying amounts of cash and receivables approximate fair values primarily due to the relatively short-term maturity of these financial instruments. In the case of long-term receivables, the fair value is based on the present value of expected future cash flows using the applicable discount rates. The discount rates used range from 5.02% to 5.00% in 2013 and 5.66% to 5.66% in 2012.

Cash with banks are deposits made with reputable banks duly approved by the Board of Directors.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values:

MARKET PRICE AND DIVIDENDS ON THE COMPANY'S COMMON EQUITY

The shares of the Company are listed and traded at the Philippine Stock Exchange. The high and low closing prices of the Company's share for each quarter within the last three (3) fiscal years are as follows:

YEAR	QUARTER	HIGH (in Php)	LOW (in Php)
2011	First	0.332	0.328
	Second	0.315	0.315
	Third	0.554	0.441
	Fourth	0.485	0.476
2012	First	0.672	0.571
	Second	0.701	0.685
	Third	0.615	0.594
	Fourth	0.787	0.702
2013	First	1.594	1.326
	Second	1.969	1.857
	Third	1.521	1.487
	Fourth	1.418	1.364
2014	First	1.603	1.500
	Second	1.740	1.725

The closing prices of the Company's share are of the latest practicable trading dates are as follows

YEAR	MONTH/DATE	CLOSING (in Php)
2014	January 31	1.45
	February 28	1.49
	March 31	1.73
	April 30	1.71
	May 31	1.68
	June 27	1.69
	July 31	1.51
	August 28	1.50
	September 05	1.46

DIVIDENDS

No dividends, either in cash or stock, were declared on the shares for the last three (3) fiscal years, i.e., 2013, 2012, 2011. There are no restrictions that limit the ability to pay dividends on common equity but the Company, as a general rule, shall only declare from surplus profits as determined by the Board of Directors as long as such declaration will not impair the capital of the Company.

RECENT SALES OF UNREGISTERED SECURITIES

No sales of unregistered securities or exempt securities including recent issuance of securities constituting an exempt transaction on shares of the Company were sold during the last three (3) years.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Information on Independent Accountant and other Related Matter

1. External Audit Fees and Services

a) Aggregate fees billed for the last three (3) years of Audit fee are ₱500,000.00, ₱500,000.00, ₱ 500,000.00 for the years 2013, 2012 and 2011 respectively. Conducting a seminar for free to introduce the implementation of the Accounting Financial Standards (AFS) and the Philippine Financial Reporting Standards (PFRS).

b) Audit professional fees were subjected to a 12% VAT

c) No other fees except for the regular audit service fee

d) All policies governing the audit procedures were duly approved by the audit committee.

2. The Company has no disagreement with the SGV & CO. regarding matters of accounting principle practice, auditing scope and procedure.

CORPORATE GOVERNANCE

The Company has promulgated a Manual on Corporate Governance that took effect in 2002 and amended on 2014. The Manual continues to guide the activities of the Company and compliance therewith has been consistently observed.

There has been no deviation from the Company's Manual on Corporate Governance.

The Company believes that its Manual on Corporate Governance is in line with the leading practices and principles on good governance, and such, is in full compliance.

The Company will improve its Manual Corporate Governance when appropriate and warranted, in the Board of Directors' best judgment. In addition, it will be improved when a regulatory agency such as the SEC requires the inclusion of a specific provision.

The Board

There is an effective and appropriately constituted Board who received relevant information required to properly accomplish their duties.

The Nomination Committee is mandated to ensure that there is a formal and transparent procedure for the appointment of new Directors of the Board. Where appropriate, every director receives training, taking into account his individual qualifications and experience. Training is also available on an ongoing basis to meet individual needs.

The term of office of all directors, including independent directors and officers shall be one (1) year and until the successors are duly elected and qualified.

Board Process

Members of the Board meet when necessary throughout the year to adopt and review its key strategic and operational matters, approve and review major investments and funding decision, adopt and monitor appropriate internal control, and ensure that the principal risks of the Company are identified and properly managed.

The Board worked on an agreed agenda as it reviews the key activities of the business.

The Corporate Secretary is responsible to the Board and is available to individual Directors in respect of Board procedures. Atty. Christine P. Base holds the post.

Committees

The Board has established a number of committees with specific mandates to deal with certain aspects of its business. All of the Committees have defined terms of reference.

Audit Committee

The Audit Committee functions under the terms of reference approved by the Board. It meets at least twice a year and its roles include the review of the financial and internal reporting process, the system of internal control and management of risks and the external and internal audit process. The Audit Committee reviews the scope and results of the audit with external auditors and obtains external legal or other independent professional advice where necessary.

Other functions of the Audit Committee include the recommendation of the appointment or re-appointment of external auditors and the review of audit fees.

Nomination Committee

The Committee assesses and recommends to the Board candidates for appointment of executive and non-executive directors positions. The Committee also makes recommendations to the Board on its composition. The Committee meets as required.

Remuneration Committee

The Remuneration Committee is responsible in determining the Company's policy on executive remuneration and in specifying the remuneration and compensation packages on the employment or early termination from office of each of the executive directors of the Company. All decisions of the Remuneration Committee are only recommendatory and they are referred to the Board for final approval. The Remuneration Committee also monitors the compensation packages of other senior executives in the group below the Board level. The Committee meets as required.

Compliance Officer (CO)

The CO is responsible for ensuring that the Company's corporate principles are consistently adhered to throughout the organization. The CO acts independently and her role is to supply the top management with the necessary information on whether the organization's decisions comply with professional rules and regulations, internal directives, regulatory authorities, and the statutory law.

The top twenty (20) stockholders as the Company as of August 31, 2014 are the following:

STOCKHOLDERS	CITIZENSHIP	SHARES	PERCENTAGE
01)) PCD Nominee Corporation	Filipino	757,257,872	48.51%
02) Carmel Development, Inc.	Filipino	499,999,997	32.03%
03) Gamma Properties, Inc.	Filipino	264,472,892	15.78%
04) Olongapo Mabuhay Express Corp	Filipino	124,855,422	8.00%
05) Brand Realty Corporation	Filipino	13,725,404	0.88%
06) PCD Nominee Corporation	Other alien	7,476,410	0.48%
07) Seafront Resources Corporation	Filipino	3,756,788	0.24%
08) MJ Soriano Trading, Inc.	Filipino	2,221,000	0.14%
09) Pedro O. Tan	Filipino	870,000	0.06%
10) Ruby D. Roa	Filipino	588,599	0.04%
11) Teresita Dela Cruz	Filipino	528,458	0.03%
12) Ma. Cristina De La Paz	Filipino	525,000	0.03%
13) Flora Pascual	Filipino	493,720	0.03%
14) Leonides Francisco Balmeo	Filipino	425,000	0.03%
Lovell Redondo Bautista	Filipino	425,000	0.03%
15) Luis V. Ongpin (ITF Luis M. Ongpin)	Filipino	411,000	0.03%
16) Pan Malayan Mgt & Invst Group	Filipino	392,727	0.03%
17) Paolo Tuason	Filipino	376,500	0.02%
18) EBC Securities Corporation	Filipino	300,000	0.02%
19) Rosanna Isabel Fores	Filipino	255,000	0.02%
20) Florentino M. Herrera III	Filipino	241,102	0.02%
Sub-total		**1,551,124,999**	**98.36%**
Other stockholder's		**9,985,071**	**0.64%**
Total Number of Shares		**1,561,110,070**	**100.00%**

ARANETA PROPERTIES, INC.

General Notes to the Financial Statement

1) Araneta Properties, Inc. is incorporated in the Philippines to acquire, own, hold, improve, develop, subdivide, sell, lease, rent, mortgage, manage and otherwise deal in real estate or any interest therein, for residential, commercial, industrial and recreational purposes, as well as to construct and develop or cause to be constructed and developed on any real estate or other properties, golf course, buildings, hotels, recreation facilities and other similar structures with their appurtenances; and in general, to do and perform any and all acts or works which may be necessary or advisable for or related incidentally or indirectly with the aforementioned business or object of the Company. The Company is listed in the Philippine Stock Exchange (PSE) and has been included in the PSE Composite index since November 14, 1989.

2) The Company is operating in only one business segment. The number of employee was 52, 53, and 53 as at end of second quarter of 2014, 2013 and 2012 to perform any and all acts or work which may be necessary or advisable for or related directly or indirectly of the aforementioned business or objective of the Company. The registered office address is 21st Floor, Citibank Tower Paseo de Roxas, Makati City.

3) The Company has commenced regular activities of its real estate business on June 5, 2005 after recovering from the regional crisis that hit the real estate industry in 1997. The Company together with SLRDI began their activities based on their joint venture agreement dated June 5, 2003. Under the agreement, SLRDI will prepare and develop certain parcels of land owned by the Company at its own cost. The Company is responsible for the delivery of the parcels of land free

from liens and encumbrances including any claims of tenants or third parties and from any form of litigation. The joint venture project shall consist of the development of an exclusive mixed-use residential - commercial subdivision with a country club. Once developed, the property will be shared by the parties either through cash or lot overrides. The Company shall receive 40% of the net sales proceeds, in case of cash override, or 40% of the saleable lots, in case of a lot override while SLRDI shall receive 60% of the net sales proceeds or the saleable lots. The Company plans to receive its share in joint venture operation through a cash override.

Summary of Significant Accounting Policies
Basis of Preparation

1) The accompanying financial statement has been prepared under the historical cost basis, except for the AFS financial assets which are carried at fair value. The financial statements are presented in Philippine peso, which is the Company's functional and presentation currency.

2) The Company's financial statement has been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

3) The accounting policies adopted are consistent with those of the previous financial year except for the adoption of new and revised standards and interpretations from the International Financial Reporting Interpretations Committee.

A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A WILL BE PROVIDED WITHOUT CHARGE TO EACH PERSON UPON WRITTEN REQUEST OF ANY SUCH PERSON ADDRESSED TO:

THE OFFICE OF THE CHIEF FINANCE OFFICER
ARANETA PROPERTIES
21st Floor, Citibank Tower, Paseo de Roxas, Makati City, Philippines