COVER SHEET

1	3	4	8	0	0	-	-	-	-	-	-

S,E.C Registration Number

JOLLIVILLE HOLDINGS CORPORATION

(Company's Full Name)

4TH FLOOR 20 LANSBERGH PLACE 170 TOMAS MORATO AVE. COR. SCOUT CASTOR ST., QUEZON CITY

(Business address: No. Street City / Town / Province)

ORTRUD T. YAO

Contact Person

373-3038

Company Telephone Number

12 31

Month Day

Fiscal Year

17-Q 2nd Qtr 2013

FORM TYPE

Annual Meeting

Secondary License Type, If Applicable

SEC

Dept. Requiring this Doc.

Period Ended Date

Amended Articles Number/Section

Total amount of borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

JOLLIVILLE HOLDINGS CORPORATION

SEC FORM 17-Q

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

1. For the quarterly period ended: **June 30, 2013**

2. SEC Identification No. **134800**

3. BIR Tax Identification **No. 000-590-608-000**

4. Exact name of registrant as specified in its charter :
JOLLIVILLE HOLDINGS CORPORATION

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

6. Industry Classification Code : _________ (SEC Use Only)

7. Address of principal office and Postal Code:
4th Floor 20 Lansbergh Place, Tomas Morato Ave. cor. Scout Castor St., 1103 Quezon City

8. Registrant's telephone no. and area code: **(632) 373-3038**

9. Former name, address, and fiscal year, if changed since last report:
Not applicable

10. Securities registered pursuant to Sections 4 & 8 of the RSA:

Title of Each Class	No. of Shares of Common Stock Outstanding &/or Amount of Debt Outstanding
Common Stock, ₱ 1 par value	**281,500,0000 shares**

11. Are any or all of these securities listed on the Philippine Stock Exchange?
Yes [x] No [ ]

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):
Yes [x] No [ ]

(b) has been subject to such filing requirements for the past 90 days:
Yes [x] No [ ]

TABLE OF CONTENTS

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Philippine Pesos)

		June 30, 2013 (Unaudited)		December 31, 2012 (Audited)
ASSETS				
Current Assets				
Cash and cash equivalents	₱	**165,152,980**	₱	196,658,024
Receivables – net		**101,945,834**		95,893,298
Inventories		**29,404,656**		19,467,780
Due from related parties		**73,148,296**		57,127,473
Other current assets		**51,985,059**		45,360,334
Total Current Assets		**421,636,825**		414,506,909
Noncurrent Assets				
Available-for-sale investments		**2,736,221**		2,736,221
Investment in associate		**19,996,168**		19,996,168
Investment property		**644,876,582**		644,876,582
Property and equipment – net		**699,537,392**		683,443,320
Deferred tax assets (Note 6)		**8,681,294**		8,681,294
Other noncurrent assets – net		**29,871,254**		25,519,962
Total Noncurrent Assets		**1,405,698,911**		1,385,253,547
	₱	**1,827,335,736**	₱	1,799,760,456
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued expenses	₱	**107,542,285**	₱	145,524,715
Due to related parties (Note 5)		**84,616,270**		70,516,062
Income tax payable		**12,183,540**		8,712,397
Total Current Liabilities		**204,342,095**		224,753,174
Noncurrent Liabilities				
Loan payable (Note 4)		**434,821,293**		450,399,124
Retirement benefit obligation		**23,207,973**		23,207,973
Deferred tax liability (Note 6)		**25,531,152**		25,531,152
Deposit for future stock subscription		**103,800,000**		95,000,000
Customers' deposits		**13,540,984**		12,224,054
Total Noncurrent Liabilities		**600,901,402**		606,362,303
Equity				
Attributable to Equity Holders of Parent Company				
Share capital – 1 par value				
Authorized – 1,000,000,000 shares				
Subscribed and fully paid – 281,500,000 shares		**281,500,000**		281,500,000
Share premium reserve		**812,108**		812,108
Revaluation surplus in property and equipment		**204,103,821**		204,103,821
Loss on available-for-sale investments		**612,728**		612,728
Accumulated profit		**295,422,407**		259,428,264
		782,451,064		746,456,921
Minority Interest		**195,431,835**		222,188,058
	₱	**1,827,335,736**	₱	1,799,760,456

See accompanying Notes to Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Philippine Pesos)

		Quarters Ended June 30				Six Months Ended June 30		
		2013		2012		**2013**		2012
REVENUES								
Power sales	₱	**127,294,607**	₱	129,531,744	₱	**236,277,332**	₱	230,646,955
Water services		**36,110,097**		33,486,769		**70,662,483**		65,761,060
Rental		**16,141,402**		17,149,796		**32,282,805**		32,529,973
Sales of goods		**4,150,945**		5,154,520		**9,163,589**		9,850,624
Outsourcing and management fees		**3,773,385**		3,913,381		**7,546,770**		7,546,770
		187,470,436		189,236,210		**355,932,979**		346,335,382
COST OF SALES AND SERVICES		**114,043,242**		108,813,945		**225,221,060**		211,940,495
GROSS PROFIT		**73,427,193**		80,422,265		**130,711,919**		134,394,887
OPERATING EXPENSES		**27,241,096**		31,435,685		**47,466,755**		51,963,915
PROFIT FROM OPERATIONS		**46,186,098**		48,986,580		**83,245,164**		82,430,972
OTHER CHARGES - NET		**(6,961,009)**		(9,588,283)		**(14,173,315)**		(18,548,585)
PROFIT BEFORE INCOME TAX		**39,225,089**		39,398,297		**69,071,849**		63,882,387
INCOME TAX EXPENSE – Net (Note 6)								
Current		**9,891,126**		8,342,848		**15,624,589**		14,834,576
TOTAL COMPREHENSIVE INCOME	₱	**29,333,962**	₱	31,055,449	₱	**53,447,260**	₱	49,047,811
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Equity holders of the parent	₱	**20,424,591**	₱	22,696,931	₱	**35,994,143**	₱	35,812,176
Minority interest		**8,909,371**		8,358,518		**17,453,117**		13,235,635
		29,333,962		31,055,449		**53,447,260**		49,047,811
EARNINGS PER SHARE (Note 7)	₱	**0.0726**	₱	0.0806	₱	**0.1279**	₱	0.1272

See accompanying Notes to Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE UNAUDITED SIX MONTHS ENDED JUNE 30
(Amounts in Philippine Pesos)

	Attributable to Equity Holders of Parent Company						
	Share capital	Share premium reserve	Revaluation surplus in property and equipment	Loss on available for-sale investments	Accumulated profit	Total	Minority interest
Balance at December 31, 2011	281,500,000	812,108	204,097,899	384,236	199,840,488	686,634,731	210,348,114
Profit for the period					35,812,176	35,812,176	13,235,635
Balance at June 30, 2012	281,500,000	812,108	204,097,899	384,236	235,652,664	722,446,907	223,583,749
Balance at December 31, 2012	281,500,000	812,108	204,103,821	612,728	259,428,264	746,456,921	222,188,058
Profit for the period					35,994,143	35,994,143	17,453,117
Balance at June 30, 2013	281,500,000	812,108	204,103,821	612,728	295,422,407	782,451,064	239,641,175

See accompanying Notes to Consolidated Financial Statements.

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE UNAUDITED SIX MONTHS ENDED JUNE 30

(Amounts in Philippine Pesos)

		2013		2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax and minority interest	₱	**35,994,143**	₱	35,812,176
Adjustments for:				
Depreciation and amortization		**15,088,917**		10,999,973
Provision for income tax		**15,624,589**		14,834,576
Operating profit before working capital changes		**66,707,649**		61,646,725
Increase in:				
Receivables		**(6,052,536)**		(10,685,390)
Inventories		**(9,936,876)**		(6,251,963)
Other current assets		**(6,624,725)**		(1,325,217)
Increase (decrease) in:				
Accounts payable and accrued expenses		**(37,982,430)**		(27,226,508)
Customers' deposits		**1,316,930**		(218,000)
Cash generated from operations		**7,428,012**		15,939,647
Income tax paid		**(12,153,446)**		(14,128,560)
Net cash provided by (used in) operating activities		**(4,725,434)**		1,811,087
CASH FLOWS FROM INVESTING ACTIVITIES				
Reductions in (additions to):				
Due to related parties		**(1,920,615)**		(11,612,582)
Property and equipment		**(31,182,989)**		(10,877,301)
Deposit for future stock subscription		**8,800,000**		12,000,000
Minority interest		**17,453,117**		13,235,635
Increase in other noncurrent assets		**(4,351,292)**		(1,295,466)
Net cash provided by (used in) investing activities		**(11,201,779)**		1,450,286
CASH FLOWS FROM FINANCING ACTIVITY				
Loan payments		**(15,577,831)**		(6,979,155)
NET DECREASE IN CASH		**(31,505,044)**		(3,717,783)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**196,658,024**		228,934,898
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱	**165,152,980**	₱	225,217,115
CASH AND CASH EQUIVALENTS AT END OF PERIOD CONSISTS OF:				
Cash in bank	₱	**133,776,414**	₱	50,200,569
Placements		**31,211,566**		174,845,231
Revolving fund		**42,000**		42,000
Petty cash fund		**123,000**		129,315
	₱	**165,152,980**	₱	225,217,115

See accompanying Notes to Consolidated Financial Statements.

1. Basis of Preparation of the Financial Statements

The accompanying consolidated financial statements have been prepared on the historical cost basis except for land under property and equipment, which is carried at revalued amount. These consolidated financial statements are presented in Philippine Pesos, which is the Group's functional and presentation currency under Philippine Financial Reporting Standards (PFRS). All values are rounded to the nearest peso, except when otherwise indicated.

Basis of Consolidation

The consolidated financial statements include the accounts of Parent Company and the following subsidiaries held directly or indirectly through wholly and majority-owned subsidiaries.

	Percentage of Ownership
Jolliville Group Management, Inc.	100.00
Jollideal Marketing Corporation	100.00
Jolliville Leisure and Resort Corporation (JLRC)	100.00
Ormina Realty and Development Corp. (ORDC)	100.00
Ormin Holdings Corporation (OHC) and Subsidiaries	100.00
Granville Ventures, Inc.	100.00
Servwell BPO International	100.00
Ormin Power, Inc. (OPI)	60.00
Calapan Ventures, Inc. (CVI) and Subsidiaries	52.01
Calapan Waterworks Corporation (CWWC)	
Indirect ownership through CVI and OHC Subsidiaries	51.81

Subsidiaries are consolidated from the date on which control is transferred to the Parent Company and cease to be consolidated from the date on which control is transferred out of the Parent Company. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. All significant intercompany accounts, transactions, and income and expenses and losses are eliminated upon consolidation.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company using consistent accounting policies.

Noncontrolling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Noncontrolling interests consist of the amount of those interests at the date of the original business combination and the noncontrolling interest's share of changes in equity since the date of the combination. Losses applicable to the noncontrolling interest in excess of the noncontrolling interest's in the subsidiary's equity are allocated against the interest of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover losses.

Disposals of equity investments to noncontrolling interests result in gains and losses for the Parent Company are recorded in the consolidated statement of comprehensive income. Purchase of equity shares from noncontrolling interests are accounted for as equity transaction (i.e., transactions with owners in their capacity as owners). In such circumstances, the carrying amounts of the controlling and noncontrolling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid shall be recognized directly in equity.

The principal accounting policies adopted are set out below.

2. Changes in Accounting and Financial Reporting Policies

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements except for following amended PFRS and amended PAS which became effective in 2013:

- Amendment to PFRS 1, *Government Loans*
  The amendment to PFRS 1 is effective for annual periods beginning on or after January 1, 2013. Current PFRS requires entities to measure government loans with below-market interest rates at fair value, with the benefit accounted for as a government grant. Amendment to PFRS 1 requires a first-time adopter to apply this requirement prospectively to government loans existing at the date of transition to PFRS. A first-time adopter may choose to apply these requirements retrospectively to any government loan, if the information needed had been obtained at the time of initially accounting for the loan.

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

  a) The gross amounts of those recognized financial assets and recognized financial liabilities;
  b) The amounts that are offset in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
  c) The net amounts presented in the statement of financial position;

  d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
     i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and

ii. Amounts related to financial collateral (including cash collateral); and

e) The net amount after deducting the amounts in (d) from the amounts in (c) above.

The amendments to PFRS 7 are to be retrospectively applied for annual periods beginning on or after January 1, 2013. The amendment affects disclosures only and has no impact on the Group's consolidated financial position or performance.

- PFRS 10, *Consolidated Financial Statements* and PAS 27, *Separate Financial Statements*
  PFRS 10 replaces the portion of PAS 27, *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes issues raised in SIC 12, *Consolidation for Special Purpose Entities,* resulting in SIC 12 being withdrawn.

  PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by the parent, compared with the requirements of PAS 27.

- PFRS 11, *Joint Arrangements* and PAS 28, *Investments in Associates and Joint Ventures*
  PFRS 11 replaces PAS 31, *Interest in Joint Ventures* and SIC-13, *Jointly-controlled Entities – Non-monetary Contributions by Venturers*

  PFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using equity method.

- PFRS 12, *Disclosure of Interest in Other Entities*
  PFRS 12 includes all of the disclosures that were previously in PAS 27 related to consolidated financial statements, as well as all the disclosures that were previously in PAS 31, and PAS 28. These disclosures related to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required.

- PFRS 13, *Fair Value Measurement*
  PFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. PFRS 13 does not change when and entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted.

- Amendments to PAS 1, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income or OCI*
  The amendments to PAS 1 change the grouping of items presented in OCI. Items that can be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. The amendments affect presentation only and have no impact on the Company's financial position or performance. The amendment becomes effective for annual periods beginning on or after July 1, 2012. The amendments will be applied retrospectively and will result to the modification of the presentation of items in OCI.

- PAS 19, *Employee Benefits*
  The IASB has issued numerous amendments to PAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns from plan assets to simple clarifications and re-wording. For defined benefit plans, the ability to defer recognition of actuarial gains and losses (i.e., the corridor approach) has been removed. As revised, actuarial gains and losses are recognized in the other comprehensive income when they occur. Amounts recorded in profit or loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit asset (liability) are recognized in other comprehensive income with no subsequent recycling to profit or loss.

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

- PAS 28, *Investments in Associates and Joint Ventures* (as revised in 2011)
  As a consequence of the new PFRS 10 and 12, PAS 28 has been renamed PAS 28, *Investments in Associates and Joint Ventures,* and describes the application of the equity method to investments in joint ventures in addition to associates.

The above amendments have no material impact on the interim consolidated financial statements.

Effective 2014

- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments)
  The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014. The amendments clarify the meaning of "currently has a legally enforceable right to offset" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments affect presentation only and have no impact on the Company's financial position or performance.

Effective in 2015

- PFRS 9, *Financial Instruments*
  The first phase of PFRS 9, *Financial Instruments*, which is effective for annual periods beginning on or after January 1, 2015, addresses the classification and measurement of financial instruments. Phase 1 of PFRS 9 applies to all financial assets within the scope of PAS 39. The key requirements of PFRS 9 are as follow:

  i. At initial recognition, all financial assets are measured at fair value.
  ii. Debt instruments may (if the Fair Value Option is not invoked) be subsequently measured at amortized cost if: (a) the asset is held within a business model whose objective is to hold the assets to collect contractual cash flows and (b) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value.

iii. All equity investment financial assets are measured at fair value either through other comprehensive income or profit or loss. Entities must make an irrevocable choice for each instrument, unless they are held for trading, in which case they must be measured at fair value through profit or loss.

iv. For financial liabilities to which the Fair Value Option is invoked, the amount of change in the fair value of a liability attributable to changes in credit risk must be presented in other comprehensive income. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

The Group is currently assessing the relevance and impact of the above new and amendments to standards, Philippine Interpretations and improvements to existing accounting standards. The revised disclosures on the consolidated financial statements required by the above new and amendments to standards, Philippine Interpretations and improvements to existing accounting standards will be included in the Group's consolidated financial statements when these are adopted.

<u>Standards issued but not yet Effective</u>
Philippine Interpretation IFRIC 15, *Agreement for Construction of Real Estate*
The implementation of the Philippine Interpretation is deferred until the final *Review Standard* is issued by IASB and after an evaluation on the requirements and guidance in the standard vis-à-vis the practices and regulations in the Philippine real estate industry is completed. This Philippine Interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. This Philippine Interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, *Construction Contracts*, or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion.

The SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below.

<u>Financial Assets and Liabilities</u>
Recognition
The Group recognizes a financial asset or liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets and liabilities, except for financial instruments measured at fair value through profit and loss (FVPL).

Determination of Fair Value
Fair value is determined by preference to the transaction price or other market prices. If such market prices are not reliably determinable, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value model where the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rates of interest for a similar instruments with similar maturities. Other valuation techniques include comparing to similar instruments for which market observable prices exist; recent arm's length market transaction; option pricing model and other relevant valuation models.

Subsequent to initial recognition, the Group classifies its financial assets and liabilities in the following categories: financial assets and liabilities at FVPL, loans and receivables, held-to-maturity investments, and available-for-sale financial assets and other financial liabilities as appropriate. The classification depends on the purpose for which the investments are acquired and whether they are quoted in an active market. The Group determines the classification at initial recognition and, where allowance is appropriate, re-evaluates this designation at every reporting date. As of December 31, 2012 and 2011, the Group has financial assets under loans and receivables and available-for-sale financial assets and financial liabilities under other financial liabilities.

<u>*Financial Assets*</u>
Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. Such assets are carried initially at cost or at amortized cost subsequent to initial recognition in the consolidated statement of financial position. Amortization is determined using the effective interest method. Loans and receivables are included in current assets if maturity is within 12 months from the end of financial reporting period. Otherwise, these are classified as noncurrent assets.

Classified under this category are the Group's cash and cash equivalents, receivables, special bank deposits, reserve fund and utilities and other deposits under "Other noncurrent assets" account.

Available-for-Sale Financial Assets
Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other preceding categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognized as separate component of equity until the investment is derecognized or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the consolidated statement of comprehensive income.

The fair value of investments that are actively traded in organized financial market is determined by reference to quoted market bid prices at the close of business on the end of financial reporting period. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include recent arm's length market transaction; reference to the current market value of another instrument which is substantially the same; discounted cash flows analysis and option pricing models.

Classified under this category are the Group's mutual fund managed by an insurance company.

Financial Liabilities
Other Financial Liabilities
This category pertains to financial liabilities that are not held for trading or not designated as at FVPL upon inception of the liability. These include liabilities arising from operations and borrowings.

The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

This category includes loans payable, accounts payable and accrued expenses, due to related parties, and customers' deposits.

Impairment of Financial Assets
The Group assesses at end of each financial reporting period whether a financial asset or group of financial assets is impaired.

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

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the consolidated statement of comprehensive income to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Assets Carried at Cost
If there is objective evidence that an impairment loss has been incurred in an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Available-For-Sale Financial Assets
If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to the consolidated statement of comprehensive income. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss. Reversals of impairment losses on debt instruments are reversed through profit or loss if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in profit or loss.

Derecognition of Financial Assets and Liabilities
Financial Assets
A financial asset is derecognized when (1) the rights to receive cash flows from the financial instruments expire, (2) the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement, or (3) the Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of an asset nor transferred control of the assets, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where the existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in consolidated statement of comprehensive income.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Revenue, Cost and Expense Recognition
Revenue is recognized when it is probable that the economic benefit associated with the transactions will flow to the Group and the amount can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- Power sales are recognized when the related services are rendered.
- Water revenues are recognized when the related water services are rendered.

- Rental income is recognized on a straight-line basis in accordance with the substance of the lease agreement.
- Management fee comprises the value of all services provided and is recognized when rendered.
- Sale of goods are recognized upon delivery of goods sold, and the transfer of risks and rewards to the customer has been completed.
- Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.
- Other income is recognized when the related income/service is earned.

Cost and expenses are recognized upon utilization of the service or at the date they are incurred. Except for borrowing costs attributable to qualifying assets, all finance costs are recognized in the consolidated statement of comprehensive income.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and that are subject to an insignificant risk of change in value.

Special Bank Deposit and Reserve Fund
Certain bank deposits are restricted for withdrawal by the creditor bank as hold-out fund for the Group's loan availments. These are classified as noncurrent assets.

Inventories
Inventories are stated at the lower of cost and net realizable value (NRV). Cost is determined using weighted average method. NRV is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

Prepayments and Other Current Assets
Prepayments are expenses paid in advance and recorded as asset before they are utilized. This account comprises the following:

- Input Tax. Input tax is recognized when an entity in the Group purchases goods or services from a Value Added Tax (VAT)-registered supplier. This account is offset, on a per entity basis, against any output tax previously recognized.

- Prepaid Rent and Other Expenses. Prepaid rent and other expenses are apportioned over the period covered by the payment and charged to the appropriate account in the consolidated statement of comprehensive income when incurred.

- Creditable Withholding Tax. Creditable withholding tax is deducted from income tax payable in the same year the revenue was recognized.

Prepayments and other assets that are expected to be realized for no more than 12 months after the reporting period are classified as current assets. Otherwise, these are classified as other noncurrent assets.

Investment in an Associate
An associate is an entity in which the Group's ownership interest ranges between 20% and 50% or where it has significant influence and that is neither a subsidiary nor an interest in joint venture.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control over those policies.

The Group carries its investment in associates at cost, increased or decreased by the Group's equity in net earnings or losses of the investee company since date of acquisition and reduced by dividends received. Equity in net losses is recognized only up to the extent of acquisition costs.

Investment Property
Investment property, which is property held to earn rentals and/or for capital appreciation, is carried at fair value at end of each financial reporting period. These are initially recorded at cost, including transaction cost. At the end of reporting period, investment property is accounted for at fair value as determined by independent appraisers. Gains or losses arising from changes in the fair value of investment property are included in the consolidated statement of comprehensive income for the period in which they arise.

Investment property is derecognized on disposal, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of comprehensive income in the year of retirement or disposal.

A company-occupied property classified under property and equipment account becomes an investment property when it ends company-occupation. Decrease in the carrying amount is recognized in the consolidated statement of comprehensive income. However, to the extent that an amount is included in its revaluation surplus, the decrease is charged against the revaluation surplus. Increase in carrying amount is recognized in consolidated statement of comprehensive income to the extent that the increase reverses a previous impairment loss for such property. The amount recognized in the consolidated statement of comprehensive income does not exceed the amount needed to restore the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized. Any remaining part of the increase is recognized in other comprehensive income and increases the revaluation surplus within equity. On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to retained earnings. The transfer from revaluation surplus to retained earnings is not made through profit or loss.

Where there is clear evidence that the fair value of an investment property is not reliably determinable on a continuing basis, the cost model under PAS 16 "Property, Plant and Equipment", shall be used.

Property, Plant and Equipment
Land and improvements is carried at appraised values as determined by an independent firm of appraisers on December 22, 2009. The appraisal increment resulting from the revaluation was credited to "Revaluation Surplus" shown under "Equity" section in the consolidated statement of financial position. Other property and equipment are carried at cost less accumulated depreciation, amortization and any allowance for impairment in value.

Initial cost of property, plant and equipment comprises its construction cost or purchase price and any directly attributable cost of bringing the assets to its working condition and location for its intended use. Expenses incurred and paid after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income when the costs are incurred. In situation where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Land improvements	20
Leasehold improvements	30
Buildings, condominium units and improvements	10 - 25
Furniture, furnishings and equipment for lease	10
Water utilities and distribution system	10 - 50
Power plant	15
Office furniture, fixtures and equipment	5
Transportation equipment	8

Leasehold improvement is amortized over the estimated useful life of the assets or term of the lease, whichever is shorter.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Construction in progress and equipment for installation, included in the property and equipment, is stated at cost. This includes cost of construction, equipments and other direct costs. Construction in progress and equipment for installation is not depreciated until such time as the relevant assets are completed or installed and put into operational use.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts, and any gain or loss resulting from their disposal is credited or charged to current operations.

Borrowing Costs

Borrowing costs are generally expensed as incurred. Borrowing costs incurred during the construction period on loans and advances used to finance construction and property development are capitalized as part of construction and development costs included under "Property, Plant and Equipment" account in the consolidated statement of financial position.

Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Capitalized borrowing cost is based on applicable weighted average borrowing rate.

All other borrowing costs are charged to operation in the period in which they are incurred.

Goodwill

Goodwill arising from the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently, if events of changes in circumstances indicate that the carrying value may be impaired. An impairment loss recognized for goodwill is not reversed in a subsequent period.Negative goodwill, which is the excess of net fair value of subsidiaries' identifiable assets, liabilities and contingent liabilities over the cost of business combination, is immediately recognized as income.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of Nonfinancial Assets

The carrying values of long-lived assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the smallest cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statement of comprehensive income in the period in which it arises unless the asset is carried at a revalued amount in which case the impairment is charged to the revaluation increment of the said asset.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset in prior years.

A reversal of an impairment loss is credited to current operations.

Bank Loans and Long-term Payables
Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Any difference between the proceeds, net of transaction costs, and the settlement amount is recognized over the term of the loan in accordance with the Group's accounting policy for borrowing costs.

Long-term payables are initially measured at fair value and are subsequently measured at amortized cost, using effective interest rate method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired, as well as through the amortization process.

Retirement Benefits Costs
The Group's retirement cost is actuarially determined using the Projected Unit Credit Method. This method reflects service rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity with option to accelerate when significant changes to underlying assumptions occur. Retirement expense includes current service cost, interest cost and amortization of unrecognized past service cost and recognition of actuarial gains or losses.

The current service cost is a level annual amount or a fixed percentage of salary which, when invested at the rate of interest assumed in the actuarial valuation, is sufficient to provide the required retirement benefit at the employee's retirement.

Past service cost is the present value of the excess of the projected retirement benefits over the amount expected to be provided by future contributions based on the service cost. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

Actuarial gains and losses that exceed 10% of the greater of the present value of the Group's defined benefit obligation and the fair value of plan assets are amortized over the expected average remaining working lives of the participating employees.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets, if any. Any assets resulting from this calculation is limited to unrecognized actuarial losses and past service costs, plus the present value of available refunds and reductions in future contributions to the plan.

Short-term benefits
Short-term employee benefits are recognized as expense in the period when the economic benefits are given. Unpaid benefits at end of the financial reporting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term employee benefits given by the Group includes salaries and wages, life and health insurances, social security system contributions, bonuses and other non-monetary benefits.

Related Party Transactions
Transactions between related parties are based on terms similar to those offered to non-related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Foreign Currency Transactions and Translations
Transactions denominated in foreign currencies are recorded in Philippine pesos using the exchange rate at the date of the transactions. Outstanding monetary assets and liabilities denominated in foreign currencies are stated using the closing exchange rate at the end of financial reporting period. Gains or losses arising from foreign currency transactions are credited or charged directly to current operations.

Equity
Capital stock is determined using the nominal value of shares that have been issued.

Additional paid-in capital includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Revaluation surplus accounts for the excess of the fair market value over the carrying amounts of Land included under the Property and equipment account and certain investment property. Any appraisal decrease is first offset against appraisal increment on earlier revaluation with respect to the same property and is thereafter charged to operations.

Net unrealized gain (loss) on available-for-sale investment accounts are the excess of the fair market value over the carrying amounts of these investments. When fluctuation is deemed permanent, the gain or loss resulting from such fluctuation will be reversed and charged to consolidated statement of comprehensive income in the year that the permanent fluctuation is determined.

Retained earnings include all current and prior period net income less any dividends declared as disclosed in the consolidated statement of comprehensive income.

Leases
Leases are classified as finance leases whenever the term of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor
Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting period so as to reflect a constant periodic rate of return on the Group's net investment in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the lease asset and recognized on a straight-line basis over the term of the lease.

The Group as lessee
Assets held under finance lease are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rental is recognized as expense in the periods in which it is incurred.

Rental expense under operating leases is charged to profit or loss on a straight-line basis over the term of the lease.

The Group determines whether an arrangement is, or contains a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Income Taxes
Income taxes represent the sum of current year tax and deferred tax.

The current year tax is based on taxable income for the year. Taxable income differs from income as reported in the consolidated statement of comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted at the end of financial reporting period.

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the end of financial reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and carryforward benefits of net operating loss carryover (NOLCO) and minimum corporate income tax (MCIT). Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets and liabilities are measured using the tax rate that is expected to apply to the period when the asset is realized or the liability is settled.

The carrying amount of deferred tax assets is reviewed at end of each financial reporting period and reduced to the extent that it is not probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

Income tax relating to items recognized directly in equity is recognized in equity and other comprehensive income.

Segment Reporting
For management purposes, the Group is organized into five (5) major operating businesses which comprise the bases on which the Group reports its primary segment information. Financial information on business segments is presented in Note 6. The Group has no geographical segments as all of the companies primarily operate only in the Philippines.

Segment revenue, expenses and performance include transfers between business segments. The transfers are accounted for at competitive market prices charged to unaffiliated customers for similar products and services. The measurement policies the Group used for segment reporting are the same as those used in the consolidated financial statements. There have been no changes from prior periods in the measurement methods used to determine profit and loss. No asymmetrical allocations have been applied between segments.

Inter-segment assets, liabilities, revenue, expenses and results are eliminated in the consolidated financial statements.

Earnings per Share (EPS)
EPS is determined by dividing net income for the year by the weighted average number of shares outstanding during the year including fully paid but unissued shares as of the end of the year, adjusted for any subsequent stock dividends declared. Diluted earnings per share is computed by dividing net income for the year by the weighted average number of common shares issued and outstanding during the year after giving effect to assumed conversion of potential common shares. The Group has no existing dilutive shares.

Provisions
Provisions are recognized only when the following conditions are met: a) there exists a present obligation (legal or constructive) as a result of past event; b) it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and, c) reliable estimate can be made of the amount of the obligation. Provisions are reviewed at end of each financial reporting period and adjusted to reflect the current best estimate.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefit is probable.

Events after the End of Financial Reporting Period
Post year-end events that provide additional information about the Group’s position at the end of financial reporting period (adjusting events) are reflected in the Group’s consolidated financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to consolidated financial statements when material.

3. **Management's Use of Judgments and Estimates**

The preparation of the Group's consolidated financial statements in accordance with PFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates. The effect of any changes in estimates will be recorded in the Group's consolidated financial statements when determinable.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations which have the most significant effect on the amounts recognized in the consolidated financial statements:

- *Operating Lease Commitments – Group as Lessor*
  The Group has entered into property leases on its investment property portfolio. The Group has determined that it retains all significant risk and rewards of ownership of these properties which are leased out on operating leases.

- *Determination of Impairment of Available-for-Sale Investment*
  The Group follows the guidance of PAS 39 in determining when an investment is other-than-temporarily impaired. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of the near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

- *Distinction between Investment Property and Owner-Occupied Property*
  The Group determines whether a property qualifies as an investment property. In making its judgments, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also other assets used in the supply process.

  Some properties are held to earn rentals or for capital appreciation and other properties are held for use in rendering of services or for administrative purposes. If the portion cannot be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods and services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

- *Classification of Financial Instruments*
  The Group classifies a financial instrument, or its component parts, on initial recognition financial liability or an equity instrument in accordance with the substance of the contractual definitions of a financial asset, a financial liability or an equity instrument. The substance rather than its legal form, governs its classification in the consolidated statements of financial position.

Estimates
The key assumptions concerning the future and other sources of estimation of uncertainty at the end of financial reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- *Estimation of Impairment of Receivables*
  The Group maintains allowance for impairment losses on receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management on the basis of factors that affect the collectibility of the accounts.

  The factors include, but are not limited to, the length of relationship with the customer, the customer's payment behavior and known market factors. The Group reviews the age and status of receivables, and identifies accounts that are to be provided with allowances on a continuous basis. The Group provides full allowance for receivables that it deems uncollectible. The amount and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in the allowance for impairment losses on receivables would increase recorded operating expenses and decrease current assets.

- *Determination of Net Realizable Value of Inventories*
  The Group's estimate of the NRV of inventories is based on evidence available at the time the estimates are made of the amount that these inventories are expected to be realized. These estimates consider the fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at financial reporting date. The amount and timing of recorded expenses for any period would differ if different judgments were made of different estimates were utilized.

- *Estimation of Allowance for Inventory Obsolescene*
  Provision is established as a certain percentage based on the age and movement of stocks. In case there is write-off or disposal of slow-moving items during the year, a reduction in the allowance for obsolescence if any, is made.

- *Estimation of Fair Value of Investment Property*
  The Group's investment property composed of parcels of land and buildings and improvements are carried at revalued amount at the end of the reporting period. In determining the fair value of these assets, the Group engages the services of professional and independent appraisers. The fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and seller in an arm's length transaction as at the valuation date. Such amount is influenced by different factors including the location and specific characteristics of the property (e.g., size, features, and capacity), quantity of comparable properties available in the market, and economic condition and behavior of the buying parties. A significant change in these elements may affect prices and the value of the assets. The amounts of revaluation and fair value gains recognized on investment property are disclosed in Note 13.

- *Estimation of Useful Lives of Property, Plant and Equipment*
  Useful lives of property, plant and equipment are estimated based on the period over which these assets are expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. Any reduction in the estimated useful lives of property, plant and equipment would increase the Group's recorded operating expenses and decrease on the related asset accounts.

  There were no significant changes in the estimated useful lives of the Group's property, plant and equipment.

- *Determination of Retirement and Other Benefits*
  The determination of the Group's obligation and cost for pension and other retirement benefits is dependent on management's selection of certain assumptions used by actuaries in calculating such amounts.

  The assumptions for pension costs and other retirement benefits are described in Note 19, and include among others, discount and salary increase rates. Actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the Group's recognized expense and recorded obligation in such future periods. While management believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in management assumptions may materially affect the Group's pension and other retirement obligations.

  The Group also estimates other employee benefits obligation and expense, including the cost of paid leaves based on historical leave availments of employees, subject to the Group's policy. These estimates may vary depending on the future changes in salaries and actual experiences during the year.

- *Impairment of Nonfinancial Assets*
  Impairment review is performed when certain impairment indicators are present. Such indicators would include significant changes in asset usage, significant decline in market value and obsolescence or physical damage on an asset. If such indicators are present and where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Determining the net recoverable value of assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse impact on the results of operations.

  Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

- *Estimation of Realizability of Deferred Tax Assets*
  The carrying amount of deferred tax assets is reviewed at end of each financial reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management expects future operations will generate sufficient taxable profit that will allow all or part of the deferred tax assets to be utilized.

- *Determination of Fair Value of Financial Assets and Liabilities*
  PFRS requires that certain financial assets and liabilities be carried at fair value, which requires the use of extensive accounting estimates and judgments. While significant components of fair value measurement are determined using verifiable objective evidence (i.e. interest rates, volatility rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these financial assets and liabilities would directly affect income and equity.

- *Estimation of Provisions*
  The estimate of the probable costs for possible third party claims, including tax liabilities, if any, has been developed based on management's analysis of potential results. When management believes that the eventual liabilities under these claims, if any, will not have a material effect on the consolidated financial statements, no provision for probable losses is recognized in the consolidated financial statements.

  No provisions were recognized in 2013 and 2012.

4. Loan Payable

This account pertains to long-term loans from local banks as follows:

a. On April 8, 2011, OPI entered into a loan agreement with a local bank for the establishment of a power plant for ₱275.9 million payable in ten (10) years with six months grace period. Interest is fixed at 9% per annum.

   Debt Covenant
   OPI entered into a deed of assignment with hold-out relative to the loan, in favor of the bank, OPI's accounts receivable under the Power Supply Agreement (PSA) entered with Oriental Mindoro Electric Cooperative, Inc. (ORMECO) and a portion of OPI's cash in bank pertaining to a Reserve Fund equivalent to one (1) month amortization payable under the loan agreement.

   Also, as a security for the loan, OPI mortgaged its 6.4 MW Bunker C-Fired Packaged Power Station in favor of the bank.

   OPI is in compliant with the said covenants

b. Loan from a local bank was availed for the rehabilitation, expansion and improvements of waterworks system of CWC for ₱137 million payable in fifteen (15) years on a monthly basis. Interest is fixed at 10.5% per annum, reviewable and subject to adjustment annually thereafter but not to exceed 15% per annum. CWC was able to negotiate the interest rate at 7.75% up to July 2012 and 6.25% .

   Debt Covenant
   CWC executed a deed of assignment relative to the loan, in favor of the bank of (a) a portion of CWC's Reserve Fund (via Savings or Other Investment Account) equivalent to two monthly interest amortization during the grace period, to increase to two monthly principal and interest amortization after the grace period onwards. The Reserve Fund shall be maintained for CWC's expenses for maintenance, operation and emergency fund; and (b) billed water/receivables until the amount of the loan is fully paid.

   Also, CWC, JOH and its major stockholders mortgaged their real estate and other equipment situated in Calapan, Oriental Mindoro in favor of the bank. The titles of the mortgaged property have already been delivered to the bank.

   CWC is in compliant with the said covenants.

c. On October 27, 2011, a local bank granted JOH ₱50.0 million loan for relending to OPI to finance part OPI's establishment of a power plant. The loan will mature after 120 days. This loan does not include any significant covenants and warranties.

d. In July 2009, ORDC entered into a loan agreement with a local bank for the acquisition of EGI Rufino Building located in Pasay City for ₱46.8 million payable in fifteen (15) years. Interest of 8.0% per annum is fixed for the first ten (10) years and 10.0% fixed for the next five years.

e. In August 2009, the JGMI entered into a loan agreement with a local bank for the acquisition of transportation equipment for ₱1.2 million in 60 months. The first due date is on August 7, 2009 and on every 7th of the month thereafter.

   In relation to this loan agreement, the above property reported under "Transportation equipment" account was mortgaged as security for the payment of the loan. Upon full payment of last monthly installment, the collateral documents will be released.

5. Related Party Transactions

The Company availed of cash advances from stockholders for its investing and financing activities. These cash advances are non-interest bearing and without definite call dates.

6. Income Taxes

The provision for income tax differs from the amount computed by applying the statutory income tax rate to income before income tax due mainly to interest income already subjected to final tax at a lower rate.

The deferred tax assets represent the tax consequences of NOLCO, MCIT, accrued retirement expenses, and allowances for doubtful accounts and parts obsolescence. The carryforward benefits of NOLCO and MCIT that can be claimed as a deduction from taxable income are expiring from years 2008 to 2010.

The deferred tax liability pertains to tax consequences of revaluation surplus in investment property and property and equipment.

7. Earnings Per Share (EPS)

Computation of EPS is as follows:

	Six months ended June 30	
	2013	2012
Net income	**₱35,994,143**	₱35,812,176
Divided by weighted average number of common shares	**281,500,000**	281,500,000
	₱0.1279	₱0.1272

8. Other Matters

There are no material events subsequent to the end of the interim period that has not been reflected in the financial statements. Neither are there any material contingencies and any other events or transactions that are material to an understanding of the current interim period aside from those already included in our report.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Financial Position (Balance Sheet)

Total assets increased slightly by 1.53% or ₱27.6 million from ₱1,799,760,456 as of December 31, 2012 to ₱1,827,335,736 as of June 30, 2013. The most notable increase came from Inventories which increased by 51.04% to ₱29,404,656 as of June 30, 2013. These inventories are OPI's, composed mainly of fuel and oil. As it has been able to generate more electricity this period, higher levels of stock had to be maintained. Another reason is additional purchases to avail of volume discounts as a quota had to be reached.

Receivables increased by 6.31% from ₱95.9 million from the last year-end to ₱101.9 million as of June 30, 2013. This represents mainly receivables of OPI from the National Power Corporation, timing differences on collections from several customers and the increase in revenues specifically from the water business.

The increase in other current assets pertains mainly to unapplied creditable withholding taxes of OPI and CVI. OPI is under an income tax holiday whilst CVI's results of operations are not yet experiencing favorable results. This account increased by 14.6% from ₱51.99 million as of December 31, 2012 to ₱45.36 million as of June 30, 2013.

Available-for-sale investments, investment in associate, investment property and deferred tax assets were unchanged from their balances as of December 31, 2012. Meanwhile, property and equipment increased by ₱699,537,392 (2.35%) which pertains mainly to the OPI's increased in construction in progress. OPI will acquire two additional generator sets to maximize the capacity of its 6.4MW Bunker Fuel.

Other noncurrent assets increased by ₱4.35 million or 17.05%. The balance as of June 30, 2013 stood at ₱29.87 million as against ₱25.52 million as of December 31, 2012. The increase could be attributed mainly to additional development costs of subsidiary OPI's Inabasan hydro power plant project.

Accounts payable and accrued expenses decreased by 26.10% from ₱145.52 million as of December 31, 2012 to ₱107.54 million as of June 30, 2013, a total of ₱37.98 million. Much of this was contributed by CWWC's settlement of amounts due to its contractor for its development projects. This is offset by OPI's increased in accounts payable and accrued expenses by 116% due to increased in its purchases of fuel and oil during the period.

The increases and decreases in the receivable and payable accounts with related parties for the periods and the ending balances as of the end of each period thereon is dependent upon the liquidity and financial status of the concerned parties at any given point in time. None of the parties involved is in financial distress and there is no reason to believe that any accounts may be impaired in the immediate or near future. Also, these accounts have no definite call dates and do not bear interest. The purpose of these advances is for operating and investing activities.

The income tax liability as of December 31, 2012 was paid on April 15, 2013. The income tax liability as of June 30, 2012 pertains to accrual of second quarter 2013 results. This explains why income tax payable increased by 39.84% or ₱3,471,143. Another major contributor to the increase is the improved results of operations.

Loans payable decreased by ₱15,577,831 (3.46%) from OPI's drawings on its available loan credit facilities as dictated by its cash requirements. This is offset by principal payments on CWWC, ORDC and JGMI's obligations.

The retirement benefit obligation, deferred tax liability and deposit for future stock subscription were unchanged from year-end whilst customers' deposits increased slightly by ₱51,000 (0.42%) from increase in the subscribers of the water business.

Results of Operations

Power sales of ₱236,277,332 for the 1st semester and ₱127,294,607 for this quarter pertain to the electricity generation activity of OPI It began commercial operations last November 11, 2011. It supplies electricity to the Oriental Mindoro Electric Cooperative and operates a power plant in Calapan City using bunker fuel.

Revenue from water services grew by 7.26% from ₱31.32 million to ₱33.49 million for this quarter as against the same period last year. The increase is attributable to additional billed volume from the increase in the number of subscribers from an average of 12,046 the previous period to 13,050 this period.

The rates for rentals and outsourcing and management fees remain unchanged. Rentals decreased by 0.76% (₱247,168) as a result of timing differences on billings.

Outsourcing and management fees slightly declined by 1.86% from ₱3.9 million to ₱3.8 million for this quarter as against the same period last year as we lost a client and it was mutually agreed with our remaining clients to retain 2012 rates.

Sales of goods of ₱9.2 million for the period pertain to the trading activity of CVI. It started operation only last December 2009 and the increase as against the same year-to-date figure is ₱687,035 (6.97%).

Cost of services increased by 6.27% (₱13,280,565) for January to June 2013. OPI's cost of sales primarily pertains to fuel cost for electricity generation. There was an increase this period relative to the increase in power sales. Other contributors are higher depreciation (due to office building acquired end of last year) and power costs (due to additional booster stations put up to augment water pressure) of CWWC.

Operating expenses decreased by 8.65% (₱4,497,160) for the first six months which may be attributed to conscious efforts to keep costs at relatively the same levels between periods.

Net other charges decreased by 23.59% or ₱1,747,996 for the first six months. Despite the slight increase in outstanding loans, finance charges decreased resulting from the reduction in rates for OPI from 9% last year to 6.5% this year. The rates on CWWC's loans also declined from 7.75% to 6.25%. The increase or decrease in the interest income earned is dependent upon the duration of the higher-yielding placements and not necessarily on the balance as of the end of the period. The rates offered by banks on deposit products have remained unchanged.

Minority interest represents minority stockholders' share in the net income of CVI, Calapan Water and OPI. The balance of this account is tied-in to the operating results of the said subsidiaries. The amount of minority interest in net income equals the change in the related minority interest account in the balance sheet.

Liquidity and Solvency

The Company's cash balance decreased slightly from end-2012 of ₱196.7 million to ₱165.2 million at June 30, 2013. Much of the decrease in the cash balance came from payment of amounts due to creditors. Meanwhile, the total cash balance includes the proceeds from CVI's IPO last 2011 intended for CWWC's expansion and zoning works. There is sufficient cash and credit to finance investing and development activities.

Dividends

In the meeting of the Board of Directors on July 9, 2009, a resolution was passed declaring 32% property dividends corresponding to 90,080,000 shares in Calapan Ventures, Inc. (CVI), a wholly owned subsidiary handling the water business of the Group. The Company's board lot is at 1,000 shares. This means that for each board lot, a stockholder will receive 320 CVI shares as dividends. The Securities and Exchange Commission confirmed the property dividends last January 2010 and the Bureau of Internal Revenue has granted the Certificate Authorizing Registration (CAR) last April 2010. The CAR is a prerequisite before the shares can be assigned to the recipients of the dividends.

Dividends may be declared from retained earnings at such time and percentage or amount as the Board of Directors deem proper. No dividends shall be declared that would impair the capital of the Company.

Issuances, Repurchases, and Repayments of Debt and Equity Securities

None

Events that will trigger Direct or Contingent Financial Obligation that is Material to the Company, including any Default or Acceleration of an Obligation

None

Material Off-Balance Sheet Transactions, Arrangements, Obligations (including Contingent Obligations), and Other Relationships of the Company with Unconsolidated Entities or Other Persons created during the Reporting Period

None

Known Trends, Demands, Commitments, Events or Uncertainties that will have a Material Impact on Liquidity or that are reasonably expected to have a Material Favorable or Unfavorable Impact on Net Sales/Revenues/Income from Continuing Operations

None

Cause for any Material Change from period to period which shall include Vertical and Horizontal Analyses of any Material Item

This is already incorporated in the discussion under "Results of Operations" and "Financial Position".

Seasonal Aspects that has a Material Effect on the Financial Statements

None

Material Commitments for Capital Expenditures, General Purpose of such Commitments, Expected Sources of Funds for such Expenditures

Calapan Water has completed its rehabilitation, expansion and improvement plan of its waterworks system in Calapan City, Oriental Mindoro. The purpose of the plan is to bolster water pressure, improve water quality, and to increase production so as to accommodate more subscribers.

A contractor was awarded the project for the total contract price of about ₱168 million. The ₱137 million-loan facilities from DBP are earmarked for the contract and the differential between the total contract price and the loan facility will be sourced from internally generated sources.

Calapan Water has various projects lined up as detailed in the following table. Fifty Two Million and Five Hundred Thousand Pesos (₱52,500,000.00) will be used for expansion of storage facilities, particularly for the construction of one (1) overhead reservoir and the installation of transmission and distribution lines from the reservoir to the water system. Ninety Two Million Eight Hundred and Fifty Thousand Pesos (₱92,850,000.00) will be used for zoning works to be undertaken in twenty six (26) barangays, such as installation of district meters and isolation valves. Also included in zoning works is the cost of massive meter replacement that will be implemented in order to reduce non revenue water to its target level of twenty percent (20%).

	Cost (In ₱ Millions)	**Timeline**
Zoning Works	**92.85**	Q4 of 2011 to Q3 of 2012
Expansion	**52.50**	Q1 to Q2 of 2012
Grand Total	**145.35**	

The stated amounts include the estimated cost of transmission and distribution pipes, district meters and isolation valves, and water meters; however, as of the date of this report no specific supplier has been identified from whom these assets will be bought.

The proceeds of the recent initial public offering of CVI will be used to finance the above projects. Priority shall be given to zoning works and the development of expansion facilities, in that order. As the proceeds is below the project cost, the balance shall be funded through internally generated funds.

Any Significant Elements of Income or Loss that did not arise from Continuing Operations

None

Financial Risk Disclosure

Please refer to page 8 of the Selected Notes to Consolidated Financial Statements for the description, classification and measurements applied for financial instruments of the Group.

The Group's principal financial instruments comprise of cash, receivables, short-term bank deposits, available-for-sale investments, bank loans, trade payables, due to related parties and payable to property owners. The main purpose of the Group's financial instruments is to fund the Group's operations and to acquire and improve property and equipment. The main risks arising from the use of financial instruments are liquidity risk, interest rate risk and credit risk.

The main objectives of the Group's financial risk management areas are as follows:

- To identify and monitor such risks on an ongoing basis;
- To minimize and mitigate such risks; and
- To provide a degree of certainty about costs.

The Group's Board reviews and agrees with policies for managing each of these risks. These are summarized below:

Liquidity risk
The Group seeks to manage its liquid funds through cash planning on a weekly basis. The Group uses historical figures and experiences and forecasts from its collections and disbursements. The Group's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information.

Interest rate risk
The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term borrowings. The Group's policy is to minimize interest rate cash flow risk exposures. Long-term borrowings are therefore usually at agreed interest rates. Also, the Group manages its exposure to interest rate risk by closely monitoring bank interest rates with various banks and maximizing borrowing period based on market volatility of interest rates.

Credit risk
This risk refers to the risk that a customer/debtor will default on its contractual obligations resulting in financial loss to the Group. The Group controls this risk through monitoring procedures and regular coordination with the customers. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group also controls this risk by cutting its services and refusal to reconnect until the customer's account is cleared or paid.

The Group's credit risk is primarily attributable to its trade receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Given the Group's diverse customer base, it is not exposed to large concentration of credit risk.

Currency risk is the risk that a business' operations or an investment's value will be affected by changes in exchange rates. If Philippine pesos, the Group's functional currency, has to be converted into another currency to buy or sell goods and services, or to make certain investments, a gain or loss may arise when these are converted back into pesos. This risk has been assessed to be insignificant given that all the Group's transactions are made in pesos. The Group has no investments in foreign securities.

Market risk is the risk of losses arising from changes in market prices. This usually affects an entire class of assets or liabilities. The value of investments may decline over a given period of time simply because of economic changes or other events that impact large portions of the market. Management has assessed this risk to be insignificant since the Group's financial instruments are not openly traded in the open market (stock exchange, foreign exchange, commodity market, etc.) nor does it engage in exotic financial instruments such as derivatives, spot or forward contracts and the like. The fair values of the Group's financial instruments did not change between this period and the preceding period thus no gain or loss was recognized.

KEY PERFORMANCE INDICATORS

			2013		2012	
Profitability						
Return on total assets (ROA) - measures how well assets have been employed by management	=	ıi + [interest exp x (1 - tax rate) average total assets	63,325,438 1,813,548,096	0.0349	61,735,263 1,702,816,682	0.0363
Return on equity (ROE) - when compared to the ROA, measures the extent to which financial leverage is working for or against shareholders	=	net income average stockholders' equity	53,447,260 995,368,609	0.0537	49,047,811 921,506,751	0.0532
Water revenue per subscriber - measures how well service and facilities improvements have influenced consumer's usage	=	water revenues average no. of water subscribers	99,044,667 11,967	8,276	65,761,060 11,807	5,570
Financial leverage						
Debt ratio - measures the share of company's liabilities to total assets	=	total liabilities total assets	805,243,497 1,827,335,736	0.4407	837,554,383 1,710,675,472	0.4896
Liabilities to equity - measures the amount of assets being provided by creditors for each peso of assets being provided by the stockholders	=	total liabilities stockholders' equity	805,243,497 1,022,092,239	0.7878	837,554,383 946,030,656	0.8853
Market valuation						
Market to book ratio - relates the Company's stock price to its book value per share	=	market value per share book value per share	7.00 2.78	2.52	2.95 2.57	1.15

JOLLIVILLE HOLDINGS CORPORATION AND SUBSIDIARIES
AGING OF ACCOUNTS RECEIVABLE
JUNE 30, 2013

	1-30 days	31-60 days	Over 60 days	Total
Servwell				
Trade	1,816,228.85	1,478,325.81	929,233.36	4,223,788.02
Others	-	-	568,939.02	568,939.02
JOH				
Trade	1,356,692.62	1,262,075.82	717,189.94	3,335,958.38
Others	-	-	7,222,940.56	7,222,940.56
ORDC				
Trade	3,259,980.69	1,451,257.37	1,830,458.02	6,541,696.08
Others	-	-	486,259.14	486,259.14
CVI				
Trade	1,067,578.87	1,268,445.12	1,294,559.93	3,630,583.92
CWWC				
Trade	5,499,069.13	4,394,835.87	9,671,063.92	19,564,968.92
Others	-	-	703,906.15	703,906.15
MAWI				
Trade	-	825,000.00	-	825,000.00
OPI				
Trade	16,329,070.06	15,101,082.86	17,617,930.00	49,048,082.92
Others	1,626,629.16	619,668.25	335,653.64	2,581,951.05
JLRC				
Others	-	-	2,925,000.00	2,925,000.00
JGMI				
Others	-	-	286,759.84	286,759.84
	30,955,249.38	26,400,691.10	44,589,893.52	101,945,834.00

JOLLIVILLE HOLDINGS CORPORATION
(A Subsidiary of Jolliville Holdings Corporation)

SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
JUNE 30, 2013

Beginning Unappropriated Retained Earnings, as adjusted	₱ 30,645,212
Add net income during the period	2,262,715
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND DECLARATION	₱ 32,907,927

JOLLIVILLE HOLDINGS CORPORATION

SUMMARY OF EFFECTIVE STANDARDS AND INTERPRETATIONS UNDER PHILIPPINE FINANCIAL REPORTING STANDARDS

AS OF June 30, 2013

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics				
PFRSs Practice Statement Management Commentary				
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans	✓		
PFRS 2	Share-based Payment			✓*
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓*
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓*
PFRS 3 (Revised)	Business Combinations	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓*
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		

*Adopted but no significant impact

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓*
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓*
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			✓*
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments	✓		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
PFRS 10	Consolidated Financial Statements	✓		
PFRS 11	Joint Arrangements	✓		
PFRS 12	Disclosure of Interests in Other Entities	✓		
PFRS 13	Fair Value Measurement	✓		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓*
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		

*Adopted but no significant impact

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets			✓*
PAS 16	Property, Plant and Equipment	✓		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures			✓*
PAS 19 (Amended)	Employee Benefits	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates			✓*
	Amendment: Net Investment in a Foreign Operation			✓*
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	✓		
PAS 27	Consolidated and Separate Financial Statements	✓		
PAS 27 (Amended)	Separate Financial Statements	✓		
PAS 28	Investments in Associates			✓*
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures			✓*
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓*
	Amendment to PAS 32: Classification of Rights Issues			✓*
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		

*Adopted but no significant impact

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓*
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			✓*
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓*
	Amendments to PAS 39: The Fair Value Option			✓*
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓*
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓*
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition			✓*
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓*
	Amendment to PAS 39: Eligible Hedged Items			✓*
PAS 40	Investment Property	✓		
PAS 41	Agriculture			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓

*Adopted but no significant impact

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
IFRIC 8	Scope of PFRS 2			✓*
IFRIC 9	Reassessment of Embedded Derivatives			✓*
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓*
IFRIC 10	Interim Financial Reporting and Impairment			✓*
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓*
IFRIC 12	Service Concession Arrangements			✓*
IFRIC 13	Customer Loyalty Programmes			✓*
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to Philippine Interpretations IFRIC-14, Prepayments of a Minimum Funding Requirement			✓*
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓*
IFRIC 17	Distributions of Non-cash Assets to Owners			✓*
IFRIC 18	Transfers of Assets from Customers			✓*
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓*
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	✓		
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓*
SIC-15	Operating Leases - Incentives			✓*
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓*
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓*
SIC-29	Service Concession Arrangements: Disclosures.			✓*
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓*
SIC-32	Intangible Assets - Web Site Costs			✓*

*Adopted but no significant impact

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer: **JOLLIVILLE HOLDINGS CORPORATION**

Chief Executive Officer: **JOLLY L. TING**

Signature and Title: ______________________

Chief Executive Officer

Chief Financial Officer: **ORTRUD T. YAO**

Signature and Title: ______________________

Chief Finance Officer

Date: August 13, 2013