MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
Makati City

26 April 2013

THE PHILIPPINE STOCK EXCHANGE, INC.
3/F Philippine Stock Exchange Plaza-
Ayala Triangle, Ayala Avenue
Makati City

Attention: **MS. JANET A. ENCARNACION**
Head, Disclosure Department

MS. SHEENA PAULA H. PEDRIETA
Senior Specialist, Disclosure Department

Re: Annual Report (SEC Form 17-A) for the Fiscal Year Ended December 31, 2012

Gentlemen:

We submit herewith the Annual Report (SEC Form 17-A) of Melco Crown (Philippines) Resorts Corporation for the fiscal year ended December 31, 2012.

Very truly yours,

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION

By:

MARIA TARA A. MERCADO
Alternate Corporate Information Officer

COVER SHEET

5 8 6 4 8

SEC Registration Number

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION (formerly MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORP.)

(Company's Full Name)

10th Floor, Liberty Center, 104 H.V. dela Costa St., Salcedo Village Makati City

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

Frances T. Yuyucheng

(Contact Person)

c/o (02) 555-9555

(Company Telephone Number)

1 2 3 1

Month *Day*

(Fiscal Year)

S E C 17 A

(Form Type)

0 2 1 9

Month *Day*

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

437

Total No. of Stockholders

Domestic

Foreign

File Number

____

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MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(formerly MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORP.)
(Company's Full Name)

10th Floor, Liberty Center, 104 H.V. de la Costa St.,
Salcedo Village, Makati City
(Company's Address)

c/o (02) 555-9555
(Telephone Number)

DECEMBER 31
(Fiscal Year Ending)
(month & day)

FORM 17-A
Form Type

n/a
Amendment Designation (if applicable)

December 31, 2012

Period Ended Date

____
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended **December 31, 2012**

2. SEC Identification Number **58648** 3. BIR Tax Identification No. **121-000-410-840**

4. Exact name of issuer as specified in its charter
Melco Crown (Philippines) Resorts Corporation
(formerly Manchester International Holdings Unlimited Corporation)

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

6. Industry Classification Code: (SEC Use Only)

7. Address of principal office Postal Code
10th Floor, Liberty Center, 104 H.V. de la Costa St.,
Salcedo Village, Makati City **1227**

8. Issuer's telephone number, including area code
c/o (02) 555-9555

9. Former name, former address, and former fiscal year, if changed since last report.
Manchester International Holdings Unlimited Corporation
Canlubang Industrial Estate, Bo. Pittland, 4025 Cabuyao, Laguna

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

Title of Each Class	Number of Shares of Common Stock Issued And Amount of Debt Outstanding As of December 31, 2012[1]	Treasury Shares As of December 31, 2012	Outstanding Common Stock As of December 31, 2012
Common Class A	**337,500,000**	**64,803,449**	**272,696,551**
Common Class B	**225,000,000**	**85,631,955**	**139,368,045**
TOTAL	**562,500,000**	**150,435,404**	**412,064,596**

[1] As of March 5, 2013, the shares comprising the existing authorized capital stock of the Corporation, consisting of Class "A" shares and Class "B" shares, have been declassified to a single class of common shares.

Title of Each Class	Number of Shares of Common Stock Issued And Amount of Debt Outstanding As of March 31, 2013	Treasury Shares As of As of March 31, 2013[2]	Outstanding Common Stock As of March 31, 2013[3]
Common	**562,500,000**	**150,435,404**	**412,064,596**
TOTAL	**562,500,000**	**150,435,404**	**412,064,596**

11. Are any or all of these securities listed on a Stock Exchange?

Yes [**X**] No [ ]

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

12. Check whether the issuer:

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

Yes [**X**] No [ ]

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

Yes [**X**] No [ ]

13. Aggregate market value of the voting stock held by non-affiliates of the registrant as of March 27, 2013 are as follows:

(a) Total number of shares held by non-affiliates as of March 27, 2013 is 48,743,611 shares.

(b) Closing price of the Company's shares on the Exchange as of March 27, 2013 is ₱14.60.

(c) Aggregate market price of (a) as of March 27, 2013 is ₱711,656,720.60.

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS.

14. Check whether the registrant has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the SEC.

Yes [ ] No [ ]

Not applicable.

DOCUMENTS INCORPORATED BY REFERENCE

15. No documents were incorporated by reference to any report in this SEC Form 17-A.

[2] On April 8, 2013, the Company issued all of its treasury shares, representing 150,435,404 common shares, to third parties.
[3] On April 8, 2013, as a result of the approval by the SEC of the Company's Increase in Capital Stock and the issuance by the Company of all of its treasury shares to third parties, the total outstanding shares amounts to 3,409,095,000 common shares. This include the additional subscription of 2,846,595,000 common shares by MCE Investments in relation to the Company's Increase in Capital Stock,

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(formerly MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORPORATION)
Supplementary Schedules Required
By the Securities and Exchange Commission
As of and for the Year Ended December 31, 2012

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Melco Crown (Philippines) Resorts Corporation (formerly Manchester International Holdings Unlimited Corporation) (the "Company" or "MCP") was incorporated and registered as Interphil Laboratories, Inc. with the Philippine Securities and Exchange Commission ("SEC") on November 6, 1974, primarily to manufacture, process and package drugs, chemicals, pharmaceuticals and veterinary products.

During the annual shareholders' and board of directors' meeting of the company held on July 10, 2008, the Board approved several resolutions, one of which was the creation of two new wholly-owned subsidiaries under the Company. The two companies are First Pharma Industries Inc. (later renamed to Interphil Laboratories, Inc., "Interphil"), a toll manufacturing company, and Lancashire Realty Holding Corporation ("Lancashire"), a realty company. The Company and these two subsidiaries collectively referred to as the "Group" before the change in structure of MCP in 2012 as described below.

Likewise, resolutions were also passed to:

1. change the name of Interphil Laboratories, Inc. to Manchester International Holdings Unlimited Corporation;

2. change the name of First Pharma Industries Phil. Inc to Interphil Laboratories, Inc.; and

3. change the primary purpose of Manchester International Holdings Unlimited Corporation.

The change in name, primary purpose and transfer of assets of the Company were approved by the SEC on November 21, 2008.

The operating assets of the Company were moved to Interphil (formerly First Pharma) and the real estate assets to Lancashire.

As of December 31, 2012, the Company's consolidated total assets were at ₱1,144,280,048. During the year 2012, consolidated net loss of the Company amounted to ₱33,311,047.

Until December 6, 2012, the Company was not connected in any activities other than and in relation with the holding of shares of Interphil and Lancashire.

Change in Structure and Ownership of MCP

On December 7, 2012, Melco Crown Entertainment Limited ("MCE"), through its wholly-owned indirect subsidiaries, MCE (Philippines) Investments Limited ("MCE Investments") and MCE (Philippines) Investments No. 2 Corporation ("MCE Investments No. 2") entered into an acquisition agreement (the "Acquisition Agreement") with the major shareholders of MCP, Interpharma Holdings & Management Corporation ("Interpharma") and Pharma Industries Holdings Limited ("PIHL") (collectively referred to as the "Selling Shareholders"), subject to certain conditions precedent, to acquire from the Selling Shareholders an aggregate of 93.06% of the issued share capital of MCP (the "Proposed Acquisition").

On December 7, 2012, pursuant to the terms of the Acquisition Agreement, MCP entered into a deed of assignment with Interpharma in respect of the sale of its ownership interest in its wholly-owned subsidiary, Interphil. On the same date, MCP also entered into a similar deed of assignment with Mercator Holdings and Management Corporation, in respect of the sale of its ownership interest in its wholly-owned subsidiary, Lancashire (the "Subsidiaries Sale Transaction").

Immediately before the completion of the Proposed Acquisition on December 19, 2012, pursuant to the terms of the Acquisition Agreement, the Selling Shareholders of MCP transferred cash of ₱41,050,000 to MCP as its capital contribution.

The Proposed Acquisition was completed on December 19, 2012, MCE, through MCE Investments No. 2 and MCE Investments acquired 255,270,156 Class A shares (61.95%) and 128,211,204 Class B shares (31.11%) in MCP, respectively, in aggregate representing 93.06% equity shares of MCP from the Selling Shareholders ("Acquisition Transaction").

On December 27, 2012, MCE Investments sold 20,191,100 Class B shares in MCP (4.9%) to a third party.

As of December 31, 2012, MCE through MCE Investments and MCE Investments No. 2, held an indirect ownership in MCP of 88.16%.

Until December 6, 2012, the Company and its subsidiaries ("the Group") comprised the Company, Interphil and Lancashire. From December 7, 2012 to March 19, 2013, the Company did not own any subsidiaries.

On March 20, 2013, the Company acquired all the equity interests of MCE Holdings (Philippines) Corporation ("MCE Holdings") from MCE Investments. MCE Holdings holds 100% direct ownership interests in MCE Holdings No. 2 (Philippines) Corporation (to as "MCE Holdings No. 2"), which in turn holds 100% direct ownership interests in MCE Leisure (Philippines) Corporation ("MCE Leisure") (collectively referred to the "MCE Holdings Group"). Details of the acquisition by MCE Investments of all of the shares in MCE Holdings is set out on Note 23 (Subsequent Events) of the Company's audited consolidated financial statements as of December 31, 2012.

Customers/Foreign Sales

Until December 6, 2012, the Group's main businesses carried out through its subsidiaries were classified in two groups as follows: toll manufacturing of pharmaceutical products and real estate business.

Currently, the Group's main business, through its indirect subsidiary MCE Leisure, is the operation and development, and upon opening, the operation of an integrated hotel, gaming, retail and entertainment complex in PAGCOR's Entertainment City (the "Project"). The Project is currently in an early phase of development and has no revenue.

Product Lines

As a holding company, the Company has no main products or services nor does it get revenues or sales from any manufactured goods or services. However, the Company earned interest income on its cash in bank deposits during the year.

Competition

Up to December 6, 2012, the Group's business faced stiff competition from other holding companies that engaged in the manufacture of healthcare products, as a result of the continuous mergers of pharmaceuticals. The Company also dealt with competition in the real estate development business despite projected strong demand.

The gaming business of the Group is expected to face stiff competition since the hotel, resort and gaming businesses are highly competitive. The Group's competitors internationally include many of the largest gaming, hospitality, leisure and resort companies in the world. In the Philippine gaming market, the Company will compete with both Philippine and foreign-owned hotels and resorts. The Group also expects to compete with gaming operators in other more established gaming centers across the region, particularly those of Macau and Singapore.

Suppliers

The Group, not being currently engaged in the manufacture of any product, does not require any raw materials or any items from suppliers for its business. As of December 6, 2012, buying of raw material required were completed at the subsidiary level.

Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions and Royalty Agreements

Melco Crown Entertainment Limited, the ultimate parent of the Company has applied for the registration of the trademarks “City of Dreams”, “City of Dreams Manila”, “Fortune Egg” and “Melco Crown Philippines” in connection with the Company’s hotel and casino operations, undertaken by MCE Leisure, its indirect subsidiary.

Government Licenses and Registrations

Provisional License

The Company’s subsidiaries, MCE Holdings, MCE Holdings No. 2, and MCE Leisure, together with SM investments Corporation (“SMIC”), Belle Corporation (“Belle”) and PremiumLeisure Amusement, Inc. (“PLAI”) (collectively, the “SM Group”), are co-licensees (the “Provisional Licensees”) of the provisional license (“Provisional License”) issued by the Philippine Amusement and Gaming Corporation (“PAGCOR”) for the development of an integrated casino, hotel, retail and entertainment complex within the Bagong Nayong Pilipino-Entertainment City Manila (the “Entertainment City”). MCE Leisure has been named as the “special purpose entity”, effective from March 13, 2013, that will operate the casino business and act as the sole and exclusive representative of the Provisional Licensees for purposes of the Provisional License. The Provisional License is one of four granted to various parties to develop integrated tourism resorts and establish and operate casinos in Entertainment City.

PEZA Registration

MCE Leisure is currently applying for registration as a PEZA Tourism Economic Zone Enterprise for the construction, development and operation of a hotel and entertainment complex at the Entertainment City.

Research and Development

The Company, as a holding company, does not have research and development activities.

Environmental Laws

The Company, as a holding company, does not engage in business operations subject to regulations requiring compliance with environmental laws.

Related Party Transactions

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

Significant transactions with related parties for the years ended December 31, 2012, 2011 and 2010 include the following:

Category	December 31,	Amount of transactions during the year	Outstanding balance	Terms	Conditions
Affiliates					
Zuellig Pharma Corporation*					
(1) Tolling and other fees income	**2012**	₱ **-**	₱ **-**	30 days; non-interest bearing	Unsecured, no impairment
	2011	12,774,168	34,064		
	2010	37,456,281	15,435,157		
(2) Rent expense	**2012**	**28,378,924**	**-**	Within first 5 days of the month, non-interest bearing	Unsecured, no impairment
	2011	30,270,852	-		
	2010	29,608,574	-		
Bridgebury Realty Corporation*					
(1) Sale of vehicle	**2012**	**-**	**-**	30 days; non-interest bearing	Unsecured, fully provided with allowance
	2011	-	1,432,200		
	2010	-	1,432,200		
Acette Insurance					
(1) Insurance expense	**2012**	**-**	**-**	30 days; non-interest bearing	Unsecured, no impairment
	2011	6,603,868	-		
	2010	6,604,744	-		
Gel Pacific, Inc.*					
(1) Tolling and other fees income	**2012**	**3,345,600**	**-**	30 days; non-interest bearing	Unsecured, no impairment
	2011	1,315,646	361,990		
	2010	2,896,101	428,720		
(2) Rent income	**2012**	**4,403,720**	**-**	30 days; non-interest bearing	Unsecured, no impairment
	2011	4,542,165	956,210		
	2010	3,561,320	502,920		

** Under the then common ultimate stockholders as of December 18, 2012.*

*** Under the then common ultimate stockholders until November 30, 2011.*

Compensation of Key Management Personnel

Before the change in ownership of the Company, the compensation of key management personnel of the Company are as follows:

	For the years ended December 31,		
	2012	2011	2010
Short-term employee benefits	**₱90,850,208**	₱78,061,746	₱70,657,037
Post-employment benefits:			
Retirement benefits	**910,844**	765,077	873,237
Long-term sick leave benefits	**744,375**	714,100	589,541
	₱92,505,427	₱79,540,923	₱72,119,815

Before the change of ownership of MCP, the remuneration of key management personnel of the Company was borne by Interphil, while after the change of ownership of the Company, the remuneration of the Company's key management personnel is borne by MCE.

Employees

As of December 31, 2012, the Company has no existing employees. As of the same date, the Company had no Collective Bargaining Agreements with employees.

Major Business Risks

The Company's transactions dealt mainly with the owning of shares of other companies. The discussion below on financial risks is applicable only to its consolidated business as the Company does not have any financial instruments other than cash and cash equivalents.

Financial risks

The Group's principal financial instruments as at December 31, 2012 comprise cash and cash equivalents. The main purpose of this financial instrument is to finance the Group's operations. Immediately before the Subsidiaries Sale Transaction, the Group had various other financial assets and liabilities such as trade and other receivables, deposits, available-for-sale financial asset and trade and other payables which arised directly from its operations in 2012.

Before the change of ownership of the Company, the main risks arising from the Group's financial instruments were credit risk, liquidity risk and foreign exchange risk, the Group's overall risk management program was carried out by former management under policies approved by the former Board of Directors, to identify and evaluate financial risks in coordination with the Group's operating units and to minimize these risks on the Group's financial performance.

After the change of ownership of the Company, the main risks arising from the Group's financial instruments are interest rate risk, credit risk, liquidity risk and foreign exchange risk. The new management reviews and approves policies for managing each of these risks.

<u>Interest Rate Risk</u>

After the change in ownership of the Company, other than the bank balances which carry interest at market rates, the Group has no other significant interest-bearing assets and liabilities and its operating cash flows are substantially independent of changes in market interest rates. Accordingly, the management is of the opinion that the Group does not have significant interest rate risk and no sensitivity analysis is performed.

<u>Credit Risk</u>

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group.

Immediately before the Subsidiaries Sale Transaction, the Group's former management managed credit risk by following strict credit policies and procedures in granting of credit to customers and monitoring of schedule of aged receivables.

The Group trades only with recognized and creditworthy third parties. It is the policy of the Group that all customers who wish to trade on credit terms were subjected to credit verification procedures. Receivables from customers are usually settled after approved credit terms. Trade and other receivables and other current assets are monitored on an on-going basis with the result that the exposure of the Group to bad debts is not significant. The Group does not offer credit terms to third parties, without the specific approval of management.

With respect to credit risk from other financial assets of the Group, which mainly composed of cash and cash equivalents and receivables from related parties, the exposure of the Group to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. There is no significant concentration of credit risk in the Group.

<u>Liquidity Risk</u>

Liquidity risk is the potential of not meeting obligations as they become due because of an inability to liquidate assets or obtain adequate funding or is the risk that the Group will not be able to meet its obligations associated with financial difficulties.

Before the change of ownership of the Company, the objective of the Group was to maintain a balance between continuity of funding and flexibility through the use of credit lines available from local banks. The Group's former management managed its liquid funds through cash planning on a monthly basis. The Group used historical data and forecasts from its collection and disbursement. The Group also placed funds in the money market only when exceeding the Group's cash requirements. Placements were strictly made based on cash planning assumptions and covers only a short period of time.

After the change of ownership of the Company, the Company obtains funding from ultimate holding company and intermediate holding company and manages its liquid funds through cash planning on a monthly basis. The Company uses historical data and forecasts from its collection and disbursement.

Foreign Exchange Risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

Immediately before the Subsidiaries Sale Transaction, the Group had transactional currency exposures arising from sales or purchases in foreign currencies. Foreign exchange risks are considered minimal. The Group's former management decided not to hedge these immaterial currency exposures considering the cost of hedging being higher than the currency exposure.

As of December 31, 2012, the Company had no foreign currency-denominated financial assets and liabilities, hence not subject to foreign currency risk.

Financial Assets and Liabilities

Significant Accounting Policies

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

Initial and Subsequent Recognition of Financial Instruments. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those at fair value through profit or loss, includes transaction cost.

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities. The classification depends on the purpose for which the instruments were acquired or liabilities incurred and whether they are quoted in an active market. Management determines the classification at initial recognition and, where allowed and appropriate, re-evaluates this classification at every balance sheet date. The Group has no financial assets or liabilities at fair value through profit or loss and held-to-maturity investments as of December 31, 2012 and 2011 and has no available-for-sale financial assets as of December 31, 2012 after the Subsidiaries Sale Transaction.

Determination of Fair Value. The fair value of financial instruments traded in active markets at balance sheet date is based on their quoted market price or dealer price quotations (bid price for long positions and asking price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which observable market prices exist, options pricing models, and other relevant valuation models.

"Day 1" Profit. Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables

include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a “Day 1” profit) in the consolidated statements of comprehensive income unless it qualifies for recognition as some other type of asset. In cases where unobservable data is used, the difference between the transaction price and model value is only recognized in the consolidated statements of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the “Day 1” profit amount.

Loans and Receivables. Loans and receivables are nonderivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and includes fees and costs that are an integral part of the effective interest. Gains and losses are recognized in the consolidated statements of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process. Loans and receivables are included in current assets if maturity is within 12 months from the balance sheet date, otherwise, these are classified as noncurrent assets.

This category includes cash and cash equivalents, trade and other receivables and deposits. The carrying values and fair values of loans and receivables amounted to ₱1,143.8 million as of December 31, 2012, and ₱666.1 million as of December 31, 2011.

Available-for-sale Financial Assets. Available-for-sale financial assets are those nonderivative financial assets that are not classified as fair value through profit or loss, loans and receivable or held-to-maturity investments. These are purchased and held indefinitely, and maybe sold in response to liquidity requirements or changes in market conditions. After initial recognition, available-for-sale financial assets are measured at fair value with unrealized gains or losses being recognized in the “Other comprehensive income” under the consolidated statements of comprehensive income. When the investment is disposed of, the cumulative gain or loss previously recorded in other comprehensive income is recorded as part of profit or loss in the consolidated statements of comprehensive income. Interest earned on the investments is reported as interest income using the effective interest method. Dividends earned on investments are recognized in the consolidated statements of comprehensive income when the right to receive payment has been established. Available-for-sale financial assets are classified as noncurrent assets unless the intention is to dispose such assets within 12 months from balance sheet date.

The fair value of available-for-sale financial assets consisting of any investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date.

The Group classified its investment in shares of a certain country club as available-for-sale financial asset. The carrying value and fair value of the available-for-sale financial asset, which is presented as part of “Other noncurrent assets” account in the consolidated balance sheet amounted to zero as of December 31, 2012 and ₱ 0.33 million as of December 31, 2011.

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

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the consolidated statements of comprehensive income when the liabilities are derecognized as well as through amortization process. Other financial liabilities are included in current liabilities if maturity is within 12 months from the balance sheet date otherwise, these are classified as noncurrent liabilities.

This category includes trade and other payables amounting to ₱2.3 million as of December 31, 2012, and ₱296.9 million as of December 31, 2011.

<u>Fair Value of Financial Instruments</u>

Set out below is a comparison by category of carrying amounts and fair values of all of the Company’s financial instruments as of December 31:

	December 31, 2012		December 31, 2011	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	₱1,143,767,970	₱1,143,767,970	₱381,099,825	₱381,099,825
Trade and other receivables:				
Trade	-	-	255,458,593	255,458,593
Receivables from related parties	-	-	1,352,264	1,352,264
Others	-	-	25,005,005	25,005,005
Deposits (included as part of "Other noncurrent assets")	-	-	3,214,262	3,214,262
	1,143,767,970	1,143,767,970	666,129,949	666,129,949
Available-for-sale financial asset (included as part of "Other noncurrent assets")	-	-	330,000	330,000
	₱1,143,767,970	₱1,143,767,970	₱666,459,949	₱666,459,949
Financial Liabilities				
Other financial liability:				
Trade and other payables (excluding government and statutory liabilities)	₱ 2,305,845	₱ 2,305,845	₱296,921,301	₱296,921,301

INVESTMENTS FROM DISCONTINUED OPERATIONS

Interphil Laboratories Inc. (formerly First Pharma Industries Inc.)

Interphil was incorporated and registered with the SEC on February 5, 2008 primarily to manufacture, process and package drugs, chemicals, pharmaceuticals and veterinary products.

Interphil was the recognized leader among pharmaceutical contract manufacturers in the Philippines and in Asia. About 28 transnational pharmaceutical companies (87% local and 13% export) were patronizing Interphil.

Interphil had two plants that were capable of manufacturing various pharmaceutical dosage forms as follows:

A. Non-sterile products

- A.1 Liquid dosage forms (syrups, solutions, suspensions, liquid emulsions)
- A.2 Semi-solid dosage forms (creams, ointments, pastes, gels)
- A.3 Solid dosage forms
  - A.3.1 Unit dose form (tablets, hard and soft gel capsules, lozenges, suppositories)
  - A.3.2 Multi dose form (powders, granules)

B. Specifically toxic and hazardous substances

- B.1 Penicillins
- B.2 Cephalosporins
- B.3 Others – corticosteroids

C. Packaging only

- C.1 Liquid dosage forms
- C.2 Semi-solid dosage forms
- C.3 Solid dosage forms

D. Others

D.1 Cosmetics

Customers undertook to take delivery of their products at Interphil's Cabuyao, Laguna plant.

The principal product lines and percentage of contribution to sales were as follows:

PRODUCT LINES	PERCENTAGE TO TOTAL
Liquids	33.07%
Dry Products	46.30%
Creams and Ointments	8.18%
Penicillin	0.57%
Cephalosporin	3.23%
Interphil Products	0.93%
QA/TSD	7.72%
Total	100.00%

Customers/Foreign Sales. About 28 transnational pharmaceutical companies (87% local and 13% export) were patronizing Interphil and the latter was not dependent on a single or few customers. However, Interphil's major customers and its percentage of revenue to its total sales included: Boehringer Ingelheim (21%), Pfizer Consumer Healthcare (12%), Johnson & Johnson (10%), Pfizer Consumer Healthcare Pty Ltd. (9%), sanofi-aventis Philippines (5%), Roche Philippines (5%), AstraZeneca Pharmaceuticals (4%), and Pfizer Pharma (4%). Taken as a whole, Interphil had Pfizer as its major customer.

On the expectation that Interphil's customers would keep on declining and so as not to have a material adverse effect on its business, Interphil realigned its business into three business units namely: Contract Manufacturing, Product Licensing, and Brand Marketing. All customers of Interphil had toll manufacturing contracts. Interphil also started tapping the local market of selected food and beverage products and the networking companies concentrating on health and wellness products to augment its Contract Manufacturing business.

Below is the percentage of revenues and net income contributed by foreign sales for each of the last three fiscal years:

	2012	**2011**	**2010**
% of foreign sales	13%	16%	13%
% of Net Income from foreign sales	2%	4%	2%

Competition. Volume for 2012 went down versus last year and continued to slide based on the Philippine Pharmaceutical Industry indices. Industry growth went down to single digit. The ongoing mergers of some multi-national companies resulted in the shift of supply of finished goods from their underutilized plants abroad instead of sourcing them from Interphil.

Interphil's market participation eroded as market share of its multinational customers dropped, with local companies marketing and aggressively advertising "me-too" products at very much lesser prices to compete with legacy or originator brands. Likewise, there were some sourcing issues with regard to the Active Pharmaceutical Ingredient (APIs) of some clients due to closure of suppliers' plants.

Matching resources to the declining toll manufacturing volume was the foremost concern for the ensuing periods.

Interphil also moved towards increasing its export revenues and developing manufacturing and laboratory services to local companies. Interphil's participation in the export market included shipments to Australia, Thailand, Singapore, Hong Kong, Turkey, Taiwan and New Zealand.

Interphil's primary competitors in the toll manufacturing industry were Lloyd Laboratories, Hizon Laboratories, Swiss Pharma, and Euro-med Laboratories while the secondary competitors are Ace Pharmaceuticals, and Allied Pharmaceutical Laboratories, Inc. Market share of Interphil in the total toll manufacturing industry was about 10% in 2012.

Interphil was able to effectively compete through its quality or product performance that it built over the past 38 years. Interphil also had ISO and GMP certifications from both local regulatory body and foreign organizations such as the FDA and the Australian TGA (Therapeutic Goods Administration), respectively.

Sources and Availability of Raw Materials and Names of Principal Supplier. Interphil purchased various raw and packaging materials for its multinational clients from approved and qualified suppliers and sources. Interphil neither depended nor expected to be dependent upon one or a limited number of suppliers for essential raw and packaging materials. Its supplier portfolio was a mix of local and international sources spanning different continents around the world. This diversity allowed it to choose the best quality and most cost competitive source to maintain competitive for material sourcing business.

Interphil only did business with suppliers that passed Interphil and customer supplier qualification process. It also maintained key supplier linkages, volume leverage, price locks and established supply/quality agreements, in order to get the best prices in the market. There were also common materials that it leveraged from a purchasing standpoint. These include sorbitol, glycerin, sucrose granulate (sugar), magnesium stearate, alcohol, and vitamins. Packaging materials purchased include foil, amber/plastic bottles, aluminum caps, printed boxes and corrugated cases.

Interphil had raw and packaging materials supply and quality agreements with local and foreign industry leaders like San Miguel-Yamamura Inc. (for bottles), CADP (sucrose), Roquette (sorbitol), DSM (vitamins), Capsugel (empty gelatin capsules), Dow Chemicals, IFF, Givaudan, Kao, Boehringer Ingelheim, Merck, Pfizer Centre Source, Alucon, Flexo, I-Print, Vision, Moldex, and Netpack. Interphil trained its suppliers on the latest GMP (Good Manufacturing Practices) in order to align them with its evolving quality requirements. While it has made key partnerships with these companies, the supply chain organization continues to tap the vast network of global suppliers that could deliver value to the Company.

Materials procurement from Interphil's approved suppliers completed its "All-In" Service to the customer. This service was composed of materials purchase, testing, manufacturing, and packaging and technical assistance. All these ensured that products are delivered on time at competitive prices from a single source. It helped its customers to focus on core aspects of their business like marketing, regulatory and brand growth. The full spectrum of Interphil's supply chain service included order management, materials planning and procurement, logistics, import/export, warehousing, materials sourcing, supplier qualification, delivery monitoring and supplier management.

In all of these aspects, Interphil considered its suppliers as a valuable strategic partner.

Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions and Royalty Agreements. Interphil did not have any patent, trademarks, copyrights, licenses, franchises, concessions and royalty agreements with other companies.

Government Approval. Interphil was licensed by the Food and Drugs Administration (FDA) to operate as drug manufacturer and exporter, cosmetic manufacturer and food manufacturer. FDA license to operate as food manufacturer is renewable every year while the license to operate as drug and cosmetics manufacturer is renewable every one or two years depending on FDA audit findings. The acquisition of these licenses was in compliance with the provisions of Republic Act No. 9711, known as Foods, Drugs and Devices and Cosmetics Act. Interphil was also certified as compliant with Good Manufacturing Practice by FDA. Interphil also acquired licenses as dangerous drug manufacturer (S5C), drug importer (S5I) and drug exporter (S5E) and drug analyst and technical researcher (S6) from the Philippine Drug Enforcement Agency (PDEA). These licenses are renewable every year. PDEA also granted Interphil with licenses as end user of precursor and essential chemicals (P3) and for research and laboratory (P6). Interphil was licensed as manufacturer of veterinary drug products by the Bureau of Animal Industries.

Transactions With and/or Dependence on Related Parties. Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Significant transactions of Interphil with related parties up to December 6, 2012 included the following:

Category	Period/ Year ended	Amount of transactions during the period	Receivables/ (Payables)	Terms	Conditions
Parent					
MCP[a]					
(1) Management fee income	**December 6, 2012**	**₱ 881,250**	**₱ 644,006**	Within first five days of the month; non-interest bearing	Unsecured, no impairment
	December 31, 2011	900,000	(212,468)		
Affiliates					
Zuellig Pharma Corporation[b]					
(1) Tolling and other service fees income	**December 6, 2012**	**-**	**-**	30 days; non-interest bearing	Unsecured, no impairment
	December 31, 2011	12,774,168	34,064		
(2) Rent expense	**December 6, 2012**	**28,378,924**	**(3,373,939)**	First 5 days of the month, non-interest bearing	Unsecured
	December 31, 2011	30,270,852	-		
Bridgebury Realty Corporation[b]					
(1) Sale of vehicle	**December 6, 2012**	**-**	**1,432,200**	30 days; non-interest bearing	Unsecured, fully provided with allowance
	December 31, 2011	-	1,432,200		
Lancashire Realty Holding Corporation[b]					
(1) Management fee income	**December 6, 2012**	**4,875,000**	-	Within first five days of the month; non-interest bearing	Unsecured, no impairment
	December 31, 2011	5,200,000	-		
(2) Rent expense	**December 6, 2012**	**5,666,063**	**(1,335,542)**	Within first five days of the month; non-interest bearing	Unsecured
	December 31, 2011	6,043,800	(1,025,074)		
Acette Insurance Brokerage[c]					
(1) Insurance expense	**December 6, 2012**	**-**	**-**	30 days, non-interest bearing	Unsecured, no impairment
	December 31, 2011	6,603,868	-		
Gel Pacific, Inc.[b]					
(1) Tolling and other service fees income	**December 6, 2012**	**3,345,600**	**631,376**	30 days, non-interest bearing	Unsecured, no impairment
	December 31, 2011	1,315,646	361,990		
(2) Rent income	**December 6, 2012**	**4,403,720**	**1,401,399**	30 days, non-interest bearing	Unsecured, no impairment
	December 31, 2011	4,542,165	956,210		

[a] *Parent of Interphil until December 6, 2012 and under common ultimate stockholders as of December 18, 2012.*

[b] *Under common ultimate stockholders as of December 18, 2012.*

[c] *Under common ultimate stockholders until November 30, 2011.*

Compensation of key management personnel of Interphil prior to the Company's Subsidiaries Sale Transaction were as follows:

	Period ended December 6, 2012	Year ended December 31, 2011
Short-term employee benefits	**₱ 90,850,208**	₱78,061,746
Post-employment benefits:		
Retirement benefits	**910,844**	765,077
Long-term sick leave benefits	**744,375**	714,100
	₱ 92,505,427	₱79,540,923

Interphil defrayed approximately ₱2.6 million in 2012 for environmental waste management. This amount consists of payment for permits renewal, electricity consumed and salaries paid to operate and maintain the wastewater treatment plant.

Employees. As of December 6, 2012, Interphil had a total of 482 employees composed of managers and rank and file.

Department	Confidential Level	Rank & File	Total
Production	36	221	257
Quality Assurance	24	89	113
Administrative	57	7	64
Engineering	6	16	22
Logistics	9	1	10
Accounts Mgt/Sales & Distribution	16	-	16
Total	**148**	**334**	**482**

Interphil had a unionized workforce with the union representing its rank and file employees. But it was not subjected to any employees' strike nor was it in danger with a union initiated work stoppage. The Collective Bargaining Agreement was signed on January 1, 2011 and will expire on December 31, 2013. Interphil provided employee benefits including health care and retirement benefits and had good labor relations over the years.

Properties. Interphil's main plant is situated on a 50,365sqm owned by Interphil's affiliate, Lancashire, in Canlubang Industrial Estate, Cabuyao, Laguna. The other plant in Canlubang Industrial Estate, Calamba, Laguna is subleased from a customer.

Designed with utmost detail, the manufacturing complex in Canlubang was planned and built to meet the strict international standards by its most global customers. The production and administrative building, and machinery and equipments are owned by Interphil and are in excellent condition.

All owned properties are free from liens and encumbrances.

Lancashire Realty Holding Corporation

Lancashire was incorporated and registered with the SEC on February 13, 2008 primarily to acquire, lease, and/or trade real and personal properties.

Customers/Foreign Sales. Lancashire's business was the rental of land to Interphil Laboratories, Inc.

Competition. Lancashire dealt with competition in the real estate development business in spite of demand in 2012.

Product Lines. Lancashire had no major products or services nor did it get revenues or sales from any manufactured goods or services.

Suppliers. Lancashire, not being connected in the manufacture of any product, did not require any raw materials or any items from suppliers for its business.

Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions and Royalty Agreements. Lancashire did not have any patent, trademarks, copyrights, licenses, franchises, concessions and royalty agreements with other companies.

Government Approval. Lancashire obtained all the necessary permits and government approvals to operate as a realty and holding company.

Properties. Lancashire owns 50,365sqm of land in Canlubang Industrial Estate, Cabuyao, Laguna. The said property is free from liens and encumbrances. It has an operating lease agreement with Interphil for the rental of such land, which is renewable annually. Total revenue amounted to ₱5.67 million for the period ended December 6, 2012.

Related Party Transactions. Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Lancashire's significant transactions with its related parties up to December 6, 2012, in the ordinary course of business, included the following:

Category	Period / Year ended	Amount of transactions during the period	Receivables	Terms	Conditions
Affiliate					
Interphil Laboratories, Inc*					
(1) Rent income	**December 6, 2012**	**₱ 5,666,063**	**₱ 1,335,542**	Receivable within first 5-days of the month, non-interest bearing	Unsecured; no impairment
	December 31, 2011	6,043,800	1,025,074		
(2) Management fee expense	**December 6, 2012**	**4,875,000**	**-**	Payable within first 5-days of the month, non-interest bearing	Unsecured
	December 31, 2011	5,200,000	-		

* Under common ultimate stockholders

Employees. As of December 6, 2012, Lancashire had no employees. There were no Collective Bargaining Agreements with employees.

PRESENT INVESTMENTS AND ACTIVITIES

From March 20, 2013, the following are the investments of the Company:

MCE Holdings (Philippines) Corporation

MCE Holdings was incorporated and registered with the SEC on August 13, 2012 as a holding company. It is 100% owned by the Company. It owns all of the shares in MCE Holdings No. 2.

MCE Holdings No. 2 (Philippines) Corporation

MCE Holdings No. 2 was incorporated and registered with the SEC on August 22, 2012 as a holding company. It owns 100% of the shares in MCE Leisure.

MCE Leisure (Philippines) Corporation

MCE Leisure was incorporated and registered with the SEC on August 30, 2012 to develop and operate facilities, including hotel casino entertainment complexes with hotel, retail and amusement areas and themed development components, as well as to engage in casino gaming activities. It is 100% owned by the Company.

MCE Holdings, MCE Holdings No. 2 and MCE Leisure ("MCE Parties"), together with the SM Group are the joint developers of an integrated tourism resort to be located in Entertainment City (the "Project"). The Company, an affiliate of Melco Crown Entertainment, a leading developer of integrated gaming resorts in Macau and other parts of Asia, is responsible for the furniture, fixtures and equipment (including gaming equipment), working capital expenses, non-real property improvements and personal property (collectively, "FF&E"), as well as the management and operation of the Project through its direct subsidiary, MCE Leisure. Belle, which is part of the SM Group, one of the largest conglomerates in the Philippines with interests in retail, real estate development and banking, among others, is responsible for construction of the principal structures and fixtures of the Project.

The Project is located on an approximately 6.2-hectare site located in Entertainment City, which is close to Metro Manila's international airport, central business districts and the Mall of Asia, one of the world's largest shopping malls. As of the date hereof construction on the main building of the Project is substantially complete, while fit-out is ongoing. The Company believes that upon its expected completion in mid-2014, the Project will comprise a luxury integrated tourism resort and gaming complex, offering a premium gaming experience and differentiated and innovative non-gaming facilities and entertainment experiences to its customers in a world-class facility.

On December 12, 2008, certain affiliate members of the SM Group were granted one of four provisional licenses to establish integrated tourism resorts by PAGCOR within Entertainment City, a special economic zone in Parañaque City, Metro Manila. Entertainment City is being developed into a gaming and entertainment area on a 120-hectare site alongside Manila Bay.

On October 25, 2012, MCE Parties entered into agreements with the SM Group (collectively with the MCE Parties, the "Licensees") whereby MCE Leisure was designated as the sole and exclusive representative of the Licensees with respect to the Provisional License, and as the "special purpose entity" under the Provisional License tasked to operate the Project upon commencement of operations. In consideration of MCE Leisure's appointment, the SM Group will be entitled to receive from MCE Leisure agreed upon monthly payments consisting of one-half of the Project's Mass Market and VIP gaming EBITDA (after deducting a nominal management fee) or a certain percentage of the Project's net revenues, whichever is higher. MCE Leisure will also retain all revenues from the non-gaming operations of the Project. Under the Lease Agreement, MCE Leisure will pay to Belle lease rentals for the land and buildings contributed by the SM Group and utilized for the Project.

The Group believes that it will be in a competitive position as a result of the Project's product offering and service quality, including a diverse variety of gaming and non-gaming attractions and a superior overall entertainment experience targeted to appeal to both Mass Market and VIP customers. The Group also believes that it will have the ability to leverage the extensive gaming and integrated resort experience of its affiliates and ultimate shareholders, in particular Melco Crown Entertainment's gaming experience in Macau, which the Group believes will assist it in its efforts to establish the Project as a new key player in the regional gaming industry.

The Group expects the Project to be well-positioned to capitalize on the growing market for gaming in Asia, as evidenced by Macau recording total casino revenues of U.S.$38.1 billion in 2012 including estimated revenues from VIP players of approximately U.S.$24.6 billion; this translated into a CAGR of total casino revenues of 28.3% from 2004 to 2012, making Macau the largest gaming and VIP market in the world in 2012, all according to The Innovation Group. The Company believes that the Project will be able to take advantage of this strong demand by providing an attractive gaming option for regional and local Mass Market and VIP players, with its combination of high–end design, varied gaming and non-gaming offerings, luxurious amenities and high-quality customer service.

SUBSEQUENT EVENTS

For a discussion of subsequent events concerning the Company and its subsidiaries, see Note 23 to the Company's audited consolidated financial statements as of December 31, 2012.

Item 2. Properties

As of December 18, 2012 and December 31, 2012, on a consolidated basis, the 2012 total property plant and equipment of the Group were valued at zero as compared to ₱ 530,654,062 as of December 31, 2011.

Currently, the Group does not own any real property. However, the Project is situated on a 6.2-hectare land situated in Aseana Avenue in Parañaque City. The land and the buildings used in the Project are leased by MCE Leisure from Belle under the terms of a contract of lease entered into on October 25, 2012. The Lease Agreement commenced on March 13, 2013.

Part of the land leased by Belle to MCE Leisure is leased by Belle from the Social Security System under a lease agreement between Belle and the Social Security System.

Once completed, the Project's main building is expected to comprise a casino with an aggregate gaming floor area of approximately 20,100 sq. m. (including approximately 14,100 sq. m of Mass Market gaming area and approximately 6,000 sq. m. of exclusive VIP gaming area) with approximately 1,451 slot machines and 242 gaming tables. The main building is also expected to include, among other features, six hotel tower blocks on a three-storey podium structure with a total of approximately 967 hotel rooms, spas, swimming pools, gymnasiums, outdoor barbeque areas, landscaped gardens, a lobby lounge and a sky lounge located in one of the hotel tower blocks. The Project will also include a connecting structure which will feature the Fortune Egg, an entertainment complex, a retail boulevard, a bridge to the main building on levels two and three, and additional car park facilities.

Item 3. Legal Proceedings Affecting the Registrant or its Affiliates

As of December 31, 2012, neither the Company nor any of its subsidiaries are involved in or the subject of any legal proceedings which, if determined adversely to the Company or the relevant subsidiary's interests, would have a material effect on the business or financial position of the Company or any of its subsidiaries.

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

As of December 31, 2012, there were no matters submitted to the vote of the shareholders.

In a stockholders meeting held on February 19, 2013, shareholders of the Company approved the following resolutions:

(a) change of the corporate name to "Melco Crown (Philippines) Resorts Corporation";

(b) change of principal office to 10th Floor, Liberty Center, 104 H. V. dela Costa St., Salcedo Village, Makati City;

(c) declassification of Class A common shares and Class B common shares to a single class of common shares;

(d) denying the pre-emptive rights of the shareholders to any issuance, reissuance or disposition of the shares of the Company; and

(e) increase in capital stock from ₱900,000,000.00, divided into 900,000,000 common shares with a par value of ₱1.00 per share, to ₱5,900,000,000.00, divided into 5,900,000,000 common shares with a par value of ₱1.00 per share (the "Increase in Capital Stock").

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market Price of and Dividends on Issuer's Common Equity and Related Stockholder Matters

Market Information. The following table indicates the high and low trading prices of the Company's shares for the fiscal years 2011 and 2012 and first quarter of 2013.

		HIGH	LOW	HIGH	LOW
2013					
	First Quarter	18.00	12.00	N/A[4]	N/A[5]
		CLASS A		CLASS B	
		HIGH	LOW	HIGH	LOW
2012					
	First Quarter	2.17	1.95	2.05	2.05
	Second Quarter	2.60	2.32	2.55	2.52
	Third Quarter	2.52	2.52	2.56	2.56
	Fourth Quarter	14.00	11.00	14.00	10.52
2011					
	First Quarter	1.25	1.25	1.26	1.26
	Second Quarter	1.50	1.50	1.50	1.50
	Third Quarter	1.32	1.32	1.33	1.33
	Fourth Quarter	1.39	1.38	1.38	1.37

The majority of the Board of Directors, in their special meetings held on October 9, 2002, and March 19, 2003, voted for the approval of a Share Buyback Program of the Company covering up to One Hundred Seventy Five Million (175,000,000) shares at market price.

Dividends Per Share. No cash dividend was declared for the years 2004-2012. A twelve centavos (₱0.12) per share cash dividend was declared by the Board of Directors in its Regular Meeting held on May 23, 2001 in favor of the stockholders of record as of June 28, 2001 and was paid last July 12, 2001.

Sale of Unregistered Securities. The Company did not sell unregistered securities in the last three (3) years.

Stockholders. The percentage ownership of shareholders of record of the total outstanding shares as of March 31, 2013 was 68.72% Filipino and 31.28% Foreign. The Company has a total of 562,500,000 shares outstanding as of March 31, 2013 (net of 150,435,404 issued shares held by the Company as treasury shares) [6] and has a total of 437 stockholders.

The following are the Company's top 20 stockholders as of March 31, 2013:

	NAME	NO. OF SHARES HELD	% TO TOTAL OUTSTANDING SHARES
1	PCD NOMINEE CORPORATION (FILIPINO)	278,123,325	49.44
2	PCD NOMINEE CORPORATION (NON-FILIPINO)	128,894,743	22.91
3	MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORPORATION*	85,631,955	15.22

[4] As of March 5, 2013, the shares comprising the existing authorized capital stock of the Corporation, which previously consisted of Class "A" shares and Class "B" shares, have been declassified to a single class of common shares.

[5] As of March 5, 2013, the shares comprising the existing authorized capital stock of the Corporation, which previously consisted of Class "A" shares and Class "B" shares, have been declassified to a single class of common shares.

[6] On April 8, 2013, as a result of the approval by the SEC of the Increase in Capital Stock and the issuance by the Company of all of its treasury shares to third parties, the total outstanding shares amounts to 3,409,095,000 common shares. This include the additional subscription of 2,846,595,000 common shares by MCE Investments in relation to the Increase in Capital Stock,

4	MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORPORATION*	64,803,449	11.52
5	JOSE CUISIA	187,500	0.03
6	VICTOR SY	187,500	0.03
7	LEONARDO CHUA LIAN	150,000	0.03
8	LUMEN TIAOQUI	150,000	0.03
9	ALBERTO ANGUSTIA AND/OR FRANCISCO C. GONZALEZ	135,000	0.02
10	JOSEPHINE T. WILLER	118,750	0.02
11	ALEXANDER S. ARANETA	116,250	0.02
12	JOSE MARCEL ENRIQUEZ PANLILIO	112,500	0.02
13	BERNARD ONG AND/OR CONCHITA ONG	100,000	0.02
14	ELENA B. ALIKPALA	82,500	0.01
15	ROSA T. CABRERA	75,000	0.01
16	WILSON LIM AND/OR JUSY LIM	75,000	0.01
17	RAFAEL UYGUANCO	75,000	0.01
18	RAMON COJUANGCO, JR	71,250	0.01
19	MARIO C. TAN	67,500	0.01
20	VAN TAN	65,000	0.01
	TOTAL	**559,222,222**	**99.42**

*Treasury Shares which were sold to third parties on April 8, 2013.

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

The following discussion and analysis of the Company's consolidated financial conditions and results of operations should be read in combination with the consolidated financial statements of the Company as of December 31, 2012 and 2012, and for the years December 31, 2012, 2011 and 2010, and accompanying schedules and disclosures present elsewhere in this report.

OPERATIONS IN 2012

As discussed in the foregoing section, the Company sold all of its ownership interest in Interphil and Lancashire on December 7, 2012 and as such, the Company's main business of toll manufacturing of pharmaceutical products and real estate business ceased on December 7, 2012. The results of operations for the period from January 1, 2012 to December 6, 2012 were therefore classified as discontinued operations in the consolidated statements of comprehensive income. Prior years presentations were also restated for comparability purposes.

Consolidated comprehensive loss for the year ended December 31, 2012 was ₱33.3M from consolidated comprehensive income of ₱89.6M for the year ended December 31, 2011 due to loss on sale of subsidiaries, net of the capital gains tax.

Interphil Laboratories, Inc.

Comprehensive income decreased by 86% or ₱77.1M to ₱12.3M during the period from January 1, 2012 to December 6, 2012 from ₱89.4M during the year ended December 31, 2011 mainly due to increase in cost of sales and services and operating expenses.

Lancashire Realty Holding Corp

Lancashire posted revenues of ₱5.7M during the period from January 1, 2012 to December 6, 2012 from rental of its land.

Plan of Operations in 2013

The Group is currently developing the Project, an integrated resort located within Entertainment City, Manila, together with Belle Corporation of the SM Group, one of the leading developers of high-end residential and leisure properties in the Philippines which, when completed, is expected to be solely operated and managed by MCE Leisure.

The Project is expected to open in mid-2014 and plants to have approximately 1,451 slot machines and 242 gaming tables, six hotel towers with approximately 967 rooms in aggregate, including VIP and five-star luxury rooms and high-end boutique hotel rooms, five specialty restaurants along with a number of bars and a multi-level car park. The Project is also expected to feature three separate entertainment venues, including a Family Entertainment Center, a live performance central lounge within the casino and a night club encapsulated within the Fortune Egg, an attractive domelike structure, which will be accented with creative external lighting and is expected to become a centerpiece attraction of the Project. Construction has commenced on the connecting structure, including piling works, and it is expected that construction on the connecting structure will be completed by mid-2014.

The Group's net contribution towards the Project up to the time of opening is estimated to be approximately US$620 million, consisting of funds primarily for capital expenditures, working capital for initial opening and other pre-opening expenses. However, this estimate may be revised depending on a range of variables, including the final design and development plans, funding costs, the availability of financing on terms acceptable to us, and prevailing market conditions. We are considering different alternatives to finance the Project, including but not limited to debt and equity financing. On March 20, 2013, the board of directors of the Company approved a plan to raise additional capital of up to US$400 million through an equity offering including an over-allotment option.

The Project is currently in an early phase of development and therefore for the period after the completion of Acquisition Transaction to December 31, 2012 the Company had no revenue and incurred only insignificant expenses from its intended operations.

Key Performance Indicators

The Company's consolidated key performance indicators are shown below with their relevant results for December 31, 2012 and December 31, 2011.

	% INCREASE (DECREASE)	**December 31, 2012 (Audited*)**	**December 31, 2011 (Audited*)**
INTEREST INCOME (₱000)	4.7%	1,279	1,222
(LOSS) INCOME BEFORE INCOME TAX (₱000)	(5,333.4%)	(44,858)	857
(LOSS) INCOME FROM CONTINUING OPERATIONS (₱ 000)	(5,333.4%)	(44,858)	857
NET INCOME FROM DISCONTINUED OPERATIONS, AFTER TAX (₱000)	(87.0%)	11,547	88,694
NET (LOSS) INCOME (₱000)	(137.2%)	(33,311)	89,551
BASIC/DILUTED NET (LOSS) INCOME PER SHARE FOR CONTINUING OPERATIONS (₱)	(5,333.4%)	(0.109)	0.002
BASIC/DILUTED NET INCOME PER SHARE FOR DISCONTINUED OPERATIONS (₱)	(87.0%)	0.028	0.215

Interphil Laboratories, Inc

	% INCREASE (DECREASE)	**December 6, 2012 (Audited*)****	**December 31, 2011 (Audited*)**
VOLUME ('000 SPUs)	(2.7%)	56,784	58,355
REVENUES (₱000)	(0.1%)	1,766,139	1,767,314
GROSS INCOME (₱000)	(6.4%)	280,231	299,495
NET INCOME (₱000)	(86.2%)	12,303	89,353
TOTAL ASSETS (₱000)	9.4%	1,418,023	1,296,173
STOCKHOLDERS' EQUITY(₱000)	1.3%	944,159	931,768

Lancashire Realty Holding Corporation

	% INCREASE (DECREASE)	December 6, 2012 (Audited*)**	December 31, 2011 (Audited*)
REVENUES (₱000)	(6.3%)	5,666	6,044
GROSS INCOME (₱000)	0.1%	5,666	5,663
NET INCOME (₱000)	(48.1%)	125	241
TOTAL ASSETS (₱000)	0.1%	114,409	114,317
STOCKHOLDERS' EQUITY (₱000)	0.1%	114,277	114,152

* except for information on volume.
** representing results of operations of Interphil and Lancashire for the period from January 1, 2012 to December 6, 2012.

a) Volume Growth
Measures the percentage change in volume over a period of time. Volume is regularly monitored on a per product and per client basis.

b) Revenue Growth
Measures the percentage change in revenue over a period of time. It is regularly monitored on a per product and per client basis.

c) Gross Income
Measures the pricing strategy of the Company. Computed as Revenue less Cost of Goods Sold.

d) (Loss) Income Before Income Tax
Measures the profitability of the company before income tax.

e) (Loss) Income from Continuing Operations
Measures the profitability of the company from ongoing operations before extraordinary items and cumulative effects of changes in accounting principles.

f) Net Income from Discontinued Operations, after tax
Measures the profitability of the company from a disposal group that is classified as a component of the entity, net of income tax, reported as a separate component of income before extraordinary items and the cumulative effect of accounting changes.

g) Net (Loss) Income
Measures the profitability of the company.

h) Net (Loss) Income Per Share
Measures how much a stockholder earns in the net income or loss of the Company. Net (Loss) Income per share is calculated by dividing net income or loss by the weighted number of common shares issued and outstanding during a particular period of time.

i) Total Assets Growth
Measures the percentage change in assets over a period of time. Assets is regularly monitored on a per asset class.

j) Stockholders' Equity Growth
Measures the percentage change in stockholders' equity over a period of time.

There were no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default on or acceleration of an obligation.

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

<u>Full Years 2012 vs 2011</u>

There were certain significant changes in the Company's Consolidated Balance Sheet as of December 31, 2012 versus December 31, 2011.

In connection with the Subsidiaries Sale Transaction on December 7, 2012, the Company de-recognized all the assets and liabilities of Interphil and Lancashire as at December 7, 2012 and recorded a substantial loss on the sale of subsidiaries for the year ended December 31, 2012. And as a result, the Company did not have much operating assets remain as of December 31, 2012.

Current assets

Total cash and cash equivalents increased by 200% or ₱762,668,145 to ₱1,143,767,970 as of December 31, 2012 from ₱381,099,825 as of December 31, 2011. The increase was attributed to the proceeds from Subsidiaries Sale Transaction.

Trade and Other receivables and inventories amounted to nil due to the Subsidiaries Sale Transaction and discontinued operations.

Advances to suppliers and other current assets decreased by 98% or ₱32,370,983 to ₱512,078 as of December 31, 2012 from ₱32,883,061 as of December 31, 2011 due to the Subsidiaries Sale Transaction and discontinued operations. Balance as at December 31, 2012 was related to Input VAT-net.

Non-current assets

No non-current assets were reported as of December 31, 2012 as compared to the ₱550,215,427 as of December 31, 2011 following Subsidiaries Sale Transaction and discontinued operations.

Current Liabilities

Trade and other payables decreased by 85% or ₱259,493,024 to ₱46,838,317 as of December 31, 2012 from ₱306,331,341 as of December 31, 2011 is due to the Subsidiaries Sale Transaction and discontinued operations. The balance includes capital gains tax payable on the Subsidiaries Sale Transaction.

Net Output tax as of December 31, 2012, amounted to zero, 100% or ₱21,817,568 lower than the December 31, 2011 level on account of Subsidiaries Sale Transaction and discontinued operations.

Non-current Liabilities

No non-current liabilities were reported as of December 31, 2012 as compared to the ₱44,581,540 as of December 31, 2011 following the Subsidiaries Sale Transaction and discontinued operations.

<u>Full Years 2011 vs 2010</u>

There were some significant changes in the Company's Consolidated Balance Sheet as of December 31, 2011 versus December 31, 2010.

Current assets

The Company's total cash and cash equivalents went up by 11% to ₱381,099,825 in 2011 from ₱342,030,954 in 2010 because of additional income from operations. Likewise, short-term borrowings were fully settled in 2010.

Trade and Other receivables increased by 1% to ₱281,815,862 from ₱279,555,424 as a result of decrease in collections from client.

Inventories increased by 21% from ₱156,839,442 to ₱190,440,252 because of higher purchases of raw and packaging materials.

Advances to suppliers and other current assets went down by 6% from ₱34,979,835 to ₱32,883,061 due to decrease in advances to suppliers of imported materials and related import and shipping charges.

Non-current assets

Property, plant, and equipment, net of accumulated depreciation, decreased to ₱418,459,062 in 2011 from ₱437,089,720 in 2010. The decrease is due to the depreciation of ₱61,299,303 offset by acquisitions of ₱42,668,645.

Retirement benefit asset increased to ₱4,534,651 due to lower accrual of retirement benefits.

Other non-current assets increased by 222% from ₱4,662,080 to ₱15,026,714, due to additional deposit to the Manila Electric Company (MERALCO) and deposit to a third party marketing company.

Current Liabilities

Trade and other payables went down to ₱306,331,341 due to decrease in intercompany payables.

Net Output tax decreased by 24% to ₱21,817,568 from ₱28,696,213, mainly due to lower collections generated in December.

Non-current Liabilities

Deferred tax liabilities – net of deferred tax assets went up to ₱9,610,140 on March 31, 2012 from ₱5,748,891 as of December 31, 2011 mainly due to lower deferred tax assets related to the provision for doubtful accounts and post-employment benefits.

Retirement benefit liability decreased due to lower accrual of retirement benefits.

The Company's long-term sick leave benefits liability increased by 4% to ₱34,971,400 from ₱33,653,100 due to higher accrual of long term sick leave benefits.

Full Years 2010 vs 2009

There were some significant changes in the Company's Consolidated Balance Sheet as of December 31, 2010 versus December 31, 2009.

Current assets

Cash and Cash Equivalents is higher by 37% due to increase in short-term investments.

Trade and Other receivables decreased by ₱42,839,165 as a result of increased collections and settlement of past due accounts by a client.

Inventories decreased by 21% from ₱199,646,191 to ₱156,839,442 primarily due to better management and control of inventory.

Advances to suppliers and other current assets registered an increase of 37%, from ₱25,608,857 to ₱34,979,835, due to higher advances to suppliers of imported materials and related import and shipping charges and prepaid insurance.

Non-current assets

Property, plant, and equipment totaled ₱437,089,720, down from ₱490,900,240 due to the annual depreciation of ₱76,776,747 and acquisitions of ₱22,966,227.

Other non-current assets increased by 7% from ₱4,338,635 to ₱4,662,080, due to higher investment and advances in a joint venture.

Current Liabilities

Notes payable went down to zero from ₱130,000,000 as outstanding bank loans were fully settled during the year.

Trade and other payables are down by 9% to ₱323,712,436 as a result of decrease in purchases.

Output tax payable decreased due to lower collections in December 2010.

Non-current Liabilities

Deferred income tax liabilities – net of deferred tax assets increased by ₱4,994,956 compared to 2009 year-end level. The reduction in deferred tax asset is mainly due to the collection of receivables amounting to ₱27,865,322 which were estimated to be doubtful for collection. Allowance was provided in 2009.

The 24% decrease in Retirement and long-term sick leave benefits liability is attributable to the lower provision for pension expense net of the sick leave benefits paid in 2010.

Discussion and Analysis of material event/s and uncertainties known to management that would have address the past and would have an impact on future operations of the following from 2009 to December 31, 2012:

a) There are no known trends, events, or uncertainties that will have material impact on the Company's future liquidity.
b) There are no known events that will trigger direct or indirect contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
c) There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
d) There are no material commitments for capital expenditures that occurred during the reporting period.
e) There are no known trends, events, or uncertainties that are expected to have material impact on sales/revenues/income from continuing operations that occurred during the reporting period.
f) There are no significant elements of income or loss that did not arise from the Company's continuing operations that occurred during the reporting period.
g) There are no seasonal aspects that had a material effect on the financial condition or results of operations.

Results of Operations

<u>Full Years 2012 vs 2011</u>

As discussed above, the Company sold all of its ownership interest in Interphil and Lancashire. The results of operation for the period from January 1, 2012 to December 6, 2012 were classified as discontinued operations. For further details on the results of operations attributable to the manufacturing business of Interphil and the real estate business of Lancashire and loss on the sale of subsidiaries, please refer to note 5 to the consolidated financial statements of the Company included in this form 17-A.

The 5% increase in interest income for the year ended December 31, 2012 from the ₱1,221,593 in 2011 was due to increase in cash and cash equivalents.

The 539% increase in operating expenses to ₱2,328,496 for the year ended December 31, 2012 from the ₱364,440 in 2011 was primarily due to the increase in professional fees, mainly pertaining to audit fees.

Loss from continuing operations was at ₱44,857,995 for the year ended December 31, 2012 from the ₱857,153 income from continuing operations in 2011 is mainly due to the loss on sale of subsidiaries, net of capital gains tax of ₱43,808,475.

The 87% or ₱77,147,242 decrease in net income from discontinued operations after tax for the year ended December 31, 2012 from ₱88,694,190 in 2011 to ₱11,546,948, was primarily attributable to the combined effect of a decrease in gross margin as a result of an unfavorable product mix, an increase in operating expenses of the subsidiaries due to promotional and marketing activities for owned products, as well as a higher foreign exchange loss recognized during the period ended January 1, 2012 to December 6, 2012.

As a result of the foregoing, total comprehensive loss for the year ended December 31, 2012 was at ₱33,311,047 versus the total comprehensive income of ₱89,551,343 in 2011.

Full Years 2011 vs 2010

Consolidated revenues decreased by 4%, mainly due to the decline in volume of the manufacturing unit.

Consolidated cost of sales and services and operating expenses is almost the same at ₱1,462,155,996 in 2011 from ₱1,466,576,205 in 2010.

Consolidated net income is lower by 33% at ₱89,551,343 compared with ₱134,580,788 in 2010 due to lower revenues and higher operating expenses.

Full Years 2010 vs 2009

The Company's registered consolidated revenues of ₱1,832,976,274 for the year ended December 31, 2010, down by 8% or ₱150,985,317 from last year's ₱1,983,961,591. The decrease was largely due to decrease in volume of the manufacturing segment.

Consolidated cost of sales and services and operating expenses dropped by ₱106,162,527 or 6.0% due to lower cost of materials, decrease in salaries and wages, and elimination of provision for possible losses on creditable withholding tax.

Net income for the year 2010 is at ₱134,580,788 versus ₱112,606,723 in 2009. This is primarily due to the impact of better negotiation from suppliers to lower cost of materials.

Liquidity and Capital Resources

The table below shows the Company's consolidated cash flows for the years ended December 31, 2012, 2011, and 2010:

	For the Year Ended December 31			**% Change**	**% Change**
In Millions, except % change data	**2012**	2011	2010	**2012 vs 2011**	2011 vs 2010
Net cash flows from operating activities	**16.2**	123.7	188.1	**-87%**	-34%
Cash flow from an investing activity	**784.8**	-	-	**100%**	-
Cash flow from a financing activity	**41.1**	-	-	**100%**	-
Net increase in cash and cash equivalents	**842.1**	123.7	188.1	**581%**	-34%
Net cash flow from discontinued operations	**(79.4)**	(84.6)	(95.3)	**6%**	11%
Cash and cash equivalents, beginning	**381.1**	342.0	249.3	**11%**	37%
Cash and cash equivalents, end	**1,143.8**	381.1	342.0	**200%**	11%

Cash and cash equivalents increased by 200% as of December 31, 2012 from the net proceeds from the Subsidiaries Sale Transaction of ₱784,824,976 and additional capital contribution from the Selling Shareholders of MCP of ₱41,050,000.

In 2012, the Group registered a positive cash flow from operating activities of ₱16,204,489 considerably lower from last year's positive cash flow of ₱123,718,582. The primary reasons for the decrease was due to a lower income from discontinued operation as a result of decrease in gross margin and higher operating expenses as discussed above.

Cash provided by investing activities increased to ₱784,824,976 for the year ended December 31, 2012 from zero in 2011 arising from the proceeds received from Subsidiaries Sale Transaction, net of capital gains tax.

The Group has also made significant financing activities. Cash provided for the period increased by 100% to ₱ 41,050,000 from zero in 2011 mainly due to additional capital contribution from the Selling Shareholders of the Company immediately before the completion of the Proposed Acquisition as described in the foregoing section.

The table below shows the Group's capital resources as of December 31, 2012, 2011, and 2010:

	For the Year Ended December 31			**% Change**	**% Change**
In Millions, except % change data	**2012**	2011	2010	**2012 vs 2011**	2011 vs 2010
Equity	**1,097.4**	1,063.7	974.2	**3%**	9%
Total Capital	**1,097.4**	1,063.7	974.2	**3%**	9%

No debt was incurred for the past three years. Total capital grew by 3% to ₱1,097,441,731 as of December 31, 2012 from ₱1,063,723,978 as of December 31, 2011. The increase was the result of the release of appraisal increase of land at revalued amount to retained earnings as a result of Subsidiaries Sale Transaction and additional capital contribution from the Selling Shareholders of the Company immediately before the completion of the Proposed Acquisition as described in the foregoing section.

CAUSES FOR ANY MATERIAL CHANGES FROM PERIOD TO PERIOD OF FS WHICH SHALL INCLUDE VERTICAL AND HORIZONTAL ANALYSES OF ANY MATERIAL ITEM (5%)

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(Formerly Manchester International Holdings Unlimited Corp)
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in Millions of PhP)

	December 31		VERTICAL ANALYSIS % to Total Assets		HORIZONTAL ANALYSIS % of Change in Prior Year	Causes of Material Changes (With 5% as a Threshold)
	2012	2011	**2012**	2011	**2012**	
ASSETS						
Current Assets						
Cash and cash equivalents	**1,143.8**	381.1	100%	27%	200%	Increase is attributed to the Subsidiaries Sale Transaction and additional capital contribution from the Selling Shareholders of MCP
Trade and other receivables	**-**	281.8	0%	20%	-100%	Decrease is attributed to the Subsidiaries Sale Transaction
Inventories	**-**	190.4	0%	13%	-100%	Decrease is attributed to the Subsidiaries Sale Transaction
Advances to suppliers and other current assets	**0.5**	32.9	0%	2%	-98%	Decrease is attributed to the Subsidiaries Sale Transaction. Balance pertains to input tax
Total Current Assets	**1,144.3**	886.2	100%	62%	29%	
Non-current Assets						
Property, plant and equipment	**-**	418.5	0%	29%	-100%	Decrease is attributed to the Subsidiaries Sale Transaction
Land at revalued amount	**-**	112.2	0%	8%	-100%	Decrease is attributed to the Subsidiaries Sale Transaction
Retirement benefit asset	**-**	4.5	0%	0%		Decrease is attributed to the Subsidiaries Sale Transaction
Other noncurrent assets	**-**	15.0	0%	1%	-100%	Decrease is attributed to the Subsidiaries Sale Transaction
Total Non-current Assets	**-**	550.2	0%	38%	-100%	
Total Assets	**1,144.3**	1,436.4	100%	100%	-20%	

Extracted from Consolidated Financial Statements

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(Formerly Manchester International Holdings Unlimited Corp)
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in Millions of PhP)

	December 31		VERTICAL ANALYSIS % to Total Assets		HORIZONTAL ANALYSIS % of Change in Prior Year	Causes of Material Changes (With 5% as a Threshold)
	2012	2011	**2012**	2011	**2012**	
LIABILITIES AND EQUITY						
Current Liabilities						
Trade and other payables	**46.8**	306.3	4%	21%	-85%	Decrease is attributed to the Subsidiaries Sale Transaction; balance includes capital gains tax payable
Output tax payable	**-**	21.8	0%	2%	-100%	Decrease is attributed to the Subsidiaries Sale Transaction
Total Current Liabilities	**46.8**	328.1	4%	23%	-86%	
Non-current Liabilities						
Deferred tax liabilities - net	**-**	9.6	0%	1%	-100%	Decrease is attributed to the Subsidiaries Sale Transaction
Long-term sick leave benefit liability	**-**	35.0	0%	2%	-100%	Decrease is attributed to the Subsidiaries Sale Transaction
Total Non-current Liabilities	**-**	44.6	0%	3%	-100%	
Equity						
Capital stock	**562.5**	562.5	49%	39%	0%	
Additional paid-in capital	**92.7**	51.6	8%	4%	80%	Increase is due to capital contribution from the Selling Shareholders of MCP
Revaluation increment in land - net of deferred tax liability	-	60.6	0%	4%	-100%	Decrease is attributed to the Subsidiaries Sale Transaction
Retained earnings	**730.8**	677.5	64%	47%	8%	Increase pertains to the release of appraisal of increase of land at revalued amount as a result of Subsidiaries Sale Transaction
Cost of treasury shares held	**(288.5)**	(288.5)	-25%	-20%	0%	
Total Equity	**1,097.5**	1,063.7	96%	74%	3%	
Total Liabilities and Equity	**1,144.3**	1,436.4	100%	100%	-20%	

Extracted from Consolidated Financial Statements.

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(Formerly Manchester International Holdings Unlimited Corporation)
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in Millions of PhP except for Basic/Diluted Net (Loss) Income per Share)

	Years Ended December 31		VERTICAL ANALYSIS % to Revenues		HORIZONTAL ANALYSIS % of Change in Prior Year	Causes of Material Changes (With 5% as a Threshold)
	2012	2011	**2012**	2011	**2012**	
INTEREST INCOME	**1.3**	1.2	100%	100%	5%	Increase is due to higher cash and cash equvialents
LOSS ON SALE OF SUBSIDIARIES	**(43.8)**	-	-3425%	0%		Net carrying value of the subsidiaries sold is higher than the selling price, net of capital gains tax
OPERATING EXPENSES	**(2.3)**	(0.3)	-182%	-30%	539%	Increased due to higher professional fees
(LOSS) INCOME BEFORE INCOME TAX	**(44.8)**	0.9	-3507%	70%	-5333%	Loss due to loss on sale of subsidiaries
PROVISION FOR INCOME TAX	**-**	-	0%	0%		
(LOSS) INCOME FROM CONTINUING OPERATIONS	**(44.8)**	0.9	-3507%	70%	-5333%	Loss due to loss on sale of subsidiaries
NET INCOME FROM DISCONTINUED OPERATIONS, AFTER TAX	**11.5**	88.7	903%	7261%	-87%	Decreased due to higher cost of sales & services and operating expenses
NET (LOSS) INCOME	**(33.3)**	89.6	-2605%	7331%	-137%	
OTHER COMPREHENSIVE INCOME	**-**	-	0%	0%		
TOTAL COMPREHENSIVE (LOSS) INCOME	**(33.3)**	89.6	-2605%	7331%	-137%	Loss due to loss on sale of subsidiaries and lower income from discontinued operations
Basic/Diluted Net (Loss) Income Per Share for Continuing Operations	**₱(0.109)**	₱0.002	-9%	0%	-5333%	Decreased due to loss on sale of subsidiaries
Basic/Diluted Net Income Per Share for Discontinued Operations	**₱0.028**	₱0.215	2%	18%	-87%	Decreased due to higher cost of sales & services and operating expenses

Extrcated from Consolidated Financial Statements.

Item 7. Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A.

Item 8. Information of Independent Accountant and other Related Matters

1. External Audit Fees and Services

   For the years ended December 31, 2012 and 2011, the fees for audit work performed by Sycip Gorres Velayo & Co. for the parent company and its subsidiaries were as follows:

	2012	2011
External audit fees and services	₱1,525,864	₱800,000
Tax fees	-	-
Out-of-pocket expenses	98,111	104,397

a) External audit fees were paid for the professional services rendered for the audit of the Company's annual financial statements.
b) Tax fees were paid for professional services rendered for tax accounting, tax compliance audit, and advice and planning.
c) Out-of-pocket expenses were paid for incidental costs incurred in relation to the audit.

2. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

   To the best of knowledge of the undersigned Corporate Secretary, there are no disagreements on any matter of accounting principles or practices, financial statement disclosure or accounting scope or procedure with the Company's external auditor.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

From June 15, 2012 to December 19, 2012, the following are the directors and executive officers of the Company:

Name And Position	Age	Citizenship	Term of Office As Director/ Officer	Period Served As A Director/Officer
Francisco R. Billano Director/President & General Manager	65	Filipino	1	Since 1995 and up to December 19, 2013
Kasigod V. Jamias Director / Treasurer	64	Filipino	1	Since 1991 and up to December 19, 2013
Jose O. Juliano Director / Vice-Chairman of the Board	79	Filipino	1	Since 1987 and up to December 19, 2013
Paul Kleiner Director	84	Filipino	1	Since 19 74 and up to December 19, 2013
Renato B. Magadia Director	74	Filipino	1	Since 1975 and up to December 19, 2013
Ricardo J. Romulo Director/Chairman of the Board	80	Filipino	1	Since 1995 and up to December 19, 2013
Salvador C. Medialdea Director	60	Filipino	1	Since 2009 and up to December 19, 2013
Ramon Y. Dimacali Director	63	Filipino	1	Since 2008 and up to December 19, 2013

Ana Liza A. Peralta Corporate Secretary	43	Filipino	1	Since 1997 and up to December 19, 2013

The following are the directors and executive officers of the Company as of December 31, 2012:

Name And Position	Age	Citizenship	Term of Office As Director/ Officer	Period Served As A Director/Officer
Clarence Chung Yuk Man Director/President	50	Chinese	1	Since December 19, 2012
Gabriel A. Dee Director / Corporate Secretary / Corporate Information Officer	48	Filipino	1	From December 19, 2012 and up to February 19, 2013
Carlo Magno J. Verzo Director	52	Filipino	1	From December 19, 2012 and up to February 19, 2013
Cherrylyn G. Prado-Caoile Director	38	Filipino	1	From December 19, 2012 and up to February 19, 2013
Recaredo C. Borgonia, Jr. Director	41	Filipino	1	From December 19, 2012 and up to February 19, 2013
Charlie C. Yalung Director	45	Filipino	1	From December 19, 2012 and up to February 19, 2013
William Todd Nisbet Director	45	American	1	Since December 19, 2012
James Andrew Charles MacKenzie Director	59	Australian	1	Since December 19, 2012
Alec Yiu Wah Tsui Director	63	British	1	Since December 19, 2012

The following are the current directors and executive officers of the Company:

Name And Position	Age	Citizenship	Term of Office As Director/ Officer	Period Served As A Director/Officer
Clarence Chung Yuk Man Director/President	50	Chinese	1	Since December 19, 2012
Jose F. Buenaventura Director	78	Filipino	1	Since February 20, 2013
Frances T. Yuyucheng Director / Corporate Secretary / Corporate Information Officer	45	Filipino	1	Since February 20, 2013
Rena Rico-Pamfilo Director	37	Filipino	1	Since February 20, 2013
Yvette P. Chua Director / Alternate Corporate Information Officer	32	Filipino	1	Since February 20, 2013
Anna Cristina Collantes-Garcia Director	36	Filipino	1	Since March 01, 2013
William Todd Nisbet Director	45	American	1	Since December 19, 2012
James Andrew Charles MacKenzie Director	59	Australian	1	Since December 19, 2012
Alec Yiu Wah Tsui	63	British	1	Since December 19, 2012

Director				
Geoffrey Stuart Davis Treasurer	44	American	1	Since December 19, 2012
Maria Tara A. Mercado Assistant Corporate Secretary / Alternate Corporate Information Officer	27	Filipino	1	Since March 01, 2013

DIRECTORS AND OFFICERS

The names of the incumbent Directors and Executive Officers of the Company and their respective ages, current positions held, periods of service and business experience during the past five years are as follows:

Clarence Chung Yuk Man - *President / Chairman of the Board / Director*

Mr. Chung was appointed as Chairman and President of the Company on December 19, 2012. Mr. Chung was appointed as Director of Melco Crown Entertainment in November 2006 and has been an Executive Director of Melco International since May 2006. Mr. Chung has also served as the Chairman and Chief Executive Officer of Entertainment Gaming Asia Inc., a NASDAQ listed company, since October 2008. Mr. Chung has more than 20 years of experience in the finance industry in various capacities as a chief financial officer, a private equity fund manager and a merger and acquisition specialist. Mr. Chung holds a master degree in business administration from the Kellogg School of Management at Northwestern University and The Hong Kong University of Science and Technology, and a bachelor degree in business administration from the Chinese University of Hong Kong. He is also a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

Jose F. Buenaventura – *Director*

Mr. Buenaventura joined Romulo Mabanta Buenaventura Sayoc & de los Angeles in 1976 and is currently a senior partner. He graduated from the Ateneo de Manila with a degree in Bachelor of Law and was admitted to the Philippine Bar in 1959. He sits in the boards of various companies, including Cebu Pacific Air, Consolidated Coconut Corporation, Philippine First Insurance Co., Inc., Philam Plans, Inc. and Country Club Development Corporation. He is the President of Consolidated Coconut Corporation.

Frances Marie T. Yuyucheng – *Director / Corporate Secretary / Compliance / Corporate Information Officer*

Ms. Yuyucheng joined Romulo Mabanta Buenaventura Sayoc & de los Angeles in 1996 and is a currently a partner. She graduated from the Ateneo de Manila University School of Law with a degree in Juris Doctor and was admitted to the Philippine Bar in 1995. She acts as the corporate secretary of various companies.

Rena M. Rico-Pamfilo – *Director*

Ms. Rico-Pamfilo joined Romulo Mabanta Buenaventura Sayoc & de los Angeles in 2007 and is a senior associate. She graduated from the Ateneo de Manila University School of Law with a degree in Juris Doctor in 2000 and was admitted to the Philippine Bar in 2001. She is also qualified to practice law in the State of New York, U.S.

Anna Cristina Collantes-Garcia – *Director*

Ms. Collantes-Garcia joined Romulo Mabanta Buenaventura Sayoc & de los Angeles in 2008 and is currently a senior associate. Se graduated from the Ateneo de Manila University School of Law with a degree in Juris Doctor in 2002 and was admitted to the Philippine Bar in 2003, and the New York State Bar in 2009.

Yvette P. Chua – *Director / Alternate Corporate Information Officer*

Ms. Chua joined Romulo Mabanta Buenaventura Sayoc & de los Angeles in 2009 and is an associate. She graduated from the University of the Philippines with a degree in Bachelor of Laws in 2005 and was admitted to the Philippine Bar in 2006.

William Todd Nisbet – *Director*

Mr. Todd Nisbet, who was appointed as a director of the Company on December 19, 2012, joined the Crown Limited team in October 2007. In his role as Executive Vice President – Strategy & Development, Mr. Nisbet is responsible for all project development and construction operations of Crown Limited. Mr. Nisbet is also a Director of Melco Crown Entertainment and Studio City International Holdings Limited. From August 2000 through to July 2007, Mr. Nisbet held the position of Executive Vice President – Project Director for Wynn Design and Development, a development subsidiary of Wynn Resorts Limited. Prior to joining Wynn, Mr. Nisbet was the Vice President of Operations for Marnell Corrao Associates. During his 14 years at Marnell Corrao (1986 to 2000), Mr. Nisbet was responsible for managing various aspects of the construction of Las Vegas properties. Mr. Nisbet holds a bachelor of science degree in Finance from the University of Nevada, Las Vegas.

James Andrew Charles MacKenzie – *Director*

Mr. MacKenzie was appointed as an independent non-executive director of the Company on December 19, 2012, and as an independent non-executive director of Melco Crown Entertainment on April 24, 2008. Mr. MacKenzie has also served as chairman of Mirvac Group since 2005. Mr. MacKenzie was appointed as a director of Yancoal Australia Limited on June 26, 2012 and serves as the co-vice chairman. He has been a non-executive director of Pacific Brands Ltd since 2008. A chartered accountant by profession since 1977, Mr. MacKenzie was, prior to 2005, a partner in both the Melbourne and Hong Kong offices of an international accounting firm now part of Deloitte. He obtained a bachelor of business (accounting and quantitative methods) degree from the Swinburne University of Technology in 1974.

Alec Yiu Wah Tsui – *Director*

Mr. Tsui was appointed as an independent non-executive director of the Company on December 19, 2012, and as an independent non-executive director of Melco Crown Entertainment on December 18, 2006. Mr. Tsui has extensive experience in finance and administration, corporate and strategic planning, information technology and human resources management, having served at various international companies. Mr. Tsui graduated from the University of Tennessee with a bachelor’s degree in industrial engineering in 1975 and a master of engineering degree in 1976. He completed a program for senior managers in government at the John F. Kennedy School of Government at Harvard University in 1993.

Geoffrey Stuart Davis – *Treasurer*

Mr. Davis, who was appointed as Treasurer of the Company on December 19, 2012, is Chief Financial Officer of Melco Crown Entertainment and was appointed to this role in April 2011. Prior to that, he served as Melco Crown Entertainment's Deputy Chief Financial Officer from August 2010 to March 2011 and Senior Vice President, Corporate Finance from 2007, when he joined the company. Prior to joining Melco Crown Entertainment, Mr. Davis was a research analyst for Citigroup Investment Research, where he covered the U.S. gaming industry from 2001 to 2007. From 1996 to 2000, he was the Vice President of Corporate Communications for Park Place Entertainment, the largest gaming company in the world at the time. Mr. Davis has been a CFA charter holder since 2000 and obtained a bachelor of arts from Brown University in 1991.

Maria Tara A. Mercado – *Assistant Corporate Secretary/Alternate Corporate Information Officer*

Ms. Mercado joined Romulo Mabanta Buenaventura Sayoc & de los Angeles in 2010 and is an associate. She graduated from the Ateneo de Manila University School of Law with a Juris Doctor in 2010 and was admitted to the Philippine Bar in 2011.

The Directors of the Company are elected at the Annual Stockholders’ meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified.

Officers are appointed or elected annually by the Board of Directors at its first meeting following the annual stockholders' meeting, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified.

The Company believes that all descriptions provided by its directors and officers are correct and complete.

Significant Employees

There is not a person who is not an Executive Officer expected by the Company to make significant contribution to the business.

Family Relationship

There are no family relationships up to the fourth civil degree, either by consanguinity or affinity, among directors, executive officers or persons nominated or chosen by the registrant to become directors or executive officers.

Involvement of Directors and Officers in Certain Legal Proceedings

During the past five (5) years and until March 31, 2013, the members of the Board of Directors and the executive officers:

a) have not filed any bankruptcy petitions or have not had bankruptcy petitions filed against them;
b) have not been convicted by final judgment or have any pending criminal cases;
c) have not been subject to any order, judgment or decree, or any court of competent jurisdiction (in a civil action), not subsequently reversed or vacated limiting its involvement in any type of business, securities, commodities or banking activities; and
d) have not been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law.

Item 10. Executive Compensation

Information as to the aggregate compensation consisting of salaries, bonuses and other annual compensation paid or accrued during the last two fiscal years to the Company's President & General Manager and other four most highly compensated executive officers and other officers and directors (as a group unnamed) are as follows:

NAME & PRINCIPAL POSITION		YEAR	SALARIES	BONUS	TOTAL
Mr. F. R. Billano President and General Manager Mr. Joseph G. Soliman Vice-President for Operations Ms. Ruth F Tan Corporate Human Resources Manager Ms. C. T. Francisco Chief Financial Officer Ms. H. F. Tanwangco Quality Assurance Manager	}	2012 (Actual)	35,486,820	11,730,209	47,217,029

Mr. F. R. Billano President and General Manager Ms. Ruth F. Tan Corporate Human Resources Manager Ms. H. F. Tanwangco Quality Assurance Manager Ms. C. T. Francisco Chief Financial Officer Mr. Joseph G. Soliman Vice President for Operations	} } } } } } } } } } }	2011(Actual)	31,156,710	11,787,988	42,944,698

However, as a result of the Acquisition Transaction and considering that the Company is in an early stage of development and has not yet commenced full recruitment efforts, the Company cannot accurately estimate the aggregate remuneration to be paid to its senior executives as a group for the ensuing fiscal year. However, the Company expects to offer competitive compensation packages to its senior executives, on par with other gaming resorts in the Philippines.

There have not been and currently are no standard arrangements pursuant to which Directors are compensated, directly or indirectly, for any services provided as a Director.

There is no compensatory plan or arrangement with respect to any of the Company's executive officers that will result from the resignation, retirement or termination of such executive officer or from a change of control in the Company.

Compensation of Directors

Directors were paid a per diem of ₱15,000 per month in 2012.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

None.

Warrants and Options Outstanding

The Company has no outstanding stock warrants or stock options.

Item 11. Security Ownership of Certain Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2012, the Company knows of no one who beneficially owns in excess of 5% of its common stock except as set forth below:

Title	Name and Address of Record/ Beneficial Owner	Relationship to Issuer	Citizenship	No of Shares Held	Percent to Outstanding Shares
Common	MCE (Philippines) Investments No. 2 Corporation	Stockholder	Filipino	255,272,756	61.95%
Common	MCE (Philippines) Investments Limited	Stockholder	BVI	108,020,104	26.21%

As of March 31, 2013, the following are the shareholders who beneficially own in excess of 5% of the Company's common stock:

Title	Name and Address of Record/ Beneficial Owner	Relationship to Issuer	Citizenship	No of Shares Held	Percent to Outstanding Shares
Common	MCE (Philippines) Investments No. 2 Corporation	Stockholder	Filipino	255,272,756	61.95%
Common	MCE (Philippines) Investments Limited	Stockholder	BVI	108,020,104	26.21%

Security Ownership of Management

The following are the securities owned and held by the incumbent directors and executive officers of the Company:

A. Directors

Title Common	Name of Director	Citizenship	Amount and Nature of Record/Beneficial Ownership[7]	Percent to Total Outstanding Shares
Directors				
Common	Clarence Chung Yuk Man	Chinese	100	NIL
Common	Jose F. Buenaventura	Filipino	28,125	NIL
Common	Frances T. Yuyucheng	Filipino	25	NIL
Common	Rena Rico-Pamfilo	Filipino	25	NIL
Common	Yvette P. Chua	Filipino	25	NIL
Common	Anna Cristina Collantes-Garcia	Filipino	25	NIL
Common	William Todd Nisbet	American	500	NIL
Common	James Andrew Charles MacKenzie	Australian	500	NIL
Common	Alec Yiu Wah Tsui	British	100	NIL

B. Executive Officers

Title Common	Name of Executive Officer	Citizenship	Amount and Nature of Record/Beneficial Ownership[8]	Percent to Total Outstanding Shares
Executive Officers				
Common	Clarence Chung Yuk Man	Chinese	100	NIL
Common	Frances T. Yuyucheng	Filipino	25	NIL
-	Geoffrey Stuart Davis	American	-	-

[7] (1) Clarence Chung Yuk Man, William Todd Nisbet, James Andrew Charles MacKenzie and Alec Yiu Wah Tsui hold the shares in trust and for the benefit of MCE Investments. On the other hand (2) Frances T. Yuyucheng, Rena Rico-Pamfilo, Yvette P. Chua and Anna Cristina Collantes-Garcia hold the shares in trust and for the benefit of MCE Investments No. 2. (3) Jose F. Buenaventura is the direct and beneficial owner of the shares held by him.
[8] Clarence Chung Yuk Man holds the shares in trust and for the benefit of MCE Investments, while Frances T. Yuyucheng holds the shares in trust and for the benefit of MCE Investments No. 2.

C. Voting Trusts of 5% or More

There are no voting trusts or similar arrangement covering the shares of stock of the Company.
There were no arrangements which have resulted in a change in control of the Company in the last fiscal year.

D. Changes in Control

Prior to December 19, 2012, the Company was a majority-owned subsidiary of Interpharma and PIHL. On December 19, 2012, MCE Investments No. 2 and MCE Investments acquired 255,270,156 Class A shares and 128,211,204 Class B shares in the Company respectively, constituting 93.06% of the outstanding capital stock of the Company through a cross sale transaction in the PSE.

Item 12. Certain Relationships and Related Transactions

Related transactions were described in page 6 of this report under the heading “Related Party Transactions”.

PART IV - EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports on SEC Form 17-C

(a) **Exhibits** - See accompanying Index to Exhibits (page 108).

(b) **Reports on SEC Form 17-C**

April 16, 2012 — Informs the Commission of the Board of Directors’ approval to hold the Annual Stockholders’ Meeting on June 15, 2012 and has set the record date to April 27, 2012.

April 25, 2012 — Reported the nomination of the following stockholders as directors of the Company for fiscal year 2012-2013:

1. Francisco R. Billano
2. Ramon Y. Dimacali
3. Kasigod V. Jamias
4. Jose O. Juliano
5. Paul Kleiner
6. Renato B. Magadia
7. Salvador Medialdea
8. Ricardo J. Romulo

Atty. Salvador Medialdea and Dr. Jose O. Juliano are the independent directors of the Company.

June 15, 2012 — Reported the election of the following as directors of the Company for fiscal year 2012-2013:

1. Francisco R. Billano
2. Ramon Y. Dimacali
3. Kasigod V. Jamias
4. Jose O. Juliano (independent director)
5. Paul Kleiner
6. Renato B. Magadia
7. Salvador Medialdea (independent director)
8. Ricardo J. Romulo

Reported the election of the following as corporate officers of the Company:

Ricardo J. Romulo	-	Chairman
Jose O. Juliano	-	Vice-Chairman
Francisco R. Billano	-	President/General Manager
Kasigod V. Jamias	-	Treasurer
Carmen T. Francisco	-	Chief Financial Officer
Helen F. Tanwangco	-	VP-Quality & Technical Services
Ana Liza A. Peralta	-	Corporate Secretary

August 13, 2012	Reported the appointment of Stock Transfer Service, Inc. as the new stock transfer agent to replace BPI Stock & Transfer Agent whose Stock Transfer Agency Agreement with the Company was executed on August 28, 2012.
August 22, 2012	Reported that the termination of the Company's Stock Transfer Agency Agreement with the BPI took effect on September 30, 2012, instead of August 28, 2012.
September 20, 2012	Reported that the Company executed a Transfer Agency Agreement with Stock Transfer Services, Inc, appointing the latter as the new Stock Transfer Agent effective September 14, 2012.
December 7, 2012	Reported that Interpharma and PIHL signed a binding agreement with MCE Investments and MCE Investments No. 2, pursuant to which Interphil and PIHL sold to MCE Investments No. 2 and MCE Investments 255,270,156 Class "A" shares and 128,211,204 Class "B" shares of the Company, respectively, comprising the entirety of their respective shareholdings and representing 93.06% of its total issued and outstanding capital stock.
February 19, 2013	Reported that the shareholders of the Company approved the following amendments to the Articles of Incorporation of the Company: (1) to change the corporate name to "Melco Crown (Philippines) Resorts Corporation"; (2) to change the principal office address to the 10th Floor, Liberty Center, 104 H.V. de la Costa St., Salcedo Village, Makati City; (3) to increase the authorized capital stock of the Company from ₱900,000,000.00, divided into 900,000,000 shares of stock with a par value of ₱1.00 per share, to ₱5,900,000,000.00, divided into 5,900,000,000 shares of stock with a par value of ₱1.00 per share; and (d) declassification of the shares comprising the existing authorized capital stock of the Company, consisting of Class "A" shares and Class "B" shares to a single class of common shares and the denial of pre-emptive rights thereto.
March 01, 2013	Reported the resignation and election of the Company's director and the election of the Assistant Corporate Secretary and Alternate Corporate Information Officers.
March 11, 2013	Reported the approval by the Board of Directors of the sale of treasury shares in the Company.
March 20, 2013	Comprehensive Corporate Disclosure on the subscription by MCE Investments to 2,846,595,000 common shares in the increase in capital stock of the Company at a subscription price of ₱1.00 per share, and the acquisition by the Company of all of the outstanding common shares in MCE Holdings mounting to 147,894,500 common shares for an aggregate consideration of ₱7,198,590,000.00.
March 27, 2013	Reported the election of Dato' Kevin Sim as Chief Operating Officer of the Company.
April 01, 2013	Comprehensive Corporate Disclosure on the placing and subscription transaction implemented by the Company and MCE Investments.
April 10, 2013	Reported the SEC approval of the amendment to the Articles of Incorporation and the increase in authorized capital stock of the company from ₱900,000,000.00, divided into 900,000,000 shares of stock with a par value of ₱1.00 per share, to ₱5,900,000,000.00, divided into 5,900,000,000 shares of stock with a par value of ₱1.00 per share.
April 15, 2013	Reported additional information on the placing and subscription transaction of the Company.

OTHER REPORTS/DISCLOSURES SUBMITTED TO PSE/SEC

January 4, 2012	Certification on qualification of independent director
January 11, 2012	Reply to unusual price movement
January 12, 2012	Certification on compliance with Manual of Corporation Governance

January 18, 2012	Certification on the attendance of members of Board of Directors for the year 2011
March 21, 2012	Appointment of committee member
March 28, 2012	Compliance report on Corporate Governance for the year 2012
June 21, 2012	Additional information re: buy-back program
October 31, 2012	Reply to unusual price movement
December 10, 2012	Reply to unusual price movement
December 11, 2012	Clarification of Cocktales new column
December 11, 2012	Clarification of news articles: “Manchester shares up on backdoor listing news”
December 12, 2012	Reply to unusual price movement
December 17, 2012	Additional information on the sale of the Company’s shares by Interpharma and PIHL to MCE Investments and MCE Investments No. 2
December 20, 2012	Election/resignation of directors/officers, change in corporate name to Melco Crown (Philippines) Resorts Corporation; Special Stockholders’ Meeting on February 19, 2013; Record Date on January 8, 2013.
December 20, 2012	Update on sale of the Company’s shares by Interpharma and PIHL to MCE Investments and MCE Investments No. 2
December 21, 2012	Clarification on news article re: Notice of Voluntary Tender Offer
December 26, 2012	Tender Offer Report filed by MCE Investments and MCE Investments No. 2 re: offer to acquire remaining 17,426,395 Class “A” and 11,156,841 Class “B” shares held by the public
December 28, 2012	Shareholdings of newly-elected/appointed directors/officers
January 2, 2013	Amended Tender Offer Report filed by MCE Investments and MCE Investments No. 2 on the offer to acquire remaining shares of the Company held by the public
January 14, 2013	Board approval of Share Incentive Plan
January 14, 2013	Board approval of amendments to Articles of Incorporation re: change of corporate name, change in principal office, increase in authorized capital stock, declassification of shares and denial of pre-emptive rights
January 16, 2013	Certifications on qualifications of independent directors
January 18, 2013	Additional information re: declassification of shares
January 30, 2013	Certification on compliance with Manual of Corporation Governance
January 30, 2013	Certification on the attendance of members of Board of Directors for the year 2012
February 20, 2013	Election/resignation of directors/officers/member of Nomination Committee
February 11, 2013	Final Tender Offer Report filed by MCE Investments and MCE Investments No. 2
February 27, 2013	Shareholdings of newly-elected directors/officer
March 12, 2013	Procedures for updating stock certificates, effective date of change in name, stock symbol and declassification of shares

March 12, 2013	SEC approved Amended Articles of Incorporation re: change in corporate name and in principal office, declassification of shares
March 19, 2013	Additional information on Board approval of sale of treasury shares, and adjustment in capital structure due to declassification of shares
April 01, 2013	Compliance Report on Corporate Governance for year 2012
April 05, 2013	Request for extension to file SEC Form 17-A for the year ended December 31, 2012
April 8, 2013	Change in number of issued and outstanding shares due to sale of treasury shares and issuance of shares following the increase in authorized capital stock
April 12, 2013	SEC approved Amended Articles of Incorporation reflecting the increase in authorized capital stock

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(formerly MANCHESTER INTERNATIONAL HOLDINGS
UNLIMITED CORPORATION)
Issuer

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned; thereunto duly authorized, in the City of ________________ on 19 April, 2013.

Yuk Man Chung
President

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned; thereunto duly authorized, in the City of ________________ on __19 April, 2013.

Geoffrey Stuart Davis
Treasurer

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned; thereunto duly authorized, in the City of Makati on 19th April, 2013.

Frances T. Yuyucheng
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 19th day of April 2013 affiant exhibiting to me her Government Issued ID, as follows:

NAME	GOVERNMENT ISSUED ID NO.	EXPIRATION DATE	PLACE OF ISSUE
Frances T. Yuyucheng	PP No. EB6059561	31 July 2017	Manila

Doc. No. 146
Page No. 81
Book No. I
Series of 2013.

ATTY. LEANDRO E. ABARQUEZ
Commission No. M-601
Notary Public for Makati City
Until December 31, 2013
21st Flr. Philamlife Tower,
8767 Paseo De Roxas St., Makati City
Roll No. 58737
PTR No. 3174368 / 01-03-2012 / Makati
IBP No. 880082 / 01-06-2012 / Makati

SEC Number **58648**

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(formerly MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORP)

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

FORM 17-A, Item 7

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Melco Crown (Philippines) Resorts Corporation is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2012 and 2011, including the additional components attached therein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

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

YUK MAN CHUNG
President & Chairman of the Board

GEOFFREY STUART DAVIS
Treasurer

Signed this 9th day of April 2013

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Phone: (632) 891 0307
Fax: (632) 819 0872
www.sgv.com.ph

BOA/PRC Reg. No. 0001,
December 28, 2012, valid until December 31, 2015
SEC Accreditation No. 0012-FR-3 (Group A),
November 15, 2012, valid until November 16, 2015

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Melco Crown (Philippines) Resorts Corporation
10th Floor, Liberty Center, 104 H.V. dela Costa St.
Salcedo Village, Makati City

We have audited the accompanying consolidated financial statements of Melco Crown (Philippines) Resorts Corporation (formerly Manchester International Holdings Unlimited Corporation) and Subsidiaries, which comprise the consolidated balance sheets as at December 31, 2012 and 2011, and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Melco Crown (Philippines) Resorts Corporation (formerly Manchester International Holdings Unlimited Corporation) and Subsidiaries as at December 31, 2012 and 2011, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2012 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

Roel E. Lucas

Roel E. Lucas
Partner
CPA Certificate No. 98200
SEC Accreditation No. 1079-A (Group A),
February 3, 2011, valid until February 2, 2014
Tax Identification No. 191-180-015
BIR Accreditation No. 08-001998-95-2011,
February 4, 2011, valid until February 3, 2014
PTR No. 3669694, January 2, 2013, Makati City

April 9, 2013

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION AND SUBSIDIARIES
(Formerly Manchester International Holdings Unlimited Corporation)
CONSOLIDATED BALANCE SHEETS

	December 31, 2012	December 31, 2011
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 21 and 22)	**₱1,143,767,970**	₱381,099,825
Trade and other receivables (Notes 7, 16, 21 and 22)	–	281,815,862
Inventories (Note 8)	–	190,440,252
Advances to suppliers and other current assets (Note 9)	**512,078**	32,883,061
Total Current Assets	**1,144,280,048**	886,239,000
Noncurrent Assets		
Property, plant and equipment (Note 10)	–	418,459,062
Land at revalued amount (Note 11)	–	112,195,000
Retirement benefit asset (Note 18)	–	4,534,651
Other noncurrent assets (Notes 12, 21 and 22)	–	15,026,714
Total Noncurrent Assets	–	550,215,427
	₱1,144,280,048	₱1,436,454,427
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 13, 21 and 22)	**₱46,838,317**	₱306,331,341
Output tax payable	–	21,817,568
Total Current Liabilities	**46,838,317**	328,148,909
Noncurrent Liabilities		
Deferred tax liabilities – net (Note 17)	–	9,610,140
Long-term sick leave benefit liability (Note 18)	–	34,971,400
Total Noncurrent Liabilities	–	44,581,540
Equity		
Capital stock (Note 14)	**562,500,000**	562,500,000
Additional paid-in capital (Note 14)	**92,679,327**	51,629,327
Revaluation increment in land – net of deferred tax liability (Note 11)	–	60,617,200
Retained earnings (Note 14)	**730,776,531**	677,491,578
Cost of treasury shares held (Note 14)	**(288,514,127)**	(288,514,127)
Total Equity	**1,097,441,731**	1,063,723,978
	₱1,144,280,048	₱1,436,454,427

See accompanying Notes to Consolidated Financial Statements.

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION AND SUBSIDIARIES
(Formerly Manchester International Holdings Unlimited Corporation)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31,		
	2012	2011	2010
INTEREST INCOME (Note 6)	**₱1,278,976**	₱1,221,593	₱1,401,231
LOSS ON SALE OF SUBSIDIARIES (Note 5)	**(43,808,475)**	–	–
OPERATING EXPENSES (Note 15)	**(2,328,496)**	(364,440)	(114,596)
(LOSS) INCOME BEFORE INCOME TAX	**(44,857,995)**	857,153	1,286,635
PROVISION FOR INCOME TAX (Note 17)	**–**	–	–
(LOSS) INCOME FROM CONTINUING OPERATIONS	**(44,857,995)**	857,153	1,286,635
NET INCOME FROM DISCONTINUED OPERATIONS, AFTER TAX (Note 5)	**11,546,948**	88,694,190	133,294,153
NET (LOSS) INCOME	**(33,311,047)**	89,551,343	134,580,788
OTHER COMPREHENSIVE INCOME	**–**	–	–
TOTAL COMPREHENSIVE (LOSS) INCOME	**(33,311,047)**	₱89,551,343	₱134,580,788
Basic/Diluted Net (Loss) Income Per Share for Continuing Operations (Note 19)	**(₱0.109)**	₱0.002	₱0.003
Basic/Diluted Net Income Per Share for Discontinued Operations (Note 19)	**₱0.028**	₱0.215	₱0.323

See accompanying Notes to Consolidated Financial Statements.

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION AND SUBSIDIARIES
(Formerly Manchester International Holdings Unlimited Corporation)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 14)		Additional Paid-in Capital	Revaluation Increment in Land (Note 11)	Retained Earnings (Note 14)	Cost of Treasury Shares Held (Note 14)	Total
	Class A	Class B					
Balance at January 1, 2012	**₱337,500,000**	**₱225,000,000**	**₱51,629,327**	**₱60,617,200**	**₱677,491,578**	**(₱288,514,127)**	**₱1,063,723,978**
Net loss	–	–	–	–	(33,311,047)	–	(33,311,047)
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive loss	–	–	–	–	(33,311,047)	–	(33,311,047)
Additional contribution (Note 14)	–	–	41,050,000	–	–	–	41,050,000
Effect of deconsolidation (see Notes 5 and 11)	–	–	–	(60,617,200)	86,596,000	–	25,978,800
Balance at December 31, 2012	**₱337,500,000**	**₱225,000,000**	**₱92,679,327**	**₱–**	**₱730,776,531**	**(₱288,514,127)**	**₱1,097,441,731**
Balance at January 1, 2011	₱337,500,000	₱225,000,000	₱51,629,327	₱60,617,200	₱587,940,235	(₱288,514,127)	₱974,172,635
Net income	–	–	–	–	89,551,343	–	89,551,343
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	89,551,343	–	89,551,343
Balance at December 31, 2011	₱337,500,000	₱225,000,000	₱51,629,327	₱60,617,200	₱677,491,578	(₱288,514,127)	₱1,063,723,978
Balance at January 1, 2010	₱337,500,000	₱225,000,000	₱51,629,327	₱60,617,200	₱453,359,447	(₱288,514,127)	₱839,591,847
Net income	–	–	–	–	134,580,788	–	134,580,788
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income	–	–	–	–	134,580,788	–	134,580,788
Balance at December 31, 2010	₱337,500,000	₱225,000,000	₱51,629,327	₱60,617,200	₱587,940,235	(₱288,514,127)	₱974,172,635

See accompanying Notes to Consolidated Financial Statements.

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION AND SUBSIDIARIES
(Formerly Manchester International Holdings Unlimited Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2012 (Note 5)	2011 (Note 5)	2010 (Note 5)
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) income before tax from continuing operations	**(₱44,857,995)**	₱857,153	₱1,286,635
Income before tax from discontinued operations (Note 5)	**15,262,583**	123,188,148	186,626,988
Net (loss) income before tax	**(29,595,412)**	124,045,301	187,913,623
Adjustments for:			
Loss on sale of subsidiaries (Note 5)	**43,808,475**	–	–
Interest income (Note 6)	**(1,278,976)**	(1,221,593)	(1,401,231)
Operating income before working capital changes	**12,934,087**	122,823,708	186,512,392
Changes in current assets and liabilities:			
Increase in advances to suppliers and other current assets	**(212,858)**	(149,219)	(150,000)
Increase (decrease) in trade and other payables	**2,204,284**	(177,500)	287,500
Net cash generated from operations	**14,925,513**	122,496,989	186,649,892
Income tax paid	**–**	–	–
Interest received	**1,278,976**	1,221,593	1,401,231
Net cash provided by operating activities	**16,204,489**	123,718,582	188,051,123
CASH FLOW FROM AN INVESTING ACTIVITY			
Net proceeds from sale of investments in subsidiaries (Note 5)	**784,824,976**	–	–
CASH FLOW FROM A FINANCING ACTIVITY			
Additional paid-in capital (Note 14)	**41,050,000**	–	–
NET INCREASE IN CASH AND CASH EQUIVALENTS	**842,079,465**	123,718,582	188,051,123
NET CASH FLOWS FROM DISCONTINUED OPERATIONS (Note 5)	**(79,411,320)**	(84,649,711)	(95,293,047)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**381,099,825**	342,030,954	249,272,878
CASH AND CASH EQUIVALENTS AT END OF YEAR	**₱1,143,767,970**	₱381,099,825	₱342,030,954

See accompanying Notes to Consolidated Financial Statements.

1. Organization and Business

(a) Corporate Information

Melco Crown (Philippines) Resorts Corporation (formerly Manchester International Holdings Unlimited Corporation (herein referred to as "MCP" or the "Parent Company") and its subsidiaries (collectively referred to as the "Group") is incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (the "SEC"). The shares of stock of the Parent Company are publicly traded in the Philippine Stock Exchange (the "PSE").

The Parent Company is engaged in acquiring investments and securities. Its principal place of business is the Philippines and its registered office address is Canlubang Industrial Estate, Bo. Pittland, Cabuyao, Laguna.

On March 5, 2013, the SEC approved the amendments to the articles of incorporation of MCP for change of its corporate name to Melco Crown (Philippines) Resorts Corporation and its registered address to 10th Floor, Liberty Center, 104 H.V. dela Costa St., Salcedo Village, Makati City, which were approved by the stockholders of MCP on February 19, 2013.

On December 19, 2012, immediately after the Acquisition Transaction as disclosed in Note 1(b), the ultimate holding company of MCP is Melco Crown Entertainment Limited (referred to as "MCE"), a company incorporated in the Cayman Islands with its American depository shares are traded on the NASDAQ Global Select Market in the United States of America and its ordinary shares are traded on the Main Board of The Stock Exchange of Hong Kong Limited in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong").

The accompanying consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors ("BOD") on April 9, 2013.

(b) Change in Structure and Ownership of MCP

On December 7, 2012, MCE, through its wholly-owned indirect subsidiaries, MCE (Philippines) Investments Limited ("MCE Investments") and MCE (Philippines) Investments No. 2 Corporation ("MCE Investments No. 2") entered into an acquisition agreement (the "Acquisition Agreement") with the major shareholders of MCP, Interpharma Holdings & Management Corporation ("Interpharma") and Pharma Industries Holdings Limited (collectively referred to as the "Selling Shareholders"), companies incorporated under the Philippine laws, subject to certain conditions precedent, to acquire from the Selling Shareholders an aggregate of 93.06% of the issued share capital of MCP (the "Proposed Acquisition").

On December 7, 2012, pursuant to the terms of the Acquisition Agreement, MCP entered into a deed of assignment with Interpharma in respect of the sale of its ownership interest in its wholly-owned subsidiary, Interphil Laboratories, Inc. ("Interphil"). On the same date, MCP also entered into a similar deed of assignment with Mercator Holdings and Management Corporation, in respect of the sale of its ownership interest in its wholly-owned subsidiary, Lancashire Realty Holding Corporation ("Lancashire") (the "Subsidiaries Sale Transaction").

Immediately before the completion of the Proposed Acquisition on December 19, 2012, pursuant to the terms of the Acquisition Agreement, the Selling Shareholders of MCP transferred cash of ₱41,050,000 to MCP as its capital contribution.

The Proposed Acquisition was completed on December 19, 2012, MCE, through MCE Investments No.2 and MCE Investments acquired 255,270,156 Class A shares (61.95%) and 128,211,204 Class B shares (31.11%) in MCP, respectively, in aggregate representing 93.06% equity shares of MCP from the Selling Shareholders (the "Acquisition Transaction").

On December 27, 2012, MCE Investments sold 20,191,100 Class B shares in MCP (4.9%) to a third party.

As of December 31, 2012, MCE through MCE Investments and MCE Investments No.2, held an indirect ownership in MCP of 88.16%.

2. Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for land which is carried at revalued amount and available-for-sale financial asset which is carried at fair value. The consolidated financial statements are presented in Philippine peso, the Group's functional and presentation currency. All values are rounded off to the nearest peso, unless otherwise indicated.

Statement of Compliance

The Group's consolidated financial statements have been prepared in conformity with Philippine Financial Reporting Standards ("PFRS"). PFRS includes both standard titles PFRS and Philippine Accounting Standards ("PAS") and Philippine Interpretations based on equivalent interpretations from International Financial Reporting Interpretations Committee ("IFRIC") as issued by the Financial Reporting Standards Council ("FRSC").

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and the following subsidiaries up to the period ended December 6, 2012 as a result of the Subsidiaries Sale Transaction as disclosed in Note 1(b):

	Percentage of Effective Ownership December 31,		
Company	**2012**	2011	Nature of Business
Interphil	–	100%	Manufacturing
Lancashire	–	100%	Real Estate

All of the Parent Company's subsidiaries were incorporated in the Philippines.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-company balances, income and expenses and unrealized gains and losses resulting from intra-company transactions are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continue to be consolidated until the date that such control ceases.

Deconsolidation of subsidiaries due to loss of control is accounted for as follows:

- Derecognize the assets and liabilities of the subsidiaries
- Derecognize the revaluation increment in land, recorded in equity
- Recognize the fair value of the consideration received
- Recognize any surplus or deficit in profit or loss
- Reclassify results of operations of the subsidiaries under net income from discontinued operations

Cash and Cash Equivalents
Cash includes cash on hand and cash 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 acquisitions and that are subject to an insignificant risk of change in value.

Financial Assets and Liabilities

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

Initial and Subsequent Recognition of Financial Instruments. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those at fair value through profit or loss, includes transaction cost.

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities. The classification depends on the purpose for which the instruments were acquired or liabilities incurred and whether they are quoted in an active market. Management determines the classification at initial recognition and, where allowed and appropriate, re-evaluates this classification at every balance sheet date. The Group has no financial assets or liabilities at fair value through profit or loss and held-to-maturity investments as of December 31, 2012 and 2011 and has no available-for-sale financial assets as of December 31, 2012 after the Subsidiaries Sale Transaction.

Determination of Fair Value. The fair value of financial instruments traded in active markets at balance sheet date is based on their quoted market price or dealer price quotations (bid price for long positions and asking price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which observable market prices exist, options pricing models, and other relevant valuation models.

"Day 1" Profit. Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" profit) in the consolidated statements of comprehensive income unless it qualifies for recognition as some other type of asset. In cases where unobservable data is used, the difference between the transaction price and model value is only recognized in the consolidated statements of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" profit amount.

Loans and Receivables. Loans and receivables are nonderivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and includes fees and costs that are an integral part of the effective interest. Gains and losses are recognized in the consolidated statements of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process. Loans and receivables are included in current assets if maturity is within 12 months from the balance sheet date, otherwise, these are classified as noncurrent assets.

This category includes cash and cash equivalents, trade and other receivables and deposits. The carrying values and fair values of loans and receivables are disclosed in Note 22.

Available-for-sale Financial Assets. Available-for-sale financial assets are those nonderivative financial assets that are not classified as fair value through profit or loss, loans and receivable or held-to-maturity investments. These are purchased and held indefinitely, and maybe sold in response to liquidity requirements or changes in market conditions. After initial recognition, available-for-sale financial assets are measured at fair value with unrealized gains or losses being recognized in the "Other comprehensive income" under the consolidated statements of comprehensive income. When the investment is disposed of, the cumulative gain or loss previously recorded in other comprehensive income is recorded as part of profit or loss in the consolidated statements of comprehensive income. Interest earned on the investments is reported as interest income using the effective interest method. Dividends earned on investments are recognized in the consolidated statements of comprehensive income when the right to receive payment has been established. Available-for-sale financial assets are classified as noncurrent assets unless the intention is to dispose such assets within 12 months from balance sheet date.

The fair value of available-for-sale financial assets consisting of any investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date.

The Group classified its investment in shares of a certain country club as available-for-sale financial asset. The carrying value and fair value of the available-for-sale financial asset, which is presented as part of "Other noncurrent assets" account in the consolidated balance sheet, is disclosed in Note 22.

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

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the consolidated statements of comprehensive income when the liabilities are derecognized as well as through amortization process. Other financial liabilities are included in current liabilities if maturity is within 12 months from the balance sheet date otherwise, these are classified as noncurrent liabilities.

This category includes trade and other payables. The carrying values and fair values of other financial liabilities are disclosed in Note 22.

Impairment of Financial Assets
The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Objective evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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 loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of loss shall be charged to current operations. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans and receivables together with the associated allowance are written-off at each balance sheet date when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group.

The Group first assesses whether an objective evidence of impairment exists individually for financial assets that are individually significant, 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 decreases and the 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 statements of comprehensive income to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Available-for-sale Financial Assets. In the case of equity investment classified as available-for-sale financial assets, objective evidence of impairment would include a significant or prolonged decline in the fair value of the investment below its cost. When a decline in the fair value of an available-for-sale financial asset has been recognized in the other comprehensive income account and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized in other comprehensive income account is reclassified to profit or loss as a reclassification adjustment even though the financial asset has not been derecognized. The amount of the cumulative loss that is reclassified from other comprehensive income to profit or loss is the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss. Impairment losses recognized in profit or loss for an investment in an equity instrument are not reversed in profit or loss. Subsequent increases in the fair value after impairment are recognized directly in "Other comprehensive income" account.

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

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

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

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing 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 the consolidated statements of comprehensive income.

Offsetting of Financial Instruments
Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheets if, and only if, there is 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 generally not the case with master netting agreements and the related assets and liabilities are presented at gross amounts in the consolidated balance sheets.

Inventories
Inventories are carried at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

Goods in process	-	cost includes direct materials and labor, determined using the specific identification method, and a proportion of manufacturing overhead costs based on normal operating capacity but excluding borrowing costs; and
Finished goods, raw and packaging materials and supplies	-	cost determined on a first-in, first-out basis.

Net realizable value of goods in process is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Net realizable value of finished goods, raw and packaging materials and supplies is the current replacement cost.

Property, Plant and Equipment and Land at Revalued Amount
Property, plant and equipment, except land (presented as "Land at revalued amount" account in the consolidated balance sheets), are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation, amortization and any impairment in value. Revaluation of the land is generally made every three to five years, depending on the movement of the fair value. Any increase in the carrying amount of the land as a result of the revaluation is recognized in other comprehensive income and accumulated in equity under the heading "Revaluation increment in land", net of the related deferred tax liability.

The initial cost of property, plant and equipment consists of its purchase price and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Such cost includes the cost of replacing part of such property, plant and equipment when that cost is incurred and the recognition criteria are met. The cost of buildings and leasehold improvements is inclusive of capitalized borrowing costs incurred in connection with the construction. Property, plant and equipment also includes, if any, costs of dismantlement, removal or restoration, the obligation for which the entity incurs when it installs or uses the assets.

Depreciation and amortization are computed using the straight-line basis over the following estimated useful lives of the assets:

Classification	Estimated Useful Life
Buildings	30 years
Leasehold improvements	5 years or term of lease, whichever is shorter
Machinery and equipment	3–7 years
Office furniture, fixtures and equipment	3 years

The assets' residual values, useful lives and depreciation and amortization method are reviewed, and adjusted if appropriate, at each balance sheet date, to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property, plant and equipment.

When each major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement, if the recognition criteria are satisfied.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation, amortization and any impairment in value are removed from the accounts and any resulting gain or loss is credited or charged to the consolidated statements of comprehensive income.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is charged to current operations.

Construction in progress represents structures under construction and is stated at cost. This includes cost of construction, equipment and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are completed and put into operational use.

Investment in Gel Pacific, Inc. ("GPI") (included under "Other noncurrent assets" account)
Interphil has a 33.33% ownership interest in GPI, a joint venture company. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group recognized its interest in GPI using the equity method. Under the equity method, the investment in joint venture was carried in the consolidated balance sheets at cost adjusted for post-acquisition changes in the Group's share in net assets of the joint venture, less any impairment in value. The consolidated statements of comprehensive income reflected the Group's share in the results of operations of the joint venture. Unrealized gains arising from transactions with the joint venture were eliminated to the extent of the Group's interest in the joint venture against the related investment. Unrealized losses were eliminated similarly but only to the extent that there was no evidence of impairment of the asset transferred.

The Group discontinued recognizing its share of further losses when its share equals or exceeds its interest in the joint venture. The Group's interest was the carrying amount of the investment in the joint venture together with any long-term interests that, in substance, form part of the Group's net investment. Losses recognized under the equity method in excess of the Group's investment in ordinary shares were applied to the other components of the Group's interest in the reverse order of their seniority (i.e. priority in liquidation).

The financial statements of GPI were prepared for the same reporting period as the Group, using consistent accounting policies.

Impairment of Nonfinancial Assets
The carrying values of nonfinancial assets (e.g., property, plant and equipment and investment in GPI) are reviewed for impairment whenever 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 fair value less costs to sell or value in use. The fair value is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market 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 cash-generating unit to which the asset belongs. Impairment loss, if any, is recognized in the consolidated statements of comprehensive income in those expense categories consistent with the function of the impaired asset, except for land carried at revalued amount where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each balance sheet date as to whether there is any indication that previously recognized impairment losses, if any, may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization (in case of property, plant and equipment), had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of comprehensive income except for land carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation and amortization charges are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Capital Stock

Capital stock is measured at par value for all shares issued. Incremental costs incurred that are directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and/or fair value of consideration received in excess of par value, if any, are recognized as additional paid-in capital.

Retained Earnings

Retained earnings represent the Group's net accumulated earnings less cumulative dividends declared. Retained earnings may also include effect of changes in accounting policy as may be required by the standards' transitional provisions or amendments to the standards.

Treasury Shares

The Parent Company's equity instruments which are reacquired are classified as treasury shares, and are deducted from equity at acquisition cost. No gain or loss is recognized in the consolidated statements of comprehensive income on the purchase, sale, issue or cancellation of the Parent Company's equity instruments.

Revenue Recognition

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

The following specific recognition criteria must also be met before revenue is recognized:

- Revenues from rendering tolling, planning, materials procurement and other technical and quality control services are recognized by reference to the completion of physical units of a contract.

- Revenue from sale of goods are recognized at fair value of the consideration received when the rewards of ownership of the goods have passed to the buyer upon delivery.

- Rent income (shown as part of "Other income") is recognized on straight-line basis over the lease term. For income tax reporting purposes, rent revenue under operating lease arrangements are treated as taxable income in conformity with the terms of the lease agreements or upon receipt of payment, whichever comes first.

- Interest income is recognized on a time proportionate basis that reflects the effective yield on the asset.

Discontinued Operations
In the consolidated statements of comprehensive income of the reporting period, and of the comparable period of the previous years, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes.

Expenses Recognition
Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized in the consolidated statements of comprehensive income in the period these are incurred.

Retirement Benefits
Interphil has a funded, defined noncontributory retirement plan covering all regular full-time employees, which is administered by a Board of Trustees. Retirement expense is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses for the plan at the end of the previous reporting year exceeded 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognized over the expected average remaining working lives of the employees participating in the plan.

The past service cost, if any, is recognized as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits immediately vest following the introduction of, or changes to, a pension plan, past service cost is recognized immediately.

The retirement benefits liability is the aggregate of the present value of the defined benefit obligation and net actuarial gains and losses not recognized, reduced by past service cost not yet recognized and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

If the asset is measured at the aggregate of cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan, net actuarial losses of the current period and past service cost of the current period are recognized immediately to the extent that these exceed any reduction in the present value of those economic benefits. If there is no change or an increase in the present value of the economic benefits, the entire net actuarial losses of the current period and past service cost of the current period are recognized immediately. Similarly, net actuarial gains of the current period after the deduction of past service cost of the current period exceeding any increase in the present value of the economic benefits stated above are recognized immediately if the asset is measured at the aggregate of cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains of the current period after the deduction of past service cost of the current period are recognized immediately.

Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires 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. A reassessment is made after inception of the lease only if one of the following applies:

(a) There is a change in contractual terms, other than a renewal or extension of the arrangement;

(b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;

(c) There is a change in the determination of whether fulfillment is dependent on a specified asset; or

(d) There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) and at the date of renewal or extension period for scenario (b).

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

As a lessee. Operating lease payments are recognized as an expense in the consolidated statements of comprehensive income on a straight-line basis over the lease term.

For income tax reporting purposes, expenses under operating lease arrangements are treated as deductible expenses in conformity with the terms of the lease agreements.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. For income tax reporting purposes, borrowing costs are treated as deductible expense in the year such are incurred.

Foreign Currency Transactions
The Group's financial statements are presented in the Philippine peso, the functional currency of the Group. Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange at the balance sheet date. All differences are taken to the consolidated statements of comprehensive income. All exchange rate differences including those arising on the settlement of monetary items at rates different from those at which these were recorded are recognized in the consolidated statements of comprehensive income in the year in which the differences arise.

For income tax reporting purposes, exchange gains or losses are treated as taxable income or deductible expense in the year these are realized.

Income Tax
Current Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as of the balance sheet date.

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 asset to be utilized.

Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realized or the liabilities are settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Value-Added Tax ("VAT"). Revenue, expenses and assets are recognized net of the amount of value-added tax except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the tax authority is included under "Advances to suppliers and other current assets" or "Output tax payable" accounts, respectively, in the consolidated balance sheets.

<u>Net (Loss) Income Per Share</u>
Basic net (loss) income per share is determined by dividing net (loss) income by the weighted average number of common shares issued and outstanding during the year. Diluted net (loss) income per share is computed in the same manner, adjusted for the dilutive effect of any potential common shares.

Since the Group has no potential dilutive common shares, basic and diluted net (loss) income per share are stated at the same amount.

Segment Reporting
A segment is a distinguishable component of the Group that is engaged either in providing products or services within a particular economic environment subject to risks and rewards that are different from those of other segments, which operating results are regularly reviewed by the chief operating decision maker to make decisions about how resources are to be allocated to each of the segments and to assess their performances, and for which discrete financial information is available.

Immediately before the Subsidiaries Sale Transaction on December 7, 2012, for management purposes, the Group is organized and managed under a single business segment, the manufacturing business, which is the basis upon which the Group reports its segment information. Revenue from sales and cost of sales and services are presented in the consolidated statements of comprehensive income.

After the Subsidiaries Sale Transaction, the Group did not present the segment reporting as the Group had no revenue and incurred insignificant expenses for the period from December 7, 2012 to December 31, 2012.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Subsequent Events
Post year-end events that provide additional information about the Group's financial position at the balance sheet date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Accounting Policies Effective During the Year and Future Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for adoption of the following amendments to existing PFRS and PAS as of January 1, 2012. The adoption of these amended PFRS and PAS had no significant impact on the consolidated financial statements:

- PFRS 7, *Financial Instruments: Disclosures - Transfers of Financial Assets* (Amendments)
- PAS 12, *Income Taxes - Deferred Tax: Recovery of Underlying Assets* (Amendments)

Standards Issued But Not Yet Effective
Standards issued but not yet effective up to the date of issuance of the consolidated financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on the Group's financial position or performance.

- **PAS 1,** ***Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income or OCI*** **(Amendments)**

  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 Group's financial position or performance.

  The amendment becomes effective for annual periods beginning on or after July 1, 2012.

- **PFRS 7,** ***Financial instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*** **(Amendments)**

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

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

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

- **PFRS 10,** ***Financial Statements***

  PFRS 10 replaces the portion of PAS 27, *and Separate Financial Statements*, that addresses the accounting for financial statements. It also includes the issues raised in SIC 12, *Consolidation - Special Purpose Entities*. 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 by a parent, compared with the requirements that were in PAS 27. The standard becomes effective for annual periods beginning on or after January 1, 2013.

The adoption of this standard will have no impact on the Group's financial position or performance.

- **PFRS 11, *Joint Arrangements***

  PFRS 11 replaces PAS 31, *Interests 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 the equity method. The standard becomes effective for annual periods beginning on or after January 1, 2013.

  The adoption of this standard will have no impact on the Group's financial position or performance.

- **PFRS 12, *Disclosure of Interests in Other Entities***

  PFRS 12 includes all of the disclosures related to financial statements that were previously in PAS 27, *Separate Financial Statements* as well as all the disclosures that were previously included in PAS 31, *Interests in Joint Ventures* and PAS 28, *Investments in Associates*. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The standard becomes effective for annual periods beginning on or after January 1, 2013.

  The adoption of this standard will affect disclosures only and will have no impact on the Group's financial position or performance.

- **PFRS 13, *Fair Value Measurement***

  PFRS 13 establishes a single source of guidance under PFRSs for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. This standard should be applied prospectively as of the beginning of the annual period in which it is initially applied. Its disclosure requirements need not be applied in comparative information provided for periods before initial application of PFRS 13. The standard becomes effective for annual periods beginning on or after January 1, 2013.

  The Group does not anticipate that the adoption of this standard will have a significant impact on its financial position or performance.

- **PAS 19, *Employee Benefits* (Revised)**

  Amendments to PAS 19 range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and rewording. The revised standard also requires new disclosures such as, among others, a sensitivity analysis for each significant actuarial assumption, information on asset-liability matching strategies, duration of the defined benefit obligation, and disaggregation of plan assets by nature and risk. The amendments become effective for annual periods beginning on or after January 1, 2013.

  The adoption of this standard will have no impact on the Group's financial position or performance.

- **PAS 27, *Separate Financial Statements* (as revised in 2011)**

  As a consequence of the issuance of the new PFRS 10, *Financial Statements*, and PFRS 12, *Disclosure of Interests in Other Entities*, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in the separate financial statements. The amendment becomes effective for annual periods beginning on or after January 1, 2013.

  The adoption of this standard will have no impact on the Group's financial position or performance.

- **PAS 28, *Investments in Associates and Joint Ventures* (as revised in 2011)**

  As a consequence of the issuance of the new PFRS 11, *Joint Arrangements*, and PFRS 12, *Disclosure of Interests in Other Entities*, PAS 28, *Investments in Associates* 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 amendment becomes effective for annual periods beginning on or after January 1, 2013.

  The amendment will have no impact on the Group's financial position or performance.

- **Philippine Interpretation IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine***

  This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The interpretation is effective for annual periods beginning on or after January 1, 2013.

  This new interpretation is not relevant to the Group.

- **PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments)**

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

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

- **PFRS 9, *Financial Instruments***

  PFRS 9, as issued, reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, *Financial Instruments: Recognition and Measurement.* Work on impairment of financial instruments and hedge accounting is still ongoing, with a view to replacing PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option ("FVO") is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income ("OCI") or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. The standard becomes effective for annual periods beginning on or after January 1, 2015.

  The adoption of the first phase of this standard will have no impact on the Group's financial position or performance.

- **Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate***

  This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. 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 ("IASB") and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

  The adoption of the interpretation when it becomes effective will have no impact on the Group's financial position or performance.

Annual Improvements to PFRSs (2009-2011 cycle)
The *Annual Improvements to PFRSs* (2009-2011 cycle) contain non-urgent but necessary amendments to PFRSs. The amendments are effective for annual periods beginning on or after January 1, 2013 and are applied retrospectively. Earlier application is permitted.

- **PFRS 1, *First-time Adoption of PFRS – Borrowing Costs***

  The amendment clarifies that, upon adoption of PFRS, an entity that capitalized borrowing costs in accordance with its previous generally accepted accounting principles, may carry forward, without any adjustment, the amount previously capitalized in its opening consolidated balance sheet at the date of transition. Subsequent to the adoption of PFRS, borrowing costs are recognized in accordance with PAS 23, *Borrowing Costs.*

  The amendment does not apply to the Group as it is not a first-time adopter of PFRS.

- **PAS 1,** ***Presentation of Financial Statements - Clarification of the requirements for comparative information***

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

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

- **PAS 16,** ***Property, Plant and Equipment - Classification of servicing equipment***

  The amendment clarifies that spare parts, stand-by equipment and servicing equipment should be recognized as property, plant and equipment when they meet the definition of property, plant and equipment and should be recognized as inventory if otherwise.

  The amendment will not have any significant impact on the Group's financial position or performance.

- **PAS 32,** ***Financial Instruments: Presentation - Tax effect of distribution to holders of equity instruments***

  The amendment clarifies that income taxes relating to distributions to equity holders and to transaction costs of an equity transaction are accounted for in accordance with PAS 12, *Income Taxes*.

  The Group expects that this amendment will not have any impact on its financial position or performance.

- **PAS 34,** ***Interim Financial Reporting - Interim financial reporting and segment information for total assets and liabilities***

  The amendment clarifies that the total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the entity's previous annual financial statements for that reportable segment.

  The amendment affects disclosures only and will have no impact on the Group's financial position or performance.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions. The estimates and assumptions used in the 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.

Judgments
In the process of applying the Group's policies, management has made the following judgments which have the most significant effect on the amounts recognized in the consolidated financial statements.

Contingencies. Interphil is a defendant in certain legal cases still pending with the courts. Management believes that the ultimate resolution of these cases will not have a material effect on the consolidated financial statements immediately before the Subsidiaries Sale Transaction (see Note 20).

Discontinued Operations. The Group classified Interphil and Lancashire's results of operations until December 6, 2012 in the consolidated statements of comprehensive income as discontinued operations. The comparative consolidated statements of comprehensive income and consolidated statements of cash flows were restated, as if the operation had been discontinued from the start of the comparative periods, so as to provide some form of comparability with the new presentation (see Note 5).

Impairment of Available-for-sale Financial Asset. The Group treats available-for-sale equity investments as impaired when there has been a significant and prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment. The Group treats "significant" generally as 20% or more and "prolonged" as greater than six months for quoted equity securities.

The carrying value of available-for-sale financial asset amounted to nil and ₱0.3 million as of December 31, 2012 and 2011 (see Note 12). No impairment losses were recognized in 2012, 2011 and 2010.

Estimates and Assumptions
The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that may have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating Allowances for Doubtful Accounts. Provisions are made for specific and groups of accounts where objective evidence of impairment exists. The Group evaluates these accounts, based on available facts and circumstances that affect the collectibility of the accounts. The review is accomplished using a combination of specific and collective assessments. The Group considers factors such as the age of the receivable, payment status and collection experience in determining individually impaired financial assets. For the purpose of collective assessment of impairment, financial assets are group on the basis of such credit risk characteristics as the length of the Group's relationship with customers, customers' current credit status based on third party credit reports and known market forces, average age of accounts, collection experience and historical loss experience. The amounts and timing of recorded provision for doubtful accounts for any period would differ if the Group made different assumptions or utilized different estimates.

The allowance is established by charges to income in the form of provision for doubtful accounts. An increase in the allowance for doubtful accounts would increase the recorded operating expenses and decrease current assets. As a result of the Subsidiaries Sale Transaction, the movement of the allowance for doubtful accounts is recognized under discontinued operations in the consolidated statements of comprehensive income.

Trade and other receivables, net of allowance for doubtful accounts, amounted to nil and ₱281.8 million as of December 31, 2012 and 2011, respectively (see Note 7).

Estimating Net Realizable Values of Inventories. The Group carries its inventories at net realizable value when these become lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The lower of cost and net realizable value of inventories is reviewed on a monthly basis to reflect the accurate valuation in the financial records. There were no provision for inventory obsolescence in 2012, 2011 and 2010.

The carrying value of inventories amounted to nil and ₱190.4 million as of December 31, 2012 and 2011, respectively (see Note 8).

Estimating Useful Lives of Property, Plant and Equipment. The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for operational use. The estimated useful lives of property, plant and equipment are reviewed periodically and are 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 assets. In addition, estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. A reduction in the estimated useful life of property, plant and equipment would increase the recorded expenses and decrease noncurrent assets.

There were no changes made in the estimated useful lives of the Group's property, plant and equipment. The carrying values of property, plant and equipment amounted to nil and ₱418.5 million as of December 31, 2012 and 2011, respectively (see Note 10).

Impairment of Property, Plant and Equipment and Investment in GPI. PFRS requires that an impairment review be performed when certain impairment indicators are present. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. Determining the value of property, plant and equipment and investment in GPI, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Group to conclude that such assets are impaired. Any resulting impairment could have a material impact on the financial condition and results of operations of the Group.

The preparation of the estimated future cash flows involves judgment and estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect the Group's assessment of recoverable values and may lead to future additional impairment charges under PFRS.

The carrying values of property, plant and equipment amounted to nil and ₱418.5 million as of December 31, 2012 and 2011, respectively (see Note 10). The carrying values of investment and advances amounted to nil and ₱6.0 million as of December 31, 2012 and 2011, respectively (see Note 12). No impairment losses were recognized in 2012, 2011 and 2010.

Estimating Fair Value of Land. The Group used the services of an independent professional appraiser in estimating the fair value of land. The fair value is determined based on recent prices of similar properties with adjustments to reflect any changes in economic conditions since the date of the transaction. The amount and timing of recorded changes in fair value for any period would differ if the Group made a different judgment and estimate or utilized a different basis for determining fair value. Management has determined that there is no significant movement in the fair value of the land since its last appraisal.

The fair value of the land amounted to nil and ₱112.2 million as of December 31, 2012 and 2011, respectively (see Note 11).

Estimating Realizability of Deferred Tax Assets and Creditable Withholding Tax. The Group reviews its deferred tax assets and creditable withholding tax at each balance sheet date and reduces the carrying amount 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 or creditable withholding tax to be utilized (see Note 17). The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on forecasted taxable income of the subsequent reporting period. The forecast is based on past results and future expectations on revenues and expenses. However, there is no assurance that the Group will generate sufficient taxable profit to allow all part of its deferred tax assets to be utilized in the future.

The carrying value of deferred tax assets amounted to nil and ₱29.4 million as of December 31, 2012 and 2011, respectively (see Note 17). The carrying value of creditable withholding tax amounted to nil as of December 31, 2012 and 2011.

The Group also has unrecognized deferred tax assets arising from NOLCO and certain provisions amounting to ₱1.8 million and ₱5.3 million as of December 31, 2012 and 2011, respectively (see Note 17).

Retirement and Long-term Sick Leave Benefits. The determination of the Group's obligation and cost for retirement and long-term sick leave benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. The assumptions described in Note 18 to the consolidated financial statements include among others, discount rates, expected rates of return on plan assets and rates of salary increase. In conformity with PFRS, actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

As a result of the Subsidiaries Sale Transaction, the Group has no retirement benefits liability and long-term sick-leave benefits liability as of December 31, 2012. As of December 31, 2011, the retirement benefits asset and long-term sick leave benefits liability amounted to ₱4.5 million and ₱35.0 million, respectively (see Note 18).

5. Discontinued Operations

On December 7, 2012, the Parent Company sold its ownership interests in its wholly-owned subsidiaries, Interphil and Lancashire, as disclosed under the Subsidiaries Sale Transaction in Note 1(b). The results of operations for the period from January 1, 2012 to December 6, 2012 were classified as discontinued operations. Prior years presentations were also restated for comparability purposes. The results of operations attributable to the manufacturing business of Interphil and the real estate business of Lancashire are as follows:

	For the years ended December 31,		
	2012*	2011	2010
Revenues	**₱1,766,139,478**	₱1,767,314,256	₱1,832,976,274
Cost of sales and services	**(1,485,908,894)**	(1,462,155,996)	(1,466,576,205)
Gross income	**280,230,584**	305,158,260	366,400,069
Operating expenses (Note 15)	**(263,989,253)**	(203,507,352)	(186,943,967)
Foreign exchange loss - net (Note 21)	**(19,161,103)**	(4,307,517)	(14,570,183)
Interest income (Note 6)	**3,772,350**	3,522,137	1,808,399
Equity in net income of a joint venture (Note 12)	**13,820**	3,549,881	7,709,043
Interest expense	**–**	–	(4,966,992)
Other income - net	**14,396,185**	18,772,739	17,190,619
Income before income tax	**15,262,583**	123,188,148	186,626,988
Provision for income tax			
Current	**(6,159,412)**	(30,632,709)	(48,337,879)
Deferred	**2,443,777**	(3,861,249)	(4,994,956)
	(3,715,635)	(34,493,958)	(53,332,835)
Net income from discontinued operations	**₱11,546,948**	₱88,694,190	₱133,294,153
Basic/diluted net income per share from discontinued operations	**₱0.028**	₱0.215	₱0.323

**Representing operations of Interphil and Lancashire for the period from January 1, 2012 to December 6, 2012.*

The net cash flows attributable to discontinued operations are as follows:

	For the years ended December 31,		
	2012*	2011	2010
Cash flows (used in) provided by:			
Operating activities	**(₱62,142,778)**	(₱35,758,524)	₱54,435,965
Investing activities	**(17,466,017)**	(49,290,094)	(14,945,813)
Financing activities	**–**	–	(134,966,992)
Effect of exchange rate changes on cash and cash equivalents	**197,475**	398,907	183,793
Net decrease in cash and cash equivalents	**(₱79,411,320)**	(₱84,649,711)	(₱95,293,047)

**Representing operations of Interphil and Lancashire for the period from January 1, 2012 to December 6, 2012.*

Loss on the sale of subsidiaries is derived as follows:

Selling price - net of transaction cost	₱1,014,540,243
Major classes of assets and liabilities of Interphil and Lancashire as of December 7, 2012:	
Cash and cash equivalents	274,239,300
Trade and other receivables	372,724,217
Advances to suppliers and other current assets	91,282,934
Inventories	259,396,170
Property, plant and equipment	377,707,209
Land at revalued amount	112,195,000
Retirement benefit asset	8,091,972
Deferred tax assets – net	18,812,436
Other noncurrent assets	17,559,565
Trade and other payables	(394,175,198)
Output tax payable	(44,537,052)
Long-term sick leave benefit liability	(34,947,835)
Net carrying value of Interphil and Lancashire as of December 7, 2012	1,058,348,718
	₱43,808,475

Selling price is net of capital gains tax amounting to ₱44,524,033.

6. Cash and Cash Equivalents

	December 31,	
	2012	2011
Cash on hand and in banks	**₱1,143,767,970**	₱101,603,553
Cash equivalents	–	279,496,272
	₱1,143,767,970	₱381,099,825

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short-term investments, which are made for varying periods of up to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term investment rates.

The Parent Company's interest income from bank deposits amounted to ₱1.3 million, ₱1.2 million and ₱1.4 million in 2012, 2011 and 2010, respectively, and the interest income from bank deposits and short term investments for the discontinued operations amounted to ₱3.8 million, ₱3.5 million and ₱1.8 million in 2012, 2011 and 2010, respectively, are disclosed under discontinued operations in the consolidated statements of comprehensive income (see Note 5).

7. Trade and Other Receivables

As of December 31, 2012, there were no trade and other receivables in the Parent Company's balance sheet subsequent to the deconsolidation as mentioned in Note 5.

As of December 31, 2011, this account consists of:

Trade	₱260,222,076
Receivables from related parties (see Note 16)	2,784,464
Others	25,005,005
	288,011,545
Less: allowance for doubtful accounts	(6,195,683)
	₱281,815,862

Trade and other receivables are noninterest-bearing and are generally on 1 to 30 days' terms.

Movements of allowance for doubtful accounts pertaining to specifically impaired receivables are as follow:

	Trade Receivables		Receivable from a Related Party	
	December 31,			
	2012	2011	**2012**	2011
Balance at beginning of year	**₱4,763,483**	₱14,149,814	**₱1,432,200**	₱1,432,200
Provision	**4,594,587**	4,196,752	**–**	–
Recovery of prior year allowance	**(1,515,686)**	(452,875)	**–**	–
Write-off	**(2,147,237)**	(13,130,208)	**–**	–
Effect of deconsolidation (see Note 5)	**(5,695,147)**	–	**(1,432,200)**	–
Balance at end of year	**₱–**	₱4,763,483	**₱–**	₱1,432,200

No collective impairment was provided in 2012 and 2011.

8. Inventories

As of December 31, 2012, there was no inventory in the Group's consolidated balance sheet subsequent to the deconsolidation as mentioned in Note 5.

As of December 31, 2011, this account consists of:

At net realizable value -	
Raw and packaging materials	₱160,843,796
At cost:	
Goods in process	27,000,941
Supplies	2,595,515
	₱190,440,252

The cost of raw and packaging materials amounted to ₱164.3 million as of December 31, 2011.

9. Advances to Suppliers and Other Current Assets

	December 31, 2012	2011
Input VAT – net	**₱465,878**	₱–
Deferred input VAT	**46,200**	–
Prepaid insurance	**–**	11,820,832
Advances to suppliers	**–**	10,234,675
Other prepaid expenses	**–**	10,827,554
	₱512,078	₱32,883,061

10. Property, Plant and Equipment

	December 31, 2012				
	Buildings and Leasehold Improvements	**Machinery and Equipment**	**Office Furniture, Fixtures and Equipment**	**Construction in Progress**	**Total**
Cost:					
Balance at beginning of year	**₱801,760,558**	**₱600,508,656**	**₱85,363,327**	**₱11,062,106**	**₱1,498,694,647**
Additions	**5,483,825**	**18,703,117**	**550,491**	**–**	**24,737,433**
Disposals	**–**	**(14,170,755)**	**–**	**–**	**(14,170,755)**
Reclassification	**–**	**11,062,106**	**–**	**(11,062,106)**	**–**
Effect of deconsolidation (see Note 5)	**(807,244,383)**	**(616,103,124)**	**(85,913,818)**	**–**	**(1,509,261,325)**
Balance at end of year	**–**	**–**	**–**	**–**	**–**
Accumulated depreciation and amortization:					
Balance at beginning of year	**(473,624,711)**	**(525,867,250)**	**(80,743,624)**	**–**	**(1,080,235,585)**
Depreciation and amortization	**(25,942,799)**	**(26,168,776)**	**(3,587,265)**	**–**	**(55,698,840)**
Disposals	**–**	**4,380,309**	**–**	**–**	**4,380,309**
Effect of deconsolidation (see Note 5)	**499,567,510**	**547,655,717**	**84,330,889**	**–**	**1,131,554,116**
Balance at end of year	**–**	**–**	**–**	**–**	**–**
Net book value	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**

	December 31, 2011				
	Buildings and Leasehold Improvements	Machinery and Equipment	Office Furniture, Fixtures and Equipment	Construction in Progress	Total
Cost:					
Balance at beginning of year	₱801,760,558	₱572,593,248	₱83,957,196	₱–	₱1,458,311,002
Additions	–	30,080,408	1,526,131	11,062,106	42,668,645
Disposals	–	(2,165,000)	(120,000)	–	(2,285,000)
Balance at end of year	801,760,558	600,508,656	85,363,327	11,062,106	1,498,694,647
Accumulated depreciation and amortization:					
Balance at beginning of year	(446,684,457)	(500,492,896)	(74,043,929)	–	(1,021,221,282)
Depreciation and amortization	(26,940,254)	(27,539,354)	(6,819,695)	–	(61,299,303)
Disposals	–	2,165,000	120,000	–	2,285,000
Balance at end of year	(473,624,711)	(525,867,250)	(80,743,624)	–	(1,080,235,585)
Net book value	₱328,135,847	₱74,641,406	₱4,619,703	₱11,062,106	₱418,459,062

Amortization of capitalized borrowing cost amounted to ₱5.3 million in 2012, and ₱5.6 million in 2011 and 2010, respectively are included in discontinued operations in the consolidated statements of comprehensive income (see Note 5). There were no borrowing costs capitalized in 2012, 2011 and 2010.

11. Land at Revalued Amount

As of December 31, 2011, this account consists of:

Land - at cost	₱25,599,000
Appraisal increase	86,596,000
	₱112,195,000

The appraised value of the land, which is held by Lancashire, was determined by an independent firm of appraisers as of December 31, 2008. The appraised value of the land was estimated based on sales and listings of comparable property registered within the vicinity.

As a result of the Subsidiaries Sale Transaction, the account was deconsolidated on December 7, 2012 and the related appraisal increase was closed to retained earnings.

12. Other Noncurrent Assets

As of December 31, 2012, there were no other noncurrent assets in the Group's balance sheet subsequent to the deconsolidation as mentioned in Note 5.

As of December 31, 2011, this account consists of:

Investment in GPI - net	₱6,028,754
Deposits	3,214,262
Available-for-sale financial asset	330,000
Others	5,453,698
	₱15,026,714

On February 20, 1997, Interphil, Active Research and Management Corporation and Mercury Group of Companies established GPI, a joint venture, to manufacture and sell softgel products in the Philippines. Each company has a 33.33% interest in the joint venture.

As of December 31, 2012 and 2011, the details and movements of the investment in GPI are as follows:

	December 31,	
	2012	2011
Acquisition cost	**₱25,000,000**	₱25,000,000
Effect of deconsolidation (see Note 5)	**(25,000,000)**	–
	–	25,000,000
Accumulated equity in net loss:		
Balance at beginning of period	**18,971,246**	22,521,127
Equity in net income	**(13,820)**	(3,549,881)
Effect of deconsolidation (see Note 5)	**(18,957,426)**	–
Balance at end of period	**–**	18,971,246
	₱–	₱6,028,754

Interphil's proportionate share in the assets, liabilities, revenues and net income of GPI as of December 7, 2012, December 31, 2011 and 2010 and for the period/year then ended is as follows:

	December 7, 2012	December 31, 2011	December 31, 2010
Current assets	**₱16,091,873**	₱11,713,918	₱4,802,732
Noncurrent assets	**9,344,253**	11,188,974	12,811,412
Current liabilities	**5,231,349**	2,711,935	973,067
Revenue	**13,417,409**	15,487,769	16,067,230
Net income	**13,820**	3,549,881	7,709,043

Deposits, available-for-sale financial asset and other noncurrent assets were also deconsolidated on December 7, 2012 as a result of Subsidiaries Sale Transaction.

13. **Trade and Other Payables**

	December 31,	
	2012	2011
Trade	**₱–**	₱229,441,385
Nontrade	**379,114**	5,504,377
Capital gains tax payable (see Note 5)	**44,524,033**	–
Accruals for:		
Personnel costs	**–**	54,296,169
Others	**1,926,731**	6,916,987
Withholding tax payable	**8,439**	2,098,754
Others	**–**	8,073,669
	₱46,838,317	₱306,331,341

Trade and other payables are non-interest bearing and are due for payment within 12 months.

14. Equity

(a) The two classes of common stock are identical in all respects except that Class A shares are restricted in ownership to Philippine nationals. Both common stocks have ₱1 par value.

(b) The following is a summary of the movement of the Parent Company's authorized capital stock with the related issue price and date of approval of registration by the SEC:

Shares Registered		Issue Price		
Common Class A	Common Class B	Class A	Class B	Date of SEC Approval
90,000,000	60,000,000	₱3.20	₱3.40	February 14, 1991
180,000,000	120,000,000	1.00	1.00	August 9, 1993
270,000,000	180,000,000	1.00	1.00	October 21, 1997
540,000,000	360,000,000			

(c) The Parent Company's issued and fully paid shares are as follows:

Class A	337,500,000
Class B	225,000,000

(d) Treasury shares held totaled 150,435,404 shares as of December 31, 2012 and 2011.

(e) The retained earnings balance as of December 31, 2012 and 2011 is restricted for dividend declaration for the cost of shares held in treasury.

(f) On December 19, 2012, pursuant to the terms of the Acquisition Agreement, the Selling Shareholders of MCP transferred cash of ₱41,050,000 to MCP as its capital contribution as disclosed in Note 1(b).

(g) As of December 31, 2012, the Parent Company has 471 stockholders.

15. Operating Expenses

	For the years ended December 31,		
	2012	2011	2010
Professional fees	**₱2,289,002**	₱364,440	₱100,000
Taxes and licenses	**39,094**	–	–
Others	**400**	–	14,596
From continuing operations	**2,328,496**	364,440	114,596
From discontinued operations (see Note 5)	**263,989,253**	203,507,352	186,943,967
	₱266,317,749	₱203,871,792	₱187,058,563

16. Related Party Transactions

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

Category	December 31,	Amount of transactions during the year	Outstanding balance	Terms	Conditions
Affiliates					
Zuellig Pharma Corporation*					
(1)Tolling and other service fees income	**2012**	**₱–**	**₱–**	30 days; non-interest bearing	Unsecured, no impairment
	2011	12,774,168	34,064		
	2010	37,456,281	15,435,157		
(2)Rent expense	**2012**	**28,378,924**	**–**	Within first five days of the month; non-interest bearing	Unsecured, no impairment
	2011	30,270,852	–		
	2010	29,608,574	–		
Bridgebury Realty Corporation*					
(1)Sale of vehicle	**2012**	**–**	**–**	30 days; non-interest bearing	Unsecured, fully provided with allowance
	2011	–	1,432,200		
	2010	–	1,432,200		
Acette Insurance Brokerage**					
(1)Insurance expense	**2012**	**–**	**–**	30 days; non-interest bearing	Unsecured, no impairment
	2011	6,603,868	–		
	2010	6,604,744	–		
GPI*					
(1)Tolling and other service fees income	**2012**	**3,345,600**	**–**	30 days; non-interest bearing	Unsecured, no impairment
	2011	1,315,646	361,990		
	2010	2,896,101	428,720		
(2)Rent income	**2012**	**4,403,720**	**–**	30 days; non-interest bearing	Unsecured, no impairment
	2011	4,542,165	956,210		
	2010	3,561,320	502,920		

* *Under the then common ultimate stockholders as of December 18, 2012.*
** *Under the then common ultimate stockholders until November 30, 2011.*

Compensation of Key Management Personnel

Before the change in ownership of the Parent Company, the compensation of key management personnel of the Group are as follows:

	For the years ended December 31,		
	2012	2011	2010
Short-term employee benefits	**₱90,850,208**	₱78,061,746	₱70,657,037
Post-employment benefits:			
Retirement benefits	**910,844**	765,077	873,237
Long-term sick leave benefits	**744,375**	714,100	589,541
	₱92,505,427	₱79,540,923	₱72,119,815

After the change in ownership of the Parent Company, the remuneration of the key management personnel of the Group is borne by MCE.

17. Income Tax

No provision for current income tax from continuing operations has been recognized in 2012 since the Group is in a tax loss position. Provision for current income tax from discontinued operations represents RCIT. The following are the components of the Group's provision for current income tax:

	For the years ended December 31,		
	2012	2011	2010
From continuing operations	**₱–**	₱–	₱–
From discontinued operations (see Note 5)	**6,159,412**	30,632,709	48,337,879
	₱6,159,412	₱30,632,709	₱48,337,879

As of December 31, 2011, the components of the Group's net deferred tax liabilities pertain to the tax effects of the following:

Deferred tax liabilities:	
Revaluation increment in land	₱25,978,800
Unamortized portion of capitalized interest	12,877,870
Unrealized foreign exchange gain - net	119,672
	38,976,342
Deferred tax assets:	
Accrued personnel expenses	21,929,867
Allowance for:	
Doubtful accounts	1,858,705
Excess of cost of inventories over the net realizable value	1,023,694
Unamortized past service costs on contributions	4,553,936
	29,366,202
Deferred tax liabilities – net	₱9,610,140

As a result of the Subsidiaries Sale Transaction, the Group's net deferred tax liabilities were deconsolidated on December 7, 2012.

The Parent Company's unrecognized deferred tax asset on NOLCO amounting to ₱1.8 million and ₱0.8 million as of December 31, 2012 and 2011, respectively. Management believes that it is not yet probable that there will be future taxable profit prior to the expiration of the carryforward benefits of NOLCO.

In 2011, Interphil also has unrecognized deferred tax assets on certain provisions amounting to ₱4.5 million.

Details of NOLCO which can be claimed as deduction from regular taxable income are as follows:

Year Incurred	Expiry Year	Amount
2010	2013	₱1,364,596
2011	2014	1,264,440
2012	2015	3,209,751
		₱5,838,787

A reconciliation of provision for (benefit from) income tax expense computed at the statutory tax rates to provision for income tax for the years ended December 31 is as follows:

	For the years ended December 31,		
	2012	2011	2010
Provision for (benefit from) income tax on continuing operations computed at statutory rates	**(₱13,457,399)**	₱257,146	₱385,991
Income tax effects of:			
Loss on sale of subsidiaries subjected to capital gains tax	**13,142,543**	–	–
Changes in unrecognized deferred tax assets	**962,925**	379,332	409,379
Interest income subjected to final tax	**(383,693)**	(366,478)	(420,369)
Others	**(264,376)**	(270,000)	(375,001)
	₱–	₱–	₱–

18. Retirement and Long-term Sick Leave Benefits

Interphil has a defined benefit, noncontributory retirement plan covering all of regular full-time employees which require contribution to be made to the administered fund.

The following tables summarize the components of net retirement benefit expense recognized under discontinued operations in the consolidated statements of comprehensive income and the unfunded status and amounts recognized in the consolidated balance sheets for the plan:

Net retirement benefit expense consists of:

	For the years ended December 31,		
	2012*	2011	2010
Current service cost	**₱13,187,455**	₱11,940,000	₱11,881,000
Interest cost	**13,949,975**	16,188,229	17,802,497
Expected return on plan assets	**(22,527,058)**	(21,684,214)	(14,899,438)
Net actuarial gain recognized	**(166,173)**	(1,666,925)	(2,586,234)
Amortization for non-vested past service cost	**371,200**	371,200	–
Net retirement benefit expense	**₱4,815,399**	₱5,148,290	₱12,197,825

**Representing amounts of Interphil for the period from January 1, 2012 to December 6, 2012.*

Details of retirement benefit asset are as follows:

	December 31,	
	2012	2011
Fair value of plan assets	**₱320,425,678**	₱293,991,380
Present value of defined benefit obligation	**(263,535,055)**	(263,963,900)
Funded status	**56,890,623**	30,027,480
Net cumulative unrecognized actuarial gain	**(53,995,451)**	(31,060,829)
Unrecognized past service cost	**5,196,800**	5,568,000
Effect of deconsolidation (see Note 5)	**(8,091,972)**	–
Retirement benefit asset	**₱–**	₱4,534,651

Changes in the present value of defined benefits obligation are as follow:

	For the years ended December 31,		
	2012*	2011	2010
Balance at beginning of year	**₱263,963,900**	₱228,647,300	₱204,626,400
Current service cost	**13,187,455**	11,940,000	11,881,000
Interest cost	**13,949,975**	16,188,229	17,802,497
Past service cost - non-vested	**–**	5,939,200	–
Actuarial loss (gain)	**(404,691)**	14,385,657	34,353,205
Benefits paid	**(27,161,584)**	(13,136,486)	(40,015,802)
Effect of deconsolidation (see Note 5)	**(263,535,055)**	–	–
Balance at end of year	**₱–**	₱263,963,900	₱228,647,300

**Representing amounts of Interphil for the period from January 1, 2012 to December 6, 2012.*

Changes in the fair value of plan assets are as follows:

	For the years ended December 31,		
	2012*	2011	2010
Balance at beginning of year	**₱293,991,380**	₱271,052,673	₱248,323,966
Expected return on plan assets	**22,527,058**	21,684,214	14,899,438
Benefits paid	**(27,161,584)**	(13,136,486)	(40,015,802)
Contributions	**8,372,720**	11,052,121	17,825,816
Actuarial gain	**22,696,104**	3,338,858	30,019,255
Effect of deconsolidation (see Note 5)	**(320,425,678)**	–	–
Balance at end of year	**₱–**	₱293,991,380	₱271,052,673
Actual return on plan assets	**₱45,223,162**	₱25,023,072	₱44,918,693

**Representing amounts of Interphil for the period from January 1, 2012 to December 6, 2012.*

Plan assets are composed of equity securities.

Movements of retirement benefits asset (liability) are as follows:

	December 31,	
	2012	2011
Balance at beginning of year	**₱4,534,651**	(₱1,369,180)
Net retirement benefit	**(4,815,399)**	(5,148,290)
Actual contributions	**8,372,720**	11,052,121
Effect of deconsolidation (see Note 5)	**(8,091,972)**	–
Balance at end of year	**₱–**	₱4,534,651

The principal assumptions used in determining retirement benefit obligations of the Group's plan are shown below:

	For the years ended December 31,		
	2012	2011	2010
Discount rate	**5.61%**	5.65%	7.08%
Expected rate of return on plan assets	**8.00%**	8.00%	8.00%
Rate of salary increase	**5.00%**	6.00%	6.00%

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous period are as follows:

	2012	2011	2010	2009	2008
Present value of defined benefit obligation	**₱–**	₱263,963,900	₱228,647,300	₱204,626,400	₱102,090,700
Fair value of plan assets	**–**	293,991,380	271,052,673	248,323,966	202,373,242
Experience adjustment on defined benefit obligation	**5,144,309**	(2,401,543)	8,055,505	(15,757,668)	1,569,884
Experience adjustment on plan assets	**22,696,104**	3,338,858	30,019,255	21,674,727	(37,201,265)

The Group's policy provides that unused sick leave credits equivalent to 60 to 90 days is accumulated and the cash equivalent is payable upon separation of the employee. The Group recognized the related long-term sick leave benefits expense of ₱5.2 million in 2012, ₱3.5 million in 2011 and income of ₱0.6 million in 2010 under discontinued operations in the consolidated statements of comprehensive income.

Movements of long-term sick leave benefits liability are as follows:

	December 31,	
	2012	2011
Balance at beginning of year	**₱34,971,400**	₱33,653,100
Long-term sick leave benefits expense	**6,102,739**	3,470,038
Benefits paid	**(6,126,304)**	(2,151,738)
Effect of deconsolidation	**(34,947,835)**	–
Balance at end of year	**₱–**	₱34,971,400

The principal assumptions used in determining sick leave benefits liability of the Group are shown below:

	For the years ended December 31,		
	2012	2011	2010
Discount rate	**5.61%**	5.65%	7.08%
Rate of salary increase	**5.00%**	6.00%	6.00%

19. Basic/Diluted Net (Loss) Income Per Share

	For the years ended December 31,		
	2012	2011	2010
Net (loss) income from:			
Continuing operations (a)	**(₱44,857,995)**	₱857,153	₱1,286,635
Discontinued operations (b)	**11,546,948**	88,694,190	133,294,153
Weighted average number of shares outstanding (c)	**412,064,596**	412,064,596	412,064,596
Basic/diluted net (loss) income per share for:			
Continuing operations (a/c)	**(₱0.109)**	₱0.002	₱0.003
Discontinued operations (b/c)	**₱0.028**	₱0.215	₱0.323

There are no common stock equivalents that would have a dilutive effect on basic net (loss) income per share.

20. Commitment and Contingencies

Subsequent to the Subsidiaries Sale Transaction, the Parent Company has no operating, capital commitment nor be a party of legal proceeding as of December 31, 2012.

As of December 31, 2011, the Group has the following commitments and contingencies:

(a) As of December 31, 2011, the Group has a lease agreement with Novartis Healthcare Philippines, Inc. ("Novartis") covering the manufacturing facilities in Canlubang for an annual rental of ₱10.0 million, inclusive of VAT. The lease agreement was renewed annually and the lease is accounted for as operating lease. Rental expense on this lease contract amounted to ₱9.2 million in 2012, and ₱8.9 million on 2011 and 2010 are recognized under discontinued operations in the consolidated statements of comprehensive income.

The Group has also entered into various lease agreements for one year renewable every year covering various warehouse, and machineries and equipment. Rental expense on these lease agreements amounted to ₱3.1 million in 2012, ₱3.8 million on 2011 and ₱2.1 million on 2010 are recognized under discontinued operations in the consolidated statements of comprehensive income.

(b) Interphil is a defendant in certain legal cases still pending with the courts. Management is of the opinion that the ultimate resolution of such cases will not have a material effect on the consolidated financial statements.

21. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents. The main purpose of this financial instrument is to finance the Group's operations. Immediately before the Subsidiaries Sale Transaction, the Group has various other financial assets and liabilities such as trade and other receivables, deposits, available-for-sale financial asset and trade and other payables which arise directly from its operations.

Before the change of ownership of the Parent Company, the main risks arising from the Group's financial instruments are credit risk, liquidity risk and foreign exchange risk, the Group's overall risk management program was carried out by former management under policies approved by the former BOD, to identify and evaluate financial risks in coordination with the Group's operating units and to minimize these risks on the Group's financial performance.

After the change of ownership of the Parent Company, the main risks arising from the Group's financial instruments are interest rate risk, credit risk, liquidity risk and foreign exchange risk. The new management reviews and approves policies for managing each of these risks.

Interest Rate Risk
After the change in ownership of the Parent Company, other than the bank balances which carry interest at market rates, the Group has no other significant interest-bearing assets and liabilities and its operating cash flows are substantially independent of changes in market interest rates. Accordingly, the management is of the opinion that the Group does not have significant interest rate risk and no sensitivity analysis is performed.

Credit Risk
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group.

Immediately before the Subsidiaries Sale Transaction, the Group former management manages credit risk by following strict credit policies and procedures in granting of credit to customers and monitoring of schedule of aged receivables.

The Group trades only with recognized and creditworthy third parties. It is the policy of the Group that all customers who wish to trade on credit terms are subjected to credit verification procedures. Receivables from customers are usually settled after approved credit terms. Trade and other receivables and other current assets are monitored on an on-going basis with the result that the exposure of the Group to bad debts is not significant. The Group does not offer credit terms to third parties, without the specific approval of management.

With respect to credit risk from other financial assets of the Group, which mainly composed of cash and cash equivalents and receivables from related parties, the exposure of the Group to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. There is no significant concentration of credit risk in the Group.

Credit Risk Exposures. The carrying values of the Group's financial assets represent the maximum exposure to credit risk since the financial assets have no collateral or credit enhancements as of December 31, 2012 and 2011.

Credit Quality per Class of Financial Assets. As of December 31, 2012, the Group 's financial assets consist of cash in bank amounting to ₱1,143.8 million, which is considered as high grade by class of credit quality, as this pertains to deposit made to reputable banks in the Philippines.

The table below shows the credit quality by class of financial asset as of December 31, 2011:

	December 31, 2011				
	Neither Past Due nor Impaired		Past Due		
	High Grade	Standard Grade	but not Impaired	Impaired	Total
Cash and cash equivalents*	₱381,004,825	₱–	₱–	₱–	₱381,004,825
Trade and other receivables:					
Trade	57,584,813	53,352,381	144,521,399	4,763,483	260,222,076
Receivables from related parties	1,320,126	–	32,138	1,432,200	2,784,464
Others	10,581,394	6,818,598	7,605,013	–	25,005,005
Deposits**	3,214,262	–	–	–	3,214,262
Available-for-sale financial asset**	330,000	–	–	–	330,000
	₱454,035,420	₱60,170,979	₱152,158,550	₱6,195,683	₱672,560,632

**Excluding cash on hand*
***Included as part of "Other noncurrent assets"*

High grade trade and other receivables represent good paying customer accounts with no history of default and are normally settled before the due date. Standard grade trade and other receivables include average paying customer accounts with no history of default and are normally settled on the due date. Cash and cash equivalents are considered as high grade and include deposits or placements made to top 10 banks in the Philippines. Available-for-sale financial asset pertains to quoted club membership shares traded in an active market and is considered as high grade. Deposits are also classified as high grade since these include deposits to reputable companies with positive financial performance.

The table below shows the aging analysis of past due but not impaired loans and receivables per class that the Group held as of December 31, 2011. A financial asset is past due when a counterparty has failed to make a payment when contractually due.

	December 31, 2011				
	1 to 30 Days	31 to 60 Days	61 to 90 Days	More than 90 Days	Total
Trade and Other Receivables:					
Trade	₱89,942,486	₱24,296,752	₱7,661,370	₱22,620,791	₱144,521,399
Receivables from related parties	4,480	–	–	27,658	32,138
Others	1,290,777	2,359,882	220,084	3,734,270	7,605,013
	₱91,237,743	₱26,656,634	₱7,881,454	₱26,382,719	₱152,158,550

Liquidity Risk

Liquidity risk is the potential of not meeting obligations as they become due because of an inability to liquidate assets or obtain adequate funding or is the risk that the Group will not be able to meet its obligations associated with financial difficulties.

Before the change of ownership of the Parent Company, the objective of the Group was to maintain a balance between continuity of funding and flexibility through the use of credit lines available from local banks. The Group former management managed its liquid funds through cash planning on a monthly basis. The Group used historical data and forecasts from its collection and disbursement. The Group also placed funds in the money market only when exceeding the Group's cash requirements. Placements are strictly made based on cash planning assumptions and covers only a short period of time.

After the change of ownership of the Parent Company, the Parent Company obtains funding from ultimate holding company and intermediate holding company and manages its liquid funds through cash planning on a monthly basis. The Parent Company uses historical data and forecasts from its collection and disbursement.

The table below summarizes the maturity profile of the Group's financial assets held for liquidity purposes and financial liabilities as of December 31, 2012 and 2011 based on undiscounted contractual cash flows.

	December 31, 2012			
	Due and Demandable	**Less than 3 Months**	**3 to 12 Months**	**Total**
Financial Assets				
Cash and cash equivalents	**₱1,143,767,970**	**₱–**	**₱–**	**₱1,143,767,970**
Financial Liability				
Trade and other payables*	**₱2,305,845**	**₱–**	**₱–**	**₱2,305,845**

	December 31, 2011			
	Due and Demandable	Less than 3 Months	3 to 12 Months	Total
Financial Assets				
Cash and cash equivalents	₱381,099,825	₱–	₱–	₱381,099,825
Trade and other receivables	129,657,312	125,775,831	26,382,719	281,815,862
	₱510,757,137	₱125,775,831	₱26,382,719	₱662,915,687
Financial Liability				
Trade and other payables*	₱–	₱124,365,104	₱172,556,197	₱296,921,301

**Excluding government and statutory liabilities*

Foreign Exchange Risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

Immediately before the Subsidiaries Sale Transaction, the Group has transactional currency exposures arising from sales or purchases in foreign currencies. Foreign exchange risks are considered minimal. The Group's former management decided not to hedge these immaterial currency exposures considering the cost of hedging being higher than the currency exposure.

As of December 31, 2012, the Parent Company has no foreign currency-denominated financial assets and liabilities, hence not subject to foreign currency risk.

The following table shows the Group's foreign currency-denominated financial assets and liabilities and their peso equivalents as of December 31, 2011:

	Foreign Currency	Philippine Peso
Current Financial Asset		
Cash and cash equivalents	US$5,360,118	₱234,987,583
Current Financial Liabilities		
Trade and other payables:		
United States dollar ("US$")	US$17,023	746,288
Swiss franc ("CHF")	CHF 7,418	369,639
		1,115,927
Net Foreign Currency-denominated Financial Assets		₱233,871,656

In translating the foreign currency-denominated financial assets and liabilities into peso amounts, the Group used the following rates of exchange as of December 31, 2011:

Philippine Peso to 1 unit of foreign currency:	
US$	43.84
CHF	49.83

The Group recognized net foreign exchange loss of ₱19.2 million in 2012, ₱4.3 million in 2011 and ₱14.6 million in 2010. The amounts are recognized under discontinued operations in the consolidated statements of comprehensive income (see Note 5).

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant, of the Group's income before income tax as of December 31, 2011. There is no other impact on the Group's equity other than those already affecting the profit and loss.

	% Change Currency Rate	Effect on Income Before Tax
US$	+0.09%	(₱211,489)
	(0.09%)	211,489
CHF	+12.61%	46,611
	(12.61%)	(46,611)

The change in currency rate is based on the Group's best estimate of expected change considering historical trends and experiences.

Positive change in currency rate reflects a stronger peso against foreign currency. On the other hand, a negative change in currency rate reflects a weaker peso against foreign currency.

Capital Risk Management. The primary objective of the Group's capital management is to ensure an adequate return to its shareholders and to maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Group manages and maintains its capital structure by adjusting dividend payment to shareholders, returning capital to shareholders or issuing new shares. Capital includes equity attributable to the equity holders of the Group.

22. **Financial Instruments**

Fair Value of Financial Instruments
Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments as of December 31:

	December 31, 2012		December 31, 2011	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	**₱1,143,767,970**	**₱1,143,767,970**	₱381,099,825	₱381,099,825
Trade and other receivables:				
Trade	–	–	255,458,593	255,458,593
Receivables from related parties	–	–	1,352,264	1,352,264
Others	–	–	25,005,005	25,005,005
Deposits*	–	–	3,214,262	3,214,262
	1,143,767,970	**1,143,767,970**	666,129,949	666,129,949
Available-for-sale financial asset*	–	–	330,000	330,000
	₱1,143,767,970	**₱1,143,767,970**	₱666,459,949	₱666,459,949
Financial Liabilities				
Other financial liability:				
Trade and other payables**	**₱2,305,845**	**₱2,305,845**	₱296,921,301	₱296,921,301

**Included as part of "Other noncurrent assets"*
***Excluding government and statutory liabilities*

Cash and Cash Equivalents, Trade and Other Receivables and Trade and Other Payables. The fair values approximate their carrying values due to the relatively short-term maturities of these financial instruments.

Deposits. Carrying amounts are deemed to approximate fair values since the fair values of certain deposits cannot be reasonably and reliably estimated.

Available-for-sale Financial Asset. The fair value of the financial asset is based on its quoted market price at balance sheet date.

Fair Value Hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As of December 31, 2012, the Group has no financial instrument which is measured at fair value. As of December 31, 2011, the only financial instrument of the Group measured at fair value is its available-for-sale financial asset. This is classified under Level 1.

During the years ended December 31, 2012 and 2011, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

23. Subsequent Events

(a) On March 5, 2013, other than the amendments of the articles of incorporation of MCP for change of its corporate name and registered office address as disclosed in Note 1(a), the SEC also approved the following:-

(i) a share incentive plan (the "Share Incentive Plan") which was adopted by MCP on February 19, 2013 and became effective upon SEC's approval. Under the Share Incentive Plan, MCP may grant various share based awards to individuals including members of the Board, employees and consultants of the Group. The term of such awards shall not exceed 10 years from the date of grant. The maximum aggregate number of shares which may be issued pursuant to all awards under the Share Incentive Plan is 5% of the issued capital stock of MCP from time to time over 10 years; and

(ii) the declassification of the existing ₱900 million authorized capital stock of MCP, consisting of 60% Class A shares and 40% Class B shares to a single class of common stock and denial of pre-emptive rights, which was approved by the stockholders of MCP on February 19, 2013.

(b) On March 20, 2013, MCP entered into a subscription and share sale agreement (the "Subscription and Share Sale Agreement") with MCE Investments, which required MCE Investments to issue a subscription notice on the same date to MCP for subscription of 2,846,595,000 common shares of MCP at par value of ₱1 per share at total consideration of ₱2,846,595,000 (the "Share Subscription Transaction"). On January 30, 2013, MCE Investments paid ₱711,648,943 to MCP as initial subscription amount, with the remaining outstanding subscription amount of ₱2,134,946,057 which has been fully settled in three instalments on March 22, March 25 and March 26, 2013 by MCE Investments to MCP in respect of the Share Subscription Transaction. The Share Subscription Transaction which was subject to the SEC's approval for the increase in MCP's authorized capital stock as disclosed in item (e) below, was completed on April 8, 2013.

(c) On March 20, 2013, pursuant to the terms of the Subscription and Share Sale Agreement, MCP entered into a deed of assignment with MCE Investments, which MCP acquired all equity interests of MCE Investments in MCE Holdings (Philippines) Corporation (herein referred to as "MCE Holdings"), consisting of 147,894,500 issued and outstanding common shares with a par value of ₱1 per share, at a consideration of ₱7,198,590,000 (the "Asset Acquisition Transaction"). MCE Holdings holds 100% direct ownership interests in MCE Holdings No.2 (Philippines) Corporation (herein referred to as "MCE Holdings No.2"), which in turn holds 100% direct ownership interests in MCE Leisure (Philippines) Corporation (herein referred to as "MCE Leisure") (collectively referred to the "MCE Holdings Group"). As a result of the Asset Acquisition Transaction, MCE Holdings Group become wholly-owned subsidiaries of MCP.

MCE Holdings Group companies were all incorporated in the Philippines. Before the Asset Acquisition Transaction, MCE Holdings Group entered into a closing arrangement agreement, a cooperation agreement and a lease agreement (both of which became effective on March 13, 2013) and other related arrangements with certain Philippine third parties (the "Philippine Parties") for the development of an integrated resort project located within Entertainment City, Manila comprising a casino, hotel, retail and entertainment complex (the "Philippines Project"). On March 13, 2013, MCE Holdings Group and the Philippine Parties together became co-licensees under a provisional license (the "Provisional License") granted by the Philippine Amusement and Gaming Corporation (the "PAGCOR") for the establishment and operation of the Philippines Project. PAGCOR had pursuant to a letter dated October 25, 2012, acknowledged, amongst other things, MCE Leisure as the operator to operate the casino business and as representative for itself and on behalf of the other co-licensees under the Provisional License in their dealings, which took effect on March 13, 2013. The Provisional License, as well as any regular license to be issued to replace it upon satisfaction of certain conditions, will expire on July 11, 2033.

(d) On April 3, 2013, the BOD of MCP, subject to the SEC approval for the increase in MCP's authorized capital stock on April 8, 2013 as disclosed in item (e) below, approved the maximum no. of share options and restricted shares of 131,578,947 common shares with maximum equity value of USD25.0 million (equivalent to ₱1,022.6 million) to be granted to the eligible employees under the Share Incentive Plan upon successful listing and offering of new shares of MCP.

(e) On April 8, 2013, the SEC approved the increase in MCP's authorized capital stock to ₱5.9 billion divided into 5.9 billon shares with par value of ₱1 per share from authorized capital stock of ₱900 million divided into 900 million shares with par value of ₱1 per share, which was approved by the stockholders of MCE on February 19, 2013.

(f) On April 8, 2013, MCP issued all of its treasury shares, representing 150,435,404 common shares to third parties at ₱14.2 per share and on the same date, MCE Investments and MCE Investments No.2 also sold 60,607,382 common shares and 81,435,888 common shares of MCP, respectively, to the aforesaid third parties.

Following the series of transactions as mentioned above (including the impact on the Share Subscription Transaction) on April 8, 2013, MCE through MCE Investments and MCE Investments No.2, held an indirect ownership in MCP increased from 88.16% to 89.99%.

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BOA/PRC Reg. No. 0001,
December 28, 2012, valid until December 31, 2015
SEC Accreditation No. 0012-FR-3 (Group A),
November 15, 2012, valid until November 16, 2015

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES**

Melco Crown (Philippines) Resorts Corporation
10th Floor, Liberty Center, 104 H.V. dela Costa St.
Salcedo Village, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Melco Crown (Philippines) Resorts Corporation (formerly Manchester International Holdings Unlimited Corporation) and Subsidiaries as at December 31, 2012 and 2011 and for each of the three years in the period ended December 31, 2012, included in this Form 17-A and have issued our report thereon dated April 9, 2013. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Securities Regulation Code Rule 68, As Amended (2011) and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Roel E. Lucas

Roel E. Lucas
Partner
CPA Certificate No. 98200
SEC Accreditation No. 1079-A (Group A),
February 3, 2011, valid until February 2, 2014
Tax Identification No. 191-180-015
BIR Accreditation No. 08-001998-95-2011,
February 4, 2011, valid until February 3, 2014
PTR No. 3669694, January 2, 2013, Makati City

April 9, 2013

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(formerly MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORP)
Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Affiliates)
December 31, 2012

Name and Designation of Debtor		Balance at beginning of period	Additions	Deductions: Amounts Collected	Deductions: Amount Written-Off	Deductions: Effect of Deconsolidation	Current	Non Current	Balance at end of period
Guinto, Dominador	Department Manager-IT	₱ 125,000	₱ -	₱ -	₱ -	₱ 125,000	₱ -	₱ -	₱ -
Hitchon, Rupert	Department Manager-Liquids	734,608				734,608			-
Mangulabnan, Julie	Treasury Manager	207,500				207,500			-
Roasa, Alvin Ronan	Department Manager-Dry Products Manufacturing	210,000				210,000			-
Punongbayan, Alan	Department Manager - QA	54,753				54,753			-
Ramirez, Raquel	Department Manager-Human Resources	280,000				280,000			-
Soliven, Mario Carlo	Manager-Technical Services	110,000				110,000			-
		₱ 1,721,861	₱ -	₱ -	₱ -	₱ 1,721,861	₱ -	₱ -	₱ -

Note: These receivables from officers and employees are presented as part of "Others" under "Trade and other receivables" account in the balance sheets.

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(formerly MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORP)
Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
As of December 7, 2012

Name & Designation of debtor	Balance at the Beginning of the Period	Additions	Deductions: Amounts Collected [i]	Deductions: Amounts Written off [ii]	Effect of Deconsolidation [iii]	Current	Non-Current	Balance at the End of Period
Lancashire Realty Holding Corporation	-	4,752,219.12	4,752,219.12	-		-	-	-
MCP	-	856,474.16	212,467.87	-	644,006.29	-	-	-

i. If collection is other than cash, explain: *Combination of Cash and Application of AR Vs AP*

Breakdown of Amounts collected above

Offset against AP	**4,752,219.12**
Offset against AP	**212,467.87**

ii. Give reasons for write off
iii. Balance deconsolidated as a result of sale of subsidiaries by MCP on December 7, 2012.
Note: Receivable of Interphil Laboratories Inc from MCP and Lancashire Realty Holding Corporation

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(formerly MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORP)
Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
As of December 7, 2012

Name & Designation of debtor	Balance at the Beginning of the Period	Additions	Deductions: Amounts Collected i	Deductions: Amounts Written off ii	Effect of Deconsolidation [iii]	Current	Non-Current	Balance at the End of Period
Interphil Laboratories Inc	1,025,074.45	6,062,686.88	5,752,219.12		1,335,542.21			-
Interphil Laboratories Inc	212,467.87		212,467.87					-

i. If collection is other than cash, explain: *Combination of Cash and Application of AR Vs AP*

Breakdown of Amounts collected

Lancashire	Cash payment	1,000,000.00	
	Offset against AR	4,752,219.12	**5,752,219.12**
Manchester	Offset against AR		**212,467.87**

ii. Give reasons for write off
iii. Balance deconsolidated as a result of sale of subsidiaries by MCP on December 7, 2012.
Note: Receivable of MCP and Lancashire Realty Holding Corporation from Interphil Laboratories Inc

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(formerly MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORP)
Schedule H. Capital Stock
December 31, 2012

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding*	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
Class A	540,000,000	272,696,551	-	255,272,656	18,850	17,405,045
Class B	360,000,000	139,368,045	-	108,019,704	9,775	31,338,566
Total	900,000,000	412,064,596	-	363,292,360	28,625	48,743,611

* Net of 150,435,404 shares in treasury consisting of:
- 64,803,449 Class "A" shares
- 85,631,955 Class "B" shares

RECONCILIATION OF RETAINED EARNINGS
As of December 31, 2012

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(formerly MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORPORATION)
10th floor, Liberty Center, 104 H.V. dela Costa St,
Salcedo Village, Makati City

Unappropriated Retained Earnings per financial statements, beginning	**₱**	**331,891,010**
Adjustments: Cost of treasury shares held		(288,514,127)
Unappropriated Retained Earnings as adjusted to available for dividend declaration, beginning	**₱**	**43,376,883**
Net Income based on the face of AFS		312,289,521
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture		
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents) Unrealized actuarial gain		
Fair Value adjustment (M2M gains)		
Fair Value adjustment of Investment Property resulting to gain		
Adjustment due to deviation from PFRS/GAAP-gain		
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS		86,596,000
Add: Non-actual losses		
Depreciation on revalution increment (after tax)		
Adjustment due to deviation from PFRS/GAAP - loss		
Loss on fair value adjustment of Investment property (after tax)		
Net Income Actual/Realized	**₱**	**442,262,404**
UNAPPROPRIATED RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION, AS ADJUSTED, ENDING	**₱**	**442,262,404**

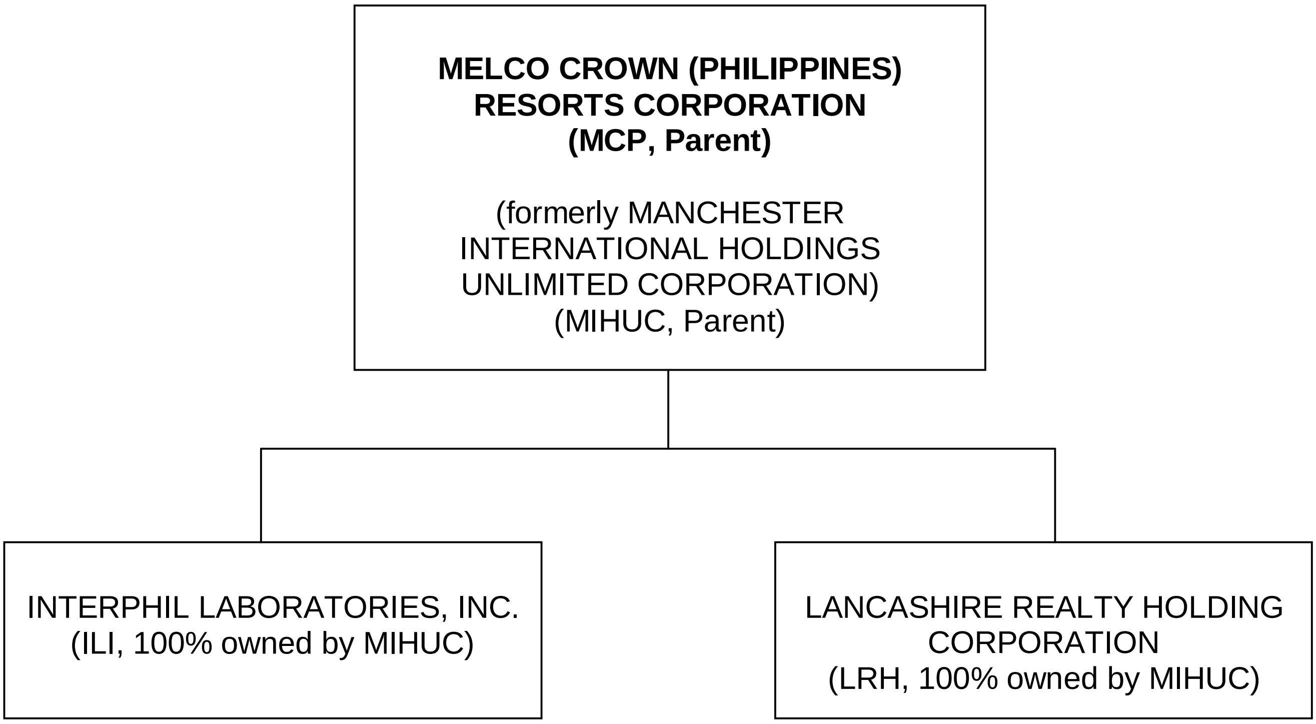
MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(formerly MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORP)
Key Performance Indicators
For the years ended December 31, 2012 and 2011

		2012	2011
Current ratio	Current assets over current liabilities	**24.43**	2.70
Debt-to-equity ratio	Total liabilities over total equity	**0.04**	0.35
Asset to equity ratio	Total assets over total equity	**1.04**	1.35
Interest rate coverage ratio	Earnings before interest expense and taxes over interest expense	**-**	-
Return on assets	Net income over total assets	**-2.91%**	6.23%
Return on equity	Net income over total equity	**-3.04%**	8.42%

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(formerly MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORPORATION

Mapping of relationships between and among the company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates

As of December 6, 2012



As of December 31, 2012

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(formerly MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORPORATION)

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Early Adopted	Not adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		X			
PFRSs Practice Statement Management Commentary					X
Philippine Financial Reporting Standards					
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	X			
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate				X
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters				X
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters				X
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters				X
	Amendments to PFRS 1: Government Loans				X
PFRS 2	Share-based Payment				X
	Amendments to PFRS 2: Vesting Conditions and Cancellations				X
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions				X
PFRS 3 (Revised)	Business Combinations				X
PFRS 4	Insurance Contracts				X
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts				X
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations				X
PFRS 6	Exploration for and Evaluation of Mineral Resources				X
PFRS 7	Financial Instruments: Disclosures	X			
	Amendments to PFRS 7: Transition	X			
	Amendments to PAS 39 and PFRS 7:	X			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Early Adopted	Not adopted	Not Applicable
	Reclassification of Financial Assets				
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	X			
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	X			
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	X			
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities		X		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures		X		
PFRS 8	Operating Segments	X			
PFRS 9	Financial Instruments	X			
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures		X		
PFRS 10	Consolidated Financial Statements	X			
PFRS 11	Joint Arrangements		X		
PFRS 12	Disclosure of Interests in Other Entities		X		
PFRS 13	Fair Value Measurement		X		
Philippine Accounting Standards					
PAS 1 (Revised)	Presentation of Financial Statements	X			
	Amendment to PAS 1: Capital Disclosures	X			
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation				X
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income		X		
PAS 2	Inventories	X			
PAS 7	Statement of Cash Flows	X			
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	X			
PAS 10	Events after the Balance Sheet Date	X			
PAS 11	Construction Contracts				X
PAS 12	Income Taxes	X			
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets				X
PAS 16	Property, Plant and Equipment	X			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Early Adopted	Not adopted	Not Applicable
PAS 17	Leases	X			
PAS 18	Revenue	X			
PAS 19	Employee Benefits	X			
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	X			
PAS 19 (Amended)	Employee Benefits		X		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance				X
PAS 21	The Effects of Changes in Foreign Exchange Rates	X			
	Amendment: Net Investment in a Foreign Operation				X
PAS 23 (Revised)	Borrowing Costs	X			
PAS 24 (Revised)	Related Party Disclosures	X			
PAS 26	Accounting and Reporting by Retirement Benefit Plans				X
PAS 27	Consolidated and Separate Financial Statements	X			
PAS 27 (Amended)	Separate Financial Statements	X			
PAS 28	Investments in Associates				X
PAS 28 (Amended)	Investments in Associates and Joint Ventures		X		
PAS 29	Financial Reporting in Hyperinflationary Economies				X
PAS 31	Interests in Joint Ventures	X			
PAS 32	Financial Instruments: Disclosure and Presentation	X			
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation				X
	Amendment to PAS 32: Classification of Rights Issues				X
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities		X		
PAS 33	Earnings per Share	X			
PAS 34	Interim Financial Reporting	X			
PAS 36	Impairment of Assets	X			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Early Adopted	Not adopted	Not Applicable
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	X			
PAS 38	Intangible Assets				X
PAS 39	Financial Instruments: Recognition and Measurement	X			
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	X			
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions				X
	Amendments to PAS 39: The Fair Value Option				X
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts				X
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	X			
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	X			
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives				X
	Amendment to PAS 39: Eligible Hedged Items				X
PAS 40	Investment Property	X			
PAS 41	Agriculture				X
Philippine Interpretations					
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities				X
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments				X
IFRIC 4	Determining Whether an Arrangement Contains a Lease	X			
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds				X
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment				X
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies				X
IFRIC 8	*Scope of PFRS 2*				X

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Early Adopted	Not adopted	Not Applicable
IFRIC 9	Reassessment of Embedded Derivatives				X
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives				X
IFRIC 10	*Interim Financial Reporting and Impairment*				X
IFRIC 11	PFRS 2- Group and Treasury Share Transactions	X			
IFRIC 12	Service Concession Arrangements				X
IFRIC 13	Customer Loyalty Programmes				X
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	X			
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement				X
IFRIC 15	Agreements for the Construction of Real Estate		X		
IFRIC 16	Hedges of a Net Investment in a Foreign Operation				X
IFRIC 17	Distributions of Non-cash Assets to Owners				X
IFRIC 18	Transfers of Assets from Customers				X
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments				X
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine		X		
SIC-7	Introduction of the Euro				X
SIC-10	Government Assistance - No Specific Relation to Operating Activities				X
SIC-12	Consolidation - Special Purpose Entities	X			
	Amendment to SIC - 12: Scope of SIC 12	X			
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers				X
SIC-15	Operating Leases - Incentives				X
SIC-21	Income Taxes - Recovery of Revalued Non-Depreciable Assets				X
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders				X
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	X			
SIC-29	Service Concession Arrangements: Disclosures.				X
SIC-31	Revenue - Barter Transactions Involving				X

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Early Adopted	Not adopted	Not Applicable
	Advertising Services				
SIC-32	Intangible Assets - Web Site Costs				X

MELCO CROWN (PHILIPPINES) RESORTS CORPORATION
(formerly MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORPORATION)

INDEX TO EXHIBITS

Form 17-A

*These exhibits are either not applicable to the Company or require no answer.

REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

Company Reg. No. CS200801651

CERTIFICATE OF FILING OF AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the amended articles of incorporation of the

INTERPHIL LABORATORIES, INC.
(Formerly: First Pharma Industries Phil., Inc.)
(Amending Articles I, III & VII thereof.)

copy annexed, adopted on November 14, 2008 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 16 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980 and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 21st day of November, Two Thousand Eight.

BENITO A. CATARAN
Director
Company Registration and Monitoring Department

BUWIS RENTAS INTERNAS
DS12007

AMENDED ARTICLES OF INCORPORATION

OF

INTERPHIL LABORATORIES, INC.
(formerly First Pharma Industries Phil., Inc.)

Know All Men By These Presents:

The undersigned incorporators, all of legal age and majority of whom are residents of the Philippines, have this day voluntarily agreed to form a stock corporation under the laws of the Republic of the Philippines.

THAT WE HEREBY CERTIFY:

FIRST: The name of this corporation shall be

INTERPHIL LABORATORIES, INC.
(as amended on 14 November 2008)

SECOND: A. That the primary purpose of this corporation is:

To manufacture, prepare, compound, process, package, buy and sell at wholesale, import, export, market and otherwise deal in all kinds of drugs, chemicals, patent; proprietary and other medicines, biological products, oils, dyestuffs, perfumeries, toilet goods and fancy toilet articles, fancy goods and novelties, cosmetics, druggists, sundries, soap, veterinary products, food and food products and generally to develop and otherwise deal in goods, articles, wares, merchandise and personal and real property of every kind.

SECONDARY PURPOSES

1. To engage in the manufacture, production, distribution, marketing and promotion of all kinds of goods, wares, specialty and gift items, products and merchandise in general; and in general, to carry on and undertake any business, transaction or operation commonly or normally carried on by a manufacturer, distributor, dealer, commercial broker, commission agent;

2. To carry on the business of importer and exporter as principals, factors, representatives, agents or commission merchants in respect of buying, selling and dealing in any and all kinds of goods, wares, products of all classes and description;

3. To own, apply for, obtain, register, buy, sell, hold, use, lease, or otherwise acquire and to the extent authorized by law, to hold, use, own, operate, develop and introduce, sell, assign and deal in patents, patent rights, trade marks, trade names, brands, distinctive marks, inventions, design, improvements and processes, and all privileges, rights, titles and interest pertaining thereto;

4. To the extent permitted by law, to purchase, hold, convey, sell, import, lease, let, mortgage, encumber, and otherwise deal with any and all kinds of real and personal property, including but not limited to lands, buildings, machinery, tools, trade marks, trade names, patents, licenses, concessions, copyrights, stocks, bonds, notes, securities or other obligations of any association or corporation, domestic or foreign, and all other interest in real or personal property;

5. To the extent permitted by law, to hold, purchase, or otherwise acquire, or to be interested in all or any and to sell, barter, exchange, assign, pledge, or otherwise dispose of, shares of the capital stock, bonds, notes, securities or other evidence of indebtedness issued or created by any Corporation, whether foreign or domestic, and whether now or hereafter organized and while the holder of any such shares of stock to exercise all rights and privileges of ownership, including the right to vote thereon, to the same extent as a juridical person or might could do;

6. To issue shares of the capital stock and/or obligations of the Corporation and/or options for the purchase of either thereon in payment for property acquired by the Corporation or for service rendered to the Corporation or for any other objects in and about its business, and to purchase, hold, sell, transfer, accept as security for loans and deal generally in shares of its capital stock and its obligations in every lawful manner;

7. To the extent permitted by law, to purchase, take over, manage or otherwise acquire the whole or any part of the property, assets, business, goodwill and rights of any person, firm, association or corporation, domestic or foreign, engaged in any business or enterprise which may lawfully be undertaken by the corporation, and to pay for the same in cash and/or other properties owned by this corporation and/or shares of the capital stock and/or obligations of the corporation, or otherwise and/or by undertaking and assuming the whole or any part of the indebtedness and obligations of the transferor, and to hold or in any manner dispose of the whole or any part of the property and assets so acquired and to conduct in any lawful manner the whole or any part of the business so acquired and to exercise all the powers necessary or convenient in and about the conduct, management and carrying on of such business;

8. To the extent permitted by law, to amalgamate, merge, consolidate, combine or unite with any other person, entity, firm, association or corporation, domestic or foreign, with object similar, analogous or subsidiary to any of the objects of the corporation, carrying on any business capable of being conducted so as to directly or indirectly benefit this corporation and to acquire, hold, and deal in shares of interest therein;

9. To borrow money and to incur indebtedness, without limit as to the amount and to issue bonds, debentures, debenture stocks, warrants, notes or other obligations therefore, and to secure the same by any lien, charge, grant, pledge, deed of trust of mortgage of the whole or any part of the real and/or personal property to the corporation then owned and/or thereafter to be acquired, and to issue bonds, debentures, debenture stocks, warrants, notes or other obligations without any such security;

10. To draw, make, accept, endorse, guarantee, execute and issue promissory notes, bills of exchange, drafts, warrants of all kinds, obligations and certificates and negotiable or transferable instruments, with or without security, and to guarantee the debts or obligations or others, and to provide security on bonds, of others; provided, however, that nothing herein shall be deemed to authorize the Corporation to engage in the banking, surety or bonding business;

11. To promote or to aid in any manner financially or otherwise, any corporation or association any of whose stock or obligations are held directly or indirectly by this Corporation, and to guarantee the whole or any part of the indebtedness and obligations of any such other corporation or association and the payment of dividend on its stock, and to do any other acts or things designed to protect, preserve, improve or enhance the value of such stocks or obligations;

12. To grant, bargain, sell, convey, transfer, assign, set over and/or deliver to any other corporation, whether formed for that purpose or otherwise, whether organized under the laws of the Republic of the Philippines or otherwise, and whether or not owning the other property, all or substantially all of the assets of this corporation, for cash and/or other property and/or shares of the capital stock and/or securities of such other corporation and/or the assumption of all or any part of the indebtedness and obligations of this Corporation and in connection with any such transaction to enter into agreements with such other corporation or others;

13. To acquire and obtain from any government authority, national or local, or from any corporation, association, partnership, or person such charters, franchises, permits, licenses, privileges, rights, and easements which may be necessary, proper, incidental or conducive to the attainment of any of the purposes or objects for which the corporation is organized or which may directly or indirectly enhance the value of its properties;

14. Without in any particular limiting the powers of the Corporation, it is hereby expressly declared and provided that the corporation shall have the power to make, perform, and carry out contracts of every sort and kind with any person, firm or corporation, private, public or municipal or body politic, and with the Government of the United States or of any states, territory or possession thereof, of any foreign government; to have one or more offices out of the Philippines, and to conduct its business and exercise its powers in any part of the Philippines or in any other country, state or territory; and, in carrying on its business, to do any and all acts and things and to exercise any and all powers which may be necessary or convenient to the accomplishment of furtherance of its business or which a juridical person could do and exercise and which now or hereafter may be authorized by law;

15. To carry out any and other lawful activities whatsoever which may seem to the corporation capable of being carried on in connection with the foregoing purposes and powers, or calculated directly or indirectly to promote the interests of the corporation or to enhance the value of its properties, and to have, enjoy and exercise all the rights, powers and privileges which are now or which may hereafter be conferred upon similar corporations organized under the laws of the Republic of the Philippines;

The foregoing clauses shall each be construed as purposes and powers and the matters expressed in each clause or any part of any clause shall be in no wise limited by reference to or influence from any other clause or any other part of the same clause but shall be regarded as independent purposes and powers, and the enumeration of specific purposes and powers shall not be construed to limit or restrict in any manner the meaning of the general purposes and powers of the corporation nor shall the expression of one thing be deemed exclude another, although it be of like nature, not expressed. Likewise, the purposes and powers specified in each of the foregoing clauses shall not be regarded in any manner as a limitation of the powers granted or allowed to and exercisable by this corporation under the Corporation Law of the Republic of the Philippines.

B. That the corporation shall have all the express powers of a corporation as provided for under Section 36 of the Corporation Code of the Philippines.

THIRD: That the place where the principal office of the corporation is to be established is at: Canlubang Industrial Estate, Barrio Pittland, Cabuyao, Laguna. *(As amended on 14 November 2008)*

FOURTH: That the term for which the corporation is to exist is fifty (50) years from and after date of issuance of the certificate of incorporation.

FIFTH: That the names, nationalities and residences of the incorporators are as follows:

Name	**Nationality**	**Residence** (Complete Address)
Avelino M. Sebastian, Jr.	Filipino	41 Swallow Drive, Greenmeadows Quezon City
Jesus A. Liganor	Filipino	219 J.P. Rizal St., Project 4, Quezon City
Jon Michael P. Alamis	Filipino	20 Mascardo St., Project 4, Quezon City
Fernando S. Maronilla	Filipino	178 Soliven Ave., Greenheights Subd. Nangka, Marikina, Metro Manila
Andrelina G. Monis	Filipino	47-C Rand St., Villa Carolina, Tunasan\ Muntinlupa City

SIXTH: That the number of directors of the corporation is Five (5) who are also the incorporators.

SEVENTH: That the authorized capital stock of the corporation is ONE HUNDRED THIRTY-FIVE MILLION (Php135,000,000.00.00) PESOS in lawful money of the Philippines, divided into ONE MILLION THREE HUNDRED FIFTY THOUSAND (1,350,000) shares with a par value of ONE HUNDRED PESOS (Php100.00) pesos per share. *(As amended on 14 November 2008)*

EIGHTH: That the subscribers to the capital stock and the amount paid–in to their subscription are as follows:

Names	Nationality	No. of Shares Subscribed	Amount Subscribed	Amount Paid
Avelino M. Sebastian, Jr.	Filipino	39	3,900.00	3,900.00
Jesus A. Liganor	Filipino	20	2,000.00	2,000.00
Jon Michael P. Alamis	Filipino	20	2,000.00	2,000.00
Fernando S. Maronilla	Filipino	20	2,000.00	2,000.00
Andrelina G. Monis	Filipino	1	100.00	100.00
	Total	100	10,000.00	10,000.00

NINTH: That no transfer of stock or interest which would reduce the stock ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of corporation and this restriction shall be indicated in the stocks certificates issued by the corporation.

TENTH: That Jon Michael P. Alamis has been elected by the subscribers as treasurer of the corporation to act as such until his successor is duly elected and qualified in accordance with the by-laws; and that as such Treasurer, he has been authorized to receive for and in the name and for the benefit of the corporation, all subscriptions paid by the subscribers.

ELEVENTH: That the corporation manifests its willingness to change its corporate name in the event another person, firm or entity has acquired a prior right to use the said firm name or one deceptively or confusingly similar to it.

In Witness whereof, we have set our hands this 16 January 2008 at the City of Pasig.

(Sgd.) AVELINO M. SEBASTIAN, JR.
TIN # 107-277-748

(Sgd.) JESUS A. LIGANOR
TIN#120-869-736

(Sgd.) JON MICHAEL P. ALAMIS
TIN# 190-894-444

(Sgd.) FERNANDO MARONILLA
TIN#213-981-867

(Sgd.) ANDRELINA G. MONIS
TIN#123-103-168

WITNESSES:

(Illegible)

(Illegible)

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES
City of Pasig S.S.

BEFORE ME, a Notary Public in and for City of Pasig, Philippines, this 21 January 2008 personally appeared:

Name	Community Tax Certificate No.	Date & Place Issued
AVELINO M. SEBASTIAN,JR.	10170663	1-03-08; Pasig City
JESUS A.LIGANOR	10170658	1-03-08; Pasig City
JON MICHAEL P. ALAMIS	10170654	1-03-08; Pasig City
FERNANDO S. MARONILLA	10170659	1-03-08; Pasig City
ANDRELINA G. MONIS	10170660	1-03-08; Pasig City

all known to me and to me known to be the same persons who executed the foregoing Articles of Incorporation and they acknowledged to me that the same is their free and voluntary act deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

(Sgd.) ELEAZAR H. ALMALBIS
Commission No. 66
Notary Public for Pasig City
1409 East Tower, Philippine Stock Exchange Centre
Exchange Road, Ortigas Center, Pasig City
Roll No. 48412
PTR No. 3635309; 1-03-07; Pasig City
IBP No. 701949; 1-10-07

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REPUBLIC OF THE PHILIPPINES

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills
City of Mandaluyong, Metro Manila

Company Reg. No. CS200801929

CERTIFICATE OF FILING OF AMENDED ARTICLES OF INCORPORATION

KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the amended articles of incorporation of the

LANCASHIRE REALTY HOLDING CORP.

(Amending Articles III & VII thereof.)

copy annexed, adopted on November 14, 2008 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 16 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980 and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 21st day of November, Two Thousand Eight.

BENITO A. CATARAN
Director
Company Registration and Monitoring Department

BUWIS
RENTAS INTERNAS
DSJ2007
00119832875

AMENDED ARTICLES OF INCORPORATION

OF

LANCASHIRE REALTY HOLDING CORP

Know All Men By These Presents:

The undersigned incorporators, all of legal age and majority of whom are residents of the Philippines, have this day voluntarily agreed to form a stock corporation under the laws of the Republic of the Philippines.

THAT WE HEREBY CERITY:

FIRST: The name of this corporation shall be

LANCASHIRE REALTY HOLDING CORP

SECOND: **A.** That the primary purpose of this corporation is:

To invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal properties of every kind, nature and description, including shares of stock, bonds, debentures, notes, evidence of indebtedness, and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been organized, and to pay therefore in money or by exchanging therefore stocks, bonds and other evidence of indebtedness or securities of this or any other corporation, and while the owner or holder of any such real or personal property, stocks, bonds, debentures, contracts or obligations to receive, collect and dispose the interest, dividends, and income arising from such property; to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned;

B. That the corporation shall have all the express powers of a corporation as provided for under Section 36 of the Corporation Code of the Philippines.

THIRD: That the place where the principal office of the corporation is to be established at: Canlubang Industrial Estate, Barrio Pittland, Cabuyao, Laguna *(As amended on 14 November 2008)*

FOURTH: That the term for which the corporation is to exist is fifty (50) years from and after the date of issuance of the certificate of incorporation.

FIFTH: That the names, nationalities and residences of the incorporators are as follows:

Name	**Nationality**	**Residence** (Complete Address)
AVELINO M. SEBASTIAN, JR.	Filipino	41 Swallow Drive, Greenmeadows Quezon City
JESUS A. LIGANOR	Filipino	219 J.P. Rizal Street, Project 4 Quezon City
JON MICHAEL P. ALAMIS	Filipino	20 Mascardo Street, Project 4 Quezon City
FERNANDO S. MARONILLA	Filipino	178 SolivenAvenue,Greenheights Subd. Nangka, Marikina, Metro Manila
ANDRELINA G. MONIS	Filipino	47-C Rand Street, Villa Carolina Tunasan, Muntinlupa City

SIXTH: That the number of directors of said corporation shall be five (5) and that the names, nationalities and residences of the first directors who are to serve until their successors are elected and qualified as provided by the by-laws are as follows:

Name	**Nationality**	**Residence** (Complete Address)
AVELINO M. SEBASTIAN, JR.	Filipino	41 Swallow Drive, Greenmeadows Quezon City
JESUS A. LIGANOR	Filipino	219 J.P. Rizal Street, Project 4 Quezon City
JON MICHAEL P. ALAMIS	Filipino	20 Mascardo Street, Project 4 Quezon City
FERNANDO S. MARONILLA	Filipino	178 SolivenAvenue,Greenheights Subd. Nangka, Marikina, Metro Manila
ANDRELINA G. MONIS	Filipino	47-C Rand Street, Villa Carolina Tunasan, Muntinlupa City

SEVENTH: That the authorized capital stock of the corporation is <u>THIRTY MILLION (Php30,000,000.00)</u> pesos in lawful money of the Philippines, divided into <u>THREE HUNDRED THOUSAND (300,000)</u> shares with a par value of ONE HUNDRED PESOS (Php100.00) pesos per share. *(As amended on 14 November 2008)*

EIGHTH: That at least 25% of the authorized capital stock has been subscribed and at least 25% of the total subscription has been paid as follows:

Names	Nationality	No. of Shares Subscribed	Amount Subscribed	Amount Paid
AVELINO M. SEBASTIAN, JR.	Filipino	39	3,900	3,900
JESUS A. LIGANOR	Filipino	20	2,000	2,000
JON MICHAEL P. ALAMIS	Filipino	20	2,000	2,000
FERNANDO S. MARONILLA	Filipino	20	2,000	2,000
ANDRELINA G. MONIS	Filipino	1	100	100
		100	10,000	10,000

NINTH: No transfer of stock or interest which would reduce the stock ownership of Filipino citizens to less than the required percentage of the capital stock as provided by existing laws shall be allowed or permitted to be recorded in the proper books of corporation and this restriction shall be indicated in the stocks certificates issued by the corporation.

TENTH: JON MICHAEL P. ALAMIS has been elected by the subscribers as treasurer of the corporation to act as such until his/her successor is duly elected and qualified in accordance with the by-laws; and that as such Treasurer, he/she has been authorized to receive for and in the name and for the benefit of the corporation, all subscriptions paid by the subscribers.

ELEVENTH: That the corporation manifests its willingness to change its corporate name in the event another person, firm or entity has acquired a prior right to use the said firm name or one deceptively or confusingly similar to it.

IN WITNESS WHEREOF, we have set our hands this 16th day of January 2008 at City of Pasig.

(Sgd.) AVELINO M. SEBASTIAN, JR.
TIN # 107-277-748

(Sgd.) JESUS A. LIGANOR
TIN#120-869-736

(Sgd.) JON MICHAEL P. ALAMIS
TIN# 190-894-444

(Sgd.) FERNANDO MARONILLA
TIN#213-981-867

(Sgd.) ANDRELINA G. MONIS
TIN#123-103-168

WITNESSES:

(Illegible)

(Illegible)

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES
S.S.

BEFORE ME, a Notary Public in and for City of Pasig, Philippines, this 21st day of January 2008 personally appeared:

Name	Community Tax Certificate No.	Date & Place Issued
Avelino M. Sebastian,Jr.	10170663	1-03-08; Pasig City
Jesus A.Liganor	10170658	1-03-08; Pasig City
Jon Michael P. Alamis	10170654	1-03-08; Pasig City
Fernando S. Maronilla	10170659	1-03-08; Pasig City
Andrelina G. Monis	10170660	1-03-08; Pasig City

all known to me and to me known be the same persons who executed the foregoing Articles of Incorporation and they acknowledged to me that the same is their free and voluntary act deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

(Sgd.) ELEAZAR H. ALMALBIS
Commission No. 66
Notary Public for Pasig City
Until December 21, 2008
1409 E. Philippine Stock Exchange Centre
Exchange Road, Ortigas Center, Pasig City
Roll No. 48412
PTR No. 3635309; 1-03-07, Pasig City
IBP No. 70184871; 1-10-07, RSM Chapter

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REPUBLIC OF THE PHILIPPINES
Pasig City   s.s.

TREASURER'S AFFIDAVIT

I, **JON MICHAEL P. ALAMIS**, Filipino, of legal age, with office address at 1409 East Tower, Philippine Stock Exchange Centre, Exchange Road, Pasig City, after having sworn in accordance with law, hereby depose and state:

1. I am duly elected Treasurer of **LANCASHIRE REALTY HOLDING CORP.** (the "Company") at the time of the filing of the Certificate of Increase of Authorized Capital Stock of the Corporation.

2. The authorized capital stock ("ACS") of the Company was increased from PESOS TEN THOUSAND (Php10,000.00) divided into 100 shares each with a par value of Php100.00 to PESOS THIRTY MILLION (Php30,000,000.00) divided into 300,000 shares, each with a par value of Php100.00.

3. Out of the increase in ACS, Manchester International Holdings Unlimited Corporation (hereafter 'Manchester" and formerly Interphil Laboratories, Inc.), a public corporation duly organized and existing under Philippine laws, subscribed to PESOS TWENTY-EIGHT MILLION (Php28,000,000.00) equivalent to 280,000 shares. In full payment therefor, Manchester transferred, conveyed and assigned to the Company that certain parcel of land located at Canlubang Industrial Estate, Barrio Pittland, Cabuyao, Laguna, with an area of 50,365 square meters, more or less, and covered by Transfer Certificate of Title No. 115286 issued by the Register of Deeds for the Province of Laguna.

4. Approximately ninety-three percent (93%) of the increase in ACS was subscribed and fully paid by Manchester.

JON MICHAEL P. ALAMIS
Affiant

SUBSCRIBED AND SWORN to before me this 15th day of November 2008 at the City of Pasig, Affiant exhibiting to me his Community Tax Certificate No. 10170654, issued on January 3, 2008 at Pasig City.

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Book No. I;
Series of 2008.

IAN CHRISTIAN M. VALENCIA
COMMISSION NO. 179
NOTARY PUBLIC FOR PASIG CITY
UNTIL DECEMBER 31, 2009
1409 PHILIPPINE STOCK EXCHANGE CENTRE
EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY
ROLL NO. 55769
PTR NO. 4614066; 5-09-08; PASIG CITY
IBP NO. 750415; 4-14-08; 750