

A S O 9 4 0 0 4 4 6 2

S.E.C. Registration Number

G L O B A L - E S T A T E R E S O R T S I N C .

(Company's Full Name)

7 F R e n a i s s a n c e T o w e r , M e r a l c o

A v e n u e , P a s i g C i t y

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

Roberto S. Roco

Contact Person

6370100 loc. 3022

Company Telephone Number

Definitive Information Statement

2012

FORM TYPE

Last Thursday of June

1 2

Month

3 1

Day

fiscal year

Month

Day

annual meeting

Registered/Listed

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

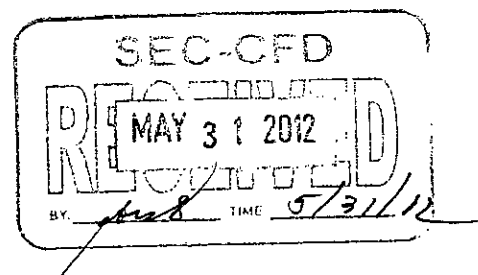
Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE



1. Check the appropriate box:

- ☐ Preliminary Information Statement
☐ Amended Information Statement
☒ Definitive Information Statement

2. Name of Registrant as specified in its charter GLOBAL-ESTATE RESORTS, INC.

3. Metro Manila, Philippines

Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number AS094-4462

5. BIR Tax Identification Code 430-000-426-523

6. 7th Floor, Renaissance Towers, Meralco Avenue, Pasig City

Address of principal office

1600

Postal Code

7. Registrant's telephone number, including area code (632) 637-0100

8. 28 June 2012, 9:00 a.m., Grand Ballroom, Eastwood Richmond Hotel,
Orchard Road, Eastwood City, Bagumbayan, Quezon City, Philippines

Date, time and place of the meeting of security holders

9. 05 June 2012

Approximate date on which the Information Statement is first to be sent or given to security holders

10. [No Proxy Solicitations]

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

Title of Each Class

Number of Shares of Common Stock
Outstanding or Amount of Debt Outstanding
(As of 21 May 2012)

Common shares

8,418,000.000

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

Yes ☒ No ☐

The Registrant's common shares are listed on the Philippine Stock Exchange.

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



GLOBAL-ESTATE RESORTS, INC.

NOTICE AND AGENDA OF ANNUAL MEETING OF STOCKHOLDERS

NOTICE IS HEREBY GIVEN that **GLOBAL-ESTATE RESORTS, INC.** (the "Company") will hold its Annual Meeting of Stockholders (the "Annual Meeting") at the Grand Ballroom, Eastwood Richmond Hotel, Orchard Road, Eastwood City, Bagumbayan, Quezon City on Thursday, 28 June 2012 at 9:00 in the morning.

The AGENDA for the Annual Meeting shall be as follows:

1. Call to order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual and Special Meetings of Stockholders held on 30 June 2011 and 8 November 2011
4. Annual Report of Management
5. Approval of the 2011 Audited Financial Statements
6. Ratification of all acts and resolutions of the Board of Directors and Corporate Officers adopted during the preceding year
7. Stockholders' approval of the amendment to the Company's Articles of Incorporation to include the purpose "[t]o develop, manage and operate special economic or enterprise zones, including integrated tourism enterprise zones, as well as to develop, manage and operate registered-tourism enterprises and/or such other enterprises within these special economic or tourism zones" as part of the Secondary Purposes of the Company.
8. Election of Directors (including Independent Directors) for the ensuing year
9. Appointment of External Auditors
10. Other matters as may properly come before the meeting
11. Adjournment

Only stockholders of record at the close of business hours on 21 May 2012 are entitled to notice of, and to vote at the Annual Meeting.

Registration for the Annual Meeting will start at 8:00 and will close at 8:50 in the morning. For your convenience in registering your attendance, please present some valid form of identification, such as Passport, Driver's License or Company ID.

WE ARE NOT SOLICITING YOUR PROXY. However, if you would be unavailable to attend the Annual Meeting but would like to be represented thereat, you may at your option, appoint a representative by accomplishing the herein Proxy Form and submitting the same to the Office of the Corporate Secretary of the Company, 7th Floor Renaissance Tower, Meralco Avenue, Ortigas, Pasig City, Metro Manila not later than end of business hours on 14 June 2012. Validation of the written proxies shall be held at the same office on 15 June 2012 at 9:00 in the morning.

By Order of the Board of Directors.

Pasig City; May 29, 2012.

ATTY. DOMINIC V. ISBERTO
Corporate Secretary

PROXY

The undersigned stockholder(s) of **GLOBAL-ESTATE RESORTS, INC.** (the "Company") hereby appoints _____ or in his absence, the Chairman of the Annual Stockholders' Meeting, as proxy of the undersigned stockholder(s) at the Annual Meeting of Stockholders scheduled on 28 June 2012 at 9:00 in the morning at the Grand Ballroom, Eastwood Richmond Hotel, Orchard Road, Eastwood City, Bagumbayan, Quezon City and/or at any postponement or adjournment thereof, and/or any annual stockholders' meeting of the Company, which appointment shall not exceed five (5) years from date hereof.

In particular, the undersigned stockholder(s) hereby direct the said proxy to vote all shares on the agenda items set forth below as expressly indicated by marking the same with [✓] or [X]:

ITEM NO.	SUBJECT	ACTION		
		FOR	AGAINST	ABSTAIN
3	Approval of the Minutes of the Annual Meeting of Stockholders held on 30 June 2011			
3	Approval of the Minutes of the Special Meeting of Stockholders held on 8 November 2011			
5	Approval of the 2011 Audited Financial Statements			
6	Ratification of all acts and resolutions of the Board of Directors and Corporate Officers adopted during the preceding year			
7	Amendment to the Company's Articles of Incorporation to include the purpose "[t]o develop, manage and operate special economic or enterprise zones, including integrated tourism enterprise zones, as well as to develop, manage and operate registered-tourism enterprises and/or such other enterprises within these special economic or tourism zones" as part of the Secondary Purposes of the Company			
8	Election of Directors (including Independent Directors) for the ensuing year:			
	Andrew L. Tan			
	Robert John L. Sobrepeña			
	Ferdinand T. Santos			
	Wilbur L. Chan			
	Lourdes T. Gutierrez			
	Garry V. de Guzman			
	Robert Edwin C. Lim			
	Cresencio P. Aquino - Independent Director			
	Gerardo C. Garcia - Independent Director			
9	Appointment of Punongbayan & Araullo as External Auditors			
10	Authority to vote, at the proxy's own discretion, on such other matters as may properly come before the meeting			

PRINTED NAME OF SHAREHOLDER

SIGNATURE OF STOCKHOLDER/
AUTHORIZED SIGNATORY

NUMBER OF SHARES
TO BE REPRESENTED

DATE

This proxy should be received by the corporate secretary not later than end of business hours on 14 June 2012.

This proxy when properly executed will be voted in the manner as directed herein by the stockholder. If no direction is made, the proxy will be voted for the election of all nominees and for the approval of all matters stated above and for such other matters as may properly come before the meeting in the manner described in the information statement.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expressed his intention to vote in person.

This proxy does not need to be notarized.

(Partnerships, Corporations and Associations must attach certified resolutions thereof designating Proxy/Representative and Authorized Signatories)

PART I

A. GENERAL INFORMATION

ITEM 1. Date, time and place of meeting of security holders

- (a) The Annual Meeting of the Stockholders of Global-Estate Resorts, Inc. (the "Corporation") is scheduled to be held on 28 June 2012, 9:00 in the morning at the Grand Ballroom, Eastwood Richmond Hotel, Orchard Road, Eastwood City, Bagumbayan, Quezon City, Philippines.

The complete mailing address of the principal office of the registrant is 7th Floor, Renaissance Towers, Meralco Avenue, Pasig City.

- (b) The approximate date on which the Information Statement is first to be sent or given to security holders on or before 05 June 2012.

The Corporation is not soliciting any proxy -

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

ITEM 2. Dissenters' Right of Appraisal

A stockholder has the right to dissent and demand payment of the fair value of his shares in the following instances stated in the Corporation Code, to wit:

- (1) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence. (*Section 81*);
- (2) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (*Section 81*);
- (3) In case of merger or consolidation of the Corporation with or into another entity (*Section 81*); and
- (4) In case of any investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which the Corporation was organized (*Section 42*).

The procedure for the exercise by a dissenting stockholder of his appraisal right shall be in accordance with Sections 81 to 86 of the Corporation Code, to wit:

- (1) A stockholder voted against a proposed action of the Corporation;
- (2) The dissenting stockholder shall make a written demand on the Corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. The failure of the stockholder to make the demand within the thirty (30)-day period shall be deemed a waiver of his appraisal right;

- (3) If the proposed corporate action is implemented, the Corporation shall pay to such stockholder, upon surrender of the corresponding certificates of stock representing his shares within ten (10) days after demanding payment for his shares (*See Section 86*), the fair market value thereof on the day prior to the date on which the vote was taken;
- (4) If the dissenting stockholder and the Corporation cannot agree on the fair value of the shares within sixty (60) days from the date of stockholders' approval of the corporate action, then the determination of the fair value of the shares shall be determined by three (3) disinterested persons, one (1) of whom shall be named by the dissenting stockholder, one (1) by the Corporation and a third to be named by the two already chosen. The findings of the majority of the appraisers shall be final and their award shall be paid by the Corporation within thirty (30) days after such award.
- (5) Upon payment of the agreed or awarded price, the stockholder shall transfer his shares to the Corporation.

The proposed corporate actions to be voted upon at the Annual Stockholders' Meeting are not among the matters provided under the Corporation Code which will give rise to the possible exercise of appraisal right by a dissenting stockholder.

ITEM 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) No director, officer, nominee for election as director or associate of any of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter which will be acted upon during the Annual Stockholders' Meeting, other than election to office.
- (b) No director has informed the Corporation in writing that he intends to oppose any action to be taken by the Corporation at the Annual Stockholders' Meeting.

B. CONTROL AND COMPENSATION INFORMATION

ITEM 4. Voting Securities and Principal Holders Thereof

- (a) *Number of Shares Outstanding*

The Corporation has 8,418,000,000 common shares outstanding as of 21 May 2012. Each of the common shares is entitled to one (1) vote with respect to all matters to be taken up during the Annual Stockholders' Meeting.

- (b) *Record Date*

The Board of Directors of the Corporation set 21 May 2012 as the record date for determining the shareholders entitled to notice and to vote at the said Annual Stockholders' Meeting. As such, only stockholders as of record date are entitled to notice of and to vote at the Annual Stockholders' Meeting.

- (c) *Cumulative Voting Rights*

All stockholders have cumulative voting rights with respect to the election of the members of the Board of Directors of the Corporation. Cumulative voting entitles each stockholder to cast

the vote to which the number of shares he owns entitles him for as many persons as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided, that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected. (*Section 7, Article V of the By-Laws*)

For other matters requiring stockholders' approval, each stockholder is entitled to one vote for each share of stock standing in his name in the books of the Corporation. (*Section 6, Article V of the By-Laws*)

(d) *Security Ownership of Certain Record and Beneficial Owners and Management*

(i) *Security ownership of certain record and beneficial owners*

Security ownership of certain record and beneficial owners owning more than five percent (5%) of any class of the Corporation's voting securities as of 21 May 2012 –

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent based on total shares
Common shares	Alliance Global Group, Inc. 7th/F 1880 Eastwood Avenue, Eastwood City, E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City	Alliance Global Group, Inc. ¹	Filipino	5,255,000,000	62.43%
Common shares	Fil-Estate Management, Inc. 6/F Renaissance Tower, Meralco Avenue, Pasig City	Fil-Estate Management, Inc. ²	Filipino	1,371,404,554	16.14%
Common shares	PCD Nominee Corporation (Filipino) 6/F MKSE Bldg. Ayala Avenue, Makati City	Various shareholders	Filipino	1,344,047,652	15.56%

Other than the abovementioned, the Corporation has no knowledge of any person who, as of 21 May 2012, is directly or indirectly the beneficial owner of, or who has voting power or investment power (pursuant to a voting trust or other similar agreement) with respect to shares comprising more than five percent (5%) of the outstanding capital stock of the Corporation.

(ii) *Security ownership of Management*

Security ownership of directors and executive officers of the Corporation as of 21 May 2012 representing original issues and stock dividends –

¹ Alliance Global Group, Inc. is both the record and beneficial owner. However, Andrew L. Tan is usually designated as its representative, with authority to vote its shares at meetings of the stockholders.

² Fil-Estate Management, Inc. is both record and beneficial owner. However, Robert John L. Sobrepeña is usually designated as its representative with authority to vote its shares at meetings of the stockholders.

SECURITY OWNERSHIP OF MANAGEMENT

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Andrew L. Tan	1 (direct) 5,255,000,000 (indirect) ³	Filipino	0.00% 62.43%
Common	Robert John L. Sobrepeña	1,617,485 (direct) 1,358,764,561 (indirect) ⁴	Filipino	0.02% 16.14%
Common	Ferdinand T. Santos	30,009 (direct)	Filipino	0.00%
Common	Wilbur L. Chan	2,611,826 (direct)	Filipino	0.03%
Common	Cresencio P. Aquino	1(direct)	Filipino	0.00%
Common	Garry V. de Guzman	1 (direct)	Filipino	0.00%
Common	Lourdes T. Gutierrez	1 (direct)	Filipino	0.00%
Common	Robert Edwin C. Lim	1 (direct)	Filipino	0.00%
Common	Gerardo C. Garcia	35,001 (direct)	Filipino	0.00%
Other Executive Officers				
Common	Roberto S. Roco	266,448 (direct)	Filipino	0.00%
N/A	Emelyn C. Martinez	0	Filipino	N/A
N/A	Edgardo S. Pinga	0	Filipino	N/A
N/A	Abraham M. Mercado	0	Filipino	N/A
N/A	Catherine D. Marcelo	0	Filipino	N/A
N/A	Atty. Dominic V. Isberto	0	Filipino	N/A
N/A	Rolando D. Siatela	0	Filipino	N/A
Aggregate for above named Directors and Officers as a Group		4,560,774⁵		0.0542%⁶

(iii) Voting Trust Holders of 5% or more -

The Corporation has no knowledge of persons holding more than five percent (5%) of its voting securities under a voting or similar agreement.

(e) Changes in Control

On 22 December 2010, the Corporation signed a Subscription Agreement with Alliance Global Group, Inc. (Alliance Global) paying the way for Alliance Global to subscribe to five (5) billion

³ The shares are directly held by Alliance Global Group, Inc. (AGI). However, Andrew L. Tan, in his capacity as Chairman of the Board, or in his absence the Corporate Secretary, is authorized to vote AGI's common shares in the Corporation.

⁴ The shares are directly held by Fil-Estate Management Inc. (FEMI). However, Robert John L. Sobrepeña, in his capacity as Chairman of the Board, or in his absence the Chairman of the Meeting, is authorized to vote FEMI's common shares in the Corporation.

⁵ Does not include the shares directly owned by AGI and FEMI.

⁶ Ibid.

common shares of the Corporation at a subscription price of One Peso (Php1.00) per share for a total subscription price of Pesos: Five Billion (Php5,000,000,000.00), issued out of an increase in the capital stock of the Corporation from Pesos: Five Billion (Php5,000,000,000.00) to Pesos: Ten Billion (Php10,000,000,000.00).

On 12 January, 2011, Alliance Global paid in cash the amount of One Billion Two Hundred Fifty Million Pesos (Php 1,250,000,000.00) representing twenty-five (25%) of the total subscription price.

On 20 January 2011, said increase was approved by the Securities and Exchange Commission. Following approval of the SEC, Alliance Global fully paid the balance of the subscription price of Three Billion Seven Hundred Fifty Million Pesos (Php 3,750,000,000.00)

On 30 June 2011, the stockholders of the Corporation representing more than two-thirds (2/3) of the outstanding capital stock of the Corporation ratified the five (5) billion common shares subscription of Alliance Global which subscription represents sixty percent (60%) of the outstanding capital stock of the Corporation.

ITEM 5. Directors and Executive Officers

(a) Incumbent Directors, Independent Directors, and Executive Officers

The following are the names, ages, citizenship and periods of service of the incumbent directors and independent directors of the Corporation:

Name	Age	Citizenship	Period during which individual has served as such
Andrew L. Tan	60	Filipino	January 2011 up to present
Robert John L. Sobrepeña	56	Filipino	1994 up to present
Ferdinand T. Santos	61	Filipino	1994 up to present
Wilbur L. Chan	52	Filipino	January 2011 up to present
Lourdes T. Gutierrez	48	Filipino	June 2011 up to present
Garry V. de Guzman	44	Filipino	January 2011 up to present
Robert Edwin C. Lim	54	Filipino	June 2011 up to present
Cresencio P. Aquino (Independent Director)	57	Filipino	January 2011 up to present
Gerardo C. Garcia (Independent Director)	70	Filipino	August 2011 up to present

The following are the names, ages, positions, citizenship and periods of service of the incumbent executive officers of the Corporation:

Name	Age	Position	Citizenship	Period during which individual has served as such
Andrew L. Tan	60	Chairman & CEO	Filipino	January 2011 up to present
Robert John L. Sobrepeña	56	Co-Chairman	Filipino	January 2011 up to present
Wilbur L. Chan	52	Executive Director	Filipino	August 2011 up to present
Ferdinand T. Santos	61	President	Filipino	1994 up to present
Roberto S. Roco	59	Chief Financial Officer	Filipino	1995 up to present
Garry V. de Guzman	44	Treasurer	Filipino	January 2011 up to present
Atty. Dominic V. Isberto	37	Corporate Secretary	Filipino	January 2011 up to present
Rolando D. Siatela	51	Assistant Corporate Secretary	Filipino	January 2011 up to present
Emelyn C. Martinez	47	SVP for Legal Division	Filipino	<u>February 2012 up to present</u>
Edgardo S. Pinga	52	VP for Project Development Division	Filipino	January 2011 up to present
Catherine D. Marcelo	37	VP for HR & Corporate Services	Filipino	January 2011 up to present
Abraham Ramon M. Mercado	34	VP for Sales & Marketing	Filipino	January 2011 up to present

The term of office of these executive officers is coterminous with that of the Directors that elected or appointed them, unless such officers are sooner removed for cause.

Brief Background of the Directors and Officers

The business experience of the Directors and Executive Officers of the Corporation for the last five (5) years are as follows:

Board of Directors -

ANDREW L. TAN was elected as Chairman of the Board and Chief Executive Officer of the Corporation on 12 January 2011. He is also the Chairman of the Board of Alliance Global Group, Inc. since 2006. He has broad experience in the real estate, food and beverage, and quick service restaurants industries. Mr. Tan is concurrently the Chairman of the Board and President of Megaworld Corporation, Megaworld Land, Inc., Megaworld Globus Asia, Inc., Megaworld Newport Property Holdings, Inc., Mactan Oceanview Properties and Holdings, Inc., Richmonde Hotel Group International Limited, The Bar Beverage, Inc. and Yorkshire Holdings, Inc. He is also the Chairman of Alliance Global Group Cayman Islands, Inc., Empire East Land Holdings, Inc., Alliance Global Brands, Inc., Suntrust Properties, Inc., Adams Properties, Inc., Consolidated Distillers of the Far East, Inc., Townsquare Development, Inc., and Emperador Distillers, Inc. He sits in the boards of Megaworld Cayman Islands, Inc., Forbes Town Properties & Holdings, Inc., Gilmore Property Marketing Associates, Inc., Eastwood Cyber One Corporation, Megaworld Central Properties, Inc., Raffles & Company, Inc., Travellers International Hotel Group, Inc., The

Andresons Group, Inc., Fairways & Bluewater Resort Golf & Country Club, Inc. and Twin Lakes Corporation. He is also the Vice-Chairman and Treasurer of Golden Arches Development Corporation and Golden Arches Realty Corporation and a Director and Treasurer of Andresons Global, Inc. Mr. Tan graduated Magna Cum Laude from the University of the East with a degree of Bachelor of Science in Business Administration.

ROBERT JOHN L. SOBREPEÑA is Co-Chairman of the Board. Currently, he is also the Chairman of the Board of various companies such as Fil-Estate Management Inc., Fil-Estate Corporation, Fil-Estate Properties Inc., Fil-Estate Ecocentrum Corp., Fil-Estate Golf & Development Inc., Fil-Estate Urban & Development Corporation, Fil-Estate Realty Corporation, Fil-Estate Marketing Association, Inc., Fil-Estate Network, Inc., Camp John Hay Development Corporation, Camp John Hay Hotel, Inc., Sherwood Hills Development, Inc., Club Leisure Management, Inc., Manila Southwoods Golf & Country Club, Sherwood Hills Golf & Country Club, Camp John Hay Golf Club, Summit Estate Realty & Development Corporation, Pacific Touch Group Ltd., Metro Rail Transit Holdings, Inc., Metro Rail Transit Holdings II, Inc., Metro Rail Transit Corporation, MRT Development Corporation, and Monumento Rail Transit Corporation. A member of the American Chamber of Commerce and the Rotary Club of Manila, he earned his Bachelor's Degree in Psychology and Marketing from the De La Salle University in 1978.

WILBUR L. CHAN was appointed as Executive Director of the Corporation on 01 August 2011. He is currently the Chairman and Director of Fairways & Bluewater Resorts Golf & Country Club, Inc. He is also Director in the following corporations: Harbortown Development Corporation, Aklan Holdings Corporation, La Compañia de Sta. Barbara, Inc., Sto. Domingo Place Development Corporation, Fil-Estate Urban Development Corporation, Blue Sky Airways, Inc., Pioneer L-5 Realty Corporation, Novo Sierra Holdings Corporation and MRT Development Corporation. He is also a Director in Uni-Asia Properties, Inc. He has a Masteral Degree in Business Management at Asian Institute of Management, Master Degree in National Security Administration (Silver Medalist) at National Defense College of the Philippines and a Degree in Command & General Staff Course at Command & General Staff College.

FERDINAND T. SANTOS is currently the President of the Corporation. He has been with the Corporation since its incorporation in 1994. He is also the President of Fil-Estate Management Inc., Fil-Estate Development Inc., Fil-Estate Properties Inc., Fairways & Bluewater Resort Golf & Country Club, Inc., MRT Development Corporation, St. Benedict Realty & Development Inc., Royal Jade Memorial Inc., and Mt. Zion Memorial Inc. He graduated from Arellano University with Bachelor of Arts degree in 1970 and took his Bachelor of Laws at San Beda College where he graduated Valedictorian and Magna Cum Laude in 1974. He was a topnotcher in the 1974 Philippine Bar (2nd Place).

GARRY V. DE GUZMAN was elected as Director of the Corporation on 12 January 2011 and currently the Treasurer of the Corporation. He heads the Legal Affairs Department of Megaworld Corporation. Mr. De Guzman serves as director ERA Real Estate Exchange, Inc., Megaworld Resort Estates, Inc. and Oceanic Realty Group International, Inc. He is concurrently Director, Corporate Secretary and Treasurer of Fairways & Bluewater Resort Golf & Country Club, Inc. and Corporate Secretary & Director of Megaworld Global-Estate, Inc. Mr. De Guzman has been in continuous litigation practice for more than twelve (12) years and is in charge of the Megaworld's litigation, licensing, registration and titling activities. Before joining Megaworld, he was an Associate at the ACCRA Law Offices and Tax Assistant in Punongbayan and Araullo, CPAs. He obtained his Bachelor of Laws in 1994 from San Beda College where he graduated Class Salutatorian and was admitted to the Integrated Bar of the Philippines in 1995. In 1989, he obtained his bachelor's degree in Commerce major in Accounting from the same institution graduating Magna Cum Laude and Class Valedictorian. Mr. De Guzman is a member of the Commercial Law Affiliates, Asia Law, Philippine Institute of Certified Accountants and is Past President of the Rotary Club, Parañaque City Chapter.

LOURDES T. GUTIERREZ was elected as Director of the Corporation on 30 June 2011. She is currently the Senior Executive Vice President for Finance and Administration of Megaworld Corporation. Ms. Gutierrez joined Megaworld in 1990. She is a Certified Public Accountant and is a member of Megaworld's Management Executive Committee. Ms. Gutierrez graduated Cum Laude from the Far Eastern University with the degree of Bachelor of Science major in Accounting. She is the Chairman of Megaworld's property management arm, First Oceanic Property Management, Inc. and Eastwood Cinema 2000, Inc. She is currently the Director and Vice Chairman of Suntrust Properties, Inc. also the director of Forbes Town Properties & Holdings, Inc., Megaworld Resort Estates, Inc., Megaworld Homes, Inc., Oceantown Properties, Inc., Palm Tree Holdings & Development Corporation, Eastwood Cyber One Corporation, Prestige Hotels & Resorts, Inc. and Lucky Chinatown Cinemas, Inc. She is a trustee and Corporate Secretary of Megaworld Foundation, Inc. Prior to joining Megaworld, she was Audit Manager of Philippine Aluminum Wheels, Inc. and Senior Auditor in Cabanero Katigbak Clemente & Associates and RubberWorld Philippines.

ROBERT EDWIN C. LIM was elected as Director of the Corporation on 30 June 2011. He is currently the Vice President for Corporate Planning and Landbanking of Empire East Land Holdings, Inc., a position he has held since 1994. Prior to joining Empire East, he worked with Woodland Real Estate Development, Inc. as Head of Project Planning, Supervision and Control. He also worked as Staff Consultant of PSR Consulting, Inc. He worked as Contracts Administrator and Structural Engineer at the DCCD Engineering Corporation. Mr. Lim obtained his bachelor's degree in Civil Engineering and Master's Degree in Business Administration from the University of the Philippines.

CRESENCIO P. AQUINO was elected as Independent Director of the Corporation on 12 January 2011. He is concurrently an Independent Director of Suntrust Home Developers, Inc. He is the Managing Partner of The Law Firm of CP Aquino and Partners Law Office, a position he has held since June 1998. He is a graduate of the San Sebastian College Manila with degrees in Bachelor of Arts and Bachelor of Laws. Atty. Aquino has extensive experience in both the public and private sector and the former positions he has held are: Corporate Legal Counsel of MBF Card and One Card Corporation from June 1998 to May 2004, the Special Assistant and Chief Legal Counsel of the Government Service Insurance System from September 1992 to June 1998, member of the Board of Directors of the Meat Packaging Corporation of the Philippines from September 1992 to June 1998, Personnel and Administrative Manager, Corporate Secretary and Chief Legal Counsel of ComSavings Bank from September 1992 to June 1998, Executive Director of the Department of Interior and Local Government (DILG) from 1998 to 2002, and Ex-Officio Commissioner of the DILG with the Housing and Land Use Regulatory Board also for the same period. Atty. Aquino has extensive experience in legal and corporate restructuring, management, human resources management, and litigation/collection matters and was formerly an Associate Professor with the San Sebastian College. Atty. Aquino has been a member of the Integrated Bar of the Philippines since 1978 and is also a member of the Capitol Bar Association, Knights of Columbus and the Lawyers League of the Philippines.

GERARDO C. GARCIA was elected as Independent Director of the Corporation on 01 August 2011. He concurrently serves as Independent Director in the boards of Megaworld Corporation, Empire East Land Holdings, Inc. He also serves as independent director of Megaworld Land, Inc., Suntrust Properties, Inc. He is also a director of Philippine Tech. & Development Ventures, Inc. From October 1994 to December 1997, Mr. Garcia previously served as President of Empire East Land Holdings, Inc. Prior to joining Empire East Land Holdings, Inc., Mr. Garcia served as Executive Vice President of UBP Capital Corporation. He holds a bachelor's degree in Chemical Engineering and a Master's Degree in Business Administration from the University of the Philippines.

Executive Officers -

ROBERTO S. ROCO is Senior Vice President and Chief Finance Officer as well as Compliance Officer and Corporate Information Officer of the Corporation. He is also a Director of Fil-Estate Properties, Inc., Fil-Estate Urban Development Corporation, Novo Sierra Holdings Corporation, and Fil-Estate Ecocentrum Corporation. Mr. Roco was formerly the Executive Vice President and Chief Operating Officer of Smith Bell & Co., Inc. He also held concurrent positions in various Smith Bell companies.

EMELYN C. MARTINEZ is the Senior Vice President for Legal of the Corporation. She also serves as a Director/Corporate Secretary of Fil-Estate Properties, Inc. and the Assistant Corporate Secretary of Fairways and Bluewater Resort Golf and Country Club, Inc. Before joining the Corporation, she was the Chief of Staff of the Office of COMELEC Commissioner Augusto C. Lagman. She had been a partner in Ponce Enrile Reyes & Manalastas (PECABAR) Law Offices and Nisce Mamuric Guinto Rivera & Alcantara Law Offices. She was admitted to the Bar in 1991 after obtaining her Bachelor of Laws degree from University of the Philippines and her Bachelor of Arts major in Economics from the same university.

EDGARDO S. PINGA is the Vice President for Project Development and Management Division of the Corporation since 2011. Prior to joining the Corporation he worked with Megaworld Corporation as Assistant Vice President for project development and construction. He has more than 20 years of experience in design, architecture and construction. Most of the positions he held from previous companies are as Project Director, Construction Manager, Architect/Designer, and Technical Consultant. He obtained his bachelor's degree in Architecture at MLQU School of Architecture.

ABRAHAM M. MERCADO is the Vice President for Sales and Marketing of the Corporation since 2011. He is a Market Strategy Analyst in Real Estate Selling with cross-functional expertise in real estate brokering. He holds a degree in Marketing taken at De La Salle University- College of Saint Benilde in 1998. He also took a course at International Academy of Management and Economics (AIME) in 2001.

CATHERINE D. MARCELO is the Vice President for Human Resources and Corporate Services of the Corporation since 2011. Prior to joining the Corporation she worked with Lufthansa Technik Philippines, Inc. and ABS-CBN Broadcasting Corporation as Human Resources Head. From May 1996 to July 2001, she has been the Human Resources Division Senior Supervisor and Recruitment Officer, Training and Development Officer, and Overall HR Officer for Fil-Estate Group of Companies. She graduated from University of Santo Tomas with a degree of Bachelor of Science in Psychology in 1996.

DOMINIC V. ISBERTO was elected as the Corporate Secretary and Assistant Corporate Information Officer of the Corporation on 12 January 2011. He is also the Corporate Secretary of Alliance Global Group, Inc., Twin Lakes Corporation, Suntrust Properties, Inc. and Eastwood City Estates Association, Inc. He is currently a Senior Assistant Vice President for Corporate Management of Megaworld Corporation, where he is primarily responsible for negotiation, preparation and review of joint venture and sale and purchase agreements for the acquisition of property, lease agreements, loan agreements, and other corporate contracts and agreements and the handling of legal cases. Mr. Isberto has experience in litigation and banking and corporate law. He has a degree in Management Engineering from the Ateneo de Manila University and obtained his Bachelor of Laws degree from the University of the Philippines.

ROLANDO D. SIATELA was elected as Assistant Corporate Secretary of the Corporation on 12 January 2011. He concurrently serves in PSE-listed companies, Alliance Global Group, Inc. and

Megaworld Corporation as Assistant Corporate Secretary, and in Suntrust Home Developers, Inc. as Corporate Secretary and Corporate Information Officer. He is also the Assistant Vice President for Corporate Management of Megaworld Corporation. Prior to joining Megaworld Corporation, he was employed as Administrative and Personnel Officer with Batarasa Consolidated, Inc. and served as Assistant Corporate Secretary and Chief Administrative Officer of The Andresons Group, Inc. He is a member of the board of Asia Finest Cuisine, Inc., serves as Corporate Secretary of ERA Real Estate Exchange, Inc. and Oceanic Realty Group International, Inc. and as Documentation Officer of Megaworld Foundation.

Significant Employees

The Corporation considers its entire workforce as significant employees. Everyone is expected to work together as a team to achieve the Corporation's goals and objectives.

Family Relationships

There are no family relationships among directors, executive officers or persons nominated or chosen to become directors or executive officers.

Involvement in Certain Legal Proceedings

None of the directors or executive officers is involved in any material pending legal proceedings in any court or administrative agency.

Certain Relationships and Related Transactions

No transaction was undertaken or to be undertaken by the Corporation in which any Director or Executive Officer, or any nominee for election as Director, or any member of their immediate family was or to be involved or had or will have a direct or indirect material interest.

No single Director or Executive Officer, or any nominee for election as Director, or any member of their immediate family owns or holds more than 10% of the Corporation's voting shares.

Advances granted to and obtained from subsidiaries, associates and other related parties are for purposes of working capital requirements.

(b) Disagreement with the Corporation

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last Annual Stockholders' Meeting because of disagreement with the Corporation on any matter relating to the Corporation's operations, policies or practices.

All incumbent members of the Board of Directors have been nominated for re-election at the Annual Stockholders' Meeting. None of them has declined to stand for re-election as members of the Board of Directors for the ensuing year.

(c) Procedure for Nomination and Election of Independent Directors

The Board of Directors of the Corporation has nine (9) members, two (2) of which should be independent directors.

The Nomination Committee, tasked to nominate candidates for election at least thirty (30) days prior to the date of the annual stockholders' meeting, shall conduct the nominations in accordance with SRC Rule 38.

The Nomination Committee shall pre-screen the qualifications and prepare a final list of candidates for directors, specifying the nominated independent directors.

The qualifications of the candidates for nomination shall be ascertained pursuant to the Revised Code of Corporate Governance and applicable issuances from the SEC.

(d) *Nominees*

Members of the Board of Directors are elected annually by the stockholders during the Annual Stockholders' Meeting to serve for a period of one (1) year and shall serve until their successors shall have been elected and qualified.

The Corporation's Nomination Committee, in accordance with the guidelines in the Manual on Corporate Governance, and the Guidelines in the Nomination and Election of Independent Director (SRC Rule 38) submitted the following complete and final list of nominees for the election of the members of the Board of Directors:

- | | | |
|----|--------------------------|------------------------|
| 1. | Andrew L. Tan | |
| 2. | Robert John L. Sobrepeña | |
| 3. | Ferdinand T. Santos | |
| 4. | Wilbur L. Chan | |
| 5. | Lourdes T. Gutierrez | |
| 6. | Garry V. de Guzman | |
| 7. | Robert Edwin C. Lim | |
| 8. | Cresencio P. Aquino | - Independent Director |
| 9. | Gerardo C. Garcia | - Independent Director |

Mr. Gerardo C. Garcia and Atty. Cresencio P. Aquino, as candidates for independent directors of the Corporation for the forthcoming year, were recommended for nomination by Alliance Global Group, Inc.

Mr. Gerardo C. Garcia's first-term election as an independent director was on 01 August 2011 while Atty. Cresencio P. Aquino's first-term election as an independent director was on 12 January 2011. Both Mr. Gerardo C. Garcia and Atty. Cresencio P. Aquino have not exceeded the term limits for independent director as prescribed under SEC Memorandum Circular No. 9 Series of 2011.

In compliance with SEC Notice dated October 20, 2006, the Corporation will require the elected independent directors to submit to SEC their respective Certifications on Qualification of Independent Directors within thirty (30) days from their election.

The Nomination Committee determined that the Messrs. Andrew L. Tan, Robert John L. Sobrepeña, Ferdinand T. Santos, Wilbur L. Chan, Garry V. de Guzman, Robert Edwin C. Lim, Cresencio P. Aquino and Gerardo C. Garcia and Ms. Lourdes T. Gutierrez have all the qualifications and none of the disqualifications of a director.

ITEM 6. Compensation of Directors and Executive Officers

Executive Officers

NAME & POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION	TOTAL
A. 5 Most Highly Compensated Officers Ferdinand T. Santos, <i>President</i> Roberto S. Roco, <i>SVP & CFO</i> Emelyn C. Martinez, <i>SVP-Legal</i> Edgardo S. Pinga, <i>VP</i> Abraham M. Mercado, <i>VP</i>	2012 (Est.)	11.2 Million	-	1.2 Million	12.4 Million
B. All other officers and directors as a group unnamed	2012 (Est.)	7.8 Million	-	0.8 Million	8.5 Million

NAME & POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION	TOTAL
C. 5 Most Highly Compensated Officers Ferdinand T. Santos, <i>President</i> Roberto S. Roco, <i>SVP & CFO</i> Edgardo S. Pinga, <i>VP</i> Abraham M. Marcelo, <i>VP</i> Catherine M. Marcelo, <i>VP</i>	2011	6.8 Million	-	0.7 Million	7.5 Million
D. All other officers and directors as a group unnamed	2011	4.9 Million	-	0.4 Million	5.3 Million

NAME & POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION	TOTAL
E. 5 Most Highly Compensated Officers Ferdinand T. Santos, <i>President</i> Roberto S. Roco, <i>SVP & CFO</i> Alice O. Bondoc, <i>VP</i> Roy V. Movido, <i>VP</i> Nicholas A. Aquino, <i>VP</i>	2010	3.4 Million	-	1.4 Million	4.8 Million
F. All other officers and directors as a group unnamed	2010	19.0 Million	-	1.6 Million	20.6 Million

Mr. Andrew L. Tan does not receive any compensation from the Corporation by virtue of his position as the Chief Executive Officer (CEO) of the Corporation.

The total annual compensation paid to all senior personnel from AVP and up are all payable in cash. The total annual compensation includes the basic salary and 13th month pay. The Corporation has no other arrangement with regard to the remuneration of its existing officers aside from the compensation received as herein stated.

Directors

Article III, Section 8 of the Corporation's By-laws provides -

"Section 8. Compensation - By resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than five (5%) percent of the net income before income tax of the

corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper."

Other than payment of per diem of Fifty Thousand Pesos (Php50,000.00) per attendance at board meetings, there are no standard arrangements pursuant to which directors of the Corporation are compensated or are to be compensated, for any service provided as director for the last completed year and the ensuing year.

Warrants and Options Outstanding held by Directors or Officers

None of the directors or officers of the Corporation is currently holding any warrant. On 16 February 2012, the Corporation granted stock options to key officers & directors performing key operational functions for the Corporation under an Executive Stock Option Plan approved by the Board of Directors on 23 September 2011 and by the Stockholders on 8 November 2011.

ITEM 7. Independent Public Accountants

Constantino Guadalquivier and Company was the auditor of the Corporation for the fiscal year ended 30 September 2009 while KL Siy and Associates (KL Siy) was the auditor of the Corporation for the fiscal year ended 30 September 2010.

In compliance with SRC Rule 68 paragraph 3 (b) (ix) on rotation of external auditors, and the Corporation's Manual of Corporate Governance, which require that the external auditor be rotated or the handling partner changed every five (5) years or earlier, the Board of Directors approved, on 30 June 2011, the designation of Punongbayan & Araullo for the audit of the financial statements of the Corporation starting on the year ending 30 September 2011. The handling partner then designated was Mr. Leonardo D. Cuaresma Jr. who is one of the Audit & Assurance partners of Punongbayan & Araullo.

Punongbayan & Araullo is being recommended to the stockholders for re-election as external auditor of the Corporation at the scheduled Annual Stockholders' Meeting for the year 2012.

The selection of the external auditor is upon the recommendation of the Audit Committee which is chaired by Atty. Cresencio P. Aquino with Mr. Wilbur L. Chan and Ms. Lourdes T. Gutierrez as members, and is made on the basis of credibility, professional reputation, accreditation with Securities and Exchange Commission, and affiliation with a reputable foreign partner.

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

There are no disagreements with the auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Corporation and its subsidiaries.

ITEM 8. Compensation Plans

No action is to be taken up during the Annual Stockholders' Meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

ITEM 9. Authorization or Issuance of Securities other than for Exchange

No action is to be taken up during the Annual Stockholders' Meeting with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the Corporation.

The Corporation currently has an authorized capital stock of Ten Billion Pesos (Php10,000,000,000.00) divided into Ten Billion (10,000,000,000) common shares with a par value of One Peso (Php1.00) each. As of Record Date, the Corporation has 8,418,000,000 issued and outstanding common shares.

ITEM 10. Modification or Exchange of Securities

No action is to be taken up during the Annual Stockholders' Meeting with respect to the modification of any class of securities of the Corporation, or the issuance or authorization for issuance of one class of securities of the Corporation in exchange for outstanding securities of another class.

ITEM 11. Financial and Other Information

Financial Statements of the Corporation for the immediately preceding year as well as the Management's Discussion and Analysis of Operations and Financial Condition for the corresponding period are included in the Corporation's Management Report and are incorporated herein by reference.

ITEM 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken up during the Annual Stockholders' Meeting with respect to any transaction involving (a) merger or consolidation of the Corporation into or with any other person or of any other person into or with the Corporation; (b) the acquisition by the Corporation or any of its security holders of securities of another person; (c) the acquisition by the Corporation of any other going business or of the assets thereof; (d) the sale or other transfer of all or any substantial part of the assets of the Corporation; or (e) the liquidation or dissolution of the Corporation.

ITEM 13. Acquisition or Disposition of Property

No action is to be taken up during the Annual Stockholders' Meeting with respect to the acquisition or disposition of any property.

ITEM 14. Restatement of Accounts

No action is to be taken up during the Annual Stockholders' Meeting with respect to the restatement of any asset, capital, or surplus account of the Corporation.

D. OTHER MATTERS

ITEM 15. Action with Respect to Reports

The following are to be submitted for the approval of the stockholders at the Annual Stockholders' Meeting:

1. Minutes of the Annual and Special Meeting of Stockholders held on 30 June 2011 and 08 November 2011;
2. 2011 Audited Financial Statements

The 30 June 2011 minutes refers to adoption of stockholder's resolutions pertaining to approval of the previous annual meeting, appointment of external auditors, ratification of acts and resolutions of the Board of Directors, Board Committees and Management, ratification of the five (5) billion common shares subscription of Alliance Global Group, Inc., and election of directors. The 08 November 2011 minutes refers to adoption of stockholder's resolutions pertaining to approval of the executive stock option plan and increase in authorized capital stock.

The approval or disapproval of the reports will constitute merely an approval or disapproval of the correctness of said reports but will not constitute an approval or disapproval of the matters referred to therein.

ITEM 16. Matters not Required to be Submitted

No action is to be taken up during the Annual Stockholders' Meeting with respect to any matter which is not required to be submitted to a vote of security holders. Only matters which require stockholders' approval will be taken up during the stockholders' meeting.

ITEM 17. Amendment of Charter, By-Laws or Other Documents

In a special meeting of the Board of Directors held on 03 May 2012, the Board unanimously approved the inclusion as an additional Secondary Purpose in the Articles of Incorporation the following:

"13) To develop, manage and operate special economic or enterprise zones, including integrated tourism enterprise zones, as well as to develop, manage and operate registered-tourism enterprises and/or such other enterprises within these special economic or tourism zones."

The Resolution of the Board on the amendment of the Articles of Incorporation will be submitted to the stockholders for approval at the Annual Stockholders' Meeting.

The amendment is intended to authorize the registration of the Corporation under the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) and Philippine Economic Zone Authority (PEZA) to empower the Corporation to utilize the full potential of its existing landbank in key tourism areas as well as other areas which are potential special economic zones.

Subject to the approval of the stockholders, the amendment will enable the Corporation to avail of the numerous incentives (i.e. income tax holiday and duty and tax-free importation of capital equipment) granted to entities registered under TIEZA and/or PEZA.

ITEM 18. Other Proposed Action

1. Ratification of the acts of the Board of Directors and the management from the date of the last Annual Stockholders' Meeting up to the date of the scheduled Annual Stockholders' Meeting for year 2012 (pertaining to acts covered by Resolutions of the Board of Directors duly adopted in the normal course of trade or business such as appointment of officers of the Corporation, opening and maintenance of bank accounts and other bank transactions, approval of projects, investments and land acquisitions, appointment of proxies and nominees of the Corporation, designation of authorized signatories and representatives, approval of sale transactions of real and personal properties, appointment of legal counsels for cases arising from the ordinary course of business, approval of agreements relating to settlement of debt obligations and other corporate activities;
2. Election of the Board of Directors;
3. Appointment of external auditor;
4. Other matters as may properly come before the meeting.

ITEM 19. Voting Procedures

(a) *Vote required*

The required votes for the approval of the matters included in the agenda of the Annual Stockholders' Meeting are as follows:

Two-thirds (2/3) of the Outstanding Common Shares

The vote or written assent of stockholders representing two-thirds (2/3) of the outstanding common shares shall be required for the approval of amendment to the Articles of Incorporation.

Plurality Vote

The top seven (7) candidates for regular directors with the highest number of votes and the top two (2) candidates for independent directors with the highest number of votes shall all be elected as members of the Board of Directors of the Corporation.

Majority of the Outstanding Common Shares

For all other matters proposed to be acted upon (i.e. approval of the Minutes of the Annual and Special Meetings of the Stockholders held on 30 June 2011 and 08 November 2011, respectively; approval of the Audited Financial Statements for the year ended 31 December 2011; general ratification of the Board of Directors and the management; appointment of external auditors, and other matters as may properly come before the meeting), the vote of stockholders representing the majority of the outstanding common shares will be required for approval.

(b) *Method by which votes will be counted*

Matters presented to stockholders shall be considered approved provided a quorum is present and the required vote of the stockholders is attained. Only owners of shares of common stock at the time of Record Date who are present in person or by proxy at the Annual Stockholders

Meeting shall be entitled to vote on the election of members of the Board of Directors and on the matters in the agenda which will be submitted for stockholders' approval.

Each stockholder shall be entitled to one (1) vote for each share of stock standing in his name in the books of the Corporation. Generally, a stockholder may vote his share only by straight voting. However, in case of election of members of the Board of Directors, all stockholders shall have cumulative voting which entitles each stockholder to cast the vote to which the number of shares he owns entitles him for as many persons as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided, that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

Voting may be done by viva voce or by show of hands of the stockholders unless a stockholder requests that voting be done by secret ballot. In which case, a Committee shall be created to supervise the same in the presence of the external auditor. However, voting by secret ballot may be dispensed with upon assent of stockholders owning majority of the outstanding shares, through a proper motion which should be duly seconded. In case of election of members of the Board of Directors by secret ballot, the Chairman shall appoint two (2) tellers to supervise the said election as required in the Corporation's By-Laws.

PART II

The Corporation is not soliciting any proxy -

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

PART III

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig on 30 May 2012.

GLOBAL-ESTATE RESORTS, INC.

By:



ROBERTO S. ROCO

SVP-CFO/Corporate Information Officer
Authorized Signatory



GLOBAL-ESTATE RESORTS, INC.

MANAGEMENT REPORT

For the
2012 Annual Meeting of the Stockholders
Pursuant to SRC Rule 20 (4)

Item 8. Financial and Other Information

Audited Financial Statements

The consolidated financial statements as of 31 December 2011 are attached hereto including the interim financial statements as of March 31, 2012. The statement of Management Responsibility, Schedules Required under Part IV (c) of Rule 48 are included in the Annual Report (Form 17-A).

Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarized below. The policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparation of Consolidated Financial statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS 1), *Presentation of Financial Statements*. The Group presents all items of income and expense in a single consolidated statement of comprehensive income. Two comparative periods are presented for the consolidated statement of financial position when the Group applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or reclassifies items in the financial statements.

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Philippine pesos, the Group's presentation and functional currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using the Group's functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

1.2 Adoption of New and Amended PFRS

(a) Effective in 2011 that are Relevant to the Group

In preparing the consolidated financial statements for the year ended December 31, 2011, the Group adopted the following amendments, interpretations and annual

improvements to PFRS that are relevant to the Group and effective for financial statements for accounting periods beginning on or after February 1, 2010, July 1, 2010 or January 1, 2011:

PAS 24 (Amendment)	: Related Party Disclosures
PAS 32 (Amendment)	: Financial Instruments: Presentation – Classification of Rights Issues
Philippine Interpretations International Financial Reporting Interpretations Committee (IFRIC) 14 (Amendment)	: Prepayment of a Minimum Funding Requirement
IFRIC 19	: Extinguishing Financial Liabilities with Equity Instruments
Various Standards	: 2010 Annual Improvements to PFRS

Discussed below are relevant information about these new and amended standards.

- (i) PAS 24 (Amendment), *Related Party Disclosures* (effective from January 1, 2011). The amendment simplifies and clarifies the definition of a related party by eliminating inconsistencies in determining related party relationships. The amendment also provides partial exemption from the disclosure requirements for government-related entities to disclose details of all transactions with the government and other government-related entities. The adoption of this amendment did not result in any change on the Group's disclosures of related parties in its consolidated financial statements.
- (ii) PAS 32 (Amendment), *Financial Instruments: Presentation – Classification of Rights Issues* (effective from February 1, 2010). The amendment addresses the accounting for rights issues (e.g., rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. In particular, when the amendment is applied, rights (and similar derivatives) to acquire a fixed number of an entity's own equity instruments for a fixed price stated in a currency other than the entity's functional currency, would be classified as equity instruments, provided the entity offers the rights pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. The amendment has no effect on the financial statements as the Group has no rights issues denominated in a currency other than the Group's functional currency.
- (iii) Philippine Interpretation IFRIC 14 (Amendment), *Prepayment of a Minimum Funding Requirement* (effective from January 1, 2011). This interpretation addresses unintended consequences that can arise from the previous requirements when an entity prepays future contributions into a defined benefit pension plan. It sets out guidance on when an entity recognizes an asset in relation to a surplus for defined benefit plans based on PAS 19, *Employee Benefits*, that are subject to a minimum funding requirement. The Group is not subject to minimum funding requirements and it does not usually make substantial advance contributions to its retirement fund, hence, the adoption of the revised standard has no material effect on its consolidated financial statements.
- (iv) Philippine Interpretation IFRIC 19, *Extinguishing Financial Liabilities with Equity Instruments* (effective from July 1, 2010). This interpretation clarifies the

accounting when an entity renegotiates the terms of a financial liability through issuance of equity instruments to extinguish all or part of the financial liability.

These transactions are sometimes referred to as "debt for equity" exchanges or swaps. The interpretation requires the debtor to account for a financial liability which is extinguished by equity instruments as follows:

- the issue of equity instruments to a creditor to extinguish all or part of a financial liability is consideration paid in accordance with PAS 39, *Financial Instruments: Recognition and Measurement*;
- the entity measures the equity instruments issued at fair value, unless this cannot be reliably measured;
- if the fair value of the equity instruments cannot be reliably measured, then the fair value of the financial liability extinguished is used; and,
- the difference between the carrying amount of the financial liability extinguished and the consideration paid is recognized in profit or loss.

The adoption of the interpretation did not have a material effect on the Group's financial statements as it did not extinguish financial liabilities through equity swap during the period.

- (v) 2010 Annual Improvements to PFRS. The FRSC has adopted the *2010 Improvements to PFRS*. Most of these amendments became effective for annual periods beginning on or after July 1, 2010 or January 1, 2011. Among those improvements, only the following amendments were identified to be relevant to the Group's consolidated financial statements but which did not have any material impact on its consolidated financial statements:

- PAS 1 (Amendment), *Presentation of Financial Statements: Clarification of Statement of Changes in Equity* (effective from July 1, 2010). The amendment clarifies that, for each component of equity, an entity may present an analysis of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. As the Group's other comprehensive income only includes fair value changes on available-for-sale financial assets, the Group has elected to continue presenting each item of other comprehensive income in the statement of changes in equity.
- PFRS 3 (Amendment), *Business Combinations* (effective from July 1, 2010). The amendment clarifies that contingent consideration arrangement and balances arising from business combinations with acquisition dates prior to the entity's date of adoption of PFRS 3 (Revised 2008) shall not be adjusted on the adoption date. It also provides guidance on the subsequent accounting for such balances.

It further clarifies that the choice of measuring non-controlling interest (NCI) at fair value or at the proportionate share in the recognized amounts of an acquiree's identifiable net assets, applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. All other components of NCI are measured at fair value unless PFRS requires another measurement basis.

This amendment also clarifies accounting for all share-based payment transactions that are part of a business combination, including unreplaced and voluntary replaced share-based payment awards. Specifically, this provides guidance for situations where the acquirer does not have an obligation to replace an award but replaces an existing acquiree award that would otherwise have continued unchanged after the acquisition, thus resulting to the accounting for these awards being the same as for the awards that the acquirer is obliged to replace.

- PAS 34 (Amendment), *Interim Financial Reporting – Significant Events and Transactions* (effective from January 1, 2011). The amendment provides further guidance to illustrate how to apply disclosure principles under PAS 34 for significant events and transactions to improve interim financial reporting. It requires additional disclosure covering significant changes to fair value measurement and classification of financial instruments, and to update relevant information from the most recent annual report.
- PFRS 7 (Amendment), *Financial Instruments: Clarification of Disclosures* (effective from January 1, 2011). The amendment clarifies the disclosure requirements which emphasize the interaction between quantitative and qualitative disclosures about the nature and extent of risks arising from financial instruments. It also amends the required disclosure of financial assets including the financial effect of collateral held as security. The Group already provides adequate information in its consolidated financial statements in compliance with disclosure requirements.

(b) Effective in 2011 that are not Relevant to the Group

The following improvements to PFRS are mandatory for accounting periods beginning on or after January 1, 2011 but are not relevant to the Group's consolidated financial statements:

PFRS 1 (Amendment)	: First-time Adoption of PFRS – Limited Exemption from PFRS 7 Comparative Disclosures 2010 Annual Improvements to PFRS
PAS 21 (Amendment)	: The Effects of Changes in Foreign Exchange Rates
PAS 28 (Amendment)	: Investments in Associates
PAS 31 (Amendment)	: Interests in Joint Ventures
PFRS 1 (Amendment)	: First-Time Adoption of PFRS Philippine Interpretation
IFRIC 13 (Amendment)	: Customer Loyalty Programmes – Fair Value Awards Credits

(c) Effective Subsequent to 2011 but not Adopted Early

There are new PFRS, amendments, annual improvements and interpretations to existing standards that are effective for periods subsequent to 2011. Management has initially determined the following pronouncements, which the Group will apply in accordance with their transitional provisions, to be relevant to its consolidated financial statements:

- (i) PFRS 7 (Amendment), *Financial Instruments: Disclosures – Transfers of Financial Assets* (effective from July 1, 2011). The amendment requires additional disclosures

that will allow users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities; and, to evaluate the nature of, and risk associated with any continuing involvement of the reporting entity in financial assets that are derecognized in their entirety. The Group does not usually enter into this type of arrangement with regard to transfer of financial asset, hence, the amendment may not significantly change the Group's disclosures in its consolidated financial statements.

- (ii) PAS 12 (Amendment), *Income Taxes – Deferred Tax: Recovery of Underlying Assets* (effective from January 1, 2012). The amendment provides an exception to the existing principle in PAS 12 that recovery of the carrying amount of investment property measured at fair value under PAS 40, *Investment Property*, will be or normally be through sale. The amendment introduces a rebuttable presumption that the measurement of a deferred tax liability or asset on an investment property measured at fair value should reflect the tax consequence of recovering the carrying amount entirely through sale. The presumption is rebutted for depreciable investment property (e.g., building) measured at fair value that is held with an objective to consume substantially the economic benefits embodied in the asset over time, rather than through sale. As a result of the amendment, Standard Interpretation Committee (SIC) 21, *Income Taxes – Recovery of Revalued Non-Depreciable Assets*, is accordingly withdrawn. This amendment is not expected to have a significant effect on the Group's consolidated financial statements as its investment properties are carried in the Group's consolidated financial statements using the cost model.
- (iii) PAS 1 (Amendment), *Financial Statements Presentation – Presentation of Items of Other Comprehensive Income* (effective from July 1, 2012). The amendment requires an entity to group items presented in Other Comprehensive Income into those that, in accordance with other PFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. The Group's management expects that this will not affect the presentation of items in other comprehensive income, since all of the Group's other comprehensive income, which includes unrealized fair value gains and losses on AFS financial assets, can be reclassified to profit or loss when specified conditions are met.
- (iv) PAS 19 (Amendment), *Employee Benefits* (effective from January 1, 2013). The amendment made a number of changes as part of the improvements throughout the standard. The main changes relate to defined benefit plans as follows:
 - eliminates the corridor approach under the existing guidance of PAS 19 and requires an entity to recognize all gains and losses arising in the reporting period;
 - streamlines the presentation of changes in plan assets and liabilities resulting in the disaggregation of changes into three main components of service costs, net interest on net defined benefit obligation or asset, and remeasurement; and,
 - enhances disclosure requirements, including information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in them.

- (v) PFRS 9, *Financial Instruments: Classification and Measurement* (effective from January 1, 2015). This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that will replace PAS 39, *Financial Instruments: Recognition and Measurement* in its entirety. This chapter deals with two measurement categories for financial assets: amortized cost and fair value. All equity instruments will be measured at fair value while debt instruments will be measured at amortized cost only if the entity is holding it to collect contractual cash flows which represent payment of principal and interest. The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangements, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

To date, other chapters of PFRS 9 dealing with impairment methodology and hedge accounting are still being completed.

The Group does not expect to implement and adopt PFRS 9 until its effective date or until all chapters of this new standard have been published. In addition, management is currently assessing the impact of PFRS 9 on the financial statements of the Group and plans to conduct a comprehensive study in early 2012 of the potential impact of this standard to assess the impact of all changes.

- (vi) PFRS 13, *Fair Value Measurement* (effective from January 1, 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across PFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The Group is yet to assess the impact of this new standard.

(vii) Consolidation Standards

The Group is currently reviewing the impact on its financial statements of the following consolidation standards which will be effective from January 1, 2013:

- PFRS 10, *Consolidated Financial Statements*. This standard builds on existing principles of consolidation by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard also provides additional guidance to assist in determining control where this is difficult to assess.
- PFRS 11, *Joint Arrangements*. This standard provides a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. This standard replaces the three categories under PAS 31, *Interests in Joint Ventures*, mainly, jointly controlled entities, jointly controlled operations and jointly controlled assets, with two

new categories – joint operations and joint ventures. Moreover, this also eliminates the option of using proportionate consolidation for joint ventures.

- PFRS 12, *Disclosure of Interest in Other Entities*. This standard integrates and makes consistent the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and unconsolidated structured entities. This also introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.
- PAS 27 (Revised), *Separate Financial Statements*. This revised standard now covers the requirements pertaining solely to separate financial statements after the relevant discussions on control and consolidated financial statements have been transferred and included in the new PFRS 10. No new major changes relating to separate financial statements have been introduced as a result of the revision.
- PAS 28 (Revised), *Investments in Associate and Joint Venture*. This revised standard includes the requirements for joint ventures, as well as associates, to be accounted for using equity method following the issuance of PFRS 11.

(viii) Philippine Interpretation IFRIC 15, *Agreements for Construction of Real Estate*, (effective from January 1, 2015). This Interpretation provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of PAS 11, *Construction Contracts*, or PAS 18, *Revenue*, and accordingly, when revenue from the construction should be recognized. The main expected change in practice is a shift from recognizing revenue using the percentage of completion method (i.e., as a construction progresses, by reference to the stage of completion of the development) to recognizing revenue at completion upon or after delivery. The Group will adopt this interpretation in 2015 and is currently evaluating the impact of such adoption in the financial statements.

1.3 Basis of Consolidation

The Company obtains and exercises control through voting rights. The Group's consolidated financial statements comprise the accounts of the Company and its subsidiaries as enumerated in Note 1, after the elimination of material intercompany transactions. All intercompany balances and transactions with subsidiaries, including income, expenses, dividends and unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. In addition, shares of stock of the Company, if any, held by the subsidiaries are recognized as treasury stock and these are presented as deduction in the consolidated statement of changes in equity. Any changes in the market values of such shares as recognized separately by the subsidiaries are likewise eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

The financial statements of certain subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Certain financial statements of subsidiaries are prepared as of a date different from that of the Company's financial statements. Accordingly, adjustments are made for the effects of significant transactions or events that occur between that date and the date of the Company's financial statements.

Adjustments are also made to bring into line any dissimilar accounting policies that may exist.

The Group accounts for its investments in subsidiaries, associates, interests in jointly controlled operations and transactions with non-controlling interests (NCI) as follows:

(a) Investments in Subsidiaries

Subsidiaries are all entities over which the Group has the power to control the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date the Group obtains control, direct or indirect, until such time that such control ceases.

The acquisition method is applied to account for acquired subsidiaries. This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any NCI in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred and subsequent change in the fair value of contingent consideration is recognized directly in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any NCI in the acquiree either at fair value or at the NCI's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any NCI in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recognized as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss as gain (see also Note 2.9).

(b) Investments in Associates

Associates are those entities over which the Group is able to exert significant influence but not control and which are neither subsidiaries nor interests in a joint venture. Investments in associates are initially recognized at cost and subsequently accounted for using the equity method.

Acquired investments in associates are also subject to purchase accounting. However, any goodwill or fair value adjustment attributable to the share in the associates is included in the amount recognized as investment in associates. All subsequent changes to the share of interest in the equity of the associate are recognized in the carrying amount of the Group's investment. Changes resulting from the profit or loss generated by the associate are shown as Equity in Net Profits (Losses) of Associates in the Group's consolidated statement of comprehensive income and therefore affect the net results of operations of the Group. These changes include subsequent depreciation, amortization or impairment of the fair value adjustments of the associate's assets and liabilities.

Changes resulting from other comprehensive income of the associates or items that have been directly recognized in the associate's equity, for example, resulting from the associate's accounting for available-for-sale financial assets, are recognized in consolidated other comprehensive income or equity of the Group, as applicable. Any non-income related equity movements of the associate that arise, for example, from the distribution of dividends or other transactions with the associate's shareholders, are charged against the proceeds received or granted. No effect on the Group's net result or equity is recognized in the course of these transactions. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments in behalf of the associate. If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits exceeded the accumulated share of losses that has previously not been recognized.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Interests in Jointly Controlled Operations

For interest in jointly controlled operations, the Group recognizes in its consolidated financial statements its share of the assets that it controls, the liabilities and the expenses that it incurs and its share in the income from the sale of goods or services by the joint venture. No adjustment or other consolidation procedures are required since the assets, liabilities, income and expenses of the joint venture are recognized in the separate financial statements of the venturers.

(d) Transactions with NCI

The Group applies a policy of treating transactions with NCI as transactions with equity owners of the Group. Any difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recognized in equity. Disposals of equity investments to NCI result in gains and losses for the Group that are also recognized in equity.

When the Group ceases to have control over a subsidiary, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities which may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

1.4 Financial Assets

Financial assets are recognized when the Group becomes a party to the contractual terms of the financial instrument. Financial assets other than those designated and effective as hedging instruments are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), loans and receivables, held-to-maturity (HTM) investments and available-for-sale (AFS) financial assets. Financial assets are assigned to the different

categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and transaction costs related to it are recognized in profit or loss.

The financial assets categories currently relevant to the Group are as follows:

(a) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the reporting period which are classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any. Impairment loss is provided when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The Group's financial assets categorized as loans and receivables are presented in the consolidated statement of financial position as Cash and Cash Equivalents, Trade and Other Receivables, and Advances to Related Parties. Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(b) AFS Financial Assets

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. They are classified as non-current assets in the statement of financial position unless management intends to dispose of the investment within 12 months from the reporting period. The Group's AFS financial assets include proprietary golf club membership shares and are presented as part of the Other Non-current Assets account in the consolidated statement of financial position.

All financial assets within this category are subsequently measured at fair value. Gains and losses from changes in fair value are recognized in other comprehensive income, net of any income tax effects, and are reported as part of the Unrealized Losses on AFS Financial Assets account in equity. When the financial asset is disposed of or is determined to be impaired, the cumulative fair value gains or losses recognized in other comprehensive income is reclassified from equity to profit or loss and is presented as reclassification adjustment within other comprehensive income.

Reversal of impairment losses are recognized in other comprehensive income, except for financial assets that are debt securities which are recognized in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

All income and expenses, if any, including impairment losses, relating to financial assets that are recognized in profit or loss are presented as part of Finance Costs or Finance Income in the consolidated statement of comprehensive income.

For investments that are actively traded in organized financial markets, fair value is determined by reference to exchange-quoted market bid prices at the close of business on the reporting period. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

The financial assets are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred.

1.5 Real Estate Transactions

Acquisition costs of raw land intended for future development, including other costs and expenses incurred to effect the transfer of title of the property to the Group, are charged to the Land for Future Development account. These costs are reclassified to Property Development Costs account when the development of the property starts. Related property development costs are then accumulated in this account. Borrowing costs on certain loans, if any, incurred during the development of the real estate properties are also capitalized by the Group as part of Property Development Costs.

The cost of real estate property sold before completion of the development, if any, is determined based on the actual costs incurred to date plus estimated costs to complete the development of the property. The estimated expenditures for the development of sold real estate property, as determined by the project engineers, are charged to the cost of residential and condominium units sold presented in the consolidated statement of comprehensive income with a corresponding credit to the liability account, Reserve for Property Development account.

Land for Future Development, Property Development Costs and Real Estate and Resort Shares For Sale are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to complete and the estimated costs necessary to make the sale.

The Group recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known. Any impairment loss from a real estate project is charged to operations during the period in which the loss is determined.

1.6 Property and Equipment

Property and equipment, except land, are carried at acquisition or construction cost less subsequent depreciation, amortization and any impairment losses. As no finite useful life for land can be determined, related carrying amount are not depreciated. Land is stated at cost less any impairment losses.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expenses as incurred.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Building	50 years
Office furniture, fixtures and equipment	3-5 years
Transportation and other equipment	5 years
Office improvements	5-10 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and estimated useful lives of property and equipment are reviewed and adjusted, if appropriate, at the end of each reporting period.

An item of property and equipment, including the related accumulated depreciation and impairment losses, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

1.7 Investment Properties

Investment properties consist of parcels of land and buildings held for lease. Buildings are carried at cost less accumulated depreciation and any impairment losses. Land is stated at cost less any impairment losses.

The cost of an asset comprises its purchase price and any directly attributable expenditure. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When investment property is sold, retired or otherwise disposed of, its cost and related accumulated depreciation and any impairment losses are derecognized and any resulting gain or loss is reflected in profit or loss for the period.

Depreciation is computed on a straight-line basis over the estimated useful life of the assets as follows:

<i>Land development and improvements</i>	<i>20 years</i>
<i>Building and improvements</i>	<i>10-50 years</i>

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

An item of investment properties is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on

derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the year the item is derecognized.

1.8 Financial Liabilities

Financial liabilities, which include Trade and Other Payables, Advances from Related Parties and Due to Joint Venture Partners, are recognized when the Group becomes a party to the contractual terms of the instrument. All interest-related charges incurred on financial liability are recognized as an expense in profit or loss under the caption Finance Costs in the consolidated statement of comprehensive income.

Financial liabilities are recognized initially at their fair values and subsequently measured at amortized cost less settlement payments.

Dividend distributions to shareholders are recognized as financial liabilities when the dividends are approved by the BOD.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the reporting period (or in the normal operating cycle of the business, if longer), or the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the consolidated statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration.

1.9 Business Combination

Business acquisitions are accounted for using the acquisition method of accounting.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Subsequent to initial recognition, goodwill, if any, is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Negative goodwill, which is the excess of the Group's interest in the net fair value of net identifiable assets acquired over acquisition cost, is charged directly to income.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment.

Gains and losses on the disposal of an interest in a subsidiary include the carrying amount of goodwill relating to it.

If the business combination is achieved in stages, the acquirer is required to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in the profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 37, Provisions, Contingent Liabilities and Contingent Assets, either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

1.10 Segment Reporting

In identifying its operating segments, management generally follows the Group's products and service lines, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting is the same as those used in its consolidated financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

1.11 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

1.12 Revenue and Expense Recognition

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that future economic benefits will flow to the Group; and the costs incurred or to be incurred

can be measured reliably. In addition, the following specific recognition criteria must also be met before revenue is recognized:

- (a) *Sale of real estate* – For financial reporting purposes, revenues from transactions covering sales of real estate are recognized under the percentage-of-completion method. Under this method, realization of gross profit is recognized by reference to the stage of development of the properties, i.e., revenue is recognized in the period in which the work is performed. The unrealized gross profit on a period's sales is presented as Deferred Gross Profit on Real Estate Sales in the consolidated statement of comprehensive income; the cumulative unrealized gross profit as of the end of the year is shown as Deferred Income on Real Estate Sales in the consolidated statement of financial position.

The sale is recognized when a certain percentage of the total contract price has already been collected. If the transaction does not yet qualify as sale, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of sale, payments received from buyer are initially recorded as part of Customers' Deposits account in the consolidated statement of financial position.

Revenues on sales of undeveloped land and golf and resort shares for sale, on the other hand, are recognized using the full accrual method. Under the full accrual method, revenue is recognized when the risks and rewards of ownership in the undeveloped land and golf and resort shares have passed to the buyer and the amount of revenue can be measured reliably.

Any adjustments relative to previous periods' sales are recorded in the current period as they occur.

For tax reporting purposes, a modified basis of computing the taxable income for the period based on collections from sales is used by the Group.

- (b) *Maintenance income* – Revenue is recognized when performance of mutually agreed tasks has been rendered.
- (c) *Rental income* – Rental income is recognized on a straight-line basis over the lease terms. Advance rentals and refundable rental deposits are recorded as deferred rental income.
- (d) *Interest* – Revenue is recognized as the interest accrues taking into account the effective yield on the asset.
- (e) *Dividends* – Revenue is recorded when the stockholders' right to receive the payment is established.

Costs of real estate sold before completion of the projects include the acquisition cost of the land, development costs incurred to date, applicable borrowing costs and estimated costs to complete the project, determined based on estimates made by the project engineers on the stage of completion of the real estate project.

Cost and expenses and other costs (other than costs of real estate sold) are recognized in profit or loss upon utilization of the services or goods or at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs which are included as part of the cost of the related qualifying asset.

1.13 Leases

The Group accounts for its leases as follows:

(a) Group as Lessee

Leases which do not transfer to the Group substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as repairs and maintenance and insurance, are expensed as incurred.

(b) Group as Lessor

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the lease term.

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

1.14 Foreign Currency Transactions

The accounting records of the Group are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income as part of income or loss from operations.

1.15 Impairment of Non-financial Assets

The Group's investments in associates, investment properties and property and equipment are subject to impairment testing. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs-to-sell, and value-in-use, based on an internal evaluation of discounted cash flow. Impairment loss is charged pro-rata to other assets in the cash generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of impairment loss.

1.16 Employee Benefits

(a) *Post-employment Benefits*

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the entity, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Group's defined benefit post-employment plan covers all regular full-time employees.

The liability recognized in the consolidated statement of financial position for defined benefit post-employment plans is the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability.

Actuarial gains and losses are not recognized as an income or expense unless the total unrecognized gain or loss exceeds 10% of the greater of the obligation and related plan assets. The amount exceeding this 10% corridor is charged or credited to profit or loss over the employees' expected average remaining working lives. Actuarial gains and losses within the 10% corridor are disclosed separately. Past-service costs are recognized immediately in profit or loss, unless the changes to the post-employment plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

(b) *Compensated Absences*

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. They are included in the Trade and Other Payables account of the consolidated statement of financial position at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

1.17 Borrowing Costs

For financial reporting purposes, borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete. For income tax purposes, interest and other borrowing costs are charged to expense as incurred.

1.18 Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the reporting period. These are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is provided, using the liability method on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss. Only changes in deferred tax assets or liabilities that relate to items recognized in other comprehensive income or directly in equity are recognized in other comprehensive income or directly in equity.

1.19 Related Party Transactions

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

1.20 Equity

Capital stock represents the nominal value of shares that have been issued.

Additional paid-in capital (APIC) represents premium received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from APIC, net of any related income tax benefits.

Unrealized losses on AFS financial assets represent losses recognized due to changes in fair values of these assets.

Retained earnings include all current and prior period results of operations as reported in the profit or loss section of the consolidated statement of comprehensive income.

1.21 Basic and Diluted Earnings (Loss) Per Share

Basic earnings (loss) per share is determined by dividing net profit (loss) by the weighted average number of common shares subscribed and issued during the year, after giving retroactive effect to any stock dividends, stock split or reverse stock split declared in the current year. Diluted earnings (loss) per share is computed in the same manner as the basic earnings (loss) per share and assuming further that at the beginning of the year or at the time of issuance during the year, all outstanding convertible instruments were converted to common stock.

1.22 Events After the Reporting Period

Any post-year-end event that provides additional information about the Group's consolidated financial position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the consolidated financial statements.

External Auditor

The Group has engaged the services of Punongbayan & Araullo during the most recent calendar year. There were no disagreements with Punongbayan & Araullo on any matter of accounting and financial disclosure.

Attendance of Accountants at the Meeting

Representatives of the Corporation's external accountants, Punongbayan & Araullo, for the Calendar Year 2011, are expected to be present at the Annual Stockholders' Meeting scheduled on 28 June 2012. Said accountants will be given the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions on the Corporation's financial statements.

BUSINESS AND GENERAL INFORMATION

Form and Date of Organization

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

GERI has six (6) major subsidiaries, namely, Fil-Estate Properties, Inc. (FEPI), to engage primarily in residential subdivision and condominium development, Fil-Estate Golf and Development, Inc. ("FEGDI"), to engage primarily in golf and leisure development and Fil-Estate Urban Development Corporation (FEUDC) for the development of certain residential and commercial projects, and hotel operation, Twin Lakes Corporation (TLC) to engage primarily in residential and mixed use development, Megaworld Global-Estate, Inc. (MGEI), to engage in Marketing of the Group projects, Novo Sierra Holdings Inc. (NSHI) to engage primarily in horizontal development of residential subdivision.

GERI also owns 20% to 50% of the equity of each of the following companies, namely Oceanfront Properties, Inc, Fil-Estate Realty Corporation, Fil-Estate Marketing Associates, Inc., Fil-Estate Network, Inc., Fil-Estate Sales, Inc. and Fil-Estate Realty Sales Associates, Inc.

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

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

PLAN OF OPERATION

On January 20, 2011, Alliance Global Group, Inc. (AGI) acquired a 60% majority stake in the company. It was envisioned by AGI that the company would be the vehicle for the Group for the development of integrated tourism estates in the country's prime tourist destinations.

In line with this primary objective of becoming a leading developer of integrated tourism estates in the country, on March 29, 2011 the company was renamed Global-Estate Resorts, Inc.

The company intends to focus on the development of integrated tourism estates in Boracay, Tagaytay/Laurel and Nasugbu which shall provide the bulk of the company's revenues in the long term.

For the year 2012, the company is targeting to launch four new projects within these major tourism estates and one in Iloilo. These are Oceanway Residences and Boracay Savoy Hotel in Newcoast Boracay, Domaine Le Jardin and The Vineyard in Twin Lakes, and Sta. Barbara Heights Phase 2 in Iloilo.

While focus will be on integrated tourism estates, the company also plans to continue completion of ongoing residential subdivisions and highrise developments.

The company intends to utilize equity and internally generated funds to meet the development requirements for these projects.

The company shall be open to co-development arrangements and other sources of financing should additional funds be required.

Marketing of the projects shall be undertaken by its in-house marketing company, namely Megaworld Global-Estate, Inc., staffed by trained property consultants who exclusively market the Company's projects.

Management's Discussion and Analysis of Financial Condition and Results of Operations.

Key Performance Indicators

LEVERAGE OR LONG-RANGE SOLVENCY RATIOS

	December 31, 2011	September 30, 2011	September 30, 2010
Debt to Total Assets	24%	26%	44%
Equity to Total Assets	76%	74%	56%
Debt to Equity	32%	34%	79%

Debt to Total Assets

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

Equity to Total Assets

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

Debt to Equity

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

LIQUIDITY RATIOS

	December 31, 2011	September 30, 2011	September 30, 2010
Current Ratio	3.41	3.78	2.75
Quick Ratio	0.83	1.13	0.58

Current Ratio (Current Assets/Current Liabilities)

Liquidity ratio measures a company's ability to pay short-term obligation.

Quick Ratio (Cash and cash equivalents + Trade receivables/Current Liabilities)

It measures a company's ability to meet its short-term obligations with its most liquid assets.

ACTIVITY RATIOS

	December 31, 2011	September 30, 2011	September 30, 2010
Asset Turnover	2%	2%	2.5%

Asset Turnover (Sales/Total Assets)

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

PROFITABILITY RATIOS

	December 31, 2011	September 30, 2011	September 30, 2010
Return on Equity	1.7%	0.1%	(1.6%)
Return on Assets	1.1%	0.1%	(0.8%)
Earnings per Share	₱ 0.029	₱ (0.038)	₱ (0.049)

Return on Equity (Net Income/Equity Attributable to Parent Company's shareholders)
It tests the productivity of the owners' investments.

Return on Assets (Net Income/Total Assets)
This ratio indicates how profitable a company is relative to its total assets.

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

Management Discussion and Analysis

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

In line with the change in accounting period, the SEC required the Group (the Company collectively with its subsidiaries and associates) to file the fiscal year ending September 30, 2011 financial report last January 27, 2012. In addition, the group was also required to file a three-month short period report ending December 31, 2011. Attached to this annual report is the calendar year ending December 31, 2011 financial report to reflect the change in accounting period effective year 2011. There was no comparative report of two comprehensive income statements because this is the first year of adoption of calendar year method of accounting period.

Results of Operations

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

For the three months ended December 31, 2011 the Group consolidated net income amounted to Php33.3 million. Consolidated total revenues composed of real estate sales, rental income, and other income amounted to P252.4 million.

Total cost and expenses amounted to P205.6 million, mainly from operating expenses resulting from aggressive marketing activities as well as other administrative and corporate overhead.

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

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

Review for the year ended December 31, 2011

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

Total cost and expenses amounted to Php783 million, mainly from operating expenses resulting from aggressive marketing activities as well as other administrative and corporate overhead and from cost of real estate sales.

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

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

As of December 31, 2011

Financial Condition

The Group's stable financial position has improved further. Total assets as of December 31, 2011 of Php21.0 billion compared to Php18.6 billion as of September 30, 2011 posted an increase of Php2.4 billion or 13% primarily due to increase in land held for future development..

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

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

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

Financial Position

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

Others

As of the year ended December 31, 2011, there are no material events and uncertainties known to management that would have an impact on the future operations such as:

- a. Known trends, demands, commitments, events or uncertainties that would have an impact on the Company;
- b. Material commitments for capital expenditures, the general purpose of such commitment and the expected sources of funds for such expenditures;
- c. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the net sales/revenues/income from continuing operations;
- d. Significant elements of income or loss that did not arise from the Company's continuing operations;
- e. Causes for any material changes from period to period in one or more line item of the Company's financial operations;
- f. Seasonal aspects that had a material effect on the financial condition or results of the operations;

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

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

Results of Operations

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

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

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

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

Financial Condition

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

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

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

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

Financial Position

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

Results of Operations

- 15% Decrease in Sale of Real Estate due to lower sales recognized for the period.
- 100% Increase in Income from assignment of development rights due to agreements with related parties.
- 888% Increase in Realized Gross Profit in prior years sale mainly due to revenue recognition in prior years sales.
- 14% Increase in Rental Income due to escalation and additional tenant for the period.
- 17% Decrease in Finance and other income mainly due to previous year recognition of forex gain.
- 10% Increase in Cost of Sales due to costs adjustment during the period
- 52% Increase in Cost of Services mainly due to increase in prices of materials for the maintenance of golf course.
- 153% Increase in Deferred Gross profit in relation to uncompleted portion of sales recognized during the period.
- 50% Decrease in Finance Cost mainly due to full settlement of loans and bonds payable

Others

As of the year ended September 30, 2011, there are no material events and uncertainties known to management that would have an impact on the future operations such as:

- a. Known trends, demands, commitments, events or uncertainties that would have an impact on the Company;
- b. Material commitments for capital expenditures, the general purpose of such commitment and the expected sources of funds for such expenditures;

- c. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the net sales/revenues/income from continuing operations;
- d. Significant elements of income or loss that did not arise from the Company's continuing operations;
- e. Causes for any material changes from period to period in one or more line item of the Company's financial operations;
- f. Seasonal aspects that had a material effect on the financial condition or results of the operations;

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

Review of 2010 versus 2009 (for the year ended September)

Results of Operations

During the year 2010 the Group consolidated net loss amounted to Php153.3 million 22% lower than the previous year net loss of Php196.2 million. Consolidated total revenues composed of real estate sales, rental income, service income and other income increased by 8% from Php715.8 million to Php776.3 million.

Cost and expenses increased by 13% from Php 843.4 million in 2009 to Php 957 million in 2010, mainly due to increase in finance cost and operating expense

Real estate sales and finance & other income contributed largely to consolidated revenues.

The bulk of real estate sales came from the sale of horizontal residential subdivision lots and condominium units amounting to Php381.8 million in 2010 compared to Php388.5 million in 2009. The Group's registered sales came from sale of condominium units in Eight Sto Domingo Place in Quezon City, residential lots in Magnificat Exec. Village in Lipa Batangas, Riverina in San Pablo Laguna, Monte Cielo De Naga in Naga City, Sta. Barbara Heights in Ilo-Ilo City and sale of commercial lots in Carmona Cavite.

Financial Condition

The Group's Statement of Financial Position reflects stable financial growth. Total assets as of September 30, 2010 Php15.3 billion compared to Php14.8 billion as of September 30, 2009 posted a slight increase of Php539.3 million or 4%.

Cash and cash equivalents decreased by 58% as a result of various commitments of the Group. Trade and other receivables increased by 210% mainly due to revenue recognized for the period. Trade and other payables increased by 6% due to additional trade commitments for the period.

As of September 2010, stockholders' equity amounted to Php8.5 billion

Material Changes in the year 2010 Financial Statements *(Increase/decrease of 5% or more versus September 30, 2009)*

Financial Position

- Cash and cash equivalents decreased by Php111.0 million (58%) to Php62.0 million from the end of September 2009 level of Php193.0 million as a result of various commitments of the Group.
- 210% Increase in Trade and other receivables mainly due to revenue recognized for the period.
- 8% Decrease in Real Estate for Sales due to sales recognition.
- 17% Decrease in Advances to Related parties mainly due to collection.
- 6% Decrease in Other Current and non-current asset mainly due to amortization of pre-payments
- 5% Decrease in Property Plant and Equipment due to depreciation expense recognized for the period.
- 62% Increase in Trade and other payables mainly due to additional trade commitments.
- 6% Increase in Customers' deposit due to additional sales reservation
- 30% Decrease in Deferred Income due to adjustment
- 87% Increase in Advances from related party due to additional advances

Results of Operations

- 10% Increase in Maintenance Income due to additional revenue from the golf course operations.
- 91% Increase in Rental Income due to escalation and additional tenant
- 28% Increase in Operating Expense due to cost reduction measures of the Group.
- 41% Decrease in Cost of Sales due to cost adjustment during the period
- 10% Increase in Cost of Services mainly due to increase in prices of materials for the maintenance of golf course.
- 33% Increase in Finance Cost mainly due to increase in interest rate due to the Group's plan to early retire Bonds payable.

Others

As of the year ended September 30, 2010, there are no material events and uncertainties known to management that would have an impact on the future operations such as:

- a. Known trends, demands, commitments, events or uncertainties that would have an impact on the Company;
- b. Material commitments for capital expenditures, the general purpose of such commitment and the expected sources of funds for such expenditures;
- c. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the net sales/revenues/income from continuing operations;
- d. Significant elements of income or loss that did not arise from the Company's continuing operations;
- e. Causes for any material changes from period to period in one or more line item of the Company's financial operations;
- f. Seasonal aspects that had a material effect on the financial condition or results of the operations;

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

Review of Interim period March 31, 2012 versus March 31, 2011

REVIEW OF RESULTS OF OPERATIONS

Revenues for the three-month period amounted to ₱ 378.9 million. The Company's sales of real estate of ₱ 191.6 million came from sale of lots in Newcoast Shophouse District and Boutique Hotel in Malay, Aldan, and Sta. Barbara Heights in Ilo-Ilo City. Income from rentals and golf course maintenance contracts amounted to ₱ 62.7 million. Realized gross profit on prior years' sales amounted to Php62.6 million due to increase in development of ongoing projects. The group started hotel operations in the second quarter of 2011 and generated total revenues for the 1st quarter of 2012 amounting to Php 27.0 million. Balance of revenues was contributed by equity in net earnings of associates and other income of ₱ 34.9 million.

The company posted a Php50.7 million Net Income or 15% increase for the three-month period ended March 31, 2012, as compared to a Php44.0 million net income realized as of March 31, 2011, mainly due to the increase in real estate sales and realized gross profit on prior years' sales.

As a result, Earnings per share increased to Php 0.0068 from the previous year's level of Php 0.0055

Major Movements of Income Statement Accounts are as follows:

- 36% Increase in Real Estate Sales due to increase in sales generated from a new project.
- 100% Increase in Realized gross profit from prior year sales - due to increase in development of ongoing projects.
- 39% Increase in Service and Rental Income -Due to increase in revenue from golf course maintenance
- 100% Increase in Hotel revenue - one of the subsidiaries started hotel operations on the 2nd quarter of 2011.
- 54% Decrease in Equity in Net Earnings of Associates, Joint Ventures, interest and other income - Primarily due to decrease in other income.
- 74% Increase in Cost of Real Estate Sales - due to increase in real estate sales recognized for the period
- 71% Increase in Cost of Services - mainly due to increase in service revenue.
- 16% Increase in General & Administrative Expense - resulting from aggressive marketing activities as well as other administrative and corporate overhead expense.
- 68% Decrease in Interest and other charges - loans and bonds payable were fully settled as of 1st quarter of 2011.
- 52% Increase in Income tax expense - due to increase in taxable income.

REVIEW OF FINANCIAL CONDITION

The Group's financial position remained stable. Total assets as of March 31, 2012, Php21.2 billion compared to Php21.0 billion as of December 31, 2011, posted an increase of Php195.9 million or 1%.

Cash and cash equivalents decreased by 22% from Php993.1 million in December 2011 to Php779.19 million as of March 31, 2012 as a result of land acquisition and project development. Trade and other payables increased by 5% from Php 1.70 billion in December 2011 to Php 1.79 billion as of March 2012 as a result of increase in trade payables for project development. Reserve for property development cost increased by 8% due to increase in sales recognized for the period.

- 22% Decrease in Cash and cash equivalents - mainly due to project development and land acquisition.

- 5% Increase in Trade and other payable – as a result of increase in trade payables for project development.
- 8% Increase in Reserve for Property Development Cost – due to increase in sales recognized for the period.
- 16% Increase in Deferred Tax Liability – due to increase in taxable temporary difference..

OTHERS

As of the 1st quarter ended March 31, 2012, there are no:

- Known trend, demands, commitments, events or uncertainties that would have a material impact on the Company.
- Material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the net sales/revenues/income from continuing operations.
- Significant elements of income or loss that did not arise from the Company's continuing operations.
- Causes for any material changes from period to period in one or more line items of the Company's financial operations.
- Seasonal aspects that had a material effect on the financial condition or results of the operations.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

In compliance with SEC Memorandum Circular No. 8, Series of 2003, and the Company's Manual of Corporate Governance, which require that the Company's external auditor be rotated or the handling partner changed every five (5) years or earlier, the Company's Board of Directors approved, on 30 June 2011, the designation of Punongbayan & Araullo for the audit of the financial statements of the Company starting the year ending 30 September 2011. The handling partner then designated was Mr. Leonardo D. Cuaresma Jr. who is one of the Audit & Assurance partners of Punongbayan & Araullo.

KL Sy and Associates (KL Siy) was the auditor of the Group for the fiscal year ended 30 September 2010 and Constantino Guadalquiver and Company was the auditor of the Group for the fiscal year ended 30 September 2009.

There are no disagreements with the auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Company and its subsidiaries.

AUDIT AND AUDIT- RELATED FEES

For the audit of the registrant's financial statements provided by the external auditors in connection with statutory and regulatory filings for the calendar and fiscal year report of 2011 and 2010, audit fee was approximately ₱ 0.75 million for the calendar year report and ₱ 1.2 million for the fiscal year report in 2011 and ₱ 1.0 million in 2010

No other assurance and related services have been rendered by the external auditors to the Corporation other than the items discussed above.

Item 9. Market for Registrant's Common Equity and Related Stockholder Matters

(1) Stock Prices

Global-Estate Resorts, Inc. common shares are listed in the Philippine Stock Exchange. Share prices have been retroactively adjusted to reflect the effects of stock dividends paid by the Company up to 31 December 2011.

	Philippine Stock Exchange Average Closing Price per Share (P)	
	High	Low
2011		
First Quarter	1.98	1.85
Second Quarter	2.04	1.97
Third Quarter	2.58	2.46
Fourth Quarter	2.19	2.11
As of March 31, 2012	2.19	2.11
2010		
First Quarter	0.35	0.33
Second Quarter	0.42	0.40
Third Quarter	0.51	0.48
Fourth Quarter	0.75	0.71

The market capitalization of GERI as of 21 May 2012 based on the closing price at P2.04 per share of GERI's shares at that date, was approximately P17.17 billion.

(2) Holders

GERI has a total of about 4,561 common shareholders as of May 21, 2012.

TOP 20 STOCKHOLDERS AS OF MAY 21, 2012

<u>No.</u>	<u>Stockholder</u>	<u>No. of Shares</u>	<u>% of Ownership</u>
1	Alliance Global Group, Inc.	5,255,000,000	62.43%
2	Fil-Estate Management, Inc.	1,358,764,561	16.14%
3	PCD Nominee Corporation(Filipino)	1,310,107,557	15.56%
4	PCD Nominee Corporation(Foreign)	375,613,918	4.46%
5	CAP Pension Trust Fund	9,263,280	0.11%
6	Greenfield Development Corporation	8,640,000	0.10%
7	John T. Lao	7,035,100	0.08%
8	Lucio W. Yan	5,755,000	0.07%
09	Romeo G. Roxas	3,716,000	0.04%
10	Avesco Marketing Corp.	3,512,106	0.04%
11	RBL Finishing Corporation	2,924,998	0.03%
12	Wilbur L. Chan	2,611,825	0.03%
13	Buenafortuna, Inc.	2,262,992	0.03%
14	Jennifer C. Lee or Josephine C. Lim	2,000,000	0.02%
15	Gilmore Property Marketing Associates, Inc.	1,983,000	0.02%
16	Federal Homes, Inc.	1,939,860	0.02%
17	Philippine Veterans Bank FAO	1,837,428	

	Comprehensive Annuity Plans & Pension Corp		0.02%
18	Fritz L. Dy	1,813,500	0.02%
19.	Dynaland Properties & Developers, Inc.	1,700,001	0.02%
20.	Robert John L. Sobrepena	1,617,485	0.02%
	Total	8,358,098,611	99.29%

Dividends

The retained earnings account as of December 31, 2011 is restricted from being declared as dividends to the extent of the undistributed net earnings of subsidiaries associates and joint ventures amounting to ₱ 3.67 billion in December 2011 and ₱ 3.63 billion in September 2011 . No declaration of cash dividends was made in the last three (3) years.

(4) Recent Sale of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

On August 28, 2010, the Company's stockholders approved the increase in the Company's authorized capital stock from P5 billion to P10 billion. The Company's application for increase in authorized capital stock was approved by the SEC on January 20, 2011. Thereafter, the Company issued 5.0 billion fully paid shares, at P1.00 per share, to AGI representing sixty-percent (60%) of the outstanding capital stock of the Company.

On July 26, 2011, Lim Asia Multi-Strategy Fund, Inc. a holder of the Company's warrants converted 6.0 million warrants into common shares of the Company at an exercise price of P1.00 per share.

On May 18, 2012, Lim Asia Multi-Strategy Fund, Inc. a holder of the Company's warrants converted 62.0 million warrants into common shares of the Company at an exercise price of P1.00 per share.

Discussion on Compliance with Leading Practice on Corporate Governance

The Corporation had adopted the Self-Rating System on Corporate Governance being implemented by the Securities and Exchange Commission through SEC Memorandum Circular No. 5, Series of 2003 to assess compliance with leading practices on corporate governance. The Compliance Officer meets with the directors and top-level management from time to time to evaluate compliance with the Corporation's Manual on Corporate Governance.

In order to comply fully with the adopted leading practice on good corporate governance, the Compliance Officer is present at all meetings of the Board of Directors and closely coordinates with the Chairman and the President to ensure full compliance with the adopted leading practices on good corporate governance. The Compliance Officer furnishes the Board of Directors and top-level management with copies of new rules, regulations, circulars and orders of the Securities and Exchange Commission and the Philippine Stock Exchange to continuously update its Directors and top-level management with new requirements for compliance with leading practices on corporate governance. In addition, the Compliance Officer requires and encourages its Directors and top-level management to attend seminars on good corporate governance.

There are no material deviations to date from the Corporation's Manual of Corporate Governance. The Board has no immediate plans to adopt new policies for corporate governance.

Undertaking to Provide Annual Report

The Corporation undertakes to provide each stockholder without charge a copy of its Annual Report on SEC Form 17-A upon written request addressed to either of:

Mr. Roberto S. Roco
Corporate Information Officer
5th Floor Renaissance Tower
Meralco Ave., Pasig City

Banco de Oro Unibank, Inc.
Stock Transfer Department
Makati Ave. Cor. H.V. dela Costa St.
Makati City