APC GROUP INC.

August 13, 2013

DISCLOSURE DEPARTMENT
PHILIPPINE STOCK EXCHANGE, INC.
4th Floor, Philippine Stock Exchange Centre
Exchange Road, Ortigas Center, Pasig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Gentlemen:

We hereby submit APC Group, Inc.'s SEC Form 17-Q for the second quarter ended June 30, 2013.

We trust the foregoing is in order.

Very truly yours,

Bernardo D. Lim
Executive Vice President/
Chief Finance Officer

Ground Floor, PhilCom Building
8755 Paseo de Roxas, Makati City
Metro Manila, Philippines
Tels.: (632) 845-0620; 845-0621
(632) 845-0637; 845-0638
(632) 845-0614; 845-0647
Fax No.: (632) 845-0259

COVER SHEET

AS093-8127
S. E. C. Registration Number

APC GROUP, INC.
(Company's Full Name)

8TH FLOOR PHILCOM BUILDING
8755 PASEO DE ROXAS
MAKATI CITY
(Business Address: No. Street City/Town/province)

MONETTE T. CRUZ
Contact Person

845-0614
Company's Telephone Number

12 31
Month Day
Fiscal Year

SEC FORM 17-Q
FORM TYPE

06 18
Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Number of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

L C U

Cashier

S T A M P S

Remarks = Pls. use black ink for scanning purposes

COVER SHEET

APC GROUP INC.
(Company's Full Name)

8755 Ground Floor, Philcom Bldg. Paseo de Roxas Makati City
(Company's Address: No. Street City/Town/Province)

845-0614;845-0620;845-0621
(Company's Telephone No.)

December 31
(Fiscal Year Ending)
(Month & Day)

June 16
(Annual Meeting)

TERM EXPIRING ON

2ND QTR 2013
SEC 17Q
(FORM TYPE)

Amendment & Designation (If applicable)

(Secondary License Type, If any)

LGU

Cashier

DTU

ASO93-008127-A
S.E.C. Reg. No.

Centrol Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17 - Q

QUARTERLY REPORT PURSUANT TO SECTION 11 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarter period ended **June 30, 2013**

2. Commission identification number **AS093-08127** **3. BIR Tax Identification No.** **002-834-075**

4. Exact name of registrant as specified in its charter **APC GROUP, INC.**

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

6. Industry classification ☐ **(SEC Use Only)**

7. Address of registrant's principal office
Tenth Floor, Philcom Bldg., 8755 Paseo de Roxas, Makati City, 1226

8. Registrant's telephone number, including area code **(632) 845-0614**

9. Former name, former address and former fiscal year, if changed since last report

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

Title of each Class	**Number of Shares of common Stock outstanding and amount of debt outstanding**
Common Stock	**7,511,809,997**

11. Are any or all of the Securities listed in a Stock Exchange?

Yes(X) **No( )**

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Out of a total of 7,511,809,997 outstanding common shares, only 2,726,641,700 shares are listed on the Philippine Stock Exchange (PSE).

12. Indicate by check whether the registrant:

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

Yes(X) **No( )**

(b) **has not been subject to such finling requirements for the past 90 days**

Yes(X) **No( )**

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

APC GROUP INC. AND SUBSIDIARIES
Consolidated Balance Sheets
June 30, 2013

		June 30 2013		December 31 2012
ASSETS				
Current Assets				
Cash and cash equivalents	P	83,078,301	P	44,629,483
Trade and other receivables		1,622,485		25,308,225
Available-for-sale financial assets		84,921		84,921
Other current assets		8,364,240		7,646,451
		93,149,947		77,669,080
Asset classified as held-for-sale		-		119,648,365
Total Current Assets		93,149,947		197,317,445
Noncurrent Assets				
Available-for-sale financial assets		30,185,100		32,194,700
Property and equipment		1,077,440		1,293,017
Investment Properties		156,989,001		156,953,000
Goodwill and other noncurrent assets		130,282,796		130,792,213
Total Noncurrent Assets		318,534,337		321,232,930
	P	411,684,285	P	518,550,375
LIABILITIES AND EQUITY				
Current Liabilities				
Loans payable	P	-	P	-
Trade and other payables		13,367,434		13,603,358
Income tax payable		-		861
Advances from Related Parties		84,201,085		91,485,945
		97,568,519		105,090,164
Liabilities directly associated with assets classified as held-for-sale		-		78,034,106
Total Current Liabilities		97,568,519		183,124,270
Noncurrent Liabilities				
Subscription payable		75,161,959		75,161,959
Accrued retirement costs		5,077,363		4,870,764
Total Noncurrent Liabilities		80,239,322		80,032,723
Total Liabilities		177,807,841		263,156,993
Equity Attributable to Equity Holders of the Parent Company				
Capital Stock		6,388,012,148		6,388,012,148
Additional paid-in capital		1,613,942,096		1,613,942,096
Unrealized mark-to-market gain on available-for-sale financial assets		16,999,700		19,000,300
Gain on dilution		226,304		226,304
Deficit, beg.		(7,738,007,903)		(7,738,007,903)
Net income		(20,723,223)		
Treasury shares		(29,435,220)		(29,435,220)
Total Equity Attributable to Equity Holders of athe Parent Company		231,013,902		253,737,725
Equity Attributable to Non-controllong Interests		2,862,542		1,655,657
Total Equity		233,876,444		255,393,382
	P	411,684,285	P	518,550,375

BERNARDO D. LIM
EVP/CFO

APC GROUP INC. AND SUBSIDIARIES
Consolidated Income Statements
June 30, 2013

	2nd Quarter 2013 (April - June)	YTD 2013 (Jan.-June)	2nd Quarter 2012 (April - June)	YTD 2012 (Jan.-June)
SERVICE FEES	P -	P -	P 91,149,728	P 179,167,885
INCOME (EXPENSES)				
Cost of services	-	-	(84,201,085)	(165,416,600)
General and administrative	(3,513,013)	(7,719,387)	(9,528,091)	(20,157,860)
Interest Income	404,071	727,005	92,810	127,933
Dividend Income	-	-	-	3,000
Gain(loss) on Available-for-sale financial assets	-	-	256,569	256,569
Gain(loss) on sale of investments	500,000	500,000		
Loss on sale of investment in subsidiary	(14,347,769)	(14,347,769)	690,043	1,350,385
Equity in net loss	-	-	(99,292)	(99,292)
Other expenses	-	-	219,127	(284,903)
	(16,956,711)	**(20,840,151)**	**(92,569,919)**	**(184,220,768)**
INCOME (LOSS) BEFORE INCOME TAX	**(16,956,711)**	**(20,840,151)**	**(1,420,191)**	**(5,052,883)**
Provision for Income tax-current	-	-	(195,151)	(297,067)
NET INCOME(LOSS) from continuing operations	**P (16,956,711)**	**P (20,840,151)**	**P (1,615,342)**	**P (5,349,950)**
NET INCOME(LOSS) from discontinued operations				
	(16,956,711)	**(20,840,151)**	**(1,615,342)**	**(5,349,950)**
OTHER COMPREHENSIVE INCOME (LOSS)				
Mark-to-market gain on available-for-sale financial assets	**(1,000,000)**	**(2,000,600)**	**(1,197,517)**	**803,861**
TOTAL COMPREHENSIVE INCOME (LOSS)	**(17,956,711)**	**(22,840,751)**	**(2,812,859)**	**(4,546,089)**
Income/loss attributable to:				
Equity holders of the Parent Company		(20,723,223)		(5,411,090)
Non-controlling interests		(116,928)		61,140
		(20,840,151)		**(5,349,950)**
Total comprehensive income/loss attributable to:				
Equity holders of the Parent Company		(22,723,823)		(4,607,229)
Non-controlling interests		(116,928)		61,140
		(22,840,751)		**(4,546,089)**
Basic/Diluted Earnings (Loss) Per common Share				
(20,723,223/7,504,203,997 June 30, 2013		**(0.0028)**		**(0.0007)**
(P5,411,090)/7,504,203,997 June 30, 2012				
Weighted average number of common shares:				
Total common shares	7,511,809,997	7,511,809,997		
Less: Treasury shares	(7,606,000)	(7,606,000)		
Weighted average common shares	**7,504,203,997**	**7,504,203,997**		

BERNARDO D. LIM
EVP/CFO

APC GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	June 2013			June 2012		
	Number of Shares		Amount	Number of Shares		Amount
CAPITAL STOCK						
P 1 par value						
Authorized						
Preferred shares	6,000,000,000	P	6,000,000,000	6,000,000,000	P	6,000,000,000
Common shares	14,000,000,000		14,000,000,000	14,000,000,000		14,000,000,000
	20,000,000,000		20,000,000,000	20,000,000,000		20,000,000,000
Issued						
Common						
Balance at end of quarter	2,498,069,059		2,498,069,059	2,498,039,060		2,498,039,060
Subscribed (net of subscription receivable amounting to P1,123,797,849)						
Common						
Balance at end of quarter	3,889,943,089		3,889,943,089	3,539,950,590		3,539,950,590
Capital Stock						
Common						
Balance at end of quarter	6,388,012,148		6,388,012,148	6,037,989,650		6,037,989,650
Additional Paid-in Capital			1,613,942,096			1,963,942,094
Gain on dilution			226,304			226,304
Unrealized Mark-to-Market Gain /Loss on Available for Sale Financial Assets			16,999,700			22,000,900
Deficit						
Balance at beginning of year			(7,738,007,903)			(7,739,114,866)
Net income(loss)			(20,723,223)			(5,411,090)
Balance at end of year			(7,758,731,126)			(7,744,525,956)
Less cost of 7,606,000 shares held by a subsidiary			(29,435,220)			(29,435,220)
Minority interest			2,862,542			5,237,019
		P	**233,876,444**		**P**	**255,434,791**

BERNARDO D. LIM
EVP/CFO

APC GROUP INC. AND SUBSIDIARIES
Consolidated Cash Flows
For the Period Ended June 30, 2013

	Jan. - June 2013	April - June 2013	Jan. - June 2012	April - June 2012
Net cash provided by (used in) operating activities	P 39,193,090	P 18,676,750	P 17,939,971	P 3,747,647
Net cash provided by (used in) investing activities	(2,399,929)	(1,971,503)	(9,979,286)	(2,005,032)
Net cash provided by (used in) financing activities	1,655,657	3,122,400	(5,817,382)	(3,306,933)
Net increase(decrease) in cash and cash equivalents	38,448,818	**P 19,827,647**	2,143,303	**P (1,564,318)**
Cash and cash equivalents, beginning	44,629,483		19,628,634	
Cash and cash equivalents, June 30	**P 83,078,301**		**P 21,771,937**	

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Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations

Balance Sheet

Total assets decreased by P106.9 million from P 518.6 million as of December 31, 2012 to P 411.7 million as of June 30, 2013.

- Cash and cash equivalents increased by P38.4 million, mainly due to collection of advances to APC Properties, Inc. and APC Distribution Networks, Inc. which were sold in late 2012 and the sale of Environment and General Services, Inc. (EGSI) in 2013, which generated total cash proceeds of P49.7 million, partially offset by disbursements for operating activities (P9.5 million).
- Receivables decreased by P23.7 million attributable to the collection of advances resulting from the sale of subsidiaries as mentioned above.
- Asset classified as held-for-sale as of December 31, 2012 amounting to P119.6 million pertained to EGSI which was sold in April 2013.
- Non-current Available for Sale Financial Assets decreased by P2.0 million due to the decrease in market value of investments in stocks.

Advances from related parties decreased by P9.2 million representing advances to EGSI made by an APC subsidiary.

Likewise, liabilities directly associated with assets classified as held-for-sale amounting to P78.0 million as of December 31, 2012 pertained to EGSI.

Stockholders' Equity as of June 30, 2013 and December 31, 2012 amounted to P233.9 million and P255.4 million, respectively. The decrease of P21.5 million was mainly attributable to net loss for the six month period ending June 30, 2013 amounting to P20.8 million

There were no off-balance sheet transactions.

Income Statement

There were no more manpower service revenues and cost of services for the second quarter of 2013 due to the sale of EGSI.

Net loss for the second quarter of 2013 amounted to P17.0 million compared to a net loss of P1.6 million for the same period last year. The increase of P15.1 million was due to the loss from the sale of EGSI amounting to P14.3 million.

Total comprehensive loss for the second quarter of 2013 amounted to P18.0 million compared to a loss of P2.8 million for the same period last year, higher by P15.2 million, due to the reason stated above.

As of June 30, 2013, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company for the periods ended December 31, 2012 and June 30, 2013, except those mentioned above.

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Key Performance Indicators

The key performance indicators of APC Group are as follows:

		(Amount in P 000,0000)	
		June 2013	**June 2012**
EBITDA (Earnings before interest, taxes, depreciation and amortization)	P	**(20.6)** P	**(4.5)**

The decrease in EBITDA was due to recognition of impairment loss on advances to a subsidiary (EGSI).

	June 2013	**December 31, 2012**
Current Ratio		
Current Assets	93.1	197.3
Current Liabilities	97.6	183.1
	95%	**108%**
	.95:1	**1.08:1**

The decrease in Current Ratio of 13% was due to higher decrease in current assets than decrease in current liabilities resulting from the sale of a subsidiary (EGSI).

Return on Assets		
Net Income (Loss)	(20.8)	4.7
Total Assets	411.7	518.6
	-5.1%	**0.9%**
	.05;1	**.01:1**

The decrease in Return of Assets of 6% was the result of higher net loss recognized for the six month ending June 30, 2013 and decrease in total assets resulting from sale of a subsidiary (EGSI).

Stockholders' Equity Ratio		
Stockholders'Equity	233.9	255.4
Total Assets	411.7	518.6
	57%	**49%**
	.57:1	**.49:1**

The increase in Stockholders' Equity Ratio of 8% was due to the lower total assets as of June 30, 2013 resulting from the sale of a subsidiary (EGSI.).

Total Liabilities to Stockholders' Equity Ratio		
Total Liabilities	177.8	263.2
Stockholders' Equity	233.9	255.4
	76%	**103%**
	.76:1	**1.03:1**

The decrease in Total Liabilities to Stockholders' Equity Ratio of 28% was due to the decrease in total liabilities resulting from the sale of a subsidiary (EGSI).

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Financial Soundness Indicators:

	June 2013	June 2012
Current/Liqudity Ratio		
Current Assets	93.1	154.3
Current Liabilities	97.6	222.8
	95%	**69%**
	.95:1	**.9:1**

The increase in Current Ratio/Liqudity Ratio of 28% was due to higher decrease in current liabilities than decrease in current assets resulting from sale of a subsidiary (EGSI).

	June 2013	June 2012
Solvency Ratio, Debt-to-equity Ratio		
Total Liabilities	177.8	328.6
Stockholders' Equity	233.9	255.4
	76%	**129%**
	.76:1	**1.29:1**

The decrease in Solventcy Ratio, Debt-to-Equity Ratio of 54% was due to the decrease in current liabilities resulting from sale of a subsidiary (EGSI).

	June 2013	June 2012
Asset-to-equity Ratio		
Total Assets	411.7	584.1
Stockholders' Equity	233.9	255.4
	176%	**229%**
	1.76:1	**2.29:1**

The decrease in Asset-to-Equity Ratio of 54% was due to the decrease in current liabilities resulting from sale of a subsidiary (EGSI).

	June 2013	June 2012
Profitability Ratio		
Net Income (Loss)	(20.8)	(5.4)
Total Assets	411.7	584.1
	-5.1%	**-0.9%**
	(.05):1	**(.01):1**

The decrease in Profitability Ratio of 4.2% was the result of higher net loss recognized for the six month ending June 30, 2013 and decrease in total assets resulting from sale of a subsidiary (EGSI).

BERNARDO D. LIM
EVP/CFO

SIGNATURES

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

Issuer:	**APC Group Inc.**
Chairman of the Board	**Willy N. Ocier**
Date:	**August 13, 2013**
President	**Frederic C. DyBuncio**
Date:	**August 13, 2013**
EVP/CFO	**Bernardo D. Lim**
Date:	**August 13, 2013**

APC GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2013

1. Principles of Consolidation

The consolidated financial statements include the accounts of the Parent Company and the following subsididaries (collectively referred to as the "Company"):

	Percentage of Ownership
APC Cement (ACC)	100.00 (1)
Aragorn Coal Resources Inc.	100.00 (1)
Aragorn Power & Energy Corp.	90.00 (1)
APC Mining Corporation	83.00 (1)

(1) Still in the pre-operating stage

All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

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EVP/CFO

8. RISK EXPOSURES

Financial Risk Management

The Company's principal financial instruments comprise advances from related parties and loans payable. The main purpose of these financial liabilities is to finance the Company's operations. The Company has cash and cash equivalents, trade and other receivables, deposits and trade and other payables that arise directly from its operations. The Company also holds AFS financial assets.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and equity price risk. The BOD reviews and approves policies of managing each of the risks and they are summarized below.

Interest Rate Risk
The Company's exposure to interest rate risk is minimal since the Company's borrowing is short-term in nature and interest rate is fixed.

Credit Risk
Credit risk is the risk that a counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss.

To manage credit risk, the Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subjected to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Company's exposure to bad debts.

There are no significant concentrations of credit risk within the Company. Since the Company deals only with recognized third parties, there is no requirement for collateral.

Liquidity Risk
The Company's objective is to maintain continuity of funding. The Company's policy is to maximize the use of suppliers' credit for all its major purchases and limit major capital expenditures at a reasonable level.

The Company monitors its cash position by a system of cash forecasting. All expected collections, check disbursements and other payments are determined on a weekly basis to arrive at the projected cash position to cover its obligations.

There is no material change in the financial risk exposures of the company and its subsidiaries particularly on currency, interest, credit, market and liquidity risks on its June 30, 2013 interim financial statements compared to the December 31, 2012 audited consolidated financial statements of APC Group Inc.

9. FINANCIAL INSTRUMENTS

Fair value of financial Instruments

A comparison by category of the carrying values and estimated fair values of the Company's financial instruments that are carried in the consolidated financial statements as of June 30, 2013 and December 31, 2012 are as follows:

	June 30, 2013		December 31, 2012	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Financial assets:				
Loans and receivables:				
Cash and cash equivalents	**₱83,078,301**	**₱83,078,301**	**₱44,629,483**	**₱44,629,483**
Trade and other Receivables	**1,622,485**	**1,622,485**	**25,308,225**	**25,308,225**
Deposits*	**29,213**	**29,213**	**19,217**	**19,217**
AFS financial assets	**30,270,021**	**30,270,021**	**32,279,623**	**32,279,621**
Total financial assets	**₱115,000,020**	**₱115,000,020**	**₱102,236,546**	**₱102,236,546**
Financial liabilities -				
Other financial liabilities:				
Loans payable	**₱ 0**	**₱ 0**	**₱ 0**	**₱ 0**
Trade and other payables**	**13,578,891**	**13,578,891**	**12,792,072**	**12,792,072**
Advances from related parties	**84,201,085**	**84,201,085**	**91,485,945**	**91,485,945**
Subscriptions payable	**75,161,959**	**75,161,959**	**75,161,959**	**75,161,959**
Other noncurrent liabilities	**0**	**0**	**0**	**0**
Total current financial liabilities	**₱172,941,935**	**₱172,941,935**	**₱179,439,976**	**₱179,439,976**

** Included in "Other noncurrent assets" account*
***Excluding statutory liabilities.*

Cash and Cash Equivalents, Trade and Other Receivables, Trade and Other Payables,
Loans Payable and Advances from Related Parties

Due to the short-term nature of the transactions, the carrying values approximate the fair values at reporting dates.

AFS Financial Assets

The fair values of quoted equity securities were determined by reference to market bid quotes as of reporting dates. The unquoted equity securities were valued at cost.

Deposits and Other Noncurrent Liabilities

Estimated fair value of deposits is based on the discounted value of future cash flows using the prevailing interest rates that are specific to the tenor of the instruments' cash flows as of reporting dates.

The company has no investments in foreign securities

11. FAIR VALUE HIERARCHY

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

12. MANAGEMENT'S USE OF JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect certain reported amounts and disclosures. In preparing the consolidated financial statements, management has made its best judgments and estimates of certain amounts, giving due consideration to materiality. The judgments, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from those estimates, and such estimates will be adjusted accordingly.

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

Fair Value of Financial Assets and Liabilities. Certain financial assets and liabilities are required to be carried at fair value, which requires the use of accounting estimates and judgment. While significant components of fair value measurement are determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, volatility rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these financial assets and financial liabilities would directly affect profit or loss and equity.

13. FUTURE CHANGES IN ACCOUNTING POLICIES

The Company will adopt PFRS 9 (Financial Instruments: Recognition and Measurement) when this becomes effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended standard and interpretation to have significant impact on its consolidated financial statements.

- PFRS 9, *Financial Instruments: Classification and Measurement* (effective for annual periods beginning on or after January 1, 2013), as issued in 2010, reflects the first phase of the work on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. In subsequent phases, hedge accounting and de recognition will be addressed. The completion of this project is expected in early 2011. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

Other Required Disclosures

A.) The attached interim financial reports were prepared in accordance with accounting standards generally accepted in the Philippines. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2012. The adoption of PFRS 9, Financial instruments: *Classification and Measurement*, will have an effect on the classification and measurement of financial assets and liabilities. The Company will quantify the effect in conjunction with the other phases when issued, to present a comprehensive picture. As of June 30, 2013, the Company has decided not to early adopt PFRS 9 on consolidated financial statements.

B.) Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.

C.) There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.

D.) Except as disclosed in the MD&A, there were no other issuance, repurchases and repayments of debt and equity securities.

E.) There were no material events that occurred subsequent to June 30, 2013 and up to the date of this report that need disclosure herein.

F.) There were no changes in the composition of the Company during the interim period such as business combinations, acquisition or disposals of subsidiaries and long-term investments, restructuring and discontinued operations.

G.) There were no changes in contingent liabilities or contingent assets since December 31, 2012.

H.) There exist no material contingencies and other material events or transactions affecting the current interim period.

14. Additional Disclosures on the interim financial statements as of June 30, 2013 on the applicability and impact evaluation on the following standards based on audited financial statements as of December 31, 2012:

Title	Subject	Applicability	Impact Evaluation
1 Amended PAS 27	Separate Financial Statements	Applicable	No significant impact.
2 Amended PAS 28	Investments in Associates and Joint Ventures	Not applicable	The Company has no investments in associates and joint ventures.
3 Amendments to PFRS 1	Government Loans	Not applicable	The Company has no existing government loans.
4 Amendments to PFRS 7	Disclosre-Offsetting Financial Assets Financial Liabilities	Not applicable	The Company has no offsetting of financial assets and financial liabilities.
5 PFRS 10	Consolidated Financial Statements	Applicable	No significant impact.
6 PFRS 11	Joint Arrangements	Not applicable	The Company has no existing joint arrangements such as joint operation and joint venture.
7 PFRS 12	Disclosure of Interests in Other Entities	Applicable	No significant impact.
8 PFRS 13	Fair Value Measurement	Applicable	No significant impact.

BERNARDO D. LIM
EVP/CFO

Information with regard to the significant business segments of the Company and its subsidiaries are shown below:

SCHEDULE 2-A

	JANUARY - JUNE 2013				
	General Services	APC Parent and others	Combined	Eliminations	Consolidated
Revenues	-	-	-	-	-
Income (loss) from operations	-	-	-	-	-
Interest Expense	-	-	-	-	-
Interest Income	-	727,005	727,005	-	727,005
Provision for income tax	-	-	-		-
Net Income (loss)	-	(20,840,151)	(20,840,151)	-	(20,840,151)
Other Information					
Segment Assets	-	411,684,285	411,684,285	-	411,684,285
Investment and advances	-	296,658,369	296,658,369	(296,658,369)	(0)
Consolidated total assets	-	711,367,689	711,367,689	(299,683,404)	411,684,285
Consolidated total liabilities	-	408,089,788	408,089,788	(230,281,947)	177,807,841
Depreciation and amortization	-	177,902	177,902	-	177,902
Other noncash expenses other than depreciation and amortization	-	-	-	-	-

SCHEDULE 2-B

	JANUARY - JUNE 2012				
	General Services	APC Parent and others	Combined	Eliminations	Consolidated
Revenues	179,167,885	-	179,167,885	-	179,167,885
Income (loss) from operations	490,850	(6,897,425)	(6,406,575)	-	(6,406,575)
Interest Expense	-	-	-	-	-
Interest Income	-	127,933	127,933	-	127,933
Provision for income tax	61,784	235,283	297,067		297,067
Net Income (loss)	144,163	(5,493,413)	(5,349,250)	-	(5,349,250)
Other Information					
Segment Assets	117,820,286	428,574,050	546,394,336	-	546,394,336
Investment and advances	-	399,869,845	399,869,845	(362,164,583)	37,705,262
Consolidated total assets	117,820,286	824,443,895	942,264,181	(362,164,585)	580,099,596
Consolidated total liabilities	84,664,084	442,311,761	526,975,845	(190,214,656)	336,761,191
Depreciation and amortization	256,259	294,367	550,626	-	550,626
Other noncash expenses other than depreciation and amortization	-	-	-	-	-

APC GROUP INC. AND SUBSIDIARIES
Aging of Accounts Receivable
As of June 30, 2013

COMPANY		TOTAL	1 Month	2 - 3 Months	4 - 6 Months	7 Months to 1 Year	1 - 2 Years	3 - 5 Years	5 Years above	Past due accounts & items in litigation
Type of Accounts Receivables										
a. Non - Trade Receivables										
1. APC Group Inc.	P	633,990	284,372	-	-	349,618	-	-	-	-
2. Aragorn Power		970,133	-	278,569			691,564			
3. APC Cement Corporation		16,950	-	-		16,950	-			
4. APC Mining		1,411	-	-	-		1,411			
Subtotal		1,622,485	284,372	278,569	-	366,568	692,975	-	-	-
Less: Allowance for Doubtful Accounts		-					-	-	-	-
Net Non - Trade Receivables	P	1,622,485	284,372	278,569	-	366,568	692,975	-	-	-

Type of Receivables	Nature/Description	Collection Period
Non-Trade Receivables		
1. APC Group Inc.	Receivables from employees	
2. Aragorn Power	Receivables from employees	
3. Aragorn Coal	Receivables from employees	
4. APC Mining	Receivables from employees	

Normal Operating Cycle: One Year