EXHIBIT 2

CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

COVER SHEET

[illegible]

Punongbayan & Araullo

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Report of Independent Auditors

The Board of Directors and Stockholders

[illegible]

Punongbayan & Araullo

...for growth

...were conducted for the purpose of fo... ...financial statements taken as a whole...

...subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion is fairly stated in all material respects...

PUNONGBAYAN & ARAULLO

Partner

CPA Reg. No. 0[illegible]47
TIN 109-22[illegible]2
PTR [illegible]

Firm - No [illegible] April [illegible]
BIR AN [illegible]

April [illegible], 20[illegible]

	Notes	2014	2013

CURRENT LIABILITIES

[illegible]

[illegible]

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	Notes	2014	2013	2012
Balance carried forward		(P 2,704,598,476)	(P 4,133,043,782)	(P 2,064,350,393)

CASH FLOWS FR[illegible]

WIDE CONSTRUCTION CORPORATION

MEC

on July 28, 2004 and is

ging

constructing, enlarging, repa

ing, or engaging in any

tion works which involve site development, earthworks,

struct

ural and civil

The registered address of Citicore, which is also its principal place of business, is at [redacted] functional currency. Functional currency is the currency of the primary economic

2.2 Adoption of New and Amended PFRS

(ii) PAS 36 (Amendment), *Impairment of Assets – Recoverable Amount Disclosures for* *(b) Effective Subsequent to 2014 but not Adopted Early*

There are new PFRS, amendments and annual improvements to existing standards

effective for annual periods subsequent to 2014 which are issued by the FRSC, subject to the approval of the BOA. Management will adopt the following relevant pronouncements in accordance with their transitional provisions and, unless

(iv) PAS 16 (Amendment), *Property, Plant and Equipment* and PAS 41 (Amendment), *Agriculture – Bearer Plants* (effective from January 1, 2016). The amendment defines a bearer plant as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as [illegible]

allowing such assets to be accounted for as property, plant and equipment [illegible]

- an expected loss model in determining impairment of all financial assets

[redacted]

(x) [illegible]FRS 12 (Amendment) *Disclosure of Interests in Oth[illegible]*

[redacted]

that the scope of the exception for measuring the fair value of a group of

[redacted]

2.3 Separate Financial Statements and Investments in Subsidiaries and Associates

As discussed in Note 10, in 2014, GMCAC and MCEI became subsidiaries of the

Financial assets at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Financial assets

All financial assets within th

future economic benefits are expected to arise from the continued use of the asset. Any

[redacted]

Finance charges, including direct costs, are charged to profit or loss on an accrual basis

[redacted]

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Company 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) *Contract revenues* – Revenue from construction of buildings is recognized using th

The Company determines whether an arrangement is, or contains, a lease based on the

2.18 Employee Benefits

2.19 Borrowing Costs

except to the extent that they are capitalized. Borrowing costs that are directly attributable

Deferred tax assets and deferred tax liabilities are offset if the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes relates to the same entity and the same taxable authority.

2.21 Related Party Relationships and Transactions

Company and its related parties, regardless of whether a price is charged.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with IFRS require

management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated *(d) Impairment of AFS Financial Assets*

The determination when an [illegible]

significant judgment. In making this judgment, the Company evaluates, among

(f) Determining Realizable Amount of Deferred Tax Assets

[redacted]

Short-term placements are made for varying periods from 14 to 90 days and earn annual effective interest of 1% in 2014, 2% in 2013 and between 2% to 7% in 2012. Total [illegible]

P87.9 million and P26.1 million in 2014, 2013 and 2012, respectively, and is presented as part of Finance Income in the statements of comprehensive income (see Note 19.2).

5. TRADE AND OTHER RECEIVABLES

[redacted]

2013 is shown below.

	Note	**2014**	2013

[redacted]

As of December 31, 2014 and 2013, the fair values of financial assets at FVTPL

The net amounts are included in the statements of financial position under the following:

	2014	2013
Costs in excess of billings on uncompleted contracts (shown under current assets)	**P 2,756,116,681**	P2,244,616,767
Billings in excess of costs on uncompleted contracts (shown under current liabilities)	**(153,915,058)**	(2,317,861,428)

9.2 Deferred Input VAT

Deferred input VAT pertains to the unamortized input VAT on purchases of capital goods

[illegible]

10. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES AND ACQUISITION OF ASSETS

The components of the Investments in Subsidiaries and Associates as of December 31 are as follows:

	Note	2014	2013
Subsidiaries:	10.1		
GMCAC:			
Investment		**P3,040,446,164**	P -
Deposit for future stock subscription		**154,509,942**	-
		3,194,956,106	-
MCEI		**3,862,297**	-
		3,198,818,403	-
Associates:	10.2		
MWCCI		**580,890,000**	-
CMCI		**200,000,000**	200,000,000
		780,890,000	200,000,000
		P3,979,708,403	P 200,000,000

10.1 [illegible]

(b) MCEI

On September 4, 2014, the Company acquired 70% of the issued and outstanding capital [redacted] *(b) CMCI*

In a special meeting by the BOD on October 3, 2012, the Company, together with Citicore, formed a joint venture corporation named CMCI whereby the Company shall own 10% of the issued and outstanding shares of stocks of CMCI (see Note 26.6). CMCI was incorporated in the Philippines on October 15, 2012 and is primarily engaged in general construction business.

[redacted]

beginning and end of 2014 and 2013 is shown below.

	Precast	Office Furniture, Fixture and	Transportation	Precast and Construction	Construction in

As of December 31, 2014 and 2013, the total carrying amount of transportation [redacted]

[redacted]

December 31:

The nominal rates refer to the Philippine Dealing System Treasury Fixing (PDST-F) rates

[illegible]

Total interest on these bank loans amounted to P199.2 million, P27.6 million and P38.6 million in 2014, 2013 and 2012 respectively, and is presented as Interest expense [illegible]

16. CONTRACT REVENUES

The details of this account are composed of revenues from:

	2014	2013	2012
[redacted]			
Completed contracts	413,522,297	42,630,462	1,076,107,298
[redacted]			

[redacted]

18. OPERATING EXPENSES BY NATURE

[redacted]

	Notes	2014	2013	2012
Outside services		**P 3,486,025,832**	P 3,325,452,632	P 2,409,354,281
[redacted]				
and facilities		**3,003,672,367**	3,897,316,640	3,219,725,540
Project overhead		**927,982,010**	985,365,045	567,974,963
Salaries and wages	20.1	**690,675,392**	576,544,381	438,876,509
Depreciation and amortization	9.5, 11	**376,946,951**	520,620,448	359,421,062
Taxes and licenses	30.1(e)	**25,540,497**	19,044,934	5,696,821
Repairs and [redacted]				

[redacted]

19. OTHER INCOME (CHARGES)

19.1 Finance Costs

[redacted]

	Notes	2014	2013	2012
Interest expense from:				
[redacted]				
	22.5			
Notes payable	13.1	**193,282,012**	267,685,396	63,877,000
Finance lease	13.3	**5,057,470**	48,606,497	32,339,187
		397,510,891	343,862,965	134,779,350
Impairment losses on receivables	5	**9,208,879**	-	95,046,554
[redacted]				

Amortization of deferred gain on sale and leaseback	11	P **19,012,080**	P 26,905,542	P 15,656,954
Gain on disposals of property, plant and equipment	11	**19,009,771**	19,412,623	2,176,227
Income from scrap sales	7	**2,946,430**	3,304,924	20,620,647
Others	10.3	**9,868,277**	-	528,943
		P 50,836,558	P 49,623,089	P 38,982,771

(a) Characteristics of Defined Benefit Plan

The Company maintains a partially funded and

defined benefit plan covering all regular full-time employees. The Company

The plan assets as of December 31, 2014 and 2013 consist of the UITF amounting to P3.9 million and P3.7 million, respectively. The Company has 2,970 participation units

[redacted]

mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 25. These assumptions were developed by management with the assistance of an

[redacted]

	2013		
	Impact on Post-Employment Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	+/- 1%	(P 20,425,790)	P 25,496,725
Salary growth rate	+/- 1%	22,876,615	(18,997,270)

The above sensitivity analysis is based on a change in an assumption while holding all

21. TAXES

21.1 Registration with BOI

On April 19, 2011, the BOI approved the Company's application for registration as a new producer of modular housing components/system on a nonpioneer status (see Note 1). Under the terms of the registration, the applicable rights and privileges provided in the Omnibus Investment Code of 1987, the Company is entitled to the [illegible]

(*a*) Income Tax Holiday (ITH) for a period of four years from June 1, 2011;

(*b*) Importation of consigned equipment for a period of 10 years from June 1, 2011

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in the statements of comprehensive income is as follows:

[redacted]

22. RELATED PARTY TRANSACTIONS

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

22.1 Rendering of Services

[redacted]

(related parties under common ownership), CMCI (associate), and to a certain

[redacted]

22.4 Cash in Banks

[redacted]

22.7 Others

(a) In 2012 the Company acquired 100.00% ownership interest in Altria (see Note 10.3)

a company which was previously owned by certain key stockholders of the Company, which transaction was accounted for as an asset acquisition. The unpaid balance of the purchase price presented as part of Non-trade payables under the Trade and [illegible]

23. EQUITY

23.1 Capital Stock

Capital stock consists of:

	Shares			Amount		
	2014	2013	2012	2014	2013	2012
Common shares – P1 par value						
[redacted]						
Issued and outstanding:						
[redacted]						

As of December 31, 2014, the Company has 40.0 million preferred shares traded in the PSE as of December 31, 2014. The preferred share price closed at P109.0 per share as of December 31, 2014.

23.2 Dividends

As discussed in Note 23.1, on May 14, 2014 and June 30, 2014, the Company's BOD and stockholders, respectively, approved the declaration of the stock dividends in relation to

[redacted]

Basic earnings per share (EPS) were computed as follows:

	2014	2013	2012
Net profit	**P 831,631,574**	P 1,398,359,985	P 1,013,571,548
Dividends on cumulative preferred shares	**21,750,000**	-	-
Income available to common shareholders	**809,881,574**	1,398,359,985	1,013,571,548
Divided by weighted average number of outstanding [redacted]	[redacted]	[redacted]	[redacted]

[redacted]

Basic and diluted earnings per share	**P 0.34**	P 0.61	P 0.48

* *After giving retroactive effect to the stock dividends declared (see Note 23).*

The Company does not have dilutive potential [illegible]

26.2 Finance Lease Commitments – Company as Lessee

[redacted]

27. RISK MANAGEMENT OBJECTIVES AND POLICIES

[redacted]

instruments. The Company's financial assets and liabilities by category are summarized in [redacted]

The Company's risk management is coordinated with the parent company, in close [redacted]

[redacted]

Generally [redacted]

the financial assets as shown in the statements of financial [redacted]

The Company's management considers that the financial assets which are past due but not impaired for each reporting period are of good credit quality based on

companies that have a good track record with the C

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of reporting period.

28. CATEGORIES, OFFSETTING AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

28.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the statements of financial [illegible]

	Notes	2014 Carrying Values	2014 Fair Values	2013 Carrying Values	2013 Fair Values
Loans and receivables:					
Cash and cash equivalents	4	P 4,300,046,116	P 4,300,046,116	P 2,276,933,774	P 2,276,933,774

28.2 Fair Value Hierarchy

non-financial assets which are measured at fair value on a recurring or non-recurring basis

Since the fair value of the Company's AFS financial assets approximates the cost

29. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's zero-rated and VAT exempt sales were determined pursuant to [redacted] *(e) Taxes and Licenses*

The details of Taxes and Licenses account are broken down as follows:

[redacted]

	Notes		
[redacted]			
	18	P	25,540,497

(b) Deductible Costs of Services

Deductible costs of services for the year ended December 31, 2014 comprises the following:

		Exempt	Regular Tax Rate
Materials, supplies and facilities	P	688,843,479	P2,308,593,846

(d) Itemized Deductions

The amounts of itemized deductions subject to regular rate for the year ended December [illegible] are as follows:

Interest [illegible]	[illegible]
[illegible] services	20,900,015
Repairs and maintenance	16,316,376
Communication, light and water	13,172,335
Professional fees	11,1[illegible],156
Transportation [illegible]	9,8[illegible]