

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarter ended June 30, 2004

2. SEC Identification Number ASO 94-00011164

3. BIR Tax Identification No. 004-504-224

4. C&P Homes, Incorporated

Exact name of the registrant as specified in its charter

5. Metro Manila, Philippines

Province, country or other jurisdiction of incorporation

6. Industry Classification Code  (SEC Use Only)

7. Camella Center, Alabang-Zapote Rd., Talon Las Pinas

Address of Principal Office

Postal Code

8. 772-10-93/6342694

Registrant's telephone number, including area code

9. Not Applicable

Former name, former address and former fiscal year, if change 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
<b>Common stock</b>	<b>4,796,071,929</b>

11. Are any of the registrant's securities listed on the Philippine Stock Exchange?

Yes [x]

No [ ]

12. 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 Section 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period of the registrant was required to file such reports.)

Yes ☒ No ☐

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

Yes ☒ No ☐

# **C&P HOMES, INC.**

## **CONSOLIDATED BALANCE SHEETS**

**AS OF June 30, 2004 and December 31, 2003**

**(In Million Pesos)**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>30-Jun-04</b>	<b>2003</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	141	182
Receivables-Net	2,630	2,288
Subdivision Land for Sale and Development	12,968	13,167
Residential Units for Sale and Development	357	363
Investments	115	110
Property and Equipment	19	18
Deposits on real estate purchases	935	931
Other Assets	322	294
<b>Total Assets</b>	<b>17,486</b>	<b>17,353</b>

**LIABILITIES AND STOCKHOLDERS' EQUITY****Liabilities**

Bank Loans	827	835
Loans and Notes Payable	106	127
Accounts Payable and Accrued Expenses	4,934	4,916
Income Tax payable	1	1
Customers' Advances and Deposits	436	379
Estimated Liability on Property Development	340	309
Commercial Papers and Floating Rate Notes Payable	10,108	10,084
<b>Total Liabilities</b>	<b>16,752</b>	<b>16,651</b>

<b>Deferred Credits</b>	<b>723</b>	<b>646</b>
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**Stockholders' Equity**

Capital stock-P1.00 par value		
Authorized- 500,000,000 shares		
Issued- 4,796,071,929 shares in 1999 and		
4,164,046,929 shares in 1998	4,796	4,796
Additional paid in capital	4,835	4,835
Retained earnings(Deficit)	(9,620)	(9,575)
<b>Total Stockholders' Equity</b>	<b>11</b>	<b>56</b>

<b>Total Liabilities and Stockholders' Equity</b>	<b>17,486</b>	<b>17,353</b>
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(See Notes to Interim Financial Statements)

**C&P HOMES, INC.****INCOME STATEMENT****AS OF June 30, 2004 and June 30, 2003****(In Million Pesos)**

	UNAUDITED APR-JUN 2003	UNAUDITED APR-JUN 2004	UNAUDITED JAN-JUN 2003	UNAUDITED JAN-JUN 2004
<b>Revenues</b>				
Real estate sales - net	432	399	726	807
Interest and dividend income	55	60	105	106
Miscellaneous-net	18	17	43	39
<b>Total Revenues</b>	<b>505</b>	<b>476</b>	<b>873</b>	<b>952</b>
<b>Costs and Expenses</b>				
Cost of real estate sales	148	219	294	409
Selling,marketing,general and administrative	97	96	179	191
<b>Total Costs and Expenses</b>	<b>245</b>	<b>315</b>	<b>473</b>	<b>599</b>
<b>Income before provision for probable losses on assets, interest</b>				
<b>expense, unusual and nonrecurring charges and income tax</b>	<b>261</b>	<b>161</b>	<b>400</b>	<b>353</b>
<b>Interest Expense and Foreign Exchange loss</b>	<b>222</b>	<b>141</b>	<b>416</b>	<b>398</b>
<b>Net Income(Loss) Before Income Tax</b>	<b>39</b>	<b>20</b>	<b>(16)</b>	<b>(45)</b>
<b>Provision for(Benefit from) income tax - net</b>				
<b>Net Income/(Loss)</b>	<b>39</b>	<b>20</b>	<b>(16)</b>	<b>(45)</b>
<b>Retained Earnings at beginning of period</b>	<b>(9,499)</b>	<b>(9,575)</b>	<b>(9,499)</b>	<b>(9,575)</b>
<b>Retained Earnings at the end of the period</b>	<b>(9,460)</b>	<b>(9,555)</b>	<b>(9,515)</b>	<b>(9,620)</b>
<b>Earnings per share</b>	<b>0.008</b>	<b>0.004</b>	<b>(0.003)</b>	<b>(0.009)</b>

**Earnings per Share:(in million pesos)**

<b><u>Net Income/(Loss)</u></b>	<b><u>39</u></b>	<b><u>20</u></b>	<b><u>(16)</u></b>	<b><u>(45)</u></b>
<b>No. of Shares Issued</b>	<b>4,796</b>	<b>4,796</b>	<b>4,796</b>	<b>4,796</b>
<b>Earnings/(Loss) per Share</b>	<b>0.008</b>	<b>0.004</b>	<b>(0.003)</b>	<b>(0.009)</b>

**C&P HOMES,INC.**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**AS OF JUNE 2004 AND 2003**

**(In Million Pesos)**

	<b>UNAUDITED</b>	<b>UNAUDITED</b>	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>JAN-JUN</b>	<b>JAN-JUN</b>	<b>APR-JUN</b>	<b>APR-JUN</b>
	<b>2004</b>	<b>2003</b>	<b>2003</b>	<b>2004</b>

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income(Loss)	(44)	(16)	<b>39</b>	<b>(13)</b>
Unrealized Forex Loss/Interest Expense	397	394	<b>200</b>	<b>151</b>
Depreciation	7	7	<b>3</b>	<b>4</b>
<b>Operating Income before changes in operating assets and liabilities</b>	<b>359</b>	<b>385</b>	<b>242</b>	<b>141</b>

**Changes in operating assets and liabilities:**

Decrease (Increase) in:

Receivables-net of deferred gross profit on real estate sales	(264)	(484)	<b>(333)</b>	<b>131</b>
Subdivision land held for sale and development-net	139	285	<b>240</b>	<b>60</b>
Residential units held for sale and development	6	23	<b>21</b>	<b>2</b>

Increase(decrease) in:

- -

Accounts payable and accrued expenses	(258)	(187)	(111)	(318)
Customer's advances and deposits	57	19	2	17
Estimated housing construction costs	31	8	10	5
<b>Net cash generated/(used) in operating activities</b>	<b>(290)</b>	<b>(336)</b>	<b>(171)</b>	<b>(104)</b>

#### CASH FLOWS FROM INVESTING ACTIVITIES

Decrease(Increase) in investments	(5)			(5)
Decrease(Increase) in deposit on real estate purchase	(4)	(2)	(1)	(5)
Decrease(Increase) in other assets-net	(28)	(42)	(30)	(4)
Acquisitions of property and equipment-net	(7)	(7)	(6)	(4)
<b>Net cash generated/(used) in investing activities</b>	<b>(44)</b>	<b>(51)</b>	<b>(37)</b>	<b>(18)</b>

#### CASH FLOWS FROM FINANCING ACTIVITIES

##### Payments of:

Loans and Notes Payable	(28)		3	(24)
Interest payments	(38)		-	1
Commercial papers & floating rate notes	(0)	(14)	(49)	(0)
<b>Deposit on subscriptions</b>			-	-
<b>Net cash generated/(used) in financing activities</b>	<b>(66)</b>	<b>(14)</b>	<b>(46)</b>	<b>(24)</b>

**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** (41) (16) (12) (5)

**CASH AND CASH EQUIVALENTS , BEGINNING** 182 119 115 146

**CASH AND CASH EQUIVALENTS AS OF JUNE 30, 2004** 141 103 103 141

(See Notes to Interim Financial Statements)

#### C&P HOMES, INC. AND SUBSIDIARIES

#### CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

AS OF JUNE 30, 2004 AND  
2003

(In Million Pesos)

	AS OF JUNE 2004	AS OF JUNE 2003
<b>Stockholders' Equity</b>		
Common stock-P1.00 par value		
Authorized- 500,000,000 shares		
Issued- 4,796,071,929 shares		
Balance at the beginning of year	4,796	4,796
Issuance	-	-
<b>Balance 6.30.04</b>	<b>4,796</b>	<b>4,796</b>
<b>Additional Paid in Capital</b>		
	<b>4,835</b>	<b>4,835</b>
<b>Retained Earnings(Deficit)</b>		
Balance at the beginning of year	(9,575)	(9,499)
Net Income(Loss) as of June 30, 2004	(44)	(16)
	<b>(9,619)</b>	<b>(9,515)</b>
<b>Total Stockholders' Equity</b>	<b>12</b>	<b>116</b>

(See Notes to Interim Financial Statements)

## NOTES TO INTERIM FINANCIAL STATEMENTS

### AS OF JUNE 30 , 2004

1.) Please refer to the audited financial statements for the year ended December 31,2003 for additional information and account details. No significant changes have occurred since then except those covered under Management Discussion and Analysis of Financial Statements. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent audited financial statements.

2.) These unaudited financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented.

- 3.) These financial statements are prepared in accordance with generally accepted accounting principles.
- 4.) Seasonality or cyclical of interim operations does not apply to the Company.
- 5.) There were no unusual events/transactions that have a material effect on the current interim period.
- 6.) There were no change in estimates of amounts reported in prior interim period or prior financial years that have a material effect in the current interim period.
- 7.) There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
- 8.) There were no changes in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

9.) **RECEIVABLES**

The details of Company's receivables are as follows:

	2004
Short- Term Contracts	671
Long- Term Contracts	2,102
Total Contract Receivable	2,772
Receivable from Related Parties	536
Contractors,suppliers,brokers and others	299
	3,607
Less: Allowance for Probable Loss	(544)
Deffered Gross Profit on Real Estate Sales	(433)
	2,630

A substantial portion of company's real estate sales was derived from short- term deferred cash payment arrangement .This accounts are collectible in equal monthly principal installments usually 12 to 18 months;with the entire repayment period not to exceed 24 months.The corresponding titles to the subdivision units sold under this arrangement are transferred to the buyers only upon full payment of the contract price.

Long term installment contracts receivable principally consists of company's real estate sales

which are collectible within 2 to 15 years with interest at prevailing market rates. The corresponding titles to the subdivision units sold under this arrangement are transferred to the buyers only upon full payment of the contract price.

#### 10.) **SUBDIVISION LAND FOR SALE AND DEVELOPMENT**

Subdivision land for sale and development consisted of the ff:

	<b>2004</b>
Land Available for Sale	2,478
Less reserve for land development costs	(1,027)
	1,451
Undeveloped land - net of allowance for probable loss	11,517
	<b>12,968</b>

Land available for sale represents real estate subdivision projects in which the Housing and Land Use Regulatory Board of the Philippines have granted the subsidiaries license to sell.

No interest were capitalized in 2003 and 2002.

Land available for sale with carrying amount of about P455.15 million in 2002 was pledged as collateral to secure the C&P Group's bank loans.

#### 11.) **Schedule of accounts payable and accrued expenses**

	<b>AMOUNT</b>
Accrued Expenses	3,868.7
Accounts Payable	641.3
Deferred Output tax	269.6
Commission Payable	34.1
Retention Payable	61.4
Other Payables	59.3
	<b>4,934.3</b>

#### 12.) **Schedule of Bank Loans**

CREDITOR	INTEREST	MATURITY	MATURITY	PRINCIPAL
EQUITABLE/PCI BANK	various	various	various	118.1
INTERNATIONAL EXCHANGE BANK	various	various	various	104.4
RCBC	various	various	various	604.5
TOTAL BANK LOANS				<b>827</b>

Short term Notes Payable	118
Long term Notes Payable	709
<b>TOTAL</b>	<b>827</b>

The short term notes payable bear interest at prevailing market rates. Short term notes payable are secured by mortgages on a portion of the subsidiaries real estate properties amounting to P344.31 million and P455.15 million in 2003 and 2002, respectively .

The long term loans bear interest at prevailing market rates, repriceable and payable on equal semi-annual installments over a period of 7 to 10 years.

<b>LOANS AND NOTES PAYABLE</b>	various	various	<b>106</b>
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This account represents real estate non interest bearing loans payable to various real estate property sellers. Under the terms of the agreements executed by the subsidiaries covering the purchase of certain real estate properties, the TCTs of the subject properties shall be transferred to the subsidiaries only upon full payment of the real estate loans.

### 13.) Commercial Papers and Floating Rate Notes Payable

Long Term Commercial Papers		2,306
Floating Rate Notes		7,802
US\$139,918,420 converted at PhP56.181 : US\$1 libor + 2.125%		
		<b>10,108</b>
<u>LTCPs</u>		
tranche I	A	750
	B	750
tranche II	A	750
	B	750
		3,000
less: payments		694
		<b>2,306</b>

### **LTCPs**

Series A LTCP's bear interest at one percent (1%) above the 91-day treasury bill rate while interest on Series B LTCPs is one and one-eighth percent(1.125%) above the 91- day treasury bill rate. Interest on both LTCP series is payable quarterly in arrears and is subject to repricing every 91 days. The LTCPs shall, however, be subject to a minimum interest rate of 10% per annum.

### **FRNs**

The FRNs bears interest from July 14, 1997 and such interest is payable on each interest payment date which falls six(6) months after the preceeding interest payment date, in the case of the first interest payment date, after July 14, 1997.

The rate of interest of such interest period shall be based on the London Interbank Offered Rates as determined by the agent bank plus two and one eighth percent(2.125%).

In 2003, PHI,CHDPI,HDC,CRI,NWPI and HVI acquired from local bank FRNs with principal value of US\$7.6 million in exchange for the real properties. This transaction was treated as regular sales.

In 2002, a subsidiary of the Parent Company acquired FRNs with a total value of P157.7 million.

In 2002, certain consolidated subsidiaries sold a portion of their real estate properties to certain holders of the Parent Company's LTCPs and FRNs, in exchange for which, such holders assigned to the consolidated subsidiaries all the rights, title and beneficial interest to the extent of the face value of the LTCPs and FRNs . On consolidated basis, this resulted in a reduction in the corresponding interest on the LTCPs and FRNs amounted to about P0.32 million as of December 31, 2002.

## **ANNEX B**

<b>AGING OF COMMERCIAL PAPERS/BILLS PAYABLE</b>				
<b>AS OF JUNE 30, 2004</b>				
	<b>UNDER (6) MONTHS</b>	<b>SIX (6) MOS. TO ONE (1) YEAR</b>	<b>OVER ONE (1) YEAR</b>	<b>PAST DUE AMOUNTS</b>
Bank Loans	109	-	718	-
Loans Payable	-		106	-
Long-Term Debt				10,108
Accounts Payable and others	108	394	564	-
Total Bank Loans and Other				-
Loans Payable	<b>217</b>	<b>394</b>	<b>1,388</b>	<b>10,108</b>

<b>AGING OF RECEIVABLES</b>				
<b>AS OF JUNE 30, 2004</b>				
<b>ACCOUNT</b>	<b>UNDER SIX (6) MONTHS</b>	<b>SIX (6) MOS. TO ONE (1) YEAR</b>	<b>OVER ONE (1) YEAR</b>	<b>PAST DUE AMOUNTS</b>
Installment and Contracts Receivable	488	730	846	708
Contractors,suppliers,brokers and others	48	65	42	144
<b>TOTAL</b>	<b>536</b>	<b>795</b>	<b>888</b>	<b>852</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATIONS:

For the 1<sup>st</sup> semester ending June 30, 2004, the Company reported net sales of P807 million (inclusive of the net of Realized/Deferred Gross Profit on prior years' real estate sales), up by 11% from P726 million of the same period in 2003. Sales came principally from the affordable /middle income market segment and regional operations which accounted for 80% of booked sales. Credit availability for low cost housing continued to be tight. Interest Income increased by 1% primarily due to build up of interest bearing receivables for the period ending June 30, 2004. Miscellaneous Income went down by 9% from P43 million of the same period in 2003 to P39 million primarily due to reduced auxiliary income from administrative fees on allied services related to housing.

The cost of Real estate sales went up by 10 % as a percentage of Net Sales due to the increase in direct materials related to house construction. The management is continuously implementing measures to further reduced cost, thus, resulting to a lower operating expense ratio over net sales of 24% in the 1<sup>st</sup> semester of 2004 as compared to 25% of the same period in 2003. Income before interest and taxes for the for the 1<sup>st</sup> semester of 2004 amounted to P353 million, down by 12% from P400 million of the same period in 2003. Inspite of the positive operating results, the company still incurred a net loss of P44 million due to interest charges and foreign exchange losses amounting to P398 million during the first semester of 2004. Of the P398 million, P83 million pertains to unrealized foreign exchange loss differential.

To address the deterioration in the financial and operating conditions of the Company and its subsidiaries, management is still implementing measures which are geared towards generating liquidity to meet customer commitments and at the same time strengthen the overall financial viability of the Company and its subsidiaries. The more significant components of these measures are sale of certain assets, rationalization and streamlining of the operations of the Company and its subsidiaries administrative and support services , continuing settlement of obligations through outright and unconditional sale of real estate properties as well as to focus on core business expertise specifically to cater to the mass housing needs.

The company expects profitability from operations this coming 2<sup>nd</sup> semester of the year as it continues its program to intensify marketing efforts and implement cost effective measures to improve existing systems, services and procedures.

### Top Five(5) Key Performance Indicators

Following are the comparative top 5 key performance indicators considered by the Company for 2003 and 2002:

Indicator	Jan-Jun 2004	Jan-Jun 2003
Sales Growth	11%	-31%
Gen. & Admin Exp. Ratio over Sales	23.7%	24.7%
Current Ratio	.74:1	.42:1
Return on Assets	-0.26%	-0.09%
Return on Equity	-80%	-12%

1 Sales Growth= Current Years' Real estate Sales over Prior Years' Sales

For 2nd qtr ended 2004, the Company registered an increase in sales-net of deffered gross profit on prior years sales vs 2003

primarily due to a higher sales generated in current year compared to prior years' sales.

2 Decrease in General and Administrative Expenses=Gen & Admin Expenses over Sales

The improvement of General and Administrative Expense Ratio over Sales was due to the successful implementation

of the streamlining of operations of the Company and its subsidiaries administrative and support services.

3 Current Ratio= Current Assets (Cash/ Short-term Receivables/ Short-term Bank Loans/AP and Accrued expenses)

Slight improvement in quick assets due to restructured portion of the Long-term loans from the bank.

4 Return on Assets= (Net Loss) or Income/Total Assets (beg. of the year)

Decrease in ratio was due to a lower income after interest and taxes in during the 1st semester of 2004 vs 2003.

5 Return on Equity= (Net Loss) or Income/Stockholders' equity (beg. of the year)

Decrease in ratio was due to a lower income after interest and taxes in during the 1st semester of 2004 vs 2003.

## FINANCIAL CONDITION

Cash and cash equivalents amounted to P141 million as of June 30 ,2004. Net cash used for operating activities during the 1<sup>st</sup> semester of 2004 was P275 million compared to P336 million of the same period last year. Cash used for investing activities

was P59 million compared to P51 million in 2003. Net cash used in financing activities during the 1<sup>st</sup> semester of 2004 was P 66 million compared to P 14 million in 2003.

Company's Receivables amounted to P2.6 billion up by 15% as compared to the same period last year. Such increase was brought about by the sales generated during the 1<sup>st</sup> semester of 2004.

The 5% increased in investment was due to additional subscription of preferred shares from the Electric Co. as normal requirement for the energization of the subdivision project.

The 15% increase in Other Assets was due to increase in prepaid taxes by P18.5 million which will be applied against income tax liability and prepaid expenses by P7.7 million pertaining to project launch during the 1<sup>st</sup> semester of 2004 which will also be amortized.

The 16% decreased in loans and notes payable was due to settlement of obligation to landowners.

The 15% increase in Customer Advances and Deposits during the 1<sup>st</sup> semester of 2004 was primarily due to a higher level of reservation sales vis-à-vis same period last year.

The 10% increase in Estimated Liability on Property Development amounting to P31 million was primarily due to increase in recognition of liability to construct houses resulting from the sales with longer downpayment terms.

The 12% increased in Deferred Credits amounting to P77 million was due to deferral of gross profit on sales pertaining to houses not yet completed as of the 1<sup>st</sup> semester of 2004.

In order to address its current difficulty of generating sufficient cash flows to fully service interest-bearing obligations, the Company is continuing its program to reduce debt. As of June 30, 2004, the Company had bank loans of P0.827 billion, loans and notes payable of P.106 billion and commercial and floating rate notes of P10.108 billion. The Company also continues to settle some of the obligations through outright and unconditional sale of real estate properties and sale of certain assets as liquidity mechanism. The Company has also entered into swapping deals with its business partners to service some of the operational requirements.

## **COMMITMENTS AND CONTINGENCIES**

The Company and its subsidiaries has entered into various lease agreements ranging from 1-5 years. Future minimum lease payments amounted to P 3.7 million and 2.2 million in 2004 and 2005 respectively.

The Company's subsidiaries are contingently liable for guarantees arising in the ordinary course of business, including surety bonds, letters of guarantee for performance and bonds for all its real estate project.

The Company is contingently liable with respect to certain lawsuits and other claims which are being contested by the subsidiaries and their legal counsels. Management and their legal counsels believe that the final resolution of these claims will not have a material effect on the consolidated financial statements.

## **PART II - OTHER INFORMATION**

### **Item 3. 1<sup>st</sup> SEMESTER DEVELOPMENTS**

#### **A. New Projects or Investments in another line of business or corporation.**

North Area- Tierra del Sueno

East Area – Mia Vita , Courtyard @ Maia Alta

South – Sienna Villas

#### **B. Composition of Board of Directors**

Michael G. Regino

Chairman, CEO

Atty. Gemma Santos	Corporate Secretary
Rosario H. Javier	Director
Edgardo G. Santos	Director
Elizabeth M. Kalaw	Director
Alma P. Villadolid	Director
Jocelyn Anne Calabig	Director

**C.** Performance of the corporation or result/progress of operations. *Please see unaudited Financial Statements and Management's Discussion and Analysis.*

**D.** Declaration of Dividends. *None.*

**E.** Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements.

- *Contract of Management- The Landnet is the one who manages our subdivision.*

**F.** Offering of rights, granting of Stock Options and corresponding plants therefore. *None.*

**G.** Acquisition of additional mining claims or other capital assets or patents, formula, real estate. *None.*

**H.** Other information, material events or happenings that may have affected or may affect market price of security. *None.*

**I.** Transferring of assets, except in normal course of business. *None.*

#### **Item 4. Other Notes to 1<sup>st</sup> Semester 2004 Operations and Financials.**

**J.** Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents. *None.*

**K.** Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period. *Please see Notes to Interim FS(item 6)*

**L.** New financing through loans/ issuances, repurchases and repayments of debt and equity securities. *See Management Discussion and Analysis.*

**M.** Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period. *See Notes to Interim FS(item 7 )*

**N.** The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings, and discontinuing operations. . *See Notes to Interim FS(item 8)*

**O.** Changes in contingent liabilities or contingent assets since the last annual balance sheet date. *None*

**P.** Existence of material contingencies and other material events or transactions during the interim period. *None.*

**Q.** Events that will trigger direct or contingent financial obligation that is material that is material to the company, including any default or acceleration of an obligation. *None.*

**R.** Material off-balance sheet transactions, arrangements, obligations(including contingent obligations) , and other relationships of the company with unconsolidated entities or other persons created during the reporting period. *None.*

**S.** Material commitments for capital expenditures, general purpose and expected sources of funds.

*The movement of capital expenditures being contracted arose from the regular land development and housing requirements which are well within the regular cash flow budget coming from internally generated funds.*

**T.** Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/income

from continuing operations.

*No known trends, demands, commitments, events and uncertainties that will have a material impact on the company's liquidity other than those previously disclosed in the audited financial statements referring to the significant losses incurred by the Company that resulted to a deficit of P9.6 billion as of June 30, 2004 and the non- settlement of the outstanding maturing interest bearing obligations including the interest requirements starting August, 1999 and November, 1999 of the outstanding Long-term Commercial Papers and Floating Rate Notes Payable and other local banks appearing on the attached schedule of Bank Loans Payable.*

U. Significant elements of income or loss that did not arise from continuing operations. *None.*

V. Causes for any material change/s from period to period in one or more line items of the financial statements. *None.*

W. Seasonal aspects that had material effect on the financial condition or results of operations.  
*None.*

X. Disclosures not made under SEC Form 17-C. *None.*

### SIGNATURES

Pursuant to the requirements of Section 17 of the SRC and Section 141 of the Corporation Code,  
this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized.

**C & P Homes, Inc.**

Issuer

By:

**MICHAEL G. REGINO**

Chairman of the Board ,CEO

**ESTRELLITA S.TAN**

Chief Accounting Officer

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_ 2004 affiants exhibiting  
to me Residence Certificates as follows:

Michael G. Regino

18599302

3/4/03 Las Pinas City

Estrellita S. Tan

24080389

3/29/04 Las Pinas City

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