



ANGLO PHILIPPINE HOLDINGS CORPORATION

AN INFRASTRUCTURE AND PROPERTY DEVELOPMENT COMPANY

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

The Annual Stockholders' Meeting of Anglo Philippine Holdings Corporation will be held on the following date and place:

FRIDAY, 29 JULY 2016, 2:30 P.M.,
Rajah Room, The Legend Villas 60 Pioneer St. corner Madison Streets,
Mandaluyong City, Philippines

The agenda for the Meeting shall be, as follows:

1. Call to Order
2. Proof of Notice and Certification of Quorum
3. Approval of Minutes of Stockholders' Meetings – July 31, 2015
4. Management Report
5. Approval of the Company's Annual Report
6. Ratification of Corporate Acts and Resolutions
7. Election of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

Registration for the Meeting begins at 1:30 p.m. For purposes of the Meeting, stockholders of record as of **06 May 2016** are entitled to notice of and to vote at the Meeting. If you will not be able to attend the Meeting but would like to be represented thereat, you may submit your proxy form, duly signed and accomplished, to the Corporate Secretary at the 6th Floor, Quad Alpha Centrum, 125 Pioneer Street, Mandaluyong City, no later than **22 July 2016**. Corporate stockholders should also provide a notarized secretary's certificate attesting to the appointment of the corporation's proxy for the Meeting as well as the execution and delivery of the proxy form.

THE COMPANY IS NOT SOLICITING PROXIES.

All information and materials for the meeting may be accessed online for viewing or download at <http://www.anglophil.com> disclosure section.

Makati City, Metro Manila, Philippines, 12 April 2016.

ROBERTO V. SAN JOSE
Corporate Secretary

"Helping Build the Filipino Future"

6th Floor, Quad Alpha Centrum, 125 Pioneer Street Mandaluyong City 1550, Philippines
Tel Nos.: (632)631-5139. (632)635-6130. Fax No.: (632)631-3113. E-mail: aphc1996@yahoo.com .Website: www.anglophil.com

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S.E.C. Registration Number

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(Company's Full Name)

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

Atty. Adrian S. Arias

Contact Person

+63(2)6315139

Company Telephone Number

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Month

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Day

SEC Form 20-IS Definitive Information Statement

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FORM TYPE

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Secondary License
Type, If Applicable

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Month

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Total No. of Stockholders

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Amended Articles Number/Section

Total Amount of Borrowings

-

Domestic

-

Foreign

To be accomplished by SEC Personnel concerned

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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

 X Definitive Information Statement

_____ Additional Materials

2. Name of Registrant as specified in its charter **ANGLO PHILIPPINE HOLDINGS CORPORATION**

3. Province, country or other jurisdiction of incorporation or organization **Philippines**

4. SEC Identification Number **14102**

5. BIR Tax Identification Code **041-000-175-630**

6. Address of principal office **6th Floor, Quad Alpha Centrum, 125 Pioneer Street, Mandaluyong City 1550**

7. Registrant's telephone number, including area code **(632) 631-5139; 635-6130**

8. **July 29, 2016, 2:30 P.M. at the Rajah Room, the Legend Villas, 60 Pioneer corner Madison Streets, Mandaluyong City, Philippines**

9. Approximate date on which the Information Statement is first to be sent or given to security holders **July 8, 2016.**

10. *In case of Proxy Solicitation: N/A*

11. Securities registered pursuant to Section 8 and 12 of the Code (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
Common Stock (P1.00 par value)	3,003,302,538 (excluding 13,000,000 shares in Treasury stocks)
Loans Payable and Long Term Debt	<u>P0.00</u>

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

Yes **X** No _____

ANGLO PHILIPPINE HOLDINGS CORPORATION

6th Floor, Quad Alpha Centrum
125 Pioneer, Mandaluyong City 1550, Philippines
Tel (632) 631-5139; 631-6530; Fax (632) 631-3113

INFORMATION STATEMENT

PART I

A. General Information

Item 1. Date, time and place of meeting of stockholders

The 2016 Annual Meeting of Stockholders (the “Meeting”) of Anglo Philippine Holdings Corporation (the “Company”) will be held on **Friday, 29 July 2016, 2:30 P.M., Rajah Room, The Legend Villas**, 60 Pioneer St. corner Madison Streets, Mandaluyong City, Philippines. The complete mailing address of the Company is 6th Floor, Quad Alpha Centrum, 125 Pioneer, Mandaluyong City 1550, Philippines.

- (a) This Information Statement will be sent to stockholders at least fifteen (15) business days prior to the date of the Meeting in accordance with existing rules and the Company’s Amended By-Laws, or on or before July 08, 2016.

Item 2. Dissenters' Right of Appraisal

A stockholder has the right to dissent and demand payment of the fair market value of his shares in case: (i) any amendment to the Company’s Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences over the outstanding shares, or of extending or shortening the term of corporate existence; (ii) of any sale, lease, mortgage or disposition of all or substantially all of the corporate property or assets; and, (iii) of merger or consolidation.

At any time after this Information Statement has been sent out, any stockholder who voted against a proposed action and wishes to exercise his right of appraisal must make a written demand, within thirty (30) days after the date of the Meeting or when the vote was taken, for the payment of the fair market value of his shares. Upon payment, he must surrender his stock certificate(s). No payment shall be made to any stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.

NO corporate action is being proposed or submitted in the Meeting that may call for the exercise of a stockholder’s right of appraisal.

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

- (a) At any time since the beginning of the last fiscal year, **NO** director, officer, nominee for election as director, or associate of such director, officer or nominee has any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the Meeting, other than election to office.
- (b) As of the date this Information Statement is given to stockholders of record, **NO** director of the Company has informed the Company in writing that he intends to oppose any action to be taken by the Company at the Meeting.

B. Control and Compensation Information

Item 4. Voting Securities and Principal Holders Thereof

- (a) **Class and Number of Shares.** The Company has only one (1) class of shares – common shares – which are issued and transferable to both Philippine and non-Philippine nationals; *provided*, that the Company's common shares shall not be issued to non-Philippine nationals in excess of forty percent (40%) of the Company's outstanding capital stock. As of Record Date, the Company's issued and outstanding capital stock is 3,003,302,538 shares of which only 0.22 % is owned by non-Philippine nationals.
- (b) **Record Date.** The Record Date with respect to this solicitation is **May 06, 2016**. Only stockholders of record as at the close of business on May 06, 2016 are entitled to notice of, and to vote at, the Meeting.

No solicitation shall be conducted and no proxies shall be solicited for this annual stockholders' meeting.

All stockholders who will not attend, or do not expect to attend the meeting in person may prepare, date and sign the proxy form and submit the same to the Office of the Corporate Secretary at 6th Floor Quad Alpha Centrum, 125 Pioneer St., Mandaluyong City 1550, Philippines.

Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at one time. No broker or dealer shall give any proxy, consent or authorization, in respect of any security carried for the account of a customer, to a person other than the customer, without the express written authorization of each customer.

Any stockholder may revoke or cancel his proxy anytime and he may attend the Meeting even if he has already submitted a proxy form to the Corporate Secretary.

- (c) **Outstanding Shares.** As of Record Date, the Company has an outstanding capital stock of 3,003,302,538 common shares owned by 3,099 stockholders. Each common share is entitled to one (1) vote.

(d) **Cumulative Voting.**

1. A stockholder entitled to vote at the Meeting shall have the right to vote in person or by proxy the number of shares registered in his name in the stock and transfer book of the Company for as many persons as there are directors to be elected.

2. Each stockholder shall have the right to cumulate said shares and give one nominee as many votes 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 cumulative voting principle among as many nominees as he shall see fit; *provided*, that the number of votes cast by a stockholder shall not exceed the number of his shares multiplied by the number of directors to be elected.

3. Voting during annual meetings is usually done *viva voce*, or by the raising of hands, unless voting by ballot is specifically requested.

(e) **Stock Ownership of Certain Record and Beneficial Owners.** The following persons are known to the Company to be directly or indirectly the owner of more than 5% of the Company's voting securities as of Record Date:

<u>Title of Class</u>	<u>Name/address of record owner</u>	<u>Relationship with Issuer</u>	<u>Name of Beneficial Owner and Relationship with Record Owner</u>	<u>Citizenship</u>	<u>No. of shares held</u>	<u>Percentage Ownership</u>
Common	Alakor Corporation 9F Quad Alpha Centrum 125 Pioneer, Mandaluyong	Stockholder	Alakor Corporation (Direct Ownership) (see Note C)	Filipino	1,524,661,961	50.77%
Common	BDO Securities Corporation 27F Tower 1, Exchange Plaza Ayala Ave., Makati	Stockholder	National Book Store Inc. Client (see Notes B,C)	Filipino	464,143,757*	15.45%
Common	PCD Nominee Corporation Makati Stock Exchange Bldg. 6767 Ayala Avenue, Makati	Stockholder	PCD Participants (see notes A,C)	Filipino/Non Filipino	398,206,217*	13.24%
Common	National Book Store Inc. 4FQuad Alpha Centrum 125 Pioneer, Mandaluyong	Stockholder	National Book Store Inc. (Direct Ownership) (see Note C)	Filipino	313,640,759	10.44%
Common	Alakor Securities Corporation 5F Quad Alpha Centrum 125 Pioneer, Mandaluyong	Stockholder	Alakor Corporation Client (see Notes B,C)	Filipino	105,375,425*	3.51%
Common	Alakor Securities Corporation 5F Quad Alpha Centrum 125 Pioneer, Mandaluyong	Stockholder	National Book Store Inc. Client (see Notes B,C)	Filipino	73,454,649*	2.45%

**Of the total 1,125,015,006 shares under the name of PCD Nominee Corp., 465,360,757 shares (15.50%) are under the name of BDO Securities Corp. (BDOSC), and 261,448,032 shares (8.70%) are under the name of Alakor Securities Corporation (ASC).*

Of the 465,360,757 shares under the name of BDOSC, National Book Store Inc.(NBSI) owns 464,143,757 shares (15.45%). Of the 261,448,032 shares under the name of ASC, Alakor Corporation (AC) owns 105,375,425 shares (3.51%), while NBSI owns 73,454,649 shares (2.45%).

Note A: The shares registered under the name of PCD Nominee Corporation (PCD) are beneficially owned by its participants. Based on PCD's books, there are 127 beneficial owners of the Company's voting stock of which BDOSC and ASC are the record owners of more than 5% of the Company's voting securities.

Note B: Among the clients of BDOSC and ASC, NBSI and AC are the beneficial owners of more than 5% of the Company's voting securities.

Note C: The shares registered in the name of PCD are beneficially owned by its clients. As a matter of practice, PCD itself does not vote the number of shares registered in its name; instead, PCD issues a general proxy constituting and appointing each of its participants as PCD's proxy to vote for the number of shares owned by such participant in PCD's books as of Record Date.

The proxies of NBSI and AC are appointed by their respective Boards of Directors and the Company becomes aware of such proxies only when the appointments are received by the Company. Based on previous practice, Mr. Alfredo C. Ramos has been appointed proxy for NBSI and AC in previous years. Mr. Ramos has direct/indirect interest/shareholdings in NBSI and AC.

(f) **Voting Trust Holders of 5% or More.** To the extent known to the Company, there is **NO** person holding more than 5% of the Company's voting stock under a voting trust or similar agreement.

(g) **Stock Ownership of Management.** The Company's directors (D), Chief Executive Officer (CEO), other officers (O), and nominees (N) own the following number of shares:

Title of Class	Name of beneficial owner	Amount and nature of Beneficial ownership		Citizenship	Percent of Class
		Direct	Indirect		
Common	Alfredo C. Ramos (D/CEO/N)	11,000	24,659,638	Filipino	0.82%
Common	Christopher M. Gotanco (D/O/N)	110	17,830,540	Filipino	0.58%
Common	Adrian Paulino S. Ramos (D/O/N)	18,000	33,000	Filipino	<0.01%
Common	Gerard Anton S. Ramos (D/O/N)	1,000	0	Filipino	<0.01%
Common	Roberto V. San Jose (D/O/N)	373,866	59,386	Filipino	0.01%
Common	Francisco A. Navarro (D/N)	400,000	582	Filipino	0.01%
Common	Presentacion S. Ramos (D/N)	55,000	27,481,665	Filipino	0.92%
Common	Renato C. Valencia (ID/N)	1,100	0	Filipino	<0.01%
Common	Ramoncito Z. Abad (ID/N)	1,100	0	Filipino	<0.01%

Common	Maureen Alexandra S. Ramos-Padilla (D/N)	22,000	873,066	Filipino	0.03%
Common	Adrian S. Arias (O)	1,000	19,000	Filipino	<0.01%

The total number of shares owned by the Company's directors, Chief Executive Officer, other officers, and nominees for election as directors is 71,841,053 shares, or approximately 2.39% of the Company's outstanding capital stock. Except for the shares appearing on record in the names of the directors and officers above, the Company is not aware of any shares which said persons may have the right to acquire beneficial ownership of.

There has been **NO** change in the control of the Company since the beginning of the last fiscal year.

Item 5. Directors and Executive Officers

- (a) **Information.** The names, ages, citizenship, positions and periods of service of directors, executive officers and persons nominated to become such are as follows:

Name	Age	Citizenship	Position	Period of Service as such D/O	Committee Membership/ Position	Period of service as such member
Alfredo C. Ramos	72	Filipino	Chairman of the Board	1989-present	Nomination-Member	2004-May 2014
Christopher M. Gotanco	66	Filipino	Director	1987-present	Nomination-Member	2004-present
			President	1988-present	Compensation-Member	2004-present
Adrian Paulino S. Ramos	37	Filipino	Director	2006-present	Compensation-Member	2006-present
			EVP/Treasurer	July 2014 – present	Audit -Member	2006-present
Gerard Anton S. Ramos	41	Filipino	Director	2011-present	Nomination-Member	2014 – present
			EVP-Investments	July 2014 – present		
Adrian S. Arias	53	Filipino	Executive Vice President	2005-2014	Nomination-Member (Non Voting)	May 2014-present
			EVP-Legal & Admin.	July 2014 – present		
			Assistant Corporate Secretary	1998 – present		
			Director	Nov. 2015 to present		
Roberto V. San Jose	74	Filipino	Director	1998-present		
			Corporate Secretary	1979-present		

Presentacion S. Ramos	74	Filipino	Director	1984-present		
Francisco A. Navarro	73	Filipino	Director	1984-present	Audit-Member	2011-present
Maureen Alexandra S. Ramos-Padilla	43	Filipino	Director	2013-present		
Renato C. Valencia	73	Filipino	Independent Director	2006-present	Nomination-Chairman Audit-Chairman Compensation-Member	2006-present
Ramoncito Z. Abad	68	Filipino	Independent Director	2007-present	Compensation-Chairman Audit-Member Nomination-Member	2007-present
Iris Marie U. Carpio-Duque	37	Filipino	Asst. Corporate Secretary	July 2014 to present		
Deborah S. Acosta-Cajustin	36	Filipino	Asst. Corporate Secretary	July 2014 to present		
Carmen Rose A. Basallo-Estampador	38	Filipino	Asst. Corporate Secretary	April 2016 to present		
Gilbert V. Rabago	39	Filipino	Manager, Finance and Accounting	July 2014 to present		

Directors elected in the annual stockholders' meeting have a term of office of one (1) year and serve as such until their successors are elected in the next succeeding annual stockholders' meeting; *provided*, that a director elected to fill a vacancy in the Board shall only serve the unexpired term of his predecessor.

All of the Company's incumbent directors were elected in the 2015 Annual Stockholders' Meeting held on 31 July 2015 and have since served in such capacity, ***EXCEPT*** for Adrian S. Arias who was appointed as director last November 4, 2015 to replace the late Atty. Augusto B. Sunico, for the remainder of the term 2015-2016, and until his successor shall have been duly elected and qualified

The names of the members and chairpersons of the Company's corporate governance committees are, as follows:

Nomination Committee

RENATO C. VALENCIA	Independent Director, Chairman
RAMONCITO Z. ABAD	Independent Director, Member
CHRISTOPHER M. GOTANCO	Director, Member
GERARD ANTON S. RAMOS	Director, Member
ADRIAN S. ARIAS	Non-Voting Member

Compensation & Remuneration Committee

RAMONCITO Z. ABAD	Independent Director, Chairman
RENATO C. VALENCIA	Independent Director, Member
CHRISTOPHER M. GOTANCO	Director, Member
ADRIAN PAULINO S. RAMOS	Director, Member

Audit Committee

RENATO C. VALENCIA	Independent Director, Chairman
RAMONCITO Z. ABAD	Independent Director, Member
ADRIAN PAULINO S. RAMOS	Director, Member
FRANCISCO A. NAVARRO	Director, Member
IRIS MARIE C. DUQUE	Compliance/Corporate Governance/ Anti-Money Laundering Officer

There are **NO** arrangements that may result in a change in control of the Company.

Independent Directors. Pursuant to Securities Regulation Code (SRC) Sec. 38 and Rule 38.1, the Company is required to have at least two (2) independent directors. The Company's incumbent independent directors are Messrs. Renato C. Valencia and Ramoncito Z. Abad.

The Company's Amended By-Laws incorporating the provisions of SRC Rule 38 were approved by the Securities and Exchange Commission on September 14, 2006.

In line with the guidelines set by the Nomination Committee and approved by the Board of Directors, the Nomination Committee receives the names of nominees and screens them based on the policies and parameters for screening nominees for independent directorship. The final list of candidates, with the information required under Part IV(A) and (C) of Annex C of SRC Rule 12, is herewith attached. Mr. Jeciel J. Benavidez nominated Mr. Renato C. Valencia, while Mr. Victor V. Benavidez nominated Mr. Ramoncito Z. Abad for election as independent directors of the Company for fiscal year 2016. Messrs. J. Benavidez and V. Benavidez are not related to either and neither to both Messrs. Valencia and Abad. Neither Messrs. J. Benavidez nor V. Benavidez has any business relationship to either or both Messrs. Valencia and Abad.

Messrs. Valencia and Abad possess the qualifications and none of the disqualifications of an independent director.

Business Experience of Executive Officers and Director-Nominees

The following are the business experience/s of the Company's directors, including the past five (5) years:

Mr. Alfredo C. Ramos is the Chairman of the Board and Chief Executive Officer of the Company. He serves as a director and/or executive officer, and maintains business interests, in companies engaged in the printing, publication, sale and distribution of books, magazines and other printed media (1962-present), mining (1988-present), oil and gas exploration (1989-present), property development (1991-present), shopping center (1992-present), department store (1993-present), transportation (1996-present) and retail (1999-present), among others.

Mr. Christopher M. Gotanco is a Director and the President/COO of the Company. He serves as a director and/or executive officer in companies engaged in oil and gas

exploration (1982-present), mining (1993-present), investment holdings (1995-present), transportation (1996-present), property development (1996-present), investment house and financial services (2007-present), among others.

Mr. Adrian Paulino S. Ramos is a Director and the Executive Vice President and Treasurer of the Company. He serves as a director and/or executive officer, and maintains business interests, in companies engaged in the printing, publication, sale and distribution of books, magazines and other printed media (1996-present), investment holdings (2005-present), securities (2005-present), property development and infrastructure (2006-present), mining (2006-present) and bulk water supply (2006-present), among others.

Mr. Gerard Anton S. Ramos is a Director and the Executive Vice President for Investments of the Company. He serves as a director and/or executive officer, and maintains business interests, in companies engaged in the printing, publication, sale and distribution of books, magazines and other printed media (1996-present), securities (1996-present), property development and infrastructure (1996-present), investment holdings (2000-present) and mining (2008-present), among others.

Atty. Roberto V. San Jose is a Director and the Corporate Secretary of the Company. He has been in the active practice of law for more than forty five (45) years.

Mr. Francisco A. Navarro is a Director of the Company. He serves as a director, and has headed the exploration and development groups, of various companies involved in oil and gas exploration (1982-present) and mining (1993-present), among others.

Ms. Presentacion S. Ramos is a Director of the Company. She serves as a director and/or executive officer, and maintains business interests, in companies engaged in the printing, publication, sale and distribution of books, magazines and other printed media (1975-present), oil and gas exploration (1984-present), department store (1993-present), mining (1993-present) and stock brokerage (1996-present), among others.

Mr. Renato C. Valencia was elected independent director of the Company in December 2006. He serves as director and/or executive officer in companies engaged in banking (1998-present), investment holdings (1998 to present) and education and technology (2003 to present).

Mr. Ramoncito Z. Abad was elected independent director of the Company in March 2007. He is the former president of Philippine National Construction Company (PNCC) (1989-1996) and the former Chairman of the Development Bank of the Philippines (1998-2001). He serves as director and/or executive officer in companies engaged in consumer distribution (1999-present) and construction (2000-present).

Ms. Maureen Alexandra S. Ramos-Padilla is a Director of the Company. She serves as a director and/or executive officer, and maintains business interests in companies engaged in department store, media and music distribution, securities brokerage, property development, oil and gas exploration and development (2013-present), among others.

Atty. Adrian S. Arias is the Company's Executive Vice President for Legal and Administration and an Assistant Corporate Secretary. He has been in active corporate law

practice for more than twenty five (25) years and serves as a director and/or officer of an investment house (2006-present), financial services (2006-present), logistics company (2004-present), merchandising (2009-present), shared support services (2011-present), and mining (2012-present).

Atty. Iris Marie U. Carpio-Duque, is an Assistant Corporate Secretary of the Company. For the past five years, she has served as officer and/or corporate secretary or assistant corporate secretary of various companies involved in mining, investment holding, securities brokering and real estate.

Atty. Deborah S. Acosta-Cajustin, is an Assistant Corporate Secretary of the Company. She has been in active corporate and taxation law practice for more than five (5) years and serves as an officer of companies engaged in the printing, publication, sale and distribution of books, magazines and other printed media, investment holding, and securities brokering (2013-present).

Atty. Carmen-Rose A. Basallo-Estampador*, was elected Assistant Corporate Secretary of the Company last April 12, 2016. She has been in active corporate and taxation law practice for more than five (5) years and serves as an officer of companies engaged in mining, printing, investment holding, among others.

* Resigned as Assistant Corporate Secretary of the Company effective June 15, 2016.

Directors with other directorship(s) held in reporting companies

The following are the directorships held by the directors of the Company in other reporting companies in the past five (5) years:

<i>Alfredo C. Ramos</i>	<i>Anglo Philippine Holdings Corporation</i>	<i>Shang Properties, Inc.</i>
	<i>Atlas Consolidated Mining & Dev't. Corp</i>	<i>The Philodrill Corporation</i>
	<i>MRT Holdings, Inc.</i>	<i>United Paragon Mining Corp.</i>
	<i>MRT Dev't Corp.</i>	<i>Vulcan Industrial & Mining Corp.</i>
	<i>National Book Store, Inc.</i>	
<i>Christopher M. Gotanco</i>	<i>Anglo Philippine Holdings Corporation</i>	<i>Penta Capital Investment Corp.</i>
	<i>Boulevard Holdings, Inc.</i>	<i>The Philodrill Corporation</i>
	<i>MRT Holdings, Inc.</i>	<i>United Paragon Mining Corp.</i>
	<i>MRT Dev't Corp.</i>	<i>Vulcan Industrial & Mining Corp.</i>
	<i>Penta Capital Finance Corp.</i>	
<i>Presentacion S. Ramos</i>	<i>Alakor Securities Corporation</i>	<i>The Philodrill Corporation</i>
	<i>Anglo Philippine Holdings Corporation</i>	<i>Vulcan Industrial & Mining Corp.</i>
	<i>National Book Store Inc.</i>	

<i>Roberto V. San Jose</i>	<i>Anglo Philippine Holdings Corporation</i>	<i>CP Equities Corporation</i>
	<i>Atlas Resources Management Group</i>	<i>Mabuhay Holdings Corporation</i>
	<i>CP Group of Companies</i>	
<i>Francisco A. Navarro</i>	<i>Anglo Philippine Holdings Corporation</i>	<i>The Philodrill Corporation</i>
	<i>Penta Capital Finance Corp.</i>	<i>Vulcan Industrial & Mining Corp</i>
	<i>Penta Capital Investment Corp.</i>	
<i>Adrian Paulino S. Ramos</i>	<i>Alakor Securities Corporation</i>	<i>National Book Store, Inc.</i>
	<i>Anglo Philippine Holdings Corporation</i>	<i>The Philodrill Corporation.</i>
	<i>Aquatlas Inc.</i>	<i>United Paragon Mining Corp.</i>
	<i>Atlas Consolidated Mining & Dev't. Corp</i>	<i>Vulcan Industrial & Mining Corp.</i>
<i>Maureen Alexandra S. Ramos-Padilla</i>	<i>Anglo Philippine Holdings Corporation</i>	<i>The Philodrill Corporation</i>
	<i>National Book Store Inc.</i>	
<i>Gerard Anton S. Ramos</i>	<i>Anglo Philippine Holdings Corporation</i>	<i>The Philodrill Corporation</i>
	<i>Atlas Consolidated Mining & Dev't. Corp</i>	<i>United Paragon Mining Corp.</i>
	<i>National Book Store Inc.</i>	
<i>Adrian S. Arias</i>	<i>Anglo Philippine Holdings Corporation</i>	<i>Penta Capital Investment Corp.</i>
	<i>Penta Capital Finance Corp.</i>	<i>Vulcan Industrial & Mining Corp.(ID)</i>
<i>Renato C. Valencia</i>	<i>Anglo Philippine Holdings Corp. (ID)</i>	<i>Malayan Insurance Co.</i>
	<i>EEI Corporation (ID)</i>	<i>Metropolitan Bank & Trust Company (ID)</i>
	<i>House of Investments (ID)</i>	<i>Vulcan Industrial & Mining Corp.(ID)</i>
	<i>i- People, Inc. (ID)</i>	
<i>Ramoncito Z. Abad</i>	<i>Anglo Philippine Holdings Corporation (ID)</i>	<i>Monheim Group of Distributors (RD)</i>
*RD – Regular Director	ID – Independent Director	

Significant Employees. Other than its executive officers, the Company has not engaged the services of any person who is expected to make significant contributions to the business of the Company. The Company is not dependent on the services of certain key personnel and there are no arrangements to ensure that these persons will remain with the Company and not compete upon termination.

Family Relationships. Mr. Alfredo C. Ramos (Chairman of the Board) is the husband of Ms. Presentacion S. Ramos (Director). Messrs. Adrian Paulino S. Ramos (Director/EVP/Treasurer), Gerard Anton S. Ramos (Director/EVP-Investments) and Ms. Maureen Alexandra Ramos-Padilla (Director) are the sons and daughter of Mr. Alfredo C. Ramos and Ms. Presentacion S. Ramos.

There are no other family relationships known to the registrant other than the ones disclosed herein.

Involvement in Certain Legal Proceedings. For the past five (5) years up to the date this Information Statement is sent to stockholders, the Company is not aware of:

- (1) Any bankruptcy petition filed by or against any business of which any director, nominee for election as director, executive officer, underwriter or control person of the Company was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (2) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses involving any director, nominee for election as director, executive officer, underwriter or control person of the Company;
- (3) Of any director, nominee for election as director, executive officer, underwriter or control person of the Company being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and,
- (4) Of any director, nominee for election as director, executive officer, underwriter or control person of the Company being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Involvement of Directors with Government Agencies or its Instrumentalities: No directors or officers are connected with any government agencies or its instrumentalities. The term of Mr. Francisco A. Navarro (Director) as a Member of the Professional Regulatory Board (PRB) for Geology expired last March 2016.

Related Party Transactions. There had been **NO** transaction during the last two years to which the Company was or is to be a party in which any director or executive officer of the Company, or nominee for election as director, or owner of more than 10% of the Company's voting stock, or voting trust holder of 10% or more of the Company's shares, or any member of the immediate family (including spouse, parents, children, siblings, and in-laws) of any of these persons, had or is to have a direct or indirect material interest, **EXCEPT** that in the ordinary and regular course of business, the Company had or may

have transactions with other companies in which some of the foregoing persons may have an interest., including the following:

- A. Acquisition of OV shares on July 11, 2014 for P1.62 billion, thereby increasing the interest of the Company in OV from 11.87% to 34.32%.

Alakor Corporation, National Book Store, are the principal shareholders of the Company and OV, and Alfredo C. Ramos, Christopher M. Gotanco, Presentacion S. Ramos, Francisco A. Navarro, Adrian S. Ramos, Gerard Anton S. Ramos and Maureen Alexandra S. Ramos-Padilla are directors of the Company and of OV.

- B. On March 12, 2014, the Board of Directors approved a proposal to undertake a private placement of up to 2,300,000,000 Company shares in favour of Alakor Corporation (AC) and its designated affiliate(s) to be taken from a proposed increase in capital stock from P2 billion to P4 billion and, if necessary, partly from the existing unissued capital stock of the Company.

Alfredo C. Ramos, Presentacion S. Ramos, Maureen Alexandra S. Ramos-Padilla, Gerard Anton S. Ramos and Adrian Paulino S. Ramos are directors of the Company and of AC. They did not participate in the deliberation and approval of the proposed capital increase and private placement.

The proposed capital increase was submitted and approved by the stockholders at the annual stockholders' meeting on May 20, 2014. A waiver of the requirement to undertake a stock rights offer, concurrent with the private placement, was also obtained from the minority stockholders at the same meeting.

On June 17, 2014, AC and its affiliate, National Book Store, Inc. (NBSI) subscribed to 414,700,000 shares and 85,300,000 shares, respectively, at a subscription price of Php1.8516 per share, from the increase in capital stock of the Company as approved by a majority of the stockholders at the meeting held on May 20, 2014.

On September 23, 2014, the Securities and Exchange Commission approved the amendment of the following articles of the Company's Articles of Incorporation:

1. Third Article - specifying the place of principal office from "Metro Manila, Philippines," to "*Quad Alpha Centrum, 125 Pioneer Street, Mandaluyong City, 1550, Philippines*"; and

2. Sixth Article - increasing the authorized capital stock of the Company from Two Billion Pesos (P2,000,000,000.00) divided into Two Billion (2,000,000,000) shares with a par value of One Peso (P1.00) per share, to *Four Billion Pesos (P4,000,000,000.00) divided into Four Billion (4,000,000,000) shares* with a par value of One Peso (P1.00) per share.

On October 03, 2014, NBSI subscribed to an additional 228,340,759 shares of the Company at a subscription price of Php1.8516 per share, from the unissued capital stock of the Company.

On October 24, 2014, AC further subscribed to an additional 1,109,961,961 shares of the Company at a subscription price of Php1.8516 per share from the unissued capital stock of the Company.

- C. Acquisition of UPM shares on December 3, 2015, for P26.3 million thereby increasing the Company's ownership therein from 22.96% to 24.30%, and on May 5 and 6, 2016 for a total of P30.04 million thereby increasing the Company's ownership therein from 24.30% to 25.69%.

Alakor Corporation, National Book Store, are the principal shareholders of the Company and UPM, and Alfredo C. Ramos, Christopher M. Gotanco, Presentacion S. Ramos, Francisco A. Navarro, Adrian Paulino S. Ramos and Gerard Anton S. Ramos are directors of the Company and of UPM.

- D. On December 21, 2015, the Company acquired 97.59% ownership of Tipo Valley Realty, Inc. (TVRI) using the proceeds from the private placement of Company shares. TVRI is a property development company owning about 200 hectares of land in Bgys. Sacrifice Valley and Mabiga, Hermosa, Bataan, adjacent to the Subic Bay Freeport Zone. As part of its property development initiatives, the Company intends to have the TVRI properties developed into a Special Economic Zone.

The principal shareholders of TVRI are Alakor Corporation (AC) and Presentacion S. Ramos, and its directors are Presentacion S. Ramos, Alfredo C. Ramos, Maureen Alexandra S. Ramos-Padilla, Gerard Anton S. Ramos and Adrian Paulino S. Ramos, all of whom are likewise directors of the Company and of AC. They did not participate in the deliberation and approval of the acquisition of 97.59% ownership of TVRI.

- E. In the ordinary and regular course of business, the Company had transactions with related parties (i.e. companies with shareholders common with the Company) which principally consist of advances TO related parties and loans/advances FROM related parties. The identities of these related parties, including the amounts and details of the transactions are disclosed in Note 26 of the Company's 2015 Audited Financial Statements, a copy of which is included in this Information Statement.

- (1) Business purpose of the arrangement. The business purpose of related party transactions is to address immediate working capital requirements of related parties (in the case of advances TO related parties) or of the Company (in the case of loans/advances FROM related parties).
- (2) Identification of the related parties' transaction business with the registrant and nature of the relationship. See Note 26 of the Company's 2015 Audited Financial Statements.

- (3) How transaction prices were determined by parties. All transactions with related parties are based on prevailing market/commercial rates at the time of the transaction.
- (4) If disclosures represent that transactions have been evaluated for fairness, a description of how the evaluation was made. There are **NO** disclosures representing that the transactions with related parties have been evaluated for fairness inasmuch as the bases of all transactions with related parties were the prevailing market/commercial rates at the time of the transaction over which neither the Company nor the related parties have any control or influence whatsoever.
- (5) Any on-going contractual or other commitments as a result of the arrangement. **NONE**, other than the repayment of money lent or advanced.
- (6) There were **NO** transactions with parties that fall outside the definition of "related parties" under SFAS/IAS No. 24. Neither were there any transactions with persons with whom the Company or its related parties have a relationship that enabled the parties to negotiate terms of material transaction that may not be available from other, more clearly independent parties on an arms' length basis.

Parent of the Company. As of December 31, 2015, Alakor Corporation holds 54.28% of the Company's outstanding capital stock.

- (b) **Resignation or Declination to Stand for Re-Election.** **NO** director elected in the 2015 Annual Stockholders' Meeting has resigned or declined to stand for re-election to the Board of Directors. Atty. Augusto B. Sunico passed away last October 2015 and was replaced in the Board of Directors by Atty. Adrian S. Arias by unanimous vote of the remaining directors still constituting a quorum. Atty. Arias has not resigned or declined to stand for re-election to the Board of Directors.

Item 6. Compensation of Directors and Executive Officers

The aggregate compensation paid to the Company's Chief Executive Officer and other four (4) most highly compensated executive and non-executive officers named below as a group for the two most recently completed fiscal years (2014 and 2015) and the ensuing fiscal year (2016) are:

Name	Position	Year	Salary	Bonus	Other Annual Compensation
Alfredo C. Ramos	Chairman/CEO				
Christopher M. Gotanco	President				
Adrian S. Arias	EVP-Legal and Administration				
Adrian Paulino S. Ramos	EVP/Treasurer				
Gerard Anton S. Ramos	EVP-Investments				

	2014	P6,206,255	P1,064,327	-
	2015	7,689,430	2,792,064	-
	2016 (est)	8,458,373	3,071,270	-
<i>All officers and directors as a group unnamed</i>	2014	6,776,255	1,519,654	-
	2015	8,354,430	4,360,639	-
	2016 (est)	9,189,873	4,796,703	-

For the years 2015 and 2014, directors and executive officers were paid the 13th month pay and corresponding bonuses.

For the most recently completed fiscal year and the ensuing fiscal year, directors received and will receive a per diem of ₱5,000 per month to defray their expenses in attending board meetings. There are no other arrangements for compensation of directors, as such, during the last fiscal year and for the ensuing fiscal year.

The Company maintains standard employment contracts with Messrs. Alfredo C. Ramos and Christopher M. Gotanco, both of which provide for their respective compensation and benefits, including entitlement to health benefits, representation expenses and Company car plan. Other than what is provided under applicable labor laws, there are no compensatory plans or arrangements with executive officers entitling them to receive more than P2,500,000 as a result of their resignation or any other termination of employment, or from a change in control of the Company, or a change in the executive officers' responsibilities following a change in control of the Company.

The Company maintains a retirement plan pursuant to which an eligible employee will receive one month's pay for every year of service for the first 10 years and two month's pay for every year of service beyond 10 years. Based on this policy, the retirement pay of some officers of the Company may exceed P2,500,000.

There are NO warrants or options outstanding in favor of directors and officers of the Company.

Item 7.Independent Public Accountants

The accounting firm of SycipGorresVelayo and Co. (SGV), with address at 6760 Ayala Avenue, 1226 Makati City, was appointed external auditor of the Company in the 2013, 2014, and 2015 Annual Stockholders Meetings with John T. Villa as the partner-in-charge in 2013 and Ms. Eleanore A. Layug as the partner-in-charge in 2014 to 2015.

SRC Rule 68, paragraph 3 (b) (iv) and (ix) (Rotation of External Auditors) requires that the signing partner shall be rotated after five (5) years of engagement and, prior to re-engagement if desired, should first observe a 2-year cooling off period. Pursuant to this, Mr. John T. Villa, signing partner for the examination of the Company's Financial Statements from 2009-2013 was succeeded by Ms. Eleanore A. Layug in 2014.

No signing partner of the Company's external auditor has repeated as signing partner after serving their initial term. In the case of Mr. Villa, who has served the maximum 5 years engagement period under SRC Rule 68, the Company will observe the two- year cooling off period and will not engage Mr. Villa as signing partner for the audit years 2014 and 2015.

For 2016, SGV is recommended to stockholders for appointment as independent external auditor of the Company.

The fees of the external auditor in the past three (3) years are as follows:

<u>Year</u>	<u>Audit & Audit Related Fees</u>	<u>Tax Fees</u>	<u>Other Fees</u>
2013	P492,319	P59,078	0
2014	P533,639	P64,037	0
2015	P555,014	P66,602	0

For the past three (3) years, the Company has engaged the services of the SGV for the audit and review of the annual financial statements in connection with statutory and regulatory filings for the years 2013, 2014 and 2015. The amounts under the caption "*Audit & Audit Related Fees*" for the years 2013, 2014 and 2015 pertain to these services. The Audit Committee has an existing policy prohibiting the Company from engaging the external auditor to provide services that may adversely impact its independence, including those expressly prohibited by regulations of the Securities & Exchange Commission (SEC).

SGV representatives are expected to be present at the Meeting and they will have the opportunity to make a statement and respond to appropriate questions.

The Company **NEVER** had any disagreement with its auditors, SGV, with Mr. Villa nor Ms. Layug, on any matter of accounting principles or practices, financial statement disclosures or auditing scope or procedures and the Company did not engage any new independent external auditor, either as principal accountant to audit the Company's financial statements or as an independent accountant on whom the principal accountant has expressed or is expected to express reliance in its report regarding a significant subsidiary, during the two most recent fiscal years or any subsequent interim period.

NO independent accountant engaged by the Company as principal accountant, or an independent accountant on whom the principal accountant expressed reliance in its report regarding a significant subsidiary, has resigned, or has declined to stand for re-election after completion of the current audit, or was dismissed. The auditor's representatives are expected to be present at the Meeting and will have the opportunity to make a statement and respond to appropriate questions.

The Company's audit committee is headed by Mr. Renato C. Valencia, as Chairman, and the members are Messrs. Ramoncito Z. Abad, Adrian Paulino S. Ramos and Francisco A. Navarro. The Audit Committee reviews and recommends to the Board and the stockholders the appointment of the external auditor and the fixing of the audit fees for the Company.

Item 8.Compensation Plans.

Not applicable.

C. Issuance and Exchange of Securities

Item 9. Authorization or Issuance of Securities Other than for Exchange

(a) Title and Amount of Securities to be Authorized or Issued

On March 12, 2014, the Board of Directors approved a proposal to undertake a private placement of up to 2,300,000,000 Company shares in favour of Alakor Corporation (AC) and its designated affiliate(s) to be taken from a proposed increase in capital stock from P2 billion to P4 billion and, if necessary, partly from the existing unissued capital stock of the Company.

Alfredo C. Ramos, Presentacion S. Ramos, Maureen Alexandra S. Ramos-Padilla, Gerard Anton S.Ramos and Adrian Paulino S. Ramos are directors of the Company and of AC. They did not participate in the deliberation and approval of the proposed capital increase and private placement.

The proposed capital increase was submitted and approved by the stockholders at the annual stockholders' meeting on May 20, 2014. A waiver of the requirement to undertake a stock rights offer, concurrent with the private placement, was also obtained from the minority stockholders at the same meeting.

On June 17, 2014, AC and its affiliate, National Book Store, Inc. (NBSI) subscribed to 414,700,000 shares and 85,300,000 shares, respectively, at a subscription price of Php1.8516 per share, from the increase in capital stock of the Company as approved by a majority of the stockholders at the meeting held on May 20, 2014.

On September 23, 2014, the amendment to the Company's Articles of Incorporation, was approved by the Securities and Exchange Commission, amending the following articles:

1. Third Article - specifying the place of principal office from "Metro Manila, Philippines," to "Quad Alpha Centrum, 125 Pioneer Street, Mandaluyong City, 1550, Philippines"; and
2. Sixth Article - increasing the authorized capital stock of the Company from Two Billion Pesos (P2,000,000,000.00) divided into Two Billion (2,000,000,000) shares with a par value of One Peso (P1.00) per share, to Four Billion Pesos (P4,000,000,000.00) divided into Four Billion (4,000,000,000) shares with a par value of One Peso (P1.00) per share.

On October 03, 2014, NBSI subscribed to an additional 228,340,759 shares of the Company at a subscription price of Php1.8516 per share, from the unissued capital stock of the Company.

On October 24, 2014, AC further subscribed to an additional 1,109,961,961 shares of the Company at a subscription price of Php1.8516 per share from the unissued capital stock of the Company.

On December 3, 2014, the Company issued stock certificates to fully paid subscription of Alakor and NBSI for a total of 414,700,000 shares and 313,640,759 shares respectively.

On February 1, 2016, the Company issued stock certificates to fully paid subscription of AC of 1,109,961,961. Listing application have been filed with the PSE on February 22, 2016.

Item 10. Modification or Exchange of Securities

Not Applicable.

Item 11. Financial and Other Information

See the Company's 2015 Audited Financial Statements accompanying this Information Statement.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

1. On December 3, 2015, the Company acquired additional shares in UPM, for P26.3 million thereby increasing the Company's ownership therein from 22.96% to 24.30,
2. On December 21, 2015, the Company acquired 97.59% ownership in Tipo Valley Realty, Inc. (TVRI) for P299,089,000.00. The Group consolidated financial statements for the year 2015 includes the account of TVRI.
3. On May 5 and 6, 2016 additional shares of UPM were acquired for a total of P30.04 million thereby increasing the Company's ownership therein from 24.30% to 25.69%.

Item 13. Acquisition or Disposition of Property

Not applicable.

Item 14. Restatement of Accounts

NO restatement of any account has been made from the time the Company's financial statements were last audited (31 December 2015) up to the date of this Information Statement.

NO material reclassification, merger, consolidation, or purchase/sale of a significant amount of assets, not in the ordinary course of business, has been undertaken by the Company and/or its subsidiary during the last three (3) years, **EXCEPT**: (i) the sale of Shang Properties Inc. investment on August 27, 2013 for P778.5 million; (ii) the purchase of additional OV shares by way of special block sales on September 2, 2013 for P781 million and July 11, 2014 for P1.62 billion, thereby increasing the interest of the Company in OV from 1.71% to 11.87% to 34.32%; (iii) the classification of P437.8 million debt to EPL from Current Portion to Non-Current Portion of Long Term Debt as of December 17, 2013 (subsequently, the entire EPL loan was fully paid on October 24, 2014); (iv) the sale of NTDCC investment on December 10, 2014 and February 5, 2015 for P1.26 billion; (v) the acquisition of additional shares in UPM last December 3, 2015 for P26.3 million thereby increasing the Company's ownership therein from 22.96% to 24.30%; (vi) the acquisition of 97.59% ownership in TVRI on December 21, 2015 for

P299,089,000.00; (vii) the reclassification of the Company's AT investment from AFS Financial Assets to Investment in Associate effective as of fiscal year 2015; and (viii) the acquisition of additional shares in UPM last May 5 and 6, 2016 for a total of P30.04 million thereby increasing the Company's ownership therein from 24.30% to 25.69%.

NO action will be taken at the meeting with respect to the restatement of any asset, capital or surplus account of the Company.

D. Other Matters

Item 15. Action With Respect to Reports

The following matters/acts/resolutions of the Board will be submitted to the stockholders for ratification at the Meeting:

(a) Minutes of the 2015 Annual Stockholders' Meeting;

Approval of the Minutes of the 2015 Annual Stockholders' Meeting constitutes a ratification of the accuracy and faithfulness of the Minutes to the events that transpired during the said meeting. This does not constitute a second approval of the matters taken up at the 2015 Annual Stockholders' Meeting, which have already been approved.

(b) Management Report for the year ended 31 December 2015 (a copy containing the information required by SRC Rule 20A is enclosed). Approval of the Management Report constitutes a ratification of the Company's performance during the previous fiscal year as contained therein.

(b) Acts and Resolutions of the Board of Directors and Management from the date following the last Annual Stockholders' Meeting (July 31, 2015) to the present, including but not limited to the following:

1. Election/appointment of Adrian S. Arias as Director of the Company. (November 4, 2015);
2. Authorizing the Company to purchase from Alakor and PSR the 97.59% common shares of Tipo Valley Realty Inc. (December 15, 2015);
3. Authorizing the Company to appoint BDO Unibank Inc. and Trust Investment Group to as the Corporation's Escrow Agent (December 15, 2015);
4. Authorizing the Company to grant a P60 million loan to Alakor Corporation (December 15, 2015);
5. Authorizing the Company to exercise its voting rights in respect of all its shares of stock in Atlas in concert with Alakor, Philodrill and NBS. (December 15, 2015);
6. Authorizing the Company to enter into an agreement with SM Investment Corporation ("SMIC") that shall embody its commitment as a shareholder of

ACDMC to perform or to cause the performance of all acts that are necessary to enable ACDMC to do the following:

- a. Agree to grant SMIC the option to convert into equity the loan in the amount Php 705.375 Million that is covered by PN to be issued by ACDMC in favor of SMIC. (January 6, 2016);
- b. Agree to grant SMIC the option to convert into equity the loan in the amount Php 1.346 Billion that is covered by PN to be issued by ACDMC in favor of SMIC. (February 2, 2016);
- c. Agree to grant SMIC the option to convert into equity the loan in the amount Php 2.236 Billion that is covered by PN to be issued by ACDMC in favor of SMIC. (March 16, 2016);
7. Authorizing the Company to designate Mr. Alfredo C. Ramos, or the EVP/Treasurer Mr. Adrian Paulino S. Ramos, as the proxy of the Company to the Annual Stockholders' Meeting of Atlas Consolidated Mining and Development Corporation to be held on 29 April 2016. (12 April 2016);
8. Authorizing the setting of the Annual Stockholders' Meeting on July 29, 2016, and setting the record date therefore on May 6, 2016. (April 12, 2016);
9. Approving the Company's audited financial statements for the year ended 2015 (April 12, 2016);
10. Authorizing the Company to appoint Atty. Carmen Rose A. Basallo-Estampador, as the Company's Assistant Corporate Secretary. (April 12, 2016);
- (d) Appointment of SycipGorresVelayo and Company as the Company's independent external auditor for 2016.

Item 16. Matters Not Required to be Submitted

Proofs of transmittal to stockholders of the required Notice for the Meeting and of the presence of a quorum at the Meeting form part of the Agenda for the Meeting and will not be submitted for approval by the stockholders.

Item 17. Amendment of Articles of Incorporation

On September 23, 2014, amendments to Article III and Article VI of the Company's Articles of Incorporation has been approved by the Securities and Exchange Commission.

NO amendment to the Company's articles of incorporation or by-laws is being proposed at the Meeting.

Item 18. Other Proposed Action

NO action on any matter, other than those stated in the Agenda for the Meeting, is proposed to be taken, except matters of incidence that may properly come at the Meeting.

Item 19. Voting Procedures

- (a) In the election of directors, the eleven (11) nominees with the greatest number of votes will be elected directors.
- (b) If the number of nominees for election as directors does not exceed the number of directors to be elected, the Secretary of the Meeting shall be instructed to cast all votes represented at the Meeting equally in favor of all such nominees. However, if the number of nominees for election as directors exceeds the number of directors to be elected, voting shall be done by ballot, cumulative voting will be followed, and counting of votes shall be done by two (2) election inspectors appointed by the stockholders present or represented by proxy at the Meeting.

In accordance with SRC Sec. 38 and SRC Rule 38, only nominees whose names appear in the Final List of Candidates for Independent Directors shall be eligible for election as Independent Directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared and no further nomination shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

Messrs. Renato C. Valencia and Ramoncito Z. Abad are nominated for election as independent directors of the Company for fiscal year 2016.

PART II

INFORMATION REQUIRED IN A PROXY FORM

Part II and its required disclosures are not relevant to the Company since the Company is not requesting or soliciting proxies.

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 at Mandaluyong City on June 3, 2016.



ADRIAN S. ARIAS
Assistant Corporate Secretary

Materials accompanying this Information Statement

1. Notice of the 2016 Annual Meeting of Stockholders with Agenda
2. Management Report on SEC Form 20A
3. Final List of Candidates for Independent Directors
4. Audited Financial Statements for 2015
5. Unaudited Financial Statement for the Interim Period 31 March 2016
6. Minutes of the Meetings of Stockholders – July 31, 2015

The Company undertakes to provide, without charge, upon the written request of a stockholder, a copy of the Company's Annual Report on SEC Form 17-A. Such request should be addressed to the Corporate Secretary, Anglo Philippine Holdings Corporation, 6th Floor, Quad Alpha Centrum, 125 Pioneer Street, Mandaluyong City 1550, Philippines.



ANGLO PHILIPPINE HOLDINGS CORPORATION

AN INFRASTRUCTURE AND PROPERTY DEVELOPMENT COMPANY

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

The Annual Stockholders' Meeting of Anglo Philippine Holdings Corporation will be held on the following date and place:

FRIDAY, 29 JULY 2016, 2:30 P.M.,
Rajah Room, The Legend Villas 60 Pioneer St. corner Madison Streets,
Mandaluyong City, Philippines

The agenda for the Meeting shall be, as follows:

1. Call to Order
2. Proof of Notice and Certification of Quorum
3. Approval of Minutes of Stockholders' Meetings – July 31, 2015
4. Management Report
5. Approval of the Company's Annual Report
6. Ratification of Corporate Acts and Resolutions
7. Election of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

Registration for the Meeting begins at 1:30 p.m. For purposes of the Meeting, stockholders of record as of **06 May 2016** are entitled to notice of and to vote at the Meeting. If you will not be able to attend the Meeting but would like to be represented thereat, you may submit your proxy form, duly signed and accomplished, to the Corporate Secretary at the 6th Floor, Quad Alpha Centrum, 125 Pioneer Street, Mandaluyong City, no later than **22 July 2016**. Corporate stockholders should also provide a notarized secretary's certificate attesting to the appointment of the corporation's proxy for the Meeting as well as the execution and delivery of the proxy form.

THE COMPANY IS NOT SOLICITING PROXIES.

All information and materials for the meeting may be accessed online for viewing or download at <http://www.anglophil.com> disclosure section.

Makati City, Metro Manila, Philippines, 12 April 2016.

ROBERTO V. SAN JOSE
Corporate Secretary

"Helping Build the Filipino Future"

6th Floor, Quad Alpha Centrum, 125 Pioneer Street Mandaluyong City 1550, Philippines
Tel Nos.: (632)631-5139. (632)635-6130. Fax No.: (632)631-3113. E-mail: aphc1996@yahoo.com .Website: www.anglophil.com

ANGLO PHILIPPINE HOLDINGS CORPORATION

6th Floor, Quad Alpha Centrum
125 Pioneer Street, Mandaluyong City, Philippines
Tel (632) 631-5139; 635-6130; Fax (632) 631-3113

MANAGEMENT REPORT ACCOMPANYING INFORMATION STATEMENT PURSUANT TO SRC RULE 20(4)

I. Audited Financial Statements

The audited financial statements of Anglo Philippine Holdings Corporation (the “Company”) for the fiscal year ended 31 December 2015 and the corresponding Statement of Management's Responsibility are attached hereto.

II. Disagreements with Accountants on Accounting and Financial Disclosure. NONE

III. Management’s Discussion and Analysis or Plan of Operations

(1) Plan of Operation

(a) To sustain business growth, the Company plans to focus and build on its core investments in natural resources (through investments in OV, UPM, AT and VMC) and property development (through investment in TVRI and MRTDC). In addition, the Company will continue to take advantage of new business opportunities that may emerge in other investment areas which provide synergies with the Company’s investment portfolio.

(b) Owing to the nature of the business of the Company (investment holding), VMC (mineral and aggregates exploration and development), and TVRI (property development) no product research and development is expected to be undertaken in the next twelve (12) months.

(c) The Company does not expect to make any purchase or sale of any plant and/or significant equipment within the next twelve (12) months.
On the other hand, any plant and/or equipment that may be purchased or otherwise acquired by VMC in the next twelve (12) months as part of an upgrading or modernization plan are charged as ordinary expenses of VMC and/or the joint venture, as applicable.

(d) The Company and its subsidiaries, VMC and TVRI do not expect any significant change in the number of its employees in the next twelve (12) months.

(2) Management’s Discussion and Analysis

The property development sector is enjoying a boom as more development projects are undertaken to satisfy rising demands from overseas Filipino workers (OFWs), new business ventures, and a growing working class who prefers to live and work nearby to avoid severe traffic conditions in Metro Manila. Likewise, the country’s stable and

improved economic performance continue to contribute significantly to property demand. These factors augur well for TVRI and MRTDC, all of whom are planning to develop, or are in the process of developing, their respective property portfolios. The present environment also bodes well for VMC which supplies basic aggregates materials for real estate development and public works.

TVRI is completing all the necessary steps and obtaining all required permits and approvals for the issuance of PEZA accreditation over its properties.

The natural resources sector, unfortunately, has been adversely hit by the general downtrend in the prices of petroleum (OV), nickel and copper (AT) and gold (UPM). Nevertheless, the Company remains optimistic that commodity prices will recover and rebound in 2016 and generate attractive returns soon.

VMC, is expanding operations through joint undertakings with other industry stakeholders and pursuing more robust exploration and development efforts in its mineral and aggregates areas.

The infrastructure sector is in its growth stage as the infrastructure needs of the country far exceed the available supply of funds for various projects. Private sector financing, such as that provided by the Company, will continue to supplement, if not totally supplant, Government funding for infrastructure projects.

(a) Full fiscal years

Financial Condition, Changes in Financial Condition and Results of Operations

Financial highlights for the years 2015, 2014, and 2013 are presented below:

	2015	2014	2013
	(Consolidated)	(Consolidated)	(Consolidated)
Revenues	509,036,379	799,173,644	497,240,698*
Net income	280,383,996	517,811,981	208,544,763
Total assets	7,032,449,128	6,028,459,075	4,680,134,974
Total Liabilities	369,676,039	310,468,763	1,859,116,622
Net worth	6,662,773,089	5,717,990,312	2,821,018,352
Issued & subscribed capital	3,003,302,538	3,003,302,538	1,164,999,818

**Net of Equity in net losses of associates.*

Changes in Financial Condition (2013-2015)

Revenues increased from 2013 to 2014 mainly due to the sale of NTDC shares on December 10, 2014, but declined in 2015 due to the termination of the Company's

consultancy agreement with EPL as of October 2014 and lower gains on sale of investments.

Total sales generated by the Company's subsidiary, Vulcan Materials Corporation (VMC), is lower in 2014 at P18 million compared to P86 million in 2013. In 2015, the subsidiary reported a higher Total Sales of P72.27 million due to a full year operation.

Net Income increased from 2013 to 2014 mainly due to higher revenues, but declined in 2015 due to a corresponding decline in revenues.

Total Assets increased from P4.7 billion in 2013 to P6.0 billion in 2014 due to:(i) increase in cash and cash equivalent arising from the sale of NTDCC shares on December 10, 2014; and, (ii) increase in Investment in Associate resulting from the additional investment in The Philodrill Corporation (OV) shares. Likewise, in 2015, Total Assets increased due to:(i) participation of the Company in the AT convertible loan offering;(ii) acquisition of Tipo Valley Realty, Inc. (TVRI), as reported under investment; and, (iii) reclassification of Atlas Consolidated Mining and Dev't. Corp. (AT) AFS investment into Investment in Associates carried at cost.

Total Liabilities decreased from P1.86 billion in 2013 to P310.47 million in 2014 mainly due to payment of loans to EPL in 2014. On the other hand, Current Liabilities increased in 2015 to P350.1 million due to recognition of Advances from NTDCC arising from shareholder's settlement agreement effective 2015.

The Company's Net Worth increased from P4.68 billion in 2013 to P6.03 billion in 2014 due to increase in Stockholders' Equity resulting from additional subscriptions by Alakor Corporation (AC) and National Book Store, Inc. (NBSI) from the increase in the Company's Capital Stock. In 2015, Stockholders' Equity increased to P6.66 billion due to: (i) the reversal of the net unrealized loss on AFS financial assets from reclassification of the AT investment to Investment in Associates; and, (ii) and due to the reported net income from operations.

Results of Operations - Full Year

Natural Resources

Vulcan Materials Corporation (VMC) (100% owned) posted a net loss of P9.02 million in 2015 compared to a net income of P4.6 million in 2014.

VMC is involved in the exploration and development of the following mineral and aggregates resources:

MPSA No. 003-90-IX	Loreto, Dinagat Island
MPSA No. 091-97-VI	Batangas City, Batangas
MPSA No. 070-97-IV	Rodriguez, Rizal
APSA No. 000035-III	Subic, Zambales

APSA No. 00001164-I	Bolinao, Pangasinan
APSA No. 000275-II	Gapan, Penaranda and Gen. Tinio, Nueva Ecija
APSA No. 000388-IV	Roxas and San Vicente, Palawan
ISAG No. III-02-08	Morong, Bataan
EPA No. IVB-258B	San Vicente and Taytay, Palawan

The Philodrill Corporation (OV) (34.32% owned) posted a consolidated net income of P114.7 million in 2015, compared to a net income of P374.65 million in 2014, and paid the Company a total of P25.7 million in cash dividends in 2015.

United Paragon Mining Corporation (UPM) (24.30% owned). The Company acquired additional shares in UPM to bring its ownership from 22.96% to 24.30% as of December 3, 2015. UPM posted a net loss of P52.49 million in 2015, compared to a net loss of P67.3 million in 2014.

Atlas Consolidated Mining & Development Corp. (AT) (8.36% owned) The Company acquired additional shares in AT between January 13-29, 2015 to bring its ownership from 8.27% to 8.36%. AT posted a net loss of P814.44 million for 2015, compared to a net income of P397.08 million in 2014.

Pending the transfer of its petroleum assets, the Company continues to participate in the following **Oil Exploration** contracts:

Service Contract 6A	Octon, NW Palawan	11.11000 %
Service Contract 14D	Tara, NW Palawan	2.50000 %
Service Contract 41	Sulu Sea	1.67900 %
Service Contract 53	Onshore Mindoro	5.00000 %
SWAN Block	NW Palawan	33.57800 %

In **SC 6A (Octon)**, Philodrill is pursuing a reprocessing and quantitative interpretation of 600 sq.km of seismic data in the northern portion of **SC 6A (Octon)** block to validate a prospective new play horizon.

In **SC 53 (Onshore Mindoro)**, all permits and long-lead items necessary for the drilling of the Progreso-2 well are now in place, while awaiting finalisation of certain documentations.

In **Area 15 (Sulu Sea)**, the DOE will reportedly re-bid the area. Anglo has an option to acquire a portion of Philodrill's interest in Area 15 should Philodrill be awarded a contract for Area 15.

In the **SWAN Block**, the consortium awaits PNOC-EC'S evaluation of the merits of the offer to swap a portion of the consortium's interest in some blocks in exchange for interests in SC-57 and SC-58, which cover the old SWAN block.

Property Development

Tipo Valley Realty, Inc. (TVRI) (97.59% owned) posted a net loss of P4.02 million in 2015, compared to a net loss of P2.01 million in 2014.

TVRI legally owns approximately 201 hectares of land located in Hermosa, Bataan, adjacent to the Subic Bay Freeport Zone, and intends to develop the properties as a Special Economic Zone as part of its property development initiatives.

Following the sale of the Company's 15.79% equity in **North Triangle Depot Commercial Corporation (NTDCC)** last December 10, 2014 and February 5, 2015, the Company has entered into a Lease Agreement with NTDCC for the lease of the Company's *pro indiviso* shares in the North Avenue Lot Pads and associated Lot Pad Slivers. The lease will be *co-terminus* with the lease of the North Triangle depot with NHA (2047).

The Company continues to maintain 15.79% interest in **MRT Development Corp.** which generates revenues from concessionaire rentals and advertising fees in the MRT 3 stations.

Infrastructure

The Company continues to maintain 18.6% equity in **MRT Holdings, Inc.**, the indirect majority owner of the Metro Rail Transit Corporation. As of end-2015, average ridership stood at about 350,000 passengers per day.

Other Investments

The Company has minority investment in **Brightnote Assets Corporation**, a holding company organized for the purpose of investing in the Calabarzon area.

Filipinas Energy Corporation (FEC) has not undertaken any business operation since its incorporation due to the deferment of the transfer of the Company's oil and mineral assets.

Results of Operations – 1st Quarter 2016

Natural Resources

The Company owns 100% of **Vulcan Materials Corporation (VMC)** which posted a net loss of P0.6 million as of March 31, 2016. VMC is involved in the exploration and development of the various mineral and aggregates resources.

As of end-March 2016, VMC produced 54,720.315 cu.m. of aggregates, or an average of about 18,240.10 cu.m./month.

Following the acquisition of an additional 3.6 billion UPM shares last May 5-6, 2016, the Company now owns 25.69% of **United Paragon Mining Corporation (UPM)** which holds

highly prospective gold mining properties in the Bicol area. UPM posted a net loss of P11.0 million as of end-March 2016.

As of March 31, 2016, the Company owns 8.36% of **Atlas Consolidated Mining & Development Corporation (AT)**, which posted a Net Loss of P135.0 million as of end-March 2016.

The Company owns 34.32% of **The Philodrill Corporation(OV)** which posted a net loss of P23.4 million as of end-March 2016.

The Company likewise continues to hold interests in the following **Oil Exploration** contracts:

Service Contract 6A	Octon, NW Palawan	11.11000 %
Service Contract 14D	Tara, NW Palawan	2.50000 %
Service Contract 41	Sulu Sea	1.67900 %
Service Contract 53	Onshore Mindoro	5.00000 %
SWAN Block	NW Palawan	33.57800 %

In **SC 6A (Octon)**, Philodrill is pursuing a reprocessing and quantitative interpretation of 600 sq. km of seismic data in the northern portion of **SC 6A (Octon)** block to validate a prospective new play horizon.

In **SC 53 (Onshore Mindoro)**, all permits and long-lead items necessary for the drilling of the Progreso-2 well are now in place. Meanwhile, Pitkin Petroleum is finalising the sale of its interests in SC 53 to Mindoro-Palawan Oil and Gas, Inc.

In **Area 15 (Sulu Sea)**, the DOE will reportedly re-bid the area. Anglo has an option to acquire a portion of Philodrill's interest in Area 15 should Philodrill be awarded a contract for Area 15.

In the **SWAN Block**, the consortium awaits PNOC-EC'S evaluation of the merits of the offer to swap a portion of the consortium's interest in some blocks in exchange for interests in SC-57 and SC-58, which cover the old SWAN block.

Property Development

Tipo Valley Realty, Inc. (TVRI) (97.59% owned) posted a net loss of P1.4 million as of end-March 2016, compared to a net loss of P2.01 million as of end-March 2015.

TVRI legally owns approximately 201 hectares of land located in Hermosa, Bataan, adjacent to the Subic Bay Freeport Zone, and intends to develop the properties as a Special Economic Zone as part of its property development initiatives.

Following the sale of the Company's 15.79% equity in **North Triangle Depot Commercial Corporation (NTDCC)** last December 10, 2014 and February 5, 2015, the Company has entered into a Lease Agreement with NTDCC for the lease of the Company's *pro indiviso* share in the North Avenue Lot Pads and associated Lot Pad Slivers. The lease will be *co-terminus* with the lease of the North Triangle depot with the National Housing Authority (2047).

The Company continues to maintain 15.79% interest in **MRT Development Corp.** which generates revenues from concessionaire rentals and advertising fees in the MRT 3 stations.

Infrastructure

The Company continues to maintain 18.6% equity in **MRT Holdings, Inc.**, the indirect majority owner of the Metro Rail Transit Corporation.

Other Investments

The Company has minority investment in **Brightnote Assets Corporation**, a holding company organized for the purpose of investing in the Calabarzon area.

Filipinas Energy Corporation (FEC) has not undertaken any business operation since its incorporation due to the deferment of the transfer of the Company's oil and mineral assets.

NO bankruptcy, receivership or similar proceeding has been filed by or against the Company and/or its subsidiary during the last three (3) years.

NO material reclassification, merger, consolidation, or purchase/sale of a significant amount of assets, not in the ordinary course of business, has been undertaken by the Company and/or its subsidiary during the last three (3) years, **EXCEPT:** (i) the sale of Shang Properties Inc. investment on August 27, 2013 for P778.5 million; (ii) the purchase of additional OV shares by way of special block sales on September 2, 2013 for P781 million and July 11, 2014 for P1.62 billion, thereby increasing the interest of the Company in OV from 1.71% to 11.87% to 34.32%; (iii) the classification of P437.8 million debt to EPL from Current Portion to Non-Current Portion of Long Term Debt as of December 17, 2013 (subsequently, the entire EPL loan was fully paid on October 24, 2014); (iv) the sale of NTDC investment on December 10, 2014 and February 5, 2015 for P1.26 billion; (v) the acquisition of additional shares in UPM last December 3, 2015 for P26.3 million thereby increasing the Company's ownership therein from 22.96% to 24.30%; (vi) the acquisition of 97.59% ownership in TVRI on December 21, 2015 for P299,089,000.00; (vii) the reclassification of the Company's AT investment from AFS Financial Assets to Investment in Associate effective as of fiscal year 2015; and (viii) the acquisition of additional shares in UPM last May 5 and 6, 2016 for a total of P30.04 million thereby increasing the Company's ownership therein from 24.30% to 25.69%.

The top key performance indicators of the Company and its majority-owned subsidiaries for the years 2015, 2014 and 2013 are as follows:

	<u>December 31, 2015</u> <u>(Consolidated)</u>	<u>December 31, 2014</u> <u>(Consolidated)</u>	<u>December 31, 2013</u> <u>(Consolidated)</u>
Current Ratio	1.51:1	3.30:1	1.25:1
<u>Current Assets</u>	<u>527,778,874</u>	<u>960,428,076</u>	<u>341,017,601</u>
Current Liabilities	350,140,112	291,147,785	272,909,056

Assets to Equity Ratio	1.06 : 1	1.05 : 1	1.66 : 1
<u>Total Assets</u>	<u>7,032,449,128</u>	<u>6,028,459,075</u>	<u>4,680,134,974</u>
Stockholders Equity	6,662,773,089	5,717,990,312	2,821,018,352
Debt to Equity Ratio	0.06 : 1	0.05 : 1	0.66 : 1
<u>Total Liabilities</u>	<u>369,676,039</u>	<u>310,468,763</u>	<u>1,859,116,622</u>
Stockholders Equity	6,662,773,089	5,717,990,312	2,821,018,352
Equity to Debt Ratio	18.02 : 1	18.42 : 1	1.52 : 1
<u>Stockholders Equity</u>	<u>6,662,773,089</u>	<u>5,717,990,312</u>	<u>2,821,018,352</u>
Total Liabilities	369,676,039	310,468,763	1,859,116,622
Book Value per share	2.22	1.90	2.42
<u>Stockholders Equity</u>	<u>6,662,773,089</u>	<u>5,717,990,312</u>	<u>2,821,018,352</u>
Shares Outstanding	3,003,302,538	3,003,302,538	1,164,999,818
Earnings per share	0.09	0.31	0.18
<u>Net Income</u>	<u>280,383,996</u>	<u>517,811,981</u>	<u>208,544,763</u>
Average Number of shares outstanding	3,003,302,538	1,697,327,875	1,164,999,818

Current Ratio increased from 2013 to 2014 due to substantial increase in current assets brought about by the increase in cash and cash equivalents from the proceeds of the sale of NTDC shares in December 10, 2014. On the other hand, Current Ratio decreased in 2015 due to the decrease in cash and cash equivalents arising from the booking of the AT convertible loan.

Assets-to-Equity Ratio decreased to 1.05:1 2014 compared to 1.66:1 in 2013 due to increase in stockholders equity resulting from additional subscriptions by AC and NBSI from the increase in the Company's Capital Stock. Assets-to- Equity Ratio is at 1.06:1 in 2015.

Debt-to-Equity Ratio substantially decreased from at 0.66:1 in 2013 to 0.05:1 in 2014 due to the Company's fullpayment of its loan obligation to EPL. Debt-to-Equity Ratio is at 0.06:1 in 2015. Conversely, Equity-to-Debt Ratio increased in 2014 compared to 2013 due to decrease in liabilities as Stockholders Equity increased. Equity-to-Debt Ratio slightly decreased to 18.02:1 in 2015 from 18.42:1 in 2014.

Book Value per Share (BVPS) decreased from 2.42 in 2013 to 1.90 in 2014 on account of the increase in the number of shares outstanding arising from the additional subscriptions by AC and NBSI from the increase in the Company's capital stock. BVPS increased in 2015 to 2.22 due to increase in stockholders equity brought about by:(i) the reversal of the net unrealized loss on AFS financial assets due to reclassification of the AT investment from AFS financial assets to Investment in Associates; and,(ii) the additional income generated by the Company in 2015.

Earnings Per Share (EPS) increased from 2013 to 2014 due to higher net income generated by the Company, and lower at P0.09 in 2015 due to the decline in net income in 2015.

The top key performance indicators of the Company and its majority-owned subsidiaries for the quarter end-March 2016 as compared to December 31, 2015, are as follows:

	<u>31 March 2016</u>	<u>31 December 2015</u>
Current Ratio	1.78 : 1	1.51 : 1
<u>Current Assets</u>	<u>601,156,765</u>	<u>527,778,874</u>
<u>Current Liabilities</u>	<u>336,897,552</u>	<u>350,140,112</u>
 Asset to Equity Ratio	 1.06 : 1	 1.06 : 1
<u>Total Assets</u>	<u>7,102,190,852</u>	<u>7,032,449,128</u>
<u>Stockholders Equity</u>	<u>6,638,725,601</u>	<u>6,662,773,089</u>
 Debt to Equity Ratio	 0.07 : 1	 0.06: 1
<u>Total Liabilities</u>	<u>463,465,250</u>	<u>369,676,039</u>
<u>Stockholders Equity</u>	<u>6,638,725,601</u>	<u>6,662,773,089</u>
 Equity to Debt Ratio	 14.32 : 1	 18.02 : 1
<u>Stockholders Equity</u>	<u>6,638,725,601</u>	<u>6,662,773,089</u>
<u>Total Liabilities</u>	<u>463,465,250</u>	<u>369,676,039</u>
 Book Value per share	 2.21	 2.22
<u>Stockholders Equity</u>	<u>6,638,725,601</u>	<u>6,662,773,089</u>
<u>Total Outstanding Shares</u>	<u>3,003,302,538</u>	<u>3,003,302,538</u>
 Earnings per share	 (0.01)	 0.09
<u>Net Income/(Loss)</u>	<u>(24,047,485)</u>	<u>280,383,996</u>
<u>Weighted Average # of shares</u>	<u>3,003,302,538</u>	<u>3,003,302,538</u>

Current Ratio increased from 1.51:1 as of end-2015 to 1.78:1 as of end-March 2016 due to increase in Current Assets as a result of the: (i) increase in the Cash and Cash Equivalents attributable to advance rental received from NTDDC;(ii) increase in Advances to Affiliates; and, (iii) accrual of interest from long-term notes arising from loans extended to AT and Alakor.

Assets to Equity Ratio remains the same at 1.06 as of end-March 31, 2016 and end-2015.

Debt-to-Equity Ratio increased from 0.06:1to 0.07:1, and conversely Equity-to-Debt ratio decreased from 18.02:1 to 14.32:1, during the comparative periods as of end-March 31, 2016 and end-2015 due to increase in Total Liabilities arising from the recognition of deferred rental income from NTDDC.

Book Value per Share decreased due to the decrease in Stockholders' Equity arising from the net loss generated by the Company as of end-March 2016. The Company posted P0.01 Loss Per Share as of end-March 2016, compared to P0.31 Earnings Per Share in 2015.

- (i) There are **NO** known trends, demands, commitments, events or uncertainties that have or are reasonably likely to have a material impact on the Company's short-term or long-term liquidity.
- (ii) The Company's internal source of liquidity comes, primarily, from revenues generated from operations. The Company's external source of liquidity comes, primarily, from loans/financing obtained from financial institutions and, alternatively, may also come from the collection of its accounts receivables.
- (iii) The Company has **NO** material commitments for capital expenditures but is expected to contribute its equity share in the capital expenditures of its investee companies. However, the bulk of the funding for such expenditures will be sourced from project financing.
- (iv) There are **NO** known trends, events or uncertainties that have had or are reasonably expected to have a material impact on the revenues or income from continuing operations.
- (v) There are **NO** significant elements of income or loss that did not arise from the Company's operations.
- (vi) There have been **NO** material changes from 2013-2015 in one or more line items of the Company's financial statements, EXCEPT as disclosed below:
 - a. Net Revenues increased from 2013 to 2014 mainly due to the sale of NTDCC shares on December 10, 2014. In 2015, the Company generated lower Net Revenues as compared to 2014.
 - b. Total sales generated by the Company's subsidiary, VMC, is lower in 2014 at P18 million compared to P86 million in 2013. In 2015, the subsidiary reported a higher Total Sales of P72.27 million due to a full year operation.
 - c. Costs and Expenses are higher in 2014 compared to 2013 due to higher interest and other financing charges and higher general and administrative expenses which include capital gains tax arising from the sale of NTDCC shares. In 2015, Cost and Expenses is lower at P224.9 million.
 - d. Income Before Income Tax increased in 2014 compared to 2013 due to higher revenues generated by the Company arising from the sale of NTDCC shares. 2015 Income Before Income Tax is lower due to lower revenues.
 - e. Basic and Diluted Earnings Per Share increased in 2014 compared to 2013 due to higher Net Income. The Basic and Diluted Earnings per share in 2015 is at P0.14.
 - f. Retained Earnings continued to increase from 2013 to 2015 due to the positive net results of the Company operations.
 - g. Current Assets increased from P341.02 million in 2013 to P960.43 million in 2014 due to disposal of the Company NTDCC shares. In 2015, Current Assets decreased mainly due to participation of the Company on the AT convertible loan.

- h. Non-Current Assets increased from P4.34 billion in 2013 to P5.07 billion in 2014 due to acquisition of additional OV shares (P1.6 billion), which investment was subsequently reclassified from AFS Financial Assets at FVPL to Investment in Associate. Likewise in 2015, Non-Current Assets increased due to the TVRI acquisitions and the reclassification of AT investment from AFS to Investment in Associates carried at cost.
 - i. Current Liabilities increased from P272.9 million in 2013 to P291.1 million in 2014 due to the reclassification of the Non Current Portion of Long Term Debt to Current Portion. In 2015, Current Liabilities increased to P350 million due to recognition of Advances from NTDCC arising from shareholder's settlement agreement, effective 2015.
 - j. Stockholders' Equity increased from P4.68 billion in 2013 to P6.03 billion in 2014 due to subscription of additional shares by AC and NBSI from the increase in the Company's capital stock. In 2015, Stockholders' Equity increased to P6.66 billion due to the reversal of the net unrealized loss on AFS financial assets resulting from the reclassification of the AT investment from AFS financial assets to Investment in Associates, and the reported net income from operations.
- (vii) There have been no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.
 - (viii) 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.
 - (ix) There are **NO** material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
 - (x) There have been **NO** material changes from 31 March 2015 to 31 March 2016 in one or more line items of the Company's financial statements, EXCEPT as disclosed below:
 - (a) Cash and Cash Equivalents is lower at P272.4 million as of end-March 2016 as compared to P1.0 billion in as of end-March 2015 due to participation of the company on the AT convertible loan and loan extended to Alakor Corporation.
 - (b) Accounts Receivable is higher at P310.3 as of end-March 2016 as compared to P136.1 million as of end-March 2015 mainly due additional advances to affiliates and booking of advances MRTDC.
 - (c) Financial Assets at Fair Value through FVPL which composed of Shang Properties Inc. (SHNG) shares bought on December 3, 2015.
 - (d) Prepayments and other current assets increased due to withholding taxes at sources paid to suppliers.
 - (e) The value of AFS investments decreased from P1.6 billion as of end-March 2015 to P8.4 million as of end-March 2016 due to the reclassification of AT AFS investment into Investment in Associates carried at cost. Likewise, Investment in

Associates increased from P3.0 billion as of end-March 2015 to P5.2 billion as of end-March 2016.

- (f) Investment in Property pertains to the acquisition of TVRI shares on December 22, 2015.
 - (g) Long-term note pertains to the Company's participation in AT convertible Loan and Loan extended to Alakor Corporation, on June 9, 2015 and December 2015 respectively.
 - (h) Other non-current assets increased from P5.6 million as of end-March 2016 as compared to P40.2 million as of end-March 2016 due to subsidiaries advances to future acquisition of properties.
 - (i) Accounts Payable increased from P178.9 million as of end-March 2015 to P336.8 million as of end-March 2016 due to the recognition of Advances from NTDCC arising from shareholder's settlement agreement, effective 2015.
 - (j) Deferred rental income pertains to advance rental income received from NTDCC.
 - (k) Retained Earnings decreased due to the payment of cash dividend to stockholders on July 10, 2015 and due to net loss incurred by the Company as of end-March 2016. net income generated by the Company.
 - (l) Stockholders' Equity increased due to the reversal of the net unrealized loss on AFS financial assets from reclassification of its investment in AT from AFS financial assets to Investment in associates.
- (xi) There have been **NO** material changes from 31 December 2015 to 31 March 2016 in one or more line items of the Company's financial statements, EXCEPT as disclosed below:
- (a) Cash and Cash Equivalents increased from P228.5 million as of end-2015 to P272.4million as of end-March 2016due to the advance rental received from NTDCC.
 - (b) Account Receivables increased due to additional advances made to an affiliate.
 - (c) Inventories decreased due to sale of remaining finished goods on stock.
 - (d) Prepayments and other current assets increased due to withholding taxes at sources paid to suppliers.
 - (e) Long-term note increased due to additional drawdown made by Alakor Corporation.
 - (f) AFS Investments increased due to purchase of SMC Preferred shares on March 16, 2016.
 - (g) Investment in Associates decreased due to operation net loss posted by associates during the reporting period.

- (h) Total Liabilities increased due to recording of deferred rental income from NTDCC.
- (i) Retained Earnings decreased due to the Net Loss incurred by the Company as of end-March 2016.

Employees

As of 31 December 2015, the Company has fourteen (14) full-time employees (including officers), VMC has four (4) full time employees (including officers) and twenty seven (27) casual employees, and TVRI has not engaged any employee yet.

IV. Brief Description of the General Nature and Scope of Business of the Company

Anglo Philippine Holdings Corporation (the “Company”) was incorporated in 1958, originally as an oil and mineral exploration company with the corporate name of “*Anglo Philippine Oil Corp.*” In 1996, the Company changed its primary purpose to that of an investments holding firm focused on natural resources, property development and infrastructure, and changed its corporate name to “*Anglo Philippine Holdings Corporation*”. On September 14, 2006, the SEC approved the Company’s Amended Articles of Incorporation extending the life of the Company for another fifty (50) years from June 25, 2008.

On December 18, 2012, the Company acquired 100% ownership of Vulcan Materials Corporation (VMC). VMC was registered with the Philippine SEC on September 12, 1991 and is involved in the exploration and development of mineral and aggregates resources.

On December 21, 2015, the Company acquired 97.59% ownership of Tipo Valley Realty, Inc. (TVRI), a company involved in property development.

V. Market Price and Dividends

(1) Market Information

The Company’s shares are listed and traded in the Philippine Stock Exchange. As of May 27, 2016, the Company’s shares traded at P1.29 per share. The high and low sale price of the Company’s shares for each quarter during the last two (2) fiscal years 2014 and 2015 and the first quarters of the current fiscal year 2016, expressed in Philippine Pesos, are as follows:

	<u>Stock Prices (Php)</u>	
	<i>High</i>	<i>Low</i>
2016– 1st quarter	1.20	0.82
2015 – 1st quarter	1.64	1.20
2 nd quarter	1.43	1.20
3 rd quarter	1.28	1.00
4 th quarter	1.28	1.00

2014 – 1st quarter	2.00	1.65
2nd quarter	1.96	1.63
3rd quarter	2.04	1.72
4th quarter	2.00	1.59

(2) Holders

As of 06 May 2016, total number of shareholders of record is 3,099 while common shares outstanding were 3,003,302,538 shares. The Company's top 20 Stockholders as of 06 May 2016 are as follows:

<u>Rank</u>	<u>Stockholders</u>	<u>Total Shares</u>	<u>Percentage</u>
1	ALAKOR CORPORATION	1,524,661,961	50.7662%
2	PCD NOMINEE CORPORATION CORPORATION	1,125,015,006	37.4593%
3	NATIONAL BOOK STORE INC.	313,640,759	10.4432%
4	SAN JOSE OIL COMPANY	4,693,332	0.1563%
5	ALYROM PROPERTY HOLDINGS, INC.	2,924,900	0.0974%
6	WESTERN GUARANTY CORPORATION	990,000	0.0330%
7	SANTIAGO TANCHAN III	972,398	0.0324%
8	JALANDONI, JAYME, ADAMS & Co., INC.	964,700	0.0321%
9	CONSTANTINE TANCHAN	881,466	0.0293%
10	MARIANO GO BIAO	850,000	0.0283%
11	S.J. ROXAS & CO., INC. A/C # 2.19.038	850,000	0.0283%
12	JACK F. CONLEY	825,000	0.0275%
13	ANSALDO, GODINEZ & CO, INC.	753,835	0.0251%
14	ANTONIO M. HENARES	660,000	0.0220%
15	TBG MBTC FAO CARLOS EJERCITO	500,000	0.0166%
16	JESUS GARCIA	440,000	0.0147%
17	ANTONIO HENARES &/OR CARMEN HENARES	440,000	0.0147%
18	ALAKOR SECURITIES CORPORATION	400,000	0.0133%
19	FRANCISCO A. NAVARRO	400,000	0.0133%
20	ROBERTO V. SAN JOSE	373,866	0.0124%

**Of the total 1,125,015,006 shares under the name of PCD Nominee Corp., 465,360,757 shares (15.495%) are under the name of BDO Securities Corp. (BDOSC), and 261,448,032 shares (8.705%) are under the name of Alakor Securities Corporation (ASC).*

**Of the 465,360,757 shares under the name of BDOSC, National Book Store Inc.(NBSI) owns 464,143,757 shares (15.45%) and of the 261,448,032 shares under the name of ASC, Alakor Corporation (AC) owns 105,375,425 shares (3.51%), while NBSI owns 73,454,649 shares (2.456%).*

(3) Dividends

Cash Dividend	Amount	Declaration Date	Record Date	Payment Date
2015 –CD 13	P0.02/share	June 01, 2015	June 16, 2015	July 10, 2015
2014 –CD 12	P0.015/share	October 29, 2014	November 12, 2014	December 8, 2014
2013 –CD 11	P0.03/share	October 22, 2013	November 8, 2013	December 4, 2013
2013 –CD 10	P0.03/share	March 19, 2013	April 05, 2013	May3, 2013
2012 –CD 9	P0.02/share	October 19, 2012	Nov. 07, 2012	November 23, 2012
2012 –CD 8	P0.04/share	March 28, 2012	April 16, 2012	May 4, 2012
2011 –CD 7	P0.03/share	September 28, 2011	October 12, 2011	November 08, 2011
2011 –CD 6	P0.05/share	March 25, 2011	April 08, 2011	April 29, 2011
2010 –CD 5	P0.03/share	April 12, 2010	April 30, 2010	May 24, 2010
2009 –CD 4	P0.15/share	April 22, 2009	May 08, 2009	May 29, 2009
2008 - CD 3	P0.05/share	April 25, 2008	May 30, 2008	June 25, 2008
2007 –CD 2	P0.05/share	July 27, 2007	October 15, 2007	November 8, 2007
2007 - CD 1	P0.10/share	April 30, 2007	May 17, 2007	June 8, 2007
Stock Dividend	Rate	Declaration Date	Record Date	Payment Date
2008 - SD 1	10%	Sept. 19, 2008	October 31,2008	Nov. 26, 2008

The Company's ability to declare and pay dividends on common equity is restricted by the availability of retained earnings and cash.

4) Recent Sales of Unregistered Securities

NO unregistered securities were sold during the past 3 years. All of the Company's issued and outstanding shares of stock are duly registered in accordance with the provisions of the Securities Regulation Code (SRC).

- (a) Securities Sold – Not Applicable; NO securities were sold
- (b) Underwriters and Other Purchases – Not Applicable; NO securities were sold
- (c) Consideration – Not Applicable; NO securities were sold
- (d) Exemption from Registration Claimed – Not Applicable; NO securities were sold.

VI. Corporate Governance

- (a) The Company uses the evaluation system established by the SEC in its Memorandum Circular No. 5, series of 2003, including the accompanying Corporate Governance Self-Rating Form (CG-SRF), to measure or determine the level of compliance of the Board of Directors and top-level management with the Company's Corporate Governance Manual.
- (b) The Company undertakes a self-evaluation process every semester and any deviation from the Company's Corporate Governance Manual is reported to the Management and the Board together with the proposed measures to achieve compliance.
- (c) Except as indicated below, the Company is currently in full compliance with the leading practices on good corporate governance embodied in the CG-SRF:
 - 1. The Company has prepared a draft Code of Conduct for the Board, CEO and staff, which is still undergoing changes to cope with the dynamics of the business. In the meantime, however, the Company has existing policies and procedures that can identify and resolve potential conflicts of interest.
 - 2. Employees and officers undergo professional development programs subject to meeting the criteria set by the Company. Succession plan for senior management is determined by the Board as the need arises.
- (d) The Company shall adopt such improvement measures on its corporate governance as the exigencies of its business will require from time to time.

The Company undertakes to provide, without charge, upon the written request of a stockholder, a copy of its Annual Report on SEC Form 17-A. Such request should be addressed to the Corporate Secretary, Anglo Philippine Holdings Corporation, 6th Floor, Quad Alpha Centrum, 125 Pioneer Street, Mandaluyong City 1550, Philippines.

FINAL LIST OF CANDIDATES FOR ELECTION AS INDEPENDENT DIRECTOR

(A) Candidates for Election as Independent Director

(1) Identity, names and ages of candidates for election as Independent Director

Name	Age	Current Position	Period of service
Renato C. Valencia.	74	Independent Director	December 2006 to Present
Ramoncito Z. Abad	69	Independent Director	March 2007 to Present

Directors elected in the Annual Meeting of Stockholders have a term of office of one (1) year and serve as such until their successors are elected and qualified in the next succeeding Annual Meeting of Stockholders; *provided*, that a director who was elected to fill in a vacancy arising in the Board shall only serve the unexpired portion of his predecessor.

Business Experience During the Past Five (5) Years of Candidates for Independent Directors

Mr. Renato C. Valencia was elected independent director of the Company in December 2006. He is the former administrator of the Social Security System and former director/executive officer of the Bases Conversion Development Authority and Civil Aeronautics Board. He currently serves as director of Metropolitan Bank & Trust Company, House of Investments, among others.

Mr. Ramoncito Z. Abad was elected independent director of the Company in March 2007. He is the former Chairman of the Development Bank of the Philippines and currently serves as a director/executive officer of the Monheim Group of Distributors and Cybertech International Builders.

Candidates for Independent Director with directorship(s) held in reporting companies

Renato C. Valencia	Anglo Philippine Holdings Corporation (ID)	Malayan Insurance Co., Inc
	EEI Corporation (ID)	Metropolitan Bank & Trust Company (ID)
	House of Investments(ID)	Vulcan Industrial & Mining Corp.(ID)
	i- People, Inc. (ID)	
Ramoncito Z. Abad	Anglo Philippine Holdings Corporation (ID)	Monheim Group of Distributors

**ID-Independent Director*

(3) Family Relationships

The candidates for election as independent directors of the Company are **NOT** related by consanguinity or affinity, either with each other or with any other member of the Company's Board of Directors.

(4) Involvement in Certain Legal Proceedings

The Company is not aware of: (1) any bankruptcy petition filed by or against any business of which an independent director, person nominated to become an independent director of the Company was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior that time; (2) any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses of any independent director, person nominated to become an independent director; (3) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement in any type of business, securities, commodities or banking activities an independent director, person nominated to become an independent director of the Company; and, (4) judgment against an independent director, person nominated to become an independent director of the Company found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

There had been **NO** transaction during the last two years, nor is any transaction presently proposed, to which the Company was or is to be a party in which any independent director of the Company, or nominee for election as an independent director, or any member of the immediate family (including spouse, parents, children, siblings, and in-laws) of any of the foregoing persons had or is to have a direct or indirect material interest. In the ordinary and regular course of business, the Company had or may have transactions with other companies in which some of the foregoing persons may have an interest.

(C) Security Ownership of Candidates for Independent Directors

The candidates for independent directors own the following number of voting shares:

<u>Type</u>	<u>Name of beneficial owner</u>	<u>Amount and nature of Beneficial ownership</u>		<u>Citizenship</u>	<u>Percent Of Class</u>
		<u>Direct</u>	<u>Indirect</u>		
Common	Renato C. Valencia	1,100	0	Filipino	<0.01%
Common	Ramoncito Z. Abad	1,100	0	Filipino	<0.01%

As of 06 May 2016 (the “Record Date”), the aggregate number of shares owned by the candidates for election as independent director is 2,200 shares, or less than 0.01% of the Company’s outstanding capital stock.

CERTIFICATE OF INDEPENDENT DIRECTORS

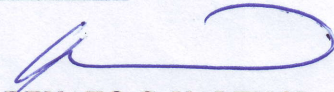
I, **RENATO C. VALENCIA**, Filipino of legal age and resident of 331 Ma. Cristina Road Ayala Alabang Village, Muntinlupa City, after having been sworn to in accordance with law do hereby declare that:

1. I am an independent director of **ANGLO PHILIPPINE HOLDINGS CORPORATION**.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
	Please see attached.	

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Anglo Philippine Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I shall faithfully and diligently comply with the duties and responsibilities as an independent director under Securities Regulation.
5. I shall inform the corporate secretary of Anglo Philippine Holdings Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

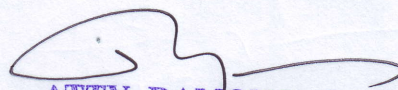
Done this JUN 06 2016 day of June 2016 at QUEZON CITY


RENATO C. VALENCIA
Affiant

QUEZON CITY

SUBSCRIBED AND SWORN to before me this JUN 06 2016 at Mandaluyong City, affiant exhibiting to me his Passport No. EB9878248 issued on December 26, 2013 with expiry date on December 25, 2018.

Doc. No. 169
Page No. 37
Book No. CCCC
Series of 2016.


ATTY. RAMON L. CARPIO
NOTARY PUBLIC
Np-89 (2015-2016) Commission Expires Dec. 31, 2016
Roll of Attorneys No. 22112
IBP OR 1017229, 1/4/16, Quezon City
PTR No. 2148146, 1/4/16, Quezon City
TIN 106-918-897
MCLE V-Compliance No. 0017243, 3/30/16
Rm. 326 Doña Consolacion Bldg. Cubao, Quezon City

RENATO C. VALENCIA

Professional Background (Present Positions)

October 21, 1998 to date	Director Metropolitan Bank and Trust Company
Sep. 2, 2005 to date 2003 To Sep. 2, 2005	Chairman Director i-People, Inc
Mar. 19, 2007 to date	Director Anglo Philippine Holdings Corporation
Mar. 18, 2005 to date	Director House of Investments, Inc.
Mar, 18, 2005 to date	Director Malayan Insurance Company, Inc.
Nov. 2009 to date	Director Vulcan Industrial & Mining Corporation
Sep. 8, 2015 to date	Director EEI Corporation

CERTIFICATE OF INDEPENDENT DIRECTORS

I, **RAMONCITO Z. ABAD**, Filipino of legal age and resident of Suite 301 Vasquez Madrigal Plaza, 51 Annapolis, Greenhills San Juan, Metro Manila, after having been sworn to in accordance with law do hereby declare that:

1. I am an independent director of **ANGLO PHILIPPINE HOLDINGS CORPORATION**.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Monheim Distributors	Chairman – Director	1999 to present

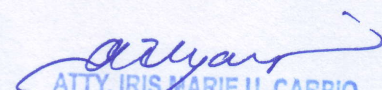
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Anglo Philippine Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I shall faithfully and diligently comply with the duties and responsibilities as an independent director under Securities Regulation.
5. I shall inform the corporate secretary of Anglo Philippine Holdings Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this JUN 03 2016 day of June 2016 at MANDALUYONG CITY


RAMONCITO Z. ABAD
Affiant

SUBSCRIBED AND SWORN to before me this JUN 03 2016 at Mandaluyong City, affiant exhibiting to me his Passport No. EB9878878 issued on December 26, 2013 with expiry date on December 25, 2018 at PCG San Francisco.

Doc. No. 149
Page No. 31
Book No. I
Series of 2016.


ATTY. IRIS MARIE U. CARPIO
NOTARY PUBLIC – CITY OF MANDALUYONG
APPT. NO. 0374-16 / UNTIL DECEMBER 31, 2017
QUAD ALPHA CENTRUM, 125 PIONEER STREET
MANDALUYONG CITY 1550
PTR NO. 2625632/ MANDALUYONG CITY / 01-08-16
IBP NO. 1023303 / 01-08-16 / QC CHAPTER
MCLE COMPLIANCE NO. V-0014403 / 04-14-2019
ROLL NO. 51028 (2005)

REPUBLIC OF THE PHILIPPINES)
MANDALUYONG CITY) S.S.

SECRETARY'S CERTIFICATE

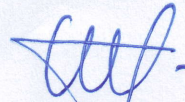
KNOW ALL MEN BY THESE PRESENTS:

I, **ADRIAN S. ARIAS**, Filipino, of legal age, with office address at the 6F Quad Alpha Centrum, 125 Pioneer Mandaluyong City, after being duly sworn in accordance with law, hereby depose and state that:

1. I am the incumbent Assistant Corporate Secretary of **ANGLO PHILIPPINE HOLDINGS CORPORATION**, (hereinafter referred to as the "Company"), organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at 6F Quad Alpha Centrum, 125 Pioneer, Mandaluyong City;

2. **I DO HEREBY CERTIFY** that no directors or officers of the Company are connected with any government agencies or its instrumentalities, as of May 31, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of June 2016 at Mandaluyong City.

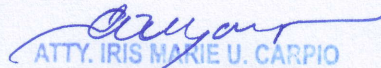


ADRIAN S. ARIAS

Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this 3rd day of June 2016 at City of Mandaluyong, Philippines, affiant exhibited to me his Passport NO. EC 0251131 issued on February 8, 2014 at NCR East.

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Page No. 31
Book No. I
Series of 2016.



ATTY. IRIS MARIE U. CARPIO

NOTARY PUBLIC - CITY OF MANDALUYONG
APPT. NO. 0374-16 / UNTIL DECEMBER 31, 2017
QUAD ALPHA CENTRUM, 125 PIONEER STREET
MANDALUYONG CITY 1550
PTR NO. 2625632 / MANDALUYONG CITY / 01-08-16
IBP NO. 1023333 / 01-08-16 / QC CHAPTER
MCLE COMPLIANCE NO. V-0014403 / 04-14-2019
ROLL NO. 51028 (2005)



ANGLO PHILIPPINE HOLDINGS CORPORATION

AN INFRASTRUCTURE AND PROPERTY DEVELOPMENT COMPANY

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of Anglo Philippine Holdings Corporation is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended December 31, 2015 and 2014, including the additional components attached therein:

- Reconciliation of Retained Earnings Available for Dividend Declaration
- Schedule of all the effective standards and interpretations as of reporting date
- Supplementary schedules required by Annex 68-E
- Map of the relationships of the companies within the group

in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

SyCip, Gorres, Velayo and Company, the independent auditors, appointed by the stockholders for the years ended December 31, 2015 and 2014 has examined the consolidated financial statements of the company in accordance the Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

ALFREDO C. RAMOS
Chairman of the Board/COO

CHRISTOPHER M. GOTANCO
President/Director/COO

ADRIAN PAULINO S. RAMOS
EVP/Treasurer/Director

SUBSCRIBED AND SWORN to before me this APR 19 day of 2016, affiant exhibited to me his Community Tax Certificates, as follows:

Names	Passport Number	Issue Date/Expiry Date	Place of Issue
Alfredo C. Ramos	EB4871488	March 5, 2012/March 4, 2017	DFA Manila
Christopher M. Gotanco	EC0206506	February 4, 2014/February 3, 2019	DFA Manila
Adrian Paulino S. Ramos	EC6344702	January 8, 2016/January 7, 2021	DFA Manila

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Book No. I
Series of 2016.

ATTY. IRIS MARIE U. CARPIO
NOTARY PUBLIC - CITY OF MANDALUYONG
APPT. NO. 0374-16 / UNTIL DECEMBER 31, 2017
QUAD ALPHA CENTRUM, 125 PIONEER STREET
MANDALUYONG CITY 1550
PTR NO. 2625632/ MANDALUYONG CITY / 01-08-16
IDP NO. 1023393 / 01-08-16 / QC CHAPTER
MCLE COMPLIANCE NO. V-0014403 / 04-14-2019
ROLL NO. 51028 (2005)

"Helping Build the Filipino Future"

ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A
DECEMBER 31, 2015

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Management's Responsibility for Consolidated Financial Statements

Report of Independent Auditors

Consolidated Statements of Financial Position as at December 31, 2015 and 2014

Consolidated Statements of Comprehensive Income for the Years Ended
December 31, 2015, 2014 and 2013

Consolidated Statements of Changes in Equity for the Years Ended
December 31, 2015, 2014 and 2013

Consolidated Statements of Cash Flows for the Years Ended
December 31, 2015, 2014 and 2013

Notes to Consolidated Financial Statements

SUPPLEMENTARY SCHEDULES

Report of Independent Auditors on Supplementary Schedules

SCHEDULE I Financial Ratios

SCHEDULE II Map of the Relationships of the Companies within the Group

SCHEDULE III Schedule of Effective Standards and Interpretations under the PFRS

SCHEDULE IV Reconciliation of Retained Earnings Available for Dividend Declaration

SCHEDULE A. Financial Assets in Equity Securities

SCHEDULE B. Amounts Receivable from Directors, Officers, Employees, Related Parties and
Principal Stockholders (other than Related Parties)

SCHEDULE C. Amounts Receivable from Related Parties which are Eliminated during the
Consolidation of Financial Statements

SCHEDULE D. Intangible Assets - Other Assets

SCHEDULE E. Long-Term Debt

SCHEDULE F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

SCHEDULE G. Guarantees of Securities of Other Issuers

SCHEDULE H. Capital Stock

Anglo Philippine Holdings Corporation and Subsidiaries

Consolidated Financial Statements
December 31, 2015 and 2014
and Years Ended December 31, 2015, 2014
and 2013

and

Independent Auditors' Report



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Anglo Philippine Holdings Corporation

We have audited the accompanying consolidated financial statements of Anglo Philippine Holdings Corporation and Subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Anglo Philippine Holdings Corporation and Subsidiaries as at December 31, 2015 and 2014, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2015 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.



Eleanore A. Layug

Partner

CPA Certificate No. 0100794

SEC Accreditation No. 1250-A-1 (Group A),

January 7, 2016, valid until January 6, 2019

Tax Identification No. 163-069-453

BIR Accreditation No. 08-001998-97-2015,

January 5, 2015, valid until January 4, 2018

PTR No. 5321646, January 4, 2016, Makati City

April 12, 2016



ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	P228,462,240	P674,906,744
Receivables - net (Note 5)	285,574,535	134,779,529
Financial assets at fair value through profit or loss (FVPL; Note 6)	3,361,620	—
Inventories - at cost (Note 7)	2,957,675	1,000,645
Prepaid expenses and other current assets	7,422,804	6,108,937
	527,778,874	816,795,855
Assets held for sale (Note 12)	—	143,632,221
Total Current Assets	527,778,874	960,428,076
Noncurrent Assets		
Property and equipment (Note 13)	57,737,032	64,560,043
Investment property (Notes 9 and 14)	304,596,237	—
Deferred exploration costs (Note 15)	203,130,871	201,613,467
Available-for-sale (AFS) financial assets (Note 10)	4,332,953	1,776,923,774
Investments in associates (Note 11)	5,172,376,971	3,009,669,345
Long-term note (Note 8)	715,000,000	—
Net retirement benefits plan asset (Note 27)	6,552,766	6,636,972
Deferred tax assets - net (Note 28)	218,204	3,153,446
Other noncurrent assets (Note 16)	40,725,220	5,473,952
Total Noncurrent Assets	6,504,670,254	5,068,030,999
TOTAL ASSETS	P7,032,449,128	P6,028,459,075
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Note 17)	P350,058,531	P190,516,792
Current portion of long-term debt (Note 18)	—	100,000,000
Income tax payable	81,581	630,993
Total Current Liabilities	350,140,112	291,147,785
Noncurrent Liabilities		
Deposits from customers (Note 17)	5,432,916	5,432,916
Decommissioning liability (Note 19)	14,103,011	13,888,062
Total Noncurrent Liabilities	19,535,927	19,320,978
Total Liabilities	369,676,039	310,468,763

(Forward)



	December 31	
	2015	2014
Equity (Note 20)		
Capital stock - ₱1 par value		
Authorized - 4,000,000,000 shares		
Issued - 3,008,919,508 shares in 2015 and 1,898,957,547 shares in 2014	₱3,008,919,508	₱1,898,957,547
Subscribed - 7,383,030 shares (net of subscriptions receivable of ₱1,367,687) in 2015 and 1,117,344,991 shares (net of subscriptions receivable of ₱295,259,490) in 2014	6,015,343	822,085,501
Additional paid-in capital	1,570,157,056	1,570,157,056
Net unrealized loss on AFS financial assets (Note 10)	—	(286,345,682)
Re-measurement gains on defined benefit obligation, net of deferred taxes	2,051,353	2,132,320
Share in other comprehensive income (loss) of associates (Note 11)	98,218,227	(38,704,038)
Retained earnings	1,997,591,628	1,777,273,683
Treasury stock - 13,000,000 shares at ₱2.12 cost per share	(27,566,075)	(27,566,075)
Equity attributable to equity holders of the Parent Company	6,655,387,040	5,717,990,312
Non-controlling interest	7,386,049	—
Total Equity	6,662,773,089	5,717,990,312
TOTAL LIABILITIES AND EQUITY	₱7,032,449,128	₱6,028,459,075

See accompanying Notes to Consolidated Financial Statements.



ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2015	2014	2013
REVENUES			
Sales	₱72,270,725	₱18,080,948	₱86,137,874
Gains on:			
Sale of investments (Notes 6 and 11)	379,447,677	553,617,677	66,682,700
Fair value changes of financial assets at FVPL (Note 6)	—	16,392,390	60,332,721
Discount on long-term debt (Note 18)	—	—	53,883,649
Other income (Note 21)	57,317,977	145,403,719	185,253,382
	509,036,379	733,494,734	452,290,326
COSTS AND EXPENSES			
Cost of sales (Note 22)	72,286,430	4,924,246	64,247,279
General and administrative expenses (Note 24)	106,250,009	120,815,514	75,834,336
Equity in net losses of associates (Note 11)	40,592,683	—	17,957,381
Interest and other finance charges (Note 23)	5,636,904	179,975,171	100,668,455
Losses on:			
Fair value changes of financial assets at FVPL (Note 6)	118,140	—	—
Realized fair value changes of AFS financial assets (Note 10)	—	1,209,000	—
Receivable restructuring	—	—	13,275,874
Others (Note 23)	—	12,856,837	34,523,222
	224,884,166	319,780,768	306,506,547
INCOME BEFORE INCOME TAX	284,152,213	413,713,966	145,783,779
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 28)			
Current	798,274	6,248,756	13,917,506
Deferred	2,969,943	(44,667,861)	(13,770,737)
	3,768,217	(38,419,105)	146,769
NET INCOME FROM CONTINUING OPERATIONS	280,383,996	452,133,071	145,637,010
NET INCOME FROM DISCONTINUED OPERATIONS (Note 12)	—	65,678,910	62,907,753
TOTAL NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	₱280,383,996	₱517,811,981	₱208,544,763

(Forward)



	Years Ended December 31		
	2015	2014	2013
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Item that will be reclassified to profit or loss in subsequent periods:</i>			
Reclassification of AFS investment to investment in associate	₱1,355,246,720	₱–	₱–
Net unrealized loss on AFS financial assets (Note 10)	(1,068,901,038)	(645,906,970)	(812,442,280)
Share in other comprehensive loss of an associate (Note 11)	136,922,265	(38,704,038)	–
<i>Item that will not be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement losses on retirement benefit, net of deferred income tax	(80,967)	(1,088,994)	(2,086,175)
	423,186,980	(685,700,002)	(814,528,455)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	₱703,570,976	(₱167,888,021)	(₱605,983,692)
Basic and Diluted Earnings Per Share (Note 29)	₱0.09	₱0.31	₱0.18
Basic and Diluted Earnings Per Share From Continuing Operations (Note 29)	₱0.09	₱0.27	₱0.13

See accompanying Notes to Consolidated Financial Statements.



ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013

	Attributable to equity holders of the Parent Company										Non-controlling interest	Total
	Capital Stock (Note 20)			Additional Paid-in Capital (Note 20)	Net Unrealized Mark-to-Market Gain (Loss) on AFS Financial Assets (Note 10)	Re-measurement Gains (Losses) on Defined Benefit Obligation (Note 27)	Share in Other Comprehensive Income (Loss) of an Associate (Note 11)	Retained Earnings	Treasury Stock (Note 20)			
	Issued	Subscribed	Subscriptions Receivable									
Balances at December 31, 2012	₱1,170,616,788	₱7,383,030	(₱1,367,688)	₱4,658,460	₱1,172,003,568	₱5,307,489	₱—	₱1,165,866,461	(₱27,566,075)	₱—	₱3,496,902,033	
Net income	—	—	—	—	—	—	—	208,544,763	—	—	208,544,763	
Other comprehensive loss	—	—	—	—	(812,442,280)	(2,086,175)	—	—	—	—	(814,528,455)	
Total comprehensive income	—	—	—	—	(812,442,280)	(2,086,175)	—	208,544,763	—	—	(605,983,692)	
Cash dividends (Note 20)	—	—	—	—	—	—	—	(69,899,989)	—	—	(69,899,989)	
Balances at December 31, 2013	1,170,616,788	7,383,030	(1,367,688)	4,658,460	359,561,288	3,221,314	—	1,304,511,235	(27,566,075)	—	2,821,018,352	
Net income	—	—	—	—	—	—	—	517,811,981	—	—	517,811,981	
Other comprehensive loss	—	—	—	—	(645,906,970)	(1,088,994)	(38,704,038)	—	—	—	(685,700,002)	
Total comprehensive income	—	—	—	—	(645,906,970)	(1,088,994)	(38,704,038)	517,811,981	—	—	(167,888,021)	
Issuance of capital stock	728,340,759	1,109,961,961	(293,891,802)	1,565,498,596	—	—	—	—	—	—	3,109,909,514	
Cash dividends (Note 20)	—	—	—	—	—	—	—	(45,049,533)	—	—	(45,049,533)	
Balances at December 31, 2014	1,898,957,547	1,117,344,991	(295,259,490)	1,570,157,056	(286,345,682)	2,132,320	(38,704,038)	1,777,273,683	(27,566,075)	—	5,717,990,312	
Net income	—	—	—	—	—	—	—	280,383,996	—	—	280,383,996	
Other comprehensive income	—	—	—	—	286,345,682	(80,967)	136,922,265	—	—	—	423,186,980	
Total comprehensive income	—	—	—	—	286,345,682	(80,967)	136,922,265	280,383,996	—	—	703,570,976	
Issuance of capital stock	1,109,961,961	(1,109,961,961)	293,891,803	—	—	—	—	—	—	—	293,891,803	
Cash dividends (Note 20)	—	—	—	—	—	—	—	(60,066,051)	—	—	(60,066,051)	
Acquisition of subsidiary (Note 9)	—	—	—	—	—	—	—	—	—	7,386,049	7,386,049	
Balances at December 31, 2015	₱3,008,919,508	₱7,383,030	(₱1,367,687)	₱1,570,157,056	₱—	₱2,051,353	₱98,218,227	₱1,997,591,628	(₱27,566,075)	₱7,386,049	₱6,662,773,089	

See accompanying Notes to Consolidated Financial Statements.



ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax from continuing operations	₱284,152,213	₱413,713,966	₱145,783,779
Income before income tax from discontinued operations	—	65,678,910	62,907,753
Total income before income tax	284,152,213	479,392,876	208,691,532
Adjustments for:			
Losses (gains) on:			
Sale of investment (Notes 6 and 11)	(379,447,677)	(553,617,677)	(66,682,700)
Sale of equipment (Note 13)	(120,000)	(400,000)	(15,833)
Fair value changes of financial assets at FVPL (Note 6)	118,140	(16,392,390)	(60,332,721)
Realized fair value changes of AFS financial assets (Note 10)	—	1,209,000	—
Receivable restructuring	—	—	13,275,874
Equity in net loss (earnings) of associates (Note 11)	40,592,683	(84,057,965)	(44,950,372)
Interest income (Note 23)	(23,758,396)	(755,592)	(13,429,016)
Depreciation, depletion and amortization (Note 13)	9,894,417	2,366,331	3,454,400
Unrealized foreign exchange losses (gains)	(9,452,837)	1,333,675	735,152
Interest and other finance charges (Note 23)	5,636,904	179,975,171	100,668,455
Current service cost (Notes 25 and 27)	350,164	1,037,271	1,039,508
Dividend income (Note 21)	—	(37,124,814)	(68,744,848)
Provision for impairment losses (Note 10)	—	11,523,162	—
Discount on long-term debt (Note 18)	—	—	(53,883,649)
Write-off of receivables	—	—	593,339
Other income	(6,812,011)	—	—
Operating income (loss) before working capital changes	(78,846,400)	(15,510,952)	20,419,121
Decrease (increase) in:			
Receivables	(142,273,601)	68,604,890	31,715,142
Financial assets at FVPL	(3,479,760)	—	(1,956,845)
Inventories	(1,957,030)	(1,000,645)	3,852,317
Prepaid expenses and other current assets	(1,430,560)	(5,563,869)	144,522
Increase (decrease) in accounts payable and accrued expenses	115,666,704	(40,208,948)	(59,671,726)
Cash generated from (used in) operations	(112,320,647)	6,320,476	(5,497,469)
Interest received	21,558,365	244,416	208,191
Dividends received	25,712,608	126,661,582	118,720,198
Income taxes paid	(630,993)	(10,702,049)	(9,714,545)
Net cash flows from (used in) operating activities	(65,680,667)	122,524,425	103,716,375
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans to related parties (Note 8)	(715,000,000)	—	—
Proceeds from sale of:			
Investments in associates (Note 11)	523,079,898	738,264,941	—
Property and equipment	120,000	400,000	300,000
Financial assets at FVPL	—	—	773,363,649
Additions to:			
Investments in associates (Note 11)	(26,342,138)	(1,651,426,680)	—
Property and equipment (Note 13)	(3,071,406)	(154,763)	(142,153)
Deferred exploration costs (Note 15)	(1,517,404)	(9,979,257)	(800,237)
AFS financial assets (Note 10)	—	—	(781,209,000)
Cash acquired on acquisition of subsidiary (Note 9)	311,607	—	—
Redemption of investments in associates (Note 11)	—	31,580,000	31,580,000
Decrease (increase) in other noncurrent assets	2,687,018	(653,627)	(1,034,383)
Net cash flows from (used in) investing activities	(219,732,425)	(891,969,386)	22,057,876

(Forward)



	Years Ended December 31		
	2015	2014	2013
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of borrowings	(P100,000,000)	(P1,626,243,217)	(P100,412,222)
Cash dividends paid (Note 20)	(58,359,294)	(35,612,992)	(68,206,942)
Interest paid	(5,421,955)	(24,548,524)	(18,380,844)
Proceeds from:			
Issuance of capital stock	—	3,109,909,514	—
Borrowings	—	—	50,000,000
Retirement benefits paid	—	—	(5,382,060)
Net cash flows from (used in) financing activities	(163,781,249)	1,423,504,781	(142,382,068)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(449,194,341)	654,059,820	(16,607,817)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2,749,837	(1,333,675)	(66,152)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	674,906,744	22,180,599	38,854,568
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P228,462,240	P674,906,744	P22,180,599

See accompanying Notes to Consolidated Financial Statements.



ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. General Information and Authorization for Issue of the Consolidated Financial Statements

Anglo Philippine Holdings Corporation

Anglo Philippine Holdings Corporation (the Parent Company, APHC) was registered with the Philippine Securities and Exchange Commission (SEC) on June 25, 1958 originally as an oil and mineral exploration company with the corporate name of “Anglo Philippine Oil Corp.” In 1996, the Parent Company changed its primary purpose to that of an investments holding firm focused on natural resources-based companies, infrastructure and property development. On September 14, 2006, the SEC approved the Company’s amended Articles of Incorporation extending the life of the Parent Company for another fifty (50) years from June 25, 2008. The Parent Company is a public company under Section 17.2 of the Securities Regulation Code and its shares are listed on the Philippine Stock Exchange (PSE).

The registered office address of the Parent Company is 6th Floor, Quad Alpha Centrum Building, 125 Pioneer Street, Mandaluyong City.

Vulcan Materials Corporation

Vulcan Materials Corporation (VMC) was registered with the Philippine SEC on September 12, 1991. The subsidiary is primarily engaged in mining exploration and sale of aggregates.

The registered office address of the subsidiary is Sitio Tabak, San Rafael, Rodriguez, Rizal.

On December 18, 2012, the Parent Company acquired 100% interest in VMC.

Tipo Valley Realty, Inc.

Tipo Valley Realty, Inc. (TVRI) was registered with the Philippine SEC on May 26, 1995. The subsidiary’s primary purpose is to acquire by purchases, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments, and other structures of whatever kind, together with their appurtenances.

The registered office address of the subsidiary is at 5th Floor, Quad Alpha Centrum, 125 Pioneer Street, Mandaluyong City.

On December 22, 2015, the Parent Company acquired 97.59% interest in TVRI through the acquisition of 2,290,353 shares.

As at April 12, 2016, the subsidiary has not yet started its commercial operations.

Authorization for Issue of the Consolidated Financial Statements

The consolidated financial statements as at December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015, were authorized for issue by the Board of Directors (BOD) on April 12, 2016.



2. **Basis of Preparation, Statement of Compliance and Summary of Significant Accounting Policies**

Basis of Preparation

The consolidated financial statements have been prepared under the historical cost basis except for financial assets at FVPL and AFS financial assets, which are carried at fair value. The consolidated financial statements are presented in Philippine peso, which is the Company's functional and presentation currency under the Philippine Financial Reporting Standards (PFRS). All values are rounded off to the nearest peso, except when otherwise indicated.

Statement of Compliance

The accompanying consolidated financial statements of the Group have been prepared in compliance with PFRS.

Basis for Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary after eliminating significant intercompany balances and transactions. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if and only if the Parent Company has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Parent Company's voting rights and potential voting rights

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of the subsidiary begins when the Parent Company obtains control, and continues to be consolidated until the date that such control ceases. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Subsidiary

A subsidiary is an entity over which the Parent Company has control.

All intra-company balances and transactions, including income, expenses, unrealized gains and losses and dividends, are eliminated in full. Profits and losses resulting from intra-company transactions that are recognized in assets and liabilities are eliminated in full.



A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any NCI;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and
- Reclassifies the Parent Company's share of components previously recognized in other comprehensive income or OCI to profit or loss or retained earnings, as appropriate.

The consolidated financial statements include the accounts of the Parent Company, VMC, and TVRI.

A subsidiary is fully consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new and amended PFRS, PAS, Philippine Interpretations starting January 1, 2015. Adoption of these pronouncements did not have a significant impact on the Group's financial position or performance unless otherwise indicated.

- PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions* (Amendments)
PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after July 1, 2014. This amendment is not relevant to the Group, since the Group has no defined benefit plans with contributions from employees or third parties.

Annual Improvements to PFRSs (2010-2012 cycle)

The Annual Improvements to PFRSs (2010-2012 cycle) are effective for annual periods beginning on or after January 1, 2015 and do not have an impact on the consolidated financial statements of the Group. They include:

- PFRS 2, *Share-based Payment - Definition of Vesting Condition*
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:
 - A performance condition must contain a service condition.
 - A performance target must be met while the counterparty is rendering service.
 - A performance target may relate to the operations or activities of an entity, or to those of another entity in the same company.



- A performance condition may be a market or non-market condition.
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.
- PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*
The amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss (FVPL) whether or not it falls within the scope of PAS 39. The Group shall consider this amendment for future business combinations.
- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
The amendments are applied retrospectively and clarify that:
 - An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
 - The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.
- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*
The amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. The adoption of this amendment did not have any impact in the Group's consolidated financial statements.
- PAS 24, *Related Party Disclosures - Key Management Personnel*
The amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

Annual Improvements to PFRSs (2011-2013 cycle)

The Annual Improvements to PFRSs (2011-2013 cycle) are effective for annual periods beginning on or after January 1, 2015 and do not have an impact on the consolidated financial statements of the Group. They include:

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Ventures*
The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:
 - Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
 - This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.



- *PFRS 13, Fair Value Measurement - Portfolio Exception*
The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39.
- *PAS 40, Investment Property*
The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

Standards Issued but Not Yet Effective

The Group will adopt the standards and interpretations enumerated below when these become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS, PAS and Philippine Interpretations to have significant impact on the consolidated financial statements. The relevant disclosures will be included in the notes to the financial statements when these become effective.

Effective beginning January 1, 2016

- *PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception (Amendments)*
These amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value. It also clarifies that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entities is consolidated. All other subsidiaries of an investment entity are measured at fair value. These amendments also allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entities of an associate or joint venture to its interests in subsidiaries. These amendments will not have any effect on the Group's consolidated financial statements.
- *PFRS 11, Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (Amendments)*
These amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business (as defined by PFRS 3), to apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.



- *PFRS 14, Regulatory Deferral Accounts*
PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. This standard would not apply to the Group since it is an existing PFRS preparer.
- *PAS 1, Presentation of Financial Statements - Disclosure Initiative (Amendments)*
The amendments are intended to assist entities in applying judgment when meeting the presentation and disclosure requirements in PFRS. The amendments clarify:
 - The materiality in PAS 1.
 - That specific line items in the statements of profit or loss and OCI and the statement of financial position may be disaggregated.
 - That entities have flexibility as to the order in which they present the notes to financial statements.
 - That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are not expected to have any impact to the Group.

- *PAS 16, Property, Plant and Equipment, and PAS 38, Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)*
The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.
- *PAS 16, Property, Plant and Equipment and PAS 41, Bearer Plants (Amendments)*
The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group does not have any bearer plants.



- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements* (Amendments)

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. The amendments are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted. The Group shall consider this amendment.

Annual Improvements to PFRSs (2012-2014 cycle)

The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016 and are not expected to have an impact on the Group. They include:

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*

The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*

PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- PFRS 7 - *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*

This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

- PAS 19, *Employee Benefits - Regional Market Issue regarding Discount Rate*

The amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- PAS 34, *Interim Financial Reporting - Disclosure of Information "Elsewhere in the Interim Financial Report"*

The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).



Effective January 1, 2018

- PFRS 9, *Financial Instruments - Hedge Accounting and Amendments* to PFRS 9, PFRS 7 and PAS 39 (2013 version)
PFRS 9 (2013 version) already includes the third phase of the project to replace PAS 39 which pertains to hedge accounting. This version of PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a derivative instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting. PFRS 9 (2013 version) has no mandatory effective date. The mandatory effective date of January 1, 2018 was eventually set when the final version of PFRS 9 was adopted by the Financial Reporting Standards Council (FRSC). The adoption of the final version of PFRS 9, however, is still for approval by Board of Accountancy (BOA). The adoption of PFRS 9 is not expected to have any significant effect on the Group's consolidated financial statements.
- PFRS 9, *Financial Instruments* (2014 or Final Version)
PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39 and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

Effective Date to be Determined

- International Financial Reporting Interpretations Committee (IFRIC) 15, *Agreement for Construction of Real Estate*
This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11 or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and FRSC have deferred the effectivity of this interpretation until the final revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. Adoption of the interpretation when it becomes effective will not have any impact on the consolidated financial statements of the Group.



The following new standard issued by the IASB has not yet been adopted by the FRSC:

- IFRS (International Financial Reporting Standards) 15, *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 by the IASB and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Group is currently assessing the effect of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

- IFRS 16, *Leases*

On January 13, 2016, the IASB issued its new standard, IFRS 16, *Leases*, which replaces IAS 17, the current leases standard, and the related Interpretations.

Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with IAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases in their balance sheets, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under IAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

The new standard is effective for annual periods beginning on or after January 1, 2019. Entities may early adopt IFRS 16 but only if they have also adopted IFRS 15, *Revenue from Contracts with Customers*. When adopting IFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs.

Summary of Significant Accounting Policies

Presentation of Financial Statements

The Group has elected to present all items of recognized income and expense in single consolidated statement of comprehensive income.

Asset Acquisition

When the Group acquires an entity that does not constitute a business, the Group shall identify and recognize the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in PAS 38, *Intangible Assets*) and liabilities assumed. The cost of the asset shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.



Cash and Cash Equivalents

Cash includes cash on hand and with banks. Cash equivalents are short-term, highly liquid deposits that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

Financial Instruments

Date of Recognition

Financial instruments are recognized in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date (i.e., the date that the Group commits to purchase or sell the asset).

Initial Recognition and Measurement of Financial Instruments

The Group determines the classification of financial instruments at initial recognition and, where allowed and appropriate, re-evaluates this designation at every end of the reporting period.

Financial instruments are recognized initially at fair value. Directly attributable transaction costs are included in the initial measurement of all financial instruments, except for financial instruments measured at FVPL.

Financial Assets

Financial assets are classified in the following categories: financial assets at FVPL, loans and receivables, AFS financial assets, held-to-maturity (HTM) investment, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The classification depends on the purpose for which the financial assets were acquired and whether they are quoted in an active market.

The Group's financial assets are in the nature of loans and receivables, financial assets at FVPL and AFS financial assets. As at December 31, 2015 and 2014, the Group has no financial assets classified as HTM investments or as derivatives designated as hedging instruments in an effective hedge.

Financial Liabilities

Financial liabilities are classified into financial liabilities at FVPL and other financial liabilities, as appropriate.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

The Group's financial liabilities are in the nature of other financial liabilities. As at December 31, 2015 and 2014, the Group has no financial liabilities at FVPL.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability



The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at each end of the reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 31.

“Day 1” Difference

Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (Day 1 difference) in the consolidated statement of comprehensive income unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is recognized in the consolidated statement of comprehensive income only when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the “Day 1” difference amount.

Subsequent Measurement

The subsequent measurement of financial instruments depends on their classification as follows:

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 are not entered into with the intention of immediate or



short-term resale and are not classified as financial assets at FVPL or designated as AFS financial asset. After initial recognition, loans and receivables are measured at amortized cost using the effective interest rate (EIR) method, less allowance for impairment losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in the “Interest income” account in the consolidated statement of comprehensive income. Any losses arising from impairment are recognized in “General and administrative expenses” in the consolidated statement of comprehensive income.

Loans and receivables are classified as current assets when they are expected to be realized within twelve (12) months after the end of the reporting period or within the normal operating cycle, whichever is longer. Otherwise, they are classified as noncurrent assets.

As at December 31, 2015 and 2014, the Group’s loans and receivables include cash and cash equivalents, receivables, long-term note, and mine rehabilitation fund (MRF) under “Other noncurrent assets” (see Notes 4, 5, 8 and 16).

Financial Assets at FVPL

Financial assets at FVPL include financial assets held for trading purposes and financial assets designated upon initial recognition as at FVPL.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Fair value gains or losses are recognized in consolidated statement of comprehensive income. Interest and dividend income or expense is recognized in the consolidated statement of comprehensive income, according to the terms of the contract, or when the right to the payment has been established. Interest earned on holding financial assets at FVPL is reported as interest income using the EIR. Dividends earned on holding financial assets at FVPL are recognized in the consolidated statement of comprehensive income when the right of payment has been established.

Financial assets may be designated as at FVPL by management on initial recognition when any of the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis; or
- The assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative that would need to be separately recorded.

The Group has investments in financial assets at FVPL as at December 31, 2015. As at December 31, 2014, the Group has no financial assets at FVPL (see Note 6).

AFS Financial Assets

AFS financial assets are those non derivative financial assets designated as such or are not classified as at FVPL, HTM investments or loans and receivables. These are purchased and held indefinitely and may be sold in response to liquidity requirements or changes in market conditions.



After initial measurement, AFS financial assets are subsequently measured at fair value, with unrealized gains or losses arising from the changes in fair values of AFS financial assets are reported as “Net unrealized valuation gain (loss) on AFS financial assets” in the OCI. When the investment is disposed of or determined to be impaired, the cumulative gains or losses previously recognized in OCI is recognized as income or loss in the consolidated statement of comprehensive income. Dividends earned on holding AFS financial assets are recognized when the right of payment has been established. The losses arising from impairment of such financial assets are recognized as provision for impairment losses in the consolidated statement of comprehensive income.

The fair value of AFS financial assets that are actively traded in organized financial markets is determined by reference to quoted market close prices at the close of business on the reporting period. AFS financial assets whose fair value cannot be reliably because of lack of reliable estimates of future cash flows and discount rates necessary to calculate the fair value of unquoted equity instruments, are carried at cost.

The Group’s AFS financial assets are presented as noncurrent assets in the consolidated statements of financial position. As at December 31, 2015, the Group’s AFS financial assets include unquoted equity shares. As at December 31, 2014, the Group has investments in both quoted and unquoted equity shares (see Note 10).

Other Financial Liabilities

This category pertains to financial liabilities that are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations and borrowings. Issued financial instruments or their components, which are not classified as at FVPL are classified as other financial liabilities, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other financial liabilities are measured at amortized cost using the EIR method. The EIR amortization is included in the “Interest and other finance charges” in the consolidated statement of comprehensive income.

Other financial liabilities are classified as current liabilities when they are expected to be settled within twelve (12) months from the end of the reporting period or the Group does not have an unconditional right to defer settlement for at least twelve (12) months from the end of the reporting period. Otherwise, they are classified as noncurrent liabilities.

As at December 31, 2015 and 2014, the Group’s other financial liabilities include accounts payable and accrued expenses (excluding statutory payables) and long-term debt (see Notes 17 and 18).

Impairment of Financial Assets

The Group assesses at each end of the reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial asset is deemed impaired if, and only if, there is objective evidence of impairment as a



result of one or more events that has or have occurred after initial recognition of the asset (an incurred “loss event”) and that loss has an impact on the estimated future cash flows of the financial asset or the group of financial asset that can be reliably estimated.

Objective evidence includes observable data that comes to the attention of the Group about loss events such as but not limited to significant financial difficulty of the counterparty, a breach of contract, such as a default or delinquency in interest or principal payments, probability that borrower will enter bankruptcy or other financial reorganization.

Loans and Receivables

For loans and receivables, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

For the purpose of a collective assessment of impairment, financial assets are grouped on the basis of such credit risk characteristics such as customer type, payment history, past-due status and term. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any difference between loss estimates and actual loss experience.

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original EIR (i.e., the EIR computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account and the amount of loss is recognized in the consolidated statement of comprehensive income. Interest income continues to be recognized based on the reduced amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Receivables, together with the associated allowance accounts, are written-off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the consolidated statement of comprehensive income by adjusting the allowance account.



AFS Financial Assets Carried at Cost

If there is objective evidence that an impairment loss in unquoted equity instrument for AFS financial assets carried at cost, such as unquoted equity instruments that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Objective evidence of impairment includes, but is not limited to, significant financial difficulty of the issuer or obligor and it becoming probable that the borrower will enter bankruptcy or other financial reorganization.

AFS Financial Assets Carried at Fair Value

For AFS financial assets, the Group assesses at each end of reporting period whether there is objective evidence that an AFS financial asset is impaired.

In the case of equity investments classified as AFS financial assets, this would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is to be evaluated against cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in OCI) is removed from OCI and recognized in the consolidated statement of comprehensive income. Impairment losses on equity investments are not reversed through the consolidated statement of comprehensive income. While increases in fair value after impairment are recognized directly in OCI under equity.

Derecognition of Financial Instruments

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. In such case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.



Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Group's consolidated statement of comprehensive income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Inventories

Inventories are valued at the lower of cost or net realizable value (NRV). Cost is determined by the monthly moving average production cost during the year for finished goods and raw materials and supplies. The NRV of finished goods is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. For raw materials and supplies, the Company expects to realize or consume the assets within twelve (12) months after the end of the reporting period. NRV of raw materials and supplies is the current replacement cost.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets include prepaid insurance, deposit and tax credit from overpayment of income tax which can be utilized as payment for income taxes in the next taxable year. These are considered as current assets since the Group expects to realize or consume these assets within twelve (12) months after the end of the reporting period.

Assets Held for Sale

The Group classifies assets as held for sale (disposal group) when the carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset and an active program to locate a buyer and complete the plan must have been initiated. Furthermore, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The related results of operations and cash flows of the disposal group that qualify as discontinued operations are separated from the results of those that would be recovered principally through continuing use, and the prior year's profit or loss in the consolidated statement of comprehensive income and statement of cash flows are re-presented. The results of operations and cash flows of the disposal group that qualify as discontinued operations are presented in profit or loss in the consolidated statement of comprehensive income and consolidated statement of cash flows as items associated with discontinued operations.



Investments in Associates

The Group's investments in associates are accounted for using the equity method. An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Under the equity method, the investments in associates are carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate.

The consolidated statement of comprehensive income reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of associates is shown on the face of the consolidated statement of comprehensive income. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on the Group's investment in associates. The Group determines at each end of the reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the consolidated statement of comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance, are normally charged to the consolidated statement of comprehensive income in the period when the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.



Quarry development costs are amortized on a units-of-production (UOP) basis over the economically recoverable reserves of the quarry concerned. The unit of account for aggregates is cubic meter in loose volume (LCM).

The estimated fair value attributable to the mineral reserves and the portion of mineral resources considered to be probable of economic extraction at the time of the acquisition is amortized on a UOP basis whereby the denominator is the proven and probable reserves and the portion of resources expected to be extracted economically. The estimated fair value of the mineral resources that are not considered to be probable of economic extraction at the time of the acquisition is not subject to amortization, until the resource becomes probable of economic extraction in the future and is recognized in “Deferred exploration costs” account in the consolidated statement of financial position

Depreciation and amortization of other items of property and equipment is computed using the straight-line method over the estimated useful lives of the asset as follows:

Category	Number of Years
Condominium units and improvements	20
Machinery and equipment	10 - 15
Transportation equipment	3 - 5
Furniture, fixtures and office equipment	2 - 5

The estimated recoverable reserves, assets residual values, useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Property and equipment also include the estimated costs of rehabilitating the Group’s Montalban Aggregates Project, for which the Group is liable. These costs are amortized using the UOP method based on the estimated recoverable mine reserves until the Group actually incurs these costs in the future.

When property and equipment are retired or otherwise disposed of, both the cost and related accumulated depletion, depreciation, amortization and any impairment in value are removed from the accounts, and any resulting gain or loss is credited to or charged against current operations.

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

Investment Properties

Investment properties pertain to the Group’s investment in parcels of land and related improvements that are measured initially at cost, including transaction costs. Expenditures for the development and improvement of land are capitalized as part of the cost of the land. The carrying amounts include the costs of replacing part of an existing investment property at the time those costs are incurred if the recognition criteria are met, and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, these are carried at cost in the books of the Group.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of comprehensive income in the period of derecognition.



Transfers are made to or from investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of an owner-occupation or commencement of development with a view to sale.

Under the cost model, transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Deferred Exploration Costs

Oil and gas exploration and evaluation activity involves the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Once the legal right to explore has been acquired, costs directly associated with exploration are capitalized under “Deferred exploration costs” account. The Group’s deferred exploration costs are specifically identified of each Service Contract (SC)/Geophysical Survey, Exploration Contract (GSEC) area and quarrying area. All oil exploration costs relating to each SC/GSEC are deferred pending the determination of whether the contract area contains oil and gas reserves in commercial quantities. Capitalized expenditures include costs of license acquisition, technical services and studies, exploration drilling and testing, and appropriate technical and administrative expenses. General overhead or costs incurred prior to having obtained the legal rights to explore an area are recognized as expense in the consolidated statement of comprehensive income when incurred.

If no potentially commercial hydrocarbons are discovered or mineral reserve, the deferred exploration costs are written off through the consolidated statement of comprehensive income. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g., the drilling of additional wells), it is probable that they can be commercially developed, the costs continue to be carried under deferred exploration costs account while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons. Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalized as deferred exploration costs.

At the completion of the exploration phase, if technical feasibility is demonstrated and commercial reserves are discovered, then, following the decision to continue into the development phase, the deferred exploration costs relating to the SC/GSEC, where oil and gas in commercial quantities are discovered, is first assessed for impairment and (if required) any impairment loss is recognized, then the remaining balance is transferred to property and equipment in the consolidated statement of financial position.

Deferred exploration costs are assessed at each reporting period for possible indications of impairment. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case or is considered as areas permanently abandoned, the costs are written off through the consolidated statement of comprehensive income. Exploration areas are considered permanently abandoned if the related permits of the exploration have expired and/or there are no definite plans for further exploration and/or development.

The recoverability of deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition of recoverable reserves.



Other Noncurrent Assets

Input Value-Added Tax (VAT)

Input VAT represents VAT imposed on the Group by its suppliers and contractors for the acquisition of goods and services required under Philippine taxation laws and regulations.

Input VAT on capitalized assets subject to amortization and any excess which (1) may be utilized against output VAT, if any, beyond twelve (12) months from the end of the reporting period or (2) are being claimed for refund or as tax credits with the Court of Tax Appeals which are presented as noncurrent assets in the consolidated statement of financial position. Input VAT is stated at its estimated NRV.

The amount of VAT recoverable from the taxation authority is included as part of “Other noncurrent assets” in the consolidated statement of financial position.

Advances for Future Land Acquisitions

Advances for future land acquisitions represent the advances to the land owners plus transaction costs. These are carried at undiscounted amounts.

Leasehold Rights

Leasehold rights pertains to an interest in real property held under rental agreement by which the owner gives the Group the right to occupy or use the property for a period of time. This is amortized over the life of the contract.

Impairment of Nonfinancial Assets

Investments in Associates

The Group determines at each end of the reporting period whether there is any objective evidence that the investment in associates is impaired. If this is the case, the Group calculates the amount of impairment being the difference between the recoverable amount of the investment and the carrying value and recognizes the amount in the consolidated statement of comprehensive income.

An assessment is made at the end of the reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indications exist, the recoverable amount is estimated. A previously recognized impairment loss is reverse only if there has been a change in the estimates used to determine the investment's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the investments is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the assets in prior years. Such reversal is recognized in the consolidated statement of comprehensive income.

Deferred Exploration Costs

An impairment review is performed, either individually or at the CGU level, when there are indicators that the carrying amount of the deferred exploration costs may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, in the reporting period in which this is determined. Deferred exploration costs are reassessed on a regular basis and these costs are carried forward provided that at least one of the following conditions is met:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its sale; or



- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing, or planned for the future.

Property and Equipment, Investment Properties, Prepaid Expenses and Other Current and Noncurrent Assets

The Group assesses at each reporting period whether there is an indication that a nonfinancial asset may be impaired when events or changes in circumstances indicate that the carrying value of an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. As asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the parent company statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

As assessment is made at each end of the reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. However, the increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of comprehensive income. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax amount that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as "Interest and other finance charges" in the consolidated statement of comprehensive income.

Decommissioning Liability

The Group records the present value of estimated costs of legal and constructive obligations required to restore quarry site in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and re-vegetation of affected areas.



The obligation generally arises when the asset is installed or the ground/environment is disturbed at the quarry site. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related assets to the extent that it was incurred as a result of the development/construction of the quarry. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The periodic unwinding of the discount is recognized in the statement of comprehensive income. Additional disturbances or changes in rehabilitation costs are recognized as additions or charges to the corresponding assets and decommissioning liability when they occur. Costs related to restoration of site damage (subsequent to start of commercial production) that is created on an ongoing basis during production are provided for at their net present values and recognized in the consolidated statement of comprehensive income as extraction progresses.

Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the consolidated statement of comprehensive income.

For closed sites, changes to estimated costs are recognized immediately in the consolidated statement of comprehensive income.

Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when receipt of reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income, net of any reimbursement.

Other Comprehensive Income

OCI comprises items of income and expense (including items previously presented under the statements of changes in equity) that are not recognized in profit or loss for the year in accordance with PFRS.

Capital Stock and Additional Paid-in Capital

The Parent Company has issued capital stock that is classified as equity. Incremental costs directly attributable to the issue of new capital stock or options are shown in equity as a deduction, net of tax, from the proceeds. Amount of contribution in excess of par value is accounted for as an additional paid-in capital.

Treasury Stock

Treasury stock is recorded at cost and is presented as a deduction from equity. Any consideration paid or received in connection with treasury stock is recognized directly in equity.

When the shares are retired, the capital stock account is reduced by its par value. The excess of cost over par value upon retirement is debited to the following accounts in the order given:

(1) additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares are issued, and (2) retained earnings. When shares are sold, the treasury stock account is credited and reduced by the weighted average cost of the shares sold. The excess of any consideration over the cost is credited to additional paid-in capital.

Transaction costs incurred such as registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties (net of any related income tax benefit) in relation to the issuing or acquiring the treasury shares are accounted for as reduction from equity, which is disclosed separately.



Retained Earnings

Retained earnings represent the cumulative balance of periodic net income or loss, dividend declarations, prior period adjustments, effect of changes in accounting policy and other capital adjustments.

Dividend distribution to the Parent Company's stockholders is recognized as a liability and deducted from retained earnings when they are approved by the Parent Company's BOD. Dividends for the year that are approved after the end of the reporting period are dealt with as an event after the end of the reporting period.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognized.

Sale of Aggregates

Sale of aggregates is recognized when the goods are delivered to and accepted by the customer.

Management Fees

Management fees are recognized when services are rendered based on the contractual agreement between the parties.

Dividend Income

Dividend income is recognized when the shareholder's right to receive payment is established.

Interest Income

Income is recognized as the interest accrues (using the EIR that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Other Income

Income is recognized in the consolidated statement of comprehensive income as they are earned.

Costs and Expenses Recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrences of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. General and administrative expenses are generally recognized when the services are used or the expenses arise while interest and other finance charges are accrued in the appropriate period.

Earnings Per Share (EPS)

Basic EPS is computed based on the weighted average number of shares outstanding and subscribed for each respective period with retroactive adjustments for stock dividends declared, if any. When shares are dilutive, the unexercised portion of stock options is included as stock equivalents in computing diluted earnings per share.

Diluted EPS amounts are calculated by dividing the net income by the weighted average number of ordinary shares outstanding, adjusted for any stock dividends declared during the year plus weighted average number of ordinary shares that would be issued on the conversion of all the dilutive ordinary shares into ordinary shares, excluding treasury shares.



Since the Group has no potential dilutive common shares, basic and diluted earnings per share are stated at the same amount.

Segment Reporting

An operating segment is a component of an entity that: (a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and (c) for which discrete financial information is available.

The Company's segments pertain to its investments in associates. This segment is carried by Atlas Consolidated Mining Development Corporation (ACMDC), The Philodrill Corporation (TPC), United Paragon Mining Corporation (UPMC) and North Triangle Depot Commercial Corporation (NTDCC), the Group's associates. The summarized financial and other relevant information of the Group's associates are disclosed in Notes 11, 12 and 32 to the consolidated financial statements.

Retirement Benefits Plan

The Group has a defined retirement benefit plan which requires contributions to be made to a separately administered fund. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning the employees' projected salaries.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Re-measurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as "Personnel cost" under general and administrative expenses in the consolidated statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as interest expense or interest income classified under "Interest and other finance charges" or "Interest income" in the consolidated statement of comprehensive income.

Re-measurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Re-measurements are not reclassified to



profit or loss in subsequent periods. These are retained in OCI until full settlement of the obligation. Re-measurements recognized in OCI after the initial adoption of Revised PAS 19 are closed to retained earnings.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Income Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The income tax rates and income tax laws used to compute the amount are those that have been enacted or substantively enacted as at the end of the reporting period.

Deferred Tax

Deferred tax is provided using the liability method on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss; and
- in respect of taxable temporary differences associated with investments in foreign subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized except:

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



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

The carrying amount of deferred tax assets is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each end of the reporting period and are recognized to the extent that it has become probable that sufficient future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the income tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on income tax rates (and income tax laws) that have been enacted or substantively enacted at each end of the reporting period.

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

Foreign Currency Transactions

The consolidated financial statements are presented in Philippine peso, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates prevailing as at the date of the initial transactions. All differences are taken to "Foreign exchange gains (losses) - net" in the consolidated statement of comprehensive income.

Contingencies

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

Events After the Reporting Period

Post year-end events that provide additional information on the Group's financial position at the reporting period (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Accounting Judgments and Estimates

The Group's consolidated financial statements prepared in accordance with PFRS requires management to make judgments, estimates and assumptions that affect amounts reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.



Judgments, estimates and assumptions are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcome can differ from these estimates.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Determining Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Group has been determined to be the Philippine peso. The Philippine peso is the currency of the primary economic environment in which the Group operates.

Classifying Financial Instruments

The Group classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statement of financial position.

The Group classified its equity instruments as AFS financial assets and classified under noncurrent assets since management does not intend to dispose the investments within twelve (12) months from the end of the reporting period.

Determining Control over the Subsidiaries

The Parent Company determines control when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Parent Company controls an investee if and only if the Parent Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Parent Company regularly reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The Parent Company determined that it exercises control on its subsidiary.

Determining Whether Significant Influence Exists for Purposes of Applying PAS 28, Investment in Associates and Joint Ventures

The Group evaluates various factors in determining whether significant influence exists. Under PAS 28, there is a presumption that if ownership is below 20%, significant influence does not exist unless otherwise supported. Among the factors being considered by management in the assessment are, degree of representation in the BOD of the investee, representations in management committees of the investee, corporate governance arrangements, and power to veto significant operating and financial decisions.



In 2015, the Group classified its 8.36% investment in ACMDC as an investment in associate which was previously classified as AFS financial asset. The carrying value of this investment is ₱2,068.5 million as at December 31, 2015 (see Note 11).

In 2014, the Group classified its 34.32% investment in TPC as an investment in associate which was previously classified as financial assets at FVPL and AFS financial assets. The carrying value of this investment is ₱2,567.6 million and ₱2,487.9 million as at December 31, 2015 and 2014, respectively (see Notes 6, 10 and 11).

Under the exercise of this judgment, the Group classified its 15.79% investment in NTDCC as an investment in associate prior to its partial disposal on December 10, 2014 of 9.24% ownership. The remaining 6.55% ownership was classified as assets held for sale as at December 31, 2014, which was subsequently sold on February 5, 2015 (see Notes 11 and 12).

Also, the Group has investment in UPMC where ownership is 24.30% and 22.96% as at December 31, 2015 and 2014, respectively. This is classified as an investment in associate. The carrying value of this investment is ₱536.3 million and ₱521.8 million as at December 31, 2015 and 2014, respectively (see Note 11).

Determining Whether Investments in Associates Qualify as Operating Segments for Purposes of Applying PFRS 8

The Group exercises judgment in determining whether investments in associates qualify as operating segments as prescribed by PFRS 8 although the Group does not control the investees. Management considers the following factors in its assessment: review of operating results and performance of an equity method investee for purposes of making resource allocations, evaluating financial performance or evaluating whether to retain the investor-investee relationship. Based on management judgment, the Group considers its investments in ACMDC, TPC, NTDCC and UPMC as operating segments. The cost of the Group's investments in associates amounted to ₱5,230.1 million and ₱3,138.0 million as at December 31, 2015 and 2014, respectively (see Note 11).

Determining Whether Investment in Associate will be classified as Assets Held for Sale

The Group classifies an associate as a disposal group held for sale if it meets the following conditions as at the end of the reporting period:

- The entity is available for immediate sale and can be sold in its current condition;
- An active program to locate a buyer and complete the plan of sale has been initiated; and
- The entity is to be genuinely sold, not abandoned.

Determining Distinction Between Investment Property and Owner-Occupied Property

The Group determines whether a property is classified as investment property or owner-occupied property:

- Investment property comprises land which is not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily for capital appreciation.
- Owner-occupied property is property held (by the owner or by the lessee under a finance lease) for use in the production or supply of goods or services or for administrative purposes.



Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are discussed below.

Estimating Allowance for Impairment Losses on Receivables

The Group assesses at each end of the reporting period whether there is any objective evidence that receivables are impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the affiliated companies and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on age and status of the financial asset, as well as historical loss experience. Allowance for impairment loss is provided when management believes that the receivable balance cannot be collected or realized after exhausting all efforts and courses of action.

In addition to specific allowance against individually significant loans and receivables, the Group also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This collective allowance is based on any deterioration in the Group's assessment of the accounts since their inception. The Group's assessments take into consideration factors such as any deterioration in country risk and industry, as well as identified structural weaknesses or deterioration in cash flows.

Provision for impairment losses on receivables amounting to nil and ₱17.0 million was recognized in 2015 and 2014, respectively. The receivables are carried at ₱285.6 million and ₱134.8 million as at December 31, 2015 and 2014, respectively (see Note 5).

Estimating Allowance for Inventory Losses

The Group estimates the allowance for inventory based on the age of blue rocks and physical deterioration of spare parts. Provisions are made for inventories that are no longer used in the production process. The amounts and timing of recorded expenses for any period would differ if different judgments or different estimates are made. An increase in allowance for inventory obsolescence would increase recorded general and administrative expenses and decrease current assets.

No allowance for inventory losses was recognized in 2015 and 2014 (see Note 7).

Estimating Impairment Losses on AFS Financial Assets

The Group treats AFS financial assets as impaired when there has been a significant or prolonged decline in fair value below its cost. This determination of what is significant or prolonged requires judgment. The Group treats "significant" generally as 20% or more of the original cost of the investment, and "prolonged" as greater than six (6) months. In making this judgment, the Group evaluates among other factors, the normal volatility of quoted prices, evidence of deterioration in the financial health of the investee, industry or sector performance, changes in technology and economic environment.

For AFS financial assets carried at cost, the Group estimates the expected future cash flows from the investment and calculates the amount of impairment as the difference between the present value of expected future cash flows from the investment and its acquisition cost and recognizes the amount in the consolidated statement of comprehensive income.



As at December 31, 2015 and 2014, fair value of the quoted AFS financial assets amounted to nil and ₱1,750.0 million, respectively, with no provision for impairment losses recognized in 2015 and 2014 (see Note 10).

As at December 31, 2015 and 2014, carrying amount of unquoted AFS financial assets carried at cost amounted to ₱4.3 million and ₱26.9 million, respectively, net of allowance for impairment losses amounting to ₱11.5 million (see Note 10).

Estimating Impairment on Investments in Associates

PFRS requires that an impairment review be performed when certain impairment indicators are present. Determining the fair value of investment in an associate, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such asset, requires the Company to make estimates and assumptions that can materially affect its financial statements. Future events could cause the Company to conclude that the investment is impaired. Any resulting impairment loss could have a material adverse impact on the consolidated statement of financial position and consolidated statement of comprehensive income.

Investments in associates amounted to ₱5,172.4 million and ₱3,009.7 million as at December 31, 2015 and 2014, respectively, with no provision for impairment losses recognized in 2015 and 2014 (see Note 11).

Estimating Useful Lives of Property and Equipment

The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property and equipment would increase the recorded expenses and decrease the noncurrent assets. There is no change in the estimated useful lives of the property and equipment in 2015 and 2014.

There were no changes in the estimated useful lives of the Group's property and equipment. The aggregate net book values of property and equipment amounted to ₱57.7 million and ₱64.6 million as at December 31, 2015 and 2014, respectively. The balance of the accumulated depreciation of property and equipment amounted to ₱119.5 million and ₱110.2 million as at December 31, 2015 and 2014, respectively (see Note 13).

Estimating Impairment of Property and Equipment and Investment Properties

The Group assesses impairment on property and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;



- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs. For impairment loss on specific assets, the recoverable amount represents the net selling price.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that can materially affect the consolidated financial statements.

No impairment losses were recognized for property and equipment in 2015 and 2014. As at December 31, 2015 and 2014, the aggregate net book values of property and equipment amounted to ₱57.7 million and ₱64.6 million, respectively (see Note 13).

The aggregate net book value of investment properties amounted to ₱304.6 million and nil as at December 31, 2015 and 2014, respectively (see Note 14).

Assessing Recoverability of Deferred Exploration Costs

The Group assesses impairment on deferred exploration costs when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Until the Group has sufficient data to determine technical feasibility and commercial viability, deferred exploration costs need not be assessed for impairment. Facts and circumstances that would require an impairment assessment as set forth in PFRS 6, *Exploration for and Evaluation of Mineral Resources*, are as follows:

- The period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The carrying value of deferred exploration costs amounted to ₱203.1 million and ₱201.6 million as at December 31, 2015 and 2014, respectively. No allowance for impairment losses on deferred exploration costs was recognized by the Group in 2015 and 2014 (see Note 15).

Estimating Proved Oil Reserves

The Group estimates its commercial reserves and resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Commercial reserves are determined using estimates of oil and gas in place, recovery factors and



future commodity prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the host government under the terms of the Production-Sharing Agreements. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs.

All proved reserve estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans. Estimates of reserves for undeveloped or partially developed fields are subject to greater uncertainty over their future life than estimates of reserves for fields that are substantially developed and depleted. As a field goes into production, the amount of proved reserves will be subject to future revision once additional information becomes available. As those fields are further developed, new information may lead to revisions.

For the period ended December 31, 2015 and 2014, there has been no significant change in estimated recoverable reserves for the exploration areas situated in Northwest Palawan, Sulu Sea and Mindoro to which the Group has participation.

Estimating Aggregate Reserves

The Group assesses its estimate of aggregate reserves on an annual basis. The Group's estimated reserves are based on the estimates of the Group's geologists. Annually, an inventory of the remaining reserves is derived by subtracting the annual production, which is reported to the Mines and Geosciences Bureau. The estimated mineral reserves were 7.33 million LCM as at December 31, 2015 and 2014.

Estimating Allowance for Impairment Losses on Nonfinancial Prepayments and Other Current and Noncurrent Assets

The Group provides allowance for impairment losses on nonfinancial prepayments and other current and noncurrent assets when they can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease prepayments and other current or noncurrent assets.

As at December 31, 2015 and 2014, the carrying values of nonfinancial prepayments and other current assets amounted to ₱7.4 million and ₱6.1 million, respectively.

As at December 31, 2015 and 2014, the carrying value of nonfinancial other noncurrent assets amounted to ₱40.7 million and ₱5.5 million, respectively, net of allowance for impairment losses of ₱14.4 million as at December 31, 2015 and 2014, respectively (see Note 16).

Assessing Recoverability of Deferred Tax Assets

The Group reviews the carrying amounts of deferred tax assets at each end of the reporting period and reduces the amounts to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies.

The Group has recognized deferred tax assets amounting to ₱5.0 million and ₱5.1 million as at December 31, 2015 and 2014, respectively (see Note 28).



The Group did not recognize deferred tax assets on deductible temporary differences and carry-forward benefits of minimum corporate income tax (MCIT) and net operating loss carry-over (NOLCO) since management believes that it is not probable that sufficient future taxable profit will be available against which the benefits can be utilized (see Note 28).

Estimating Retirement Benefits Expense (Income)

The determination of the Parent Company's obligation and cost for retirement is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. These assumptions are described in Note 21 to the parent company financial statements. Actual results that differ from the Parent Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the Parent Company's recognized expense and recorded obligation in such future periods. While management believes that its assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in the assumptions may materially affect the Company's retirement obligations.

As at December 31, 2015 and 2014, the net retirement benefit plan asset amounted to ₱6.6 million. Net retirement benefit expense for the years ended December 31, 2015 and 2014 amounted to ₱0.4 million and ₱1.0 million, respectively (see Note 27).

Estimating the Decommissioning Liability

The Group has a legal obligation to decommission the quarry site located at Montalban, Rizal relating to its Montalban Project Aggregates at the end of its useful life in accordance with the Environmental Compliance Certificate issued by the Department of Environment and Natural Resources. The Group recognizes the present value of the obligation to decommission the quarry site and capitalizes the present value of this cost as part of the balance of the related property and equipment, which are being depreciated and amortized on a UOP basis.

Cost estimates expressed at current price levels at the date of the estimate are discounted using a rate of interest of 1.55% per annum in 2015 and 2014 to take into account the timing of payments. Each year, the provision is increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with charges being recognized as accretion expense.

Changes in the decommissioning liability that result from a change in the current best estimate of cash flows required to settle the obligation or a change in the discount rate are added to (or deducted from) the amount recognized as the related asset and the periodic unwinding of the discount on the liability is recognized in the consolidated statement of comprehensive income as it occurs.

While the Group has made its best estimate in establishing the decommissioning provision because of potential changes in technology as well as safety and environmental requirements, plus the actual time scale to complete decommissioning activities, the ultimate provision requirements could either increase or decrease significantly from the Group's current estimates.

Decommissioning liability amounted to ₱14.1 million and ₱13.9 million as at December 31, 2015 and 2014, respectively (see Note 19).

Determining Fair Value of Financial Instruments

Where the fair values of financial assets and liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility and correlation.



Any change in the fair value of financial assets and financial liabilities would directly affect net income (see Note 31).

4. Cash and Cash Equivalents

	2015	2014
Cash on hand and with banks	₱15,384,868	₱36,586,744
Short-term deposits	213,077,372	638,320,000
	₱228,462,240	₱674,906,744

Cash with banks earn interest at their respective bank deposit rates. Short-term deposits are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

In 2015, 2014 and 2013, interest income from cash with banks and short-term deposits, net of final tax, amounted to ₱7.6 million, ₱0.7 million, and ₱0.2 million, respectively (see Note 23).

The Group has United States dollar (US\$)-denominated cash with banks and short-term deposits amounting to US\$1.0 million and US\$6.1 million, as at December 31, 2015 and 2014, respectively (see Note 30).

5. Receivables - net

	2015	2014
Trade	₱15,444,055	₱19,707,164
Advances to MRT Dev't. Corp. (MRTDC; Note 17)	159,590,613	—
Accrued management fees (Note 21)	117,650,000	110,947,000
Advances to related parties (Note 26)	3,486,615	15,832,918
Others	6,483,313	5,372,508
	302,654,596	151,859,590
Less allowance for impairment losses	17,080,061	17,080,061
	₱285,574,535	₱134,779,529

Trade receivables are noninterest-bearing and generally have a thirty (30) day term.

Others include interest receivable from the Group's short-term deposits and advances to officers and employees.

The receivables of the Group consist of individually significant accounts that were subjected to specific impairment approach. Others that were not individually significant for which no specific impairment were subjected to collective assessment. Based on the assessment done, the Group have not recognized additional provision for impairment losses in 2015, as shown below:

	2015	2014
Trade:		
Balances at beginning of year	₱15,444,055	₱15,175,653
Provision (Note 24)	—	268,402
Balances at end of year	15,444,055	15,444,055

(Forward)



	2015	2014
Others:		
Balances at beginning of year	₱1,636,006	₱1,581,407
Provision (Note 24)	—	54,599
Balances at end of year	1,636,006	1,636,006
	₱17,080,061	₱17,080,061

The Group has US\$-denominated receivables amounting to US\$2.5 million as at December 31, 2015 and 2014 (see Notes 21 and 30).

6. Financial Assets at FVPL

This account consists of investments in shares of stock of Shang Properties, Inc. amounting to ₱3.4 million and nil, consisting of 1,074,000 shares and nil shares as at December 31, 2015 and 2014, respectively.

On June 7, 2013, the Group acquired 50,000,000 shares of TPC at ₱0.039 per share for an aggregate price of ₱2.0 million, excluding incidental costs, which represents 1.71% interest in TPC that was classified as financial assets at FVPL. On July 11, 2014, the Company increased its ownership interest in TPC, gaining significant influence over TPC. The shares previously classified as financial assets at FVPL and AFS financial assets were considered in accounting for the cost of its investment in associate (see Note 11).

In 2013, the Group sold its entire 214,145,742 shares of stock in Shang Properties, Inc. at ₱3.6352 per share or an aggregate price of ₱773.4 million, net of selling costs amounting to ₱5.1 million. The Group recognized gain on sale of investment amounting to ₱66.7 million.

In 2015, the Group recognized loss on fair value changes of financial assets at FVPL amounting to ₱0.1 million while gains on fair value changes recognized in 2014 and 2013 amounted to ₱16.4 million and ₱60.3 million, respectively.

7. Inventories - at cost

As at December 31, 2015 and 2014, inventories at cost consist of:

	2015	2014
Finished goods	₱938,463	₱819,063
Raw materials and supplies	2,019,212	181,582
	₱2,957,675	₱1,000,645

Raw materials and supplies consist of blue rocks being processed to become aggregates.

Finished goods are aggregates produced upon processing the raw materials which is classified into S1, 3/4 and 3/8.

No allowance for inventory losses was provided as at December 31, 2015 and 2014.



8. Long-term Note

Convertible Note

On June 9, 2015, the Parent Company entered into a loan agreement with ACMDC amounting to ₱700.0 million, which bear a fixed interest rate of 4.0%, payable semi-annually in arrears. The loan will mature on June 9, 2018. The loan contains multiple embedded derivatives such as conversion, call and put options. The conversion option pertains to the right of the Parent Company to convert the loan into common shares of ACMDC at the conversion price of ₱8.29 per share at any time beginning July 21, 2015 until June 2, 2018. The call option pertains to the right of ACMDC to early redeem the loan, in whole but not in part, on or after December 9, 2016 subject to the conditions stated in the loan agreement. On the other hand, the put option pertains to the right of the Parent Company to require ACMDC to redeem all or some of the loan at their prepayment amount on the date fixed for prepayment beginning June 9, 2016. As at December 31, 2015, all outstanding embedded derivatives are not material to the Group. Interest earned in 2015 from this note amounted to ₱15.7 million.

Fixed-interest Note

On October 29, 2015, the Group signed a loan facility with Alakor Corporation (Alakor) for a total commitment of ₱60.0 million. The loan shall earn 4.25% fixed interest per annum for a term of two (2) years. The first drawdown, amounting to ₱15.0 million, was made on the same date. Interest income earned in 2015 amounted to ₱0.1 million.

9. Business Combination

Acquisition of Tipo Valley Realty, Inc. (TVRI)

On December 15, 2015, the BOD of the Parent Company approved the acquisition of about 2.3 million shares or 97.59% of the outstanding capital stock of TVRI at a purchase price of ₱130.59 per share or a total of ₱299.1 million. TVRI is an unlisted company based within the Subic Bay Freeport Zone whose primary purpose is to acquire and develop, sell, or lease real estate of all kinds. The Group intends to develop the TVRI properties as part of its property development initiatives. The sale was completed on December 22, 2015.

The transaction was accounted for as an asset acquisition. The amounts recognized as at December 22, 2015 for each major class of TVRI's identifiable assets and liabilities follow:

	Fair Value Recognized on Acquisition
Assets:	
Cash	₱311,607
Advances to a contractor	600,000
Investment property	215,504,848
Advances for future land acquisitions	36,831,604
Leasehold rights - net of amortization	800,928
Input VAT	305,754
	254,354,741
Liabilities:	
Accounts payable and accrued expenses	611,670
Advances from related parties	36,359,411
	36,971,081
Net asset acquired	₱217,383,660



NCI have been measured at its proportionate share of the fair value of the net identifiable assets acquired and liabilities assumed.

The excess of the Group's cost of investment in TVRI over the underlying net assets at the date of acquisition amounting to ₱89.1 million was allocated to the "Investment property" account in the consolidated statements of financial position.

From the date of acquisition, TVRI contributed nil to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations for the Group would have been ₱509.0 million and income before tax from continuing operations for the Group would have been ₱280.2 million.

The Group issued 1,109,961,961 ordinary shares to the seller as consideration for the 97.59% interest in TVRI. The seller's outstanding subscription receivable was credited to signify the full payment of the shares subscribed (see Note 20). The fair value of the acquiree was calculated with reference to an appraisal report undertaken by the Group. Transaction costs were paid by the seller.

10. AFS Financial Assets

	2015	2014
Equity securities:		
Unquoted	₱15,856,115	₱38,427,836
Quoted	–	1,750,019,100
	15,856,115	1,788,446,936
Less allowance for impairment losses on unquoted shares	11,523,162	11,523,162
	₱4,332,953	₱1,776,923,774

Movements in the AFS financial assets in 2015 and 2014 are as follows:

	2015	2014
Balances at beginning of year	₱1,776,923,774	₱3,215,562,906
Additions	29,383,731	–
Disposals	(22,571,720)	–
Reclassification to investment in associate (Note 11)	(710,501,794)	(780,000,000)
Movements recognized in equity:		
Changes in fair value of AFS financial assets	(1,068,901,038)	(645,906,970)
Transfer of unrealized valuation loss from OCI profit or loss	–	(1,209,000)
Allowance for impairment loss on unquoted shares	–	(11,523,162)
Balances at end of year	₱4,332,953	₱1,776,923,774

Movements in the net unrealized loss on AFS financial assets in 2015 and 2014 are as follows:

	2015	2014
Balances at beginning of year	(₱286,345,682)	₱359,561,288
Changes in fair value of AFS financial assets	(1,068,901,038)	(645,906,970)
Reclassification of AFS investment to investment in associate	1,355,246,720	–
Balances at end of year	₱–	(₱286,345,682)



Quoted AFS financial assets pertain to investments in common shares of a local public company, ACMDC. The fair value of the quoted instruments is based on the exit market price as at December 31, 2014.

On December 18, 2015, the Parent Company, TPC, Alakor, and National Book Store, Inc. (NBS) [collectively, the Ramos Group] individually executed an Undertaking in favor of the others to vote their shares in ACMDC in all matters affecting their rights as shareholders effective January 1, 2015. The Collective Undertaking triggered the reclassification of the Parent Company's investment in ACMDC from AFS financial assets to investment in associate due to the Parent Company gaining significant influence over ACMDC (see Note 11).

Unquoted AFS financial assets pertain to investments in private local companies and have no fixed maturity date or coupon rate. Unquoted investments have been carried at cost less impairment since fair value of these AFS financial assets cannot be reliably determined as they have no available bid price.

In 2014, the Group provided an allowance for impairment losses on its unquoted equity shares amounting to ₱11.5 million. No impairment loss was recognized in 2015, 2014 and 2013 on the Group's quoted equity instruments.

In 2015, the Group purchased additional 3.0 million shares in ACMDC costing ₱29.4 million. The purchase increased the Group's interest from 8.27% to 8.36%. The Group also disposed unquoted equity shares at their cost of ₱22.6 million. The Group has no intention to dispose its remaining unquoted equity shares.

11. Investments in Associates

	2015	2014
Acquisition cost:		
Balances at beginning of year	₱3,138,033,726	₱848,105,280
Additions during the year	2,092,090,652	2,562,565,802
Redemption*	—	(31,580,000)
Asset classified as held-for-sale	—	(100,036,990)
Disposal during the year	—	(141,020,366)
Balances at end of year	5,230,124,378	3,138,033,726
Accumulated equity in net earnings:		
Balances at beginning of year	(89,660,343)	3,040,590
Equity in net earnings (losses) during the year	(40,592,683)	84,057,965
Dividends received	(25,712,608)	(89,536,768)
Asset classified as held-for-sale	—	(43,595,231)
Disposal during the year	—	(43,626,899)
Balances at end of year	(155,965,634)	(89,660,343)
Accumulated equity share in OCI:		
Balances at beginning of year	(38,704,038)	—
Equity share in other comprehensive income (loss) during the year	136,922,265	(38,704,038)
Balances at end of year	98,218,227	(38,704,038)
	₱5,172,376,971	₱3,009,669,345

*The redemption has no impact on the % of ownership.



The carrying values of investments in associates are as follows:

	Percentage of Ownership		Amount	
	2015	2014	2015	2014
TPC	34.32%	34.32%	₱2,567,647,636	₱2,487,871,217
ACMDC	8.36%	—	2,068,473,129	—
UPMC	24.30%	22.96%	536,256,206	521,798,128
			₱5,172,376,971	₱3,009,669,345

Investment in ACMDC

On December 18, 2015, the Parent Company, TPC, Alakor and NBS individually executed an Undertaking in favor of the others to vote their shares in ACMDC in all matters affecting their rights as shareholders effective January 1, 2015. The Collective Undertaking aims to consolidate their voting rights to enable the Ramos Group to maintain its significant representation in the BOD of ACMDC.

The Collective Undertaking triggered the reclassification of the Parent Company's 8.36% investment in ACMDC shares from AFS financial assets to investment in associate due to the Parent Company gaining significant influence over ACMDC. The combined interest of the parties to the Collective Undertaking represents 31.48% interest in ACMDC.

The cost of the investment amounted to ₱2,068.7 million. The amount of changes in fair value of ACMDC accumulated in equity derecognized from other comprehensive income amounted to ₱1,355.2 million (see Note 10).

Investment in TPC

TPC is primarily engaged in petroleum and mineral exploration and development. TPC became an associate on July 11, 2014, with the additional purchase of 43,061,809,706 shares by way of a special block sale, at a price of ₱0.03738 per share, increasing the interest of the Company over TPC from 11.87% to 34.32% or a total of 65,840,287,728 shares gaining significant influence over TPC. The 22,778,478,022 shares previously owned were initially classified as follows:

Classification	Number of shares	Percentage
Financial assets at FVPL	3,278,478,022	1.71%
AFS financial assets	19,500,000,000	10.16%
Total	22,778,478,022	11.87%

The shares of TPC classified as financial assets at FVPL and AFS financial assets were considered in accounting for the cost of its investment in associate. Since financial assets at FVPL and AFS financial assets have been measured at fair value, there is no further change to its carrying value as at July 11, 2014 amounting to ₱131.1 million and ₱780.0 million, respectively, when reclassifying it to investment in associate at the time the Group gained significant influence over TPC. The amount of changes in fair value of TPC accumulated in equity is reclassified to profit or loss on July 11, 2014 amounting to ₱1.2 million (see Notes 6 and 10).

On September 2, 2013, the Group acquired a total of 19,500,000,000 additional shares of TPC by way of a special block sale, at ₱0.04 per share or an aggregate price of ₱780.0 million, plus incidental costs of ₱1.2 million. As at December 31, 2013, the Group has 10.16% interest in TPC that was classified as AFS financial assets. On July 11, 2014, the Company increased its ownership interest in TPC, gaining significant influence over TPC. The shares previously classified as financial assets at FVPL and AFS financial assets were considered in accounting for the cost of its investment in associate (see Notes 6 and 10).



Investment in UPMC

UPMC's main business is the exploration, development, exploitation, recovery and sale of gold. UPMC became an associate on August 1, 2008, with the conversion of the Group's receivable from UPMC to the latter's common shares.

On December 17, 2014, the Group bought a total of 3,000,000,000 shares of UPMC by way of regular cross transaction at a price equivalent to ₱0.012 per share, with related transaction cost amounting to ₱0.1 million. This increases the Group's interest in UPMC from 21.81% to 22.96%.

On December 3, 2015, the Group purchased additional 3.5 billion shares at the closing price of ₱0.0075 per share. This increases the Group's interest from 22.96% to 24.3%.

Investment in NTDCC

NTDCC owns and operates the Triangle North of Manila (TriNoma) Commercial Center which is built adjacent to the Metro Rail Transit (MRT) Depot. The development rights over the 8.3-hectare portion of the MRT Depot were acquired from MRT Development Corp. in 2002.

On December 10, 2014, the Group partially sold its 539,249 common shares and 2,265,507 redeemable preferred shares of NTDCC to Ayala Land, Inc. (ALI), representing 9.24% ownership for a consideration of ₱738.3 million, resulting to a gain of ₱553.6 million (see Note 12).

The sale of the remaining 382,072 common shares and 1,605,169 redeemable preferred shares representing 6.55% ownership in NTDCC was consummated on February 5, 2015. Consideration received amounted to ₱523.1 million, resulting to a gain of ₱379.4 million (see Note 12).

The summarized financial information of the associates as at and for the years ended December 31, 2015 and 2014 are as follows (in thousands):

	2015			2014		
	Total Assets	Total Liabilities	Net Income (Loss)	Total Assets	Total Liabilities	Net Income (Loss)
ACMDC	₱69,575,967	₱33,095,739	(₱814,439)	₱—	₱—	₱—
TPC	3,615,444	73,988	114,710	3,418,683	109,669	374,653
UPMC	1,120,938	949,618	51,433	1,129,141	905,286	(67,290)

12. Assets Held for Sale

On December 2, 2014, the BOD authorized the sale of NTDCC shares. On December 10, 2014, the Company partially sold its 539,249 common shares and 2,265,507 redeemable preferred shares of NTDCC to ALI, representing 9.24% ownership. As at December 31, 2014, the remaining 382,072 common shares and 1,605,169 redeemable preferred shares of NTDCC representing 6.55% was classified as discontinued operations and asset held for sale amounting to ₱143.6 million. The NTDCC shares met the criteria of an asset to be classified as held for sale as at December 31, 2014 for the following reasons: (1) the NTDCC shares were available for immediate sale and can be sold to a potential buyer in its current condition; (2) the BOD has approved the plan to sell the NTDCC shares and (3) the NTDCC shares were subsequently sold to ALI on February 5, 2015. Thus, we adjusted the comparative consolidated statements of comprehensive income for the years ended December 31, 2014 and 2013 to present the equity in net income of NTDCC shares as discontinued operations amounting to ₱65.7 million and ₱62.9 million, respectively.



The sale of the remaining 382,072 common shares and 1,605,169 redeemable preferred shares representing 6.55% ownership in NTDCC was consummated on February 5, 2015. Consideration received amounted to ₱523.1 million, resulting to a gain of ₱379.4 million.



13. Property and Equipment

	2015					Total
	Quarry Development Costs	Condominium Units and Improvements	Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Office Equipment	
Cost:						
Balances at beginning of year	₱94,665,468	₱22,222,178	₱55,103,561	₱601,241	₱2,169,135	₱174,761,583
Additions	—	—	—	2,873,214	198,192	3,071,406
Disposals	—	—	—	(550,000)	—	(550,000)
Balances at end of year	94,665,468	22,222,178	55,103,561	2,924,455	2,367,327	177,282,989
Accumulated depreciation, depletion and amortization:						
Balances at beginning of year	44,387,737	9,055,738	54,131,703	577,087	2,049,275	110,201,540
Depreciation, depletion and amortization (Notes 22 and 24)	7,269,114	1,105,210	971,858	311,922	236,313	9,894,417
Disposals	—	—	—	(550,000)	—	(550,000)
Balances at end of year	51,656,851	10,160,948	55,103,561	339,009	2,285,588	119,545,957
Net book values	₱43,008,617	₱12,061,230	₱—	₱2,585,446	₱81,739	₱57,737,032

	2014					Total
	Quarry Development Costs	Condominium Units and Improvements	Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Office Equipment	
Cost:						
Balances at beginning of year	₱94,665,468	₱22,222,178	₱55,103,561	₱1,517,312	₱4,158,601	₱177,667,120
Additions	—	—	—	—	154,763	154,763
Disposals	—	—	—	(916,071)	(2,144,229)	(3,060,300)
Balances at end of year	94,665,468	22,222,178	55,103,561	601,241	2,169,135	174,761,583
Accumulated depreciation, depletion and amortization:						
Balances at beginning of year	43,783,906	7,950,527	53,726,903	1,366,078	4,068,095	110,895,509
Depreciation, depletion and amortization (Notes 22 and 24)	603,831	1,105,211	404,800	127,080	125,409	2,366,331
Disposals	—	—	—	(916,071)	(2,144,229)	(3,060,300)
Balances at end of year	44,387,737	9,055,738	54,131,703	577,087	2,049,275	110,201,540
Net book values	₱50,277,731	₱13,166,440	₱971,858	₱24,154	₱119,860	₱64,560,043



14. Investment Properties

As of December 31, 2015 and 2014, investment properties amounted to ₱304.6 million and nil, respectively (see Note 9).

Purchases of parcels of land are brokered by H. George Feliciano & Associates. Payments for the acquisitions are initially recorded from these real estate brokers as advances for future land acquisitions presented under “Other noncurrent assets” in the consolidated statements of financial position (see Note 16). Subsequently, when the land titles are transferred to TVRI, the total amount relating to the purchase is reclassified to the Investment properties account.

In 2015, TVRI received full compensation for the value of land expropriated for use in various government projects. The 19 parcels of land in Balanga, Bataan with a total land area of 10,218 square meters (sq. m.) was covered by the Subic-Clark-Tarlac Expressway project. In relation to this, TVRI entered into a Deed of Absolute Sale with the Bases Conversion and Development Authority with a total selling price of ₱1,826,850 for which TVRI paid ₱322,290 capital gains tax. Two (2) parcels of land in Hermosa, Bataan with a total land area of 60,000 sq. m. were expropriated under the Comprehensive Agrarian Reform Program in which TVRI received ₱1,011,628 as valuation compensation from the Land Bank of the Philippines.

No gain or loss related to the sale of land was recognized in 2015 and 2014.

15. Deferred Exploration Costs

The Group is a participant in certain SC and GSEC with the Philippine Government, through the Department of Energy (DOE), for the exploration, development and exploitation of the contract areas situated in Northwest Palawan, Sulu Sea and Mindoro Island.

The aforementioned SC and GSEC, which provide for minimum work expenditure obligations and the drilling of a specified number of wells, are covered by operating agreements which set forth the participating interests, rights, and obligations of the participants to the contracts. The deferred exploration costs represent the Group’s share in the jointly controlled assets of the aforementioned SCs and GSECs. The full recovery of the deferred exploration costs incurred in connection with the Group’s participation in the exploration of the contract areas is dependent upon the discovery of mineral resources from the respective contract areas and the success of the future development thereof:

The percentage of participation and the balances of the deferred exploration costs as of December 31 are as follows:

	2015		2014	
	Percentage of Participation	Amount	Percentage of Participation	Amount
Parent Company				
SC 6 (Offshore Northwest Palawan)				
Block A (Octon)	11.11	₱56,082,221	3.33	₱55,683,065
Saddle Rock Prospect	11.11	7,325,361	3.33	7,325,361
Esperanza Prospect	11.11	823,118	3.33	823,118
SC 41 (Sulu Sea)	1.68	48,266,249	1.68	48,266,249

(Forward)



	2015		2014	
	Percentage of Participation	Amount	Percentage of Participation	Amount
SC 53 (Onshore Mindoro)	5.00	₱31,351,081	5.00	₱30,232,833
SC 14 (Northwest Palawan, Tara Block)	2.50	4,194,784	2.50	4,194,784
SWAN Block (Northwest Palawan)				
SC 39 (Busuanga/Calauit)	33.58	15,891,445	33.58	15,891,445
GSEC 86 (Northwest Malampaya)	33.58	10,345,190	33.58	10,345,190
GSEC 83 (North Calamian Project)	33.58	533,923	33.58	533,923
VMC				
Comet Nickel-Chromite, Bataan and Batangas Aggregates Project		28,317,499		28,317,499
		₱203,130,871		₱201,613,467

Parent Company

SC No. 6A (Octon)

Block operator Pitkin Petroleum Limited commissioned geophysical contractor Seabird Exploration to undertake bathymetric survey and 3D seismic data acquisition over the northern portion of SC 6A using the seismic vessel M/V Voyager Explorer. The 3D seismic survey was completed in November 2013. A total of 508 sq km of full fold 3D and 48.5 line-km of 2D data were acquired without any major problems and within budget. Data processing commenced on November 22, 2013 at Fairfield's Ho Chi Minh Processing Center and completed in April 2014.

During a partners meeting in August 2014, Pitkin announced their decision to withdraw from their farming agreement and consequently from the SC 6A consortium and the Service Contract by the end of December 2014. Pitkin cited as reason their company strategy to focus resources on their other projects. With Pitkin's decision to withdraw, TPC regained majority ownership and the operatorship of the block by year-end. Effective January 1, 2015, TPC was designated block operator, in lieu of Pitkin who withdrew from the SC and returned its interest back to the consortium members. As a consequence, the Group's participating interest on the block increased from 3.33% to 11.11%.

For 2015, the new operator, TPC, continued the works done by Pitkin to mature prospects to drillable status. Detailed mapping and seismic interpretation work showed significant improvement in data quality vis-à-vis the 1997 3D volume. To resolve uncertainties in the quality and distribution of the primary target reservoir, quantitative interpretation (QI) work, involving the re-processing of 3D data to broadband quality and seismic inversion of the reprocessed data set, has been approved as the 2016 work program for the block.

SC No. 14 (Retention Block, Tara and Libro)

EDSL Consultants have undertaken and completed an integrity test program for the Libro-1, Pandan-1 and Tara South-1 wells. They have likewise prepared and completed design concept and costing for the plugging and abandonment of these wells, with the actual works now programmed to be undertaken during the summer months of 2014.

In 2013, the Company reported the consortium's intention to turn-over the control and ownership of the now idle Pandan and Libro platforms to the Philippine Government through the DOE. These facilities can still be used by the Philippine Navy as forward outposts in the West Philippine Sea area.



SC No. 41 (Sulu Sea)

In early 2012, TPC executed a Joint Application and Participation Agreement with Philex Petroleum Corporation to jointly participate in the bidding for Area 15 under the PECR 4. Area 15 covers the old SC 41 block previously operated by Tap Oil Limited. TPC as the lead party prepared the bid application documents which it then submitted to the DOE on May 30, 2012. While results for some of the areas offered under the PECR4 were already announced, the DOE has yet to release the results for Area 15.

A new bidding round, the 5th PECR, was launched by DOE in May 2014. Nine new petroleum areas were offered for bidding which, unfortunately, did not include the Area 15 - Sulu Sea block offered under PECR4. TPC, Philex and the Parent Company, the latter having signed an earlier agreement with TPC for the transfer of a portion of its interest in the joint bid, would have likely participated in the PECR5 bidding if Area 15 was again offered.

The exclusion of the Sulu Sea block as one of the areas on offer under PECR5 was a decision of DOE as the area is within the contemplated regions proposed to be covered by the Bangsamoro Basic Law.

SC NO. 53 (Onshore Mindoro)

In May 2012, Block Operator Pitkin Petroleum completed the reprocessing of the 200 line-kilometers onshore seismic data acquired in 2010.

A gradiometry survey was also carried out in April and May 2012, with about 9,700 line-kilometers of data acquired by contractor Bell Geospace (UK). The same contractor acquired LIDAR (Light Detection and Ranging Survey) data which provided an accurate topographic imagery of the surface. Parallel to the geophysical activities, Pitkin started preparations for the drilling of the Progreso 2 well and sent out tenders for the various services and equipment required for the drilling campaign.

The operator has also initiated consultation with local services providers and did ocular inspection of ports of entry and access facilities for various equipment to be brought in. They have likewise initiated meetings with local and provincial government units to gain approval for the various planned geophysical and drilling activities.

The Onshore Mindoro Consortium, during a Technical Committee Meeting held in April 2014, agreed to drill another well, Progreso-3, back-to-back with Progreso-2 subject to agreement on the final well locations. Interpretation of the re-processed data later in the year provided support on new locations for the proposed wells, the drilling of which is now seen to materialize in the first half of 2015. By the end of 2014, the consortium was waiting for partner RMA Limited (RMA) to approve the new well locations and drilling budget requirement.

Unfortunately, due to (1) RMA's failure to give timely approval of the proposed well locations leading to its eventual disengagement from the block; and (2) the assignment by operator Pitkin of its interests in the block to Philex Petroleum, the proposed drilling were not undertaken in 2015. The remaining consortium members are now preparing the work program for 2016.

SWAN BLOCK (Deepwater Northwest Palawan)

The consortium continues to work on a possible swap of participating interest in some of their blocks in exchange for interest in Service Contract No. 57 and 58 of PNOC-EC, which now cover the old SWAN Block.



PNOC-EC had agreed in principle to the proposal and asked and have been granted ample time to conduct due diligence to evaluate the merits of the proposed interest swap.

Thereafter, however, Executive Order No. 556 was issued limiting PNOC-EC's ability to transact through the normal farmin/farmout process in acquiring or disposing of interests in any SC. The parties are hopeful of having EO 556 amended to give PNOC-EC more latitude in dealing with SCs.

VMC

Comet Nickel-Chromite Project

The Group and Comet signed a Memorandum of Agreement (MOA) on December 4, 2007, to process, occupy, use and control explore, develop, conduct mining, mine, process and market any product from the MPSA 003-90-X area which was registered with the DENR-Region VI at Surigao City on January 22, 2008.

On March 25, 2010, the Mines and Geoscience Bureau (MGB) responded to Comet's concern, regarding the application for renewal of the MPSA in subject, stating that the same was already approved through a letter dated November 20, 2009. However, Comet responded through a letter to MGB on April 7, 2010 objecting to the further evaluation and eventual approval of the MPSA. Management believes that the future outcome is favorable to the Group.

As of December 31, 2015, management has an outstanding offer from a potential buyer for the operating right in the Dinagat Project.

Bataan Aggregates Project

The Bataan Aggregates Project is located in Barangay Nagbalayong, Municipality of Morong, Bataan. The Aggregates Project Sharing Agreement No. 000328-III was filed on January 8, 2001 with an area of 138.0397 hectares while the ISAG Permit No. III-02-08 with an area of 12.8 hectares was granted on December 17, 2008.

Batangas Aggregates Project

The Batangas Aggregates Project is located in Barangay San Miguel, Batangas City, Batangas. It is covered by MPSA No. 091-97-IV granted on November 20, 1997 with an area of 332.3980 hectares.

The recovery of these deferred exploration costs incurred in connection with the Group's participation in the acquisition and mineral exploration activities depends upon the discovery of commercial quantities or the success of exploration activities and future development of the corresponding mining properties.

The Group maintains an account with Land Bank of the Philippines for its MRF pursuant to the requirements of Republic Act (RA) No. 7942, otherwise known as "The Philippine Mining Act of 1995". The MRF shall be used for the physical and social rehabilitation of areas and communities affected by mining activities and for research in the social, technical and preventive aspects of rehabilitation.



16. Other Noncurrent Assets

	2015	2014
Advances for future land acquisitions (Note 14)	₱36,831,604	₱—
Advance royalties - net	14,336,742	15,121,885
MRF	1,064,563	1,232,315
Input VAT	977,049	2,563,724
Advances to suppliers	956,191	—
Leasehold rights - net of amortization	800,928	—
Others	158,307	956,192
	55,125,384	19,874,116
Less allowance for impairment losses	14,400,164	14,400,164
	₱40,725,220	₱5,473,952

The allowance for impairment losses is composed of the following:

	2015	2014
Advance royalties	₱14,336,742	₱14,336,742
Others	63,422	63,422
	₱14,400,164	₱14,400,164

Advance royalties pertains to advances made to Comet Mining Exploration Corporation and Asencio Pinzon Aggregates Corporation (APAC), owner of the mining rights on Loreto, Dinagat and Rodriguez, Rizal, respectively. The Group conducts exploration activities on those locations. It also includes advances made to Vinc Vita Mining Corporation (VVMC) pertaining to the acknowledgment of the Group to develop and exploit the area on Bolinao, Pangasinan upon securing the necessary application and exploration permit by VVMC.

VMC maintains an account with Land Bank of the Philippines for its MRF pursuant to the requirements of Republic Act No. 7942, otherwise known as “The Philippine Mining Act of 1995”. The MRF shall be used for the physical and social rehabilitation of areas and communities affected by mining activities and for research in the social, technical and preventive aspects of rehabilitation.

Advances to suppliers are non-financial assets arising mainly from advanced payments made by the Group to its suppliers before goods or services have been received or rendered. These are classified as current since these are expected to be offset against future short-term billings and are recognized in the books at amounts initially paid.

In 1997, TVRI acquired the right to use a property in Subic from an officer to be used as a staff house. The lease is for a period of twenty-two (22) years up to October 2019. Leasehold right is carried at cost less accumulated amortization. Amortization is computed using the straight-line method over the term of the lease.



17. Accounts Payable and Accrued Expenses

	2015	2014
Current:		
Trade	₱164,391,004	₱12,493,152
Deposit from MPIC	89,419,081	89,419,081
Due to NTDCC (Note 26)	50,636,515	36,776,361
Dividends payable (Note 20)	11,143,298	9,436,541
Deposits from customers	9,474,728	9,479,589
Payable to regulatory agencies	3,581,552	9,124,970
Accrued interest (Note 18)	—	4,088,889
Others	21,412,353	19,698,209
	350,058,531	190,516,792
Noncurrent:		
Deposits from customers	5,432,916	5,432,916
	₱355,491,447	₱195,949,708

Trade payables are noninterest-bearing and generally settled within thirty (30) days. Trade payables relate to payables to suppliers and relate to transactions in the ordinary course of business.

Deposit pertains to advances received from Metro Pacific Investments Corporation (MPIC) in relation to the potential acquisition by MPIC of the shares owned by the Company in Metro Rail Transit Holdings, Inc. (MRTHI), subject to the completion of certain closing requirements. Deposits from customers classified as current pertains to a deposit made by Laura Trading (HK) Limited Group (LTLC) amounting to \$0.2 million as agreed in the exclusive marketing agreement entered by LTLC and the Group. Per marketing agreement, the former agreed to pay the latter \$200,000 for the future extracted mines related to the Group's Comet Project.

Deposit from customer classified as noncurrent pertains to a deposit received from Angat Rockbase Concrete Aggregates, Inc. (ARCAI). On August 8, 2008, VMC and ARCAI entered into a MOA wherein VMC warrants the delivery of approximately 2,000-2,200 LCM per day of blasted materials to ARCAI at the agreed price equivalent to VMC's prevailing material cost plus ₱20 per LCM. ARCAI also agreed to pay ₱20.0 million as contribution to the costs incurred by VMC and to develop the quarry and cost to prepare the area to be designated for use by ARCAI. The amount is payable as follows:

- ₱5.0 million front end signing of contract; and
- ₱15.0 million to be build-in the cost of raw materials and amortized over three years at the committed volume of 600,000 LCM per annum or ₱8.33 per LCM.

On July 24, 2012, VMC and ARCAI signed a MOA extending the term of the original agreement by another five years from the original expiration date. For and in consideration of the renewal, ARCAI agreed to pay VMC ₱1.5 million upon signing to pay for the historical development cost on the last year of the extended agreement.

Dividends payable pertains to unpaid cash dividends declared by the Parent Company to its stockholders.



Payable to regulatory agencies include withholding taxes and other government contributions related to employees of the Group. These are normally remitted within ten (10) days from the close of each month.

Other payables include operating expenses that are payable as at end of reporting period.

Funding and Repayment Agreement

On December 17, 2014, the Parent Company and other MRTDC shareholders, MRTDC and NTDCC executed a “Funding and Repayment Agreement” wherein the MRTDC shareholders agree to repay NTDCC, for the account of MRTDC, their respective pro rata share in the Total Depot Development Rights Payments (DRP) Advances (the Pre-2006 DRP Payables and the Residual Depot DRP, including 15% interest rate accrued on such DRP payables).

Commencing on January 1, 2015, the MRTDC Shareholders (except Fil Estate Properties, Inc. and Metro Global Holdings Corporation) shall effect the repayment of their respective pro rata share in the Total Depot DRP Payables, through a set-off against their respective share in the commercial center royalties/rental to be received from NTDCC.

Set off shall be effective as of the beginning of every calendar month, commencing January 30, 2015 and shall result in the settlement of the portion of the Total DRP Payables to the extent of the amount of the commercial center royalties then the balance will fall due to the relevant MRTDC Shareholders.

18. Long-term Debt

	2015	2014
Long-term debt	P–	P100,000,000
Less current portion	–	100,000,000
Noncurrent portion	P–	P–

Related interest expense on EPL loan amounted to nil and P20.6 million in 2015 and 2014, respectively (see Note 23).

- a. In 2013, the original EPL loan amounting to \$9.9 million (including accumulated interest) matured. Upon maturity, the loan was extended for another 5 years, the new principal to be converted to its peso equivalent which amounted to P437.8 million. The new loan bears interest of 1.5% per annum, subject to adjustment upon mutual agreement of both parties (same as original loan).

The old loan was derecognized as it already matured, and a new loan was recognized at its present value using 4.74 % as EIR. This resulted in a Day 1 difference of P53.9 million. Accretion of Day 1 difference for 2015 and 2014 amounted to nil and P53.4 million, respectively.

On October 27, 2014, the Company paid its outstanding balance of EPL loan amounting to P1,621.8 million and the related interest expense.



- b. On June 30, 2011, TPC granted the Company with a loan amounting to ₱50.0 million which bears interest of 8% per annum and is scheduled to mature on June 30, 2013. The loan was used to partially pay the LBP loan. On January 6, 2012, TPC granted the Company with additional loan amounting to ₱50.0 million to settle the remaining balance of loan payable to LBP. The loan bears an interest of 8% per annum and scheduled to mature on January 6, 2014. Upon maturity, the loan was renewed with the same interest rate of 8% and is scheduled to mature on January 6, 2016. On June 30, 2013, loan amounting to ₱50.0 million matured. Upon maturity, the loan was renewed with the same interest rate of 8% per annum and is scheduled to mature on June 30, 2015.

Related interest expense amounted to ₱0.9 million and ₱8.1 million in 2015 and 2014, respectively (see Note 23). Unpaid interest related to this loan, which is presented under “Accounts payable and accrued expenses” account in the consolidated statements of financial position amounted to nil and ₱4.1 million as at December 31, 2015 and 2014, respectively (see Note 17).

19. Decommissioning Liability

	2015	2014
Balances at beginning of year	₱13,888,062	₱13,676,388
Accretion of interest	214,949	211,674
Balances at end of year	₱14,103,011	₱13,888,062

The Company makes provision for the future cost of rehabilitating the quarry site on a discounted basis. This was based on technical estimates of probable costs, which may be incurred by VMC in rehabilitating the quarry site in Montalban, Rizal relating to its Montalban Aggregates Project from 2012 up to 2023, discounted at the rate of 1.55% per annum in 2015 and 2014. These provisions have been created based on the Company’s internal estimates. Assumptions, based on the current economic environment, have been made which management believes, are reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the quarry cease to produce at economically viable rates. This, in turn, will depend upon future aggregates prices, which are inherently uncertain.

20. Equity

Capital Stock

The movements in capital stock of the Company are as follows:

	2015		2014	
	Shares	Par value	Shares	Par value
Issued and outstanding:				
At beginning of year	1,898,957,547	₱1,898,957,547	1,170,616,788	₱1,170,616,788
Issuance	1,109,961,961	1,109,961,961	728,340,759	728,340,759
At end of year	3,008,919,508	₱3,008,919,508	1,898,957,547	₱1,898,957,547

(Forward)



	2015		2014	
	Shares	Par value	Shares	Par value
Subscribed:				
At beginning of year	1,117,344,991	₱1,117,344,991	7,383,030	₱7,383,030
Subscription during the year	—	—	1,109,961,961	1,109,961,961
Issuance during the year	(1,109,961,961)	(1,109,961,961)	—	—
At end of year	7,383,030	7,383,030	1,117,344,991	1,117,344,991
Less subscriptions receivable:				
At beginning of year	(295,259,490)	(295,259,490)	(1,367,688)	(1,367,688)
Subscription during the year	—	—	(293,891,802)	(293,891,802)
Payment during the year	293,891,803	293,891,803	—	—
At end of year	(1,367,687)	(1,367,687)	(295,259,490)	(295,259,490)
	6,015,343	₱6,015,343	822,085,501	₱822,085,501

The par value of the shares of stock is ₱1.

Below is the Company's track record of registration of securities under the Securities Regulation Code of the SEC:

Date of Registration (SEC Approval)	Description	Number of shares registered	Par value per share	Total amount
June 25, 1958	Initial capital	50,000,000	₱0.01	₱500,000
November 5, 1958	Increase in authorized capital stock	1,000,000,000	0.01	10,000,000
		1,050,000,000		10,500,000
February 26, 1970	Increase in authorized capital stock	1,000,000,000	0.01	10,000,000
		2,050,000,000		20,500,000
March 22, 1979	Increase in authorized capital stock	8,000,000,000	0.01	80,000,000
		10,050,000,000		100,500,000
September 14, 1990	Increase in authorized capital stock	19,950,000,000	0.01	199,500,000
		30,000,000,000		300,000,000
March 13, 1996	Change of par value from ₱0.01 to ₱1.00	300,000,000	1.00	300,000,000
March 13, 1996	Increase in authorized capital stock	1,700,000,000	1.00	1,700,000,000
		2,000,000,000		2,000,000,000
September 23, 2014	Increase in authorized capital stock	2,000,000,000	1.00	2,000,000,000
		4,000,000,000		4,000,000,000

On March 12, 2014, the Company's BOD resolved to increase the authorized capital stock from 2 billion to 4 billion common stock with par value of ₱1 per share. On September 23, 2014, the SEC approved the increase in authorized capital stock. The shares issued from the increase in authorized capital stock were still in the process of being listed in the PSE as at March 24, 2015.

Treasury Stock

In 2007, the BOD approved to reacquire shares totalling 13 million common shares, which were reacquired in 2008 and were stated at acquisition cost amounting to ₱27.6 million.



Retained Earnings

Dividends

Details of the Group's dividend declaration follow:

	2015	2014	2013	2013
Date of declaration	June 1	October 29	October 22	March 19
Dividend per share	₱0.02	₱0.015	₱0.03	₱0.03
Total dividends	₱60.0 million	₱45.0 million	₱34.9 million	₱34.9 million
Date of record	June 16	November 12	November 8	April 5
Date of payment	July 10	December 8	December 4	May 3

21. Other Income

	2015	2014	2013
Interest income (Note 23)	₱23,758,396	₱755,592	₱13,429,016
Foreign exchange gains - net	9,972,837	—	—
Management fees	—	88,750,000	103,077,000
Dividend income	—	37,124,814	68,744,848
Equity in net income of associates (Note 11)	—	18,379,055	—
Other income	23,586,744	394,258	2,518
	₱57,317,977	₱145,403,719	₱185,253,382

Management Fees

The Group signed an agreement with EPL whereby the Group provides general administration and risk management services to the latter for the efficient management and supervision of EPL's Philippine investment operations. In consideration for such services, the Group is paid a monthly management fee for a period of 3.5 years from July 2007 to December 2010, subject to renewal thereafter as may be mutually agreed upon by the parties.

In 2011, the Group renewed its contract with EPL for another 5 years from January 1, 2011 to December 31, 2015. The service fee increased from \$150,000 per month to \$200,000 per month effective July 1, 2011. On October 31, 2014, the service agreement was terminated by the Group and EPL.

In 2015, 2014 and 2013, management fees amounted to nil, ₱88.8 million and ₱103.1 million, respectively. Accrued management fees amounted to ₱117.7 million and ₱110.9 million as at December 31, 2015 and 2014, respectively, which is classified under the "Receivables" account (see Note 5).

Dividend Income

Dividend income amounting to nil, ₱37.1 million and ₱68.7 million in 2015, 2014 and 2013, respectively, pertains to dividends received from TPC, ACMDC and SPI.



22. Cost of Sales

Breakdown of cost of sales for 2015, 2014, and 2013 is as follows:

	2015	2014	2013
Hauling and crushing			
consumables	₱33,407,817	₱2,004,210	₱–
Rental	8,663,165	–	–
Depreciation (Note 13)	8,122,348	1,008,630	1,959,725
Fuel and oil	4,190,477	970,883	–
Communication, light and water	5,414,720	696,734	–
Personnel costs (Note 25)	5,190,386	487,419	–
Royalties	4,279,500	–	–
Outside services	1,572,618	–	58,435,237
Plant dues	128,702	469,677	–
Net change in inventory account	(1,957,030)	(1,000,645)	3,852,317
Others	3,273,727	287,338	–
	₱72,286,430	₱4,924,246	₱64,247,279

23. Interest Income, Expense and Other Finance Charges

The breakdown of interest income on bank deposits and receivables follows:

	2015	2014	2013
Cash in banks	₱7,554,096	₱708,095	₱208,191
Due from related parties (Note 26)	15,822,674	–	12,749,858
Retirement benefits plan asset	381,626	47,497	470,967
	₱23,758,396	₱755,592	₱13,429,016

Interest and other finance charges consist of:

	2015	2014	2013
Interest on tax deficiency assessment	₱4,476,954	₱–	₱–
Interest expense (Note 18)	911,111	28,841,054	33,463,942
Amortization of discount on long- term debt (Note 18)	224,394	151,126,084	67,204,513
Bank charges and others	24,445	8,033	–
	₱5,636,904	₱179,975,171	₱100,668,455

Other Expenses

	2015	2014	2013
Provision for impairment losses of investments (Note 10)	₱–	₱11,523,162	₱–
Foreign exchange losses - net	–	1,333,675	34,523,222
	₱–	₱12,856,837	₱34,523,222



24. General and Administrative Expenses

	2015	2014	2013
Taxes and licenses	₱66,873,143	₱84,964,126	₱26,896,223
Personnel costs (Note 25)	21,447,571	17,953,594	19,345,423
Entertainment, amusement and representation	6,824,286	607,402	598,976
Outside services	4,708,928	2,475,668	7,476,548
Depreciation (Note 13)	1,772,069	1,357,701	1,494,675
Communication, light and water	938,193	2,932,875	1,397,026
Transportation and travel	857,775	310,883	2,041,799
Membership fees	722,742	285,550	254,448
Insurance	586,201	872,895	745,157
Office supplies	518,230	204,596	399,279
Repairs and maintenance	265,203	1,400,836	1,193,013
Government fees	—	4,040,510	—
Provision for impairment losses (Notes 5 and 16)	—	323,001	11,494,027
Others	735,668	3,085,877	2,497,742
	₱106,250,009	₱120,815,514	₱75,834,336

Taxes and licenses comprise of documentary stamps, capital gains tax, other taxes, license and fees and deficiency tax payments to Bureau of Internal Revenue (BIR).

Government fees pertain to the payment made by the Parent Company to SEC in relation to its application for the increase in authorized capital stock.

25. Personnel Costs

	2015	2014	2013
Salaries and wages	₱19,372,354	₱14,334,252	₱14,343,378
Current service cost (Note 27)	350,164	1,037,271	1,039,508
Other employee benefits	6,915,439	3,069,490	3,962,537
	₱26,637,957	₱18,441,013	₱19,345,423

Other employee benefits are composed of various benefits given to employees that are individually immaterial.

26. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities, which are under common control with the reporting enterprises and its key management personnel, directors or its stockholders. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.



Category	Year	Receipts (Payments)	Outstanding balances		Terms	Conditions
			Due from related parties (Note 5)	Due to a related party (Note 17)		
Entities under common control:						
Alakor	2015	(P5,250,000)	P138,871	P17,835,036	8% interest	Unsecured
	2014	(107,665,113)	—	—		
NBS	2015	—	—	—	8% interest	Unsecured
	2014	(53,332,235)	—	—		
TVRI	2015	—	—	—	Noninterest-bearing	Unsecured
	2014	12,485,174	12,485,174	—		
VIMC	2015	—	—	32,801,479	Noninterest-bearing	Unsecured
	2014	10,551,536	—	36,776,361		
Associate:						
UPMC	2015	—	3,347,744	—	Noninterest-bearing	Unsecured
	2014	—	3,347,744	—		
	2015		P3,486,615	P50,636,515		
	2014		P15,832,918	P36,776,361		

- Alakor, NBS, TVRI and VIMC are entities under common control of an individual stockholder.
- The outstanding balances of due from related parties are not impaired as at December 31, 2015 and 2014.
- In 2014, the Parent Company made advances to TVRI for its development plans and feasibility studies and working capital purposes.
- The Parent Company's retirement fund is managed by Sun Life Financial Plans, Inc. The fair value of the retirement fund amounted to P21.7 million and P20.8 million as at December 31, 2015 and 2014, respectively. The retirement fund consists of 100% insurance in 2015 and 2014 (see Note 27).
- Compensation of key management personnel is as follows:

	2015	2014	2013
Short-term employee benefits	P12,560,094	P8,913,587	P10,406,244
Post-employment benefits	—	—	483,260
	P12,560,094	P8,913,587	P10,889,504

27. Pension Benefits Costs

The Parent Company has a funded, non-contributory defined pension plan covering all its regular employees. The retirement benefit plan obligation is determined using the projected unit credit method. There was no plan of termination or curtailment for the years ended December 31, 2015 and 2014.

The following tables summarize the funded status and the amounts recognized in the consolidated statements of financial position, the components of net retirement benefit expense (income) recognized in consolidated statements of comprehensive income and the changes in the present value of the defined benefit obligation and the fair value of plan assets.



Changes in defined benefit liability and fair value of plan assets in 2015 are as follows:

	Defined Benefit Liability	Fair Value of Plan Asset	Effect of the Asset Ceiling	Net Defined Benefit Liability (Asset)
At January 1	₱7,760,533	(₱20,798,619)	₱6,401,114	(₱6,636,972)
Current service cost	350,164	—	—	350,164
Net interest (Note 23)	446,231	(1,195,921)	368,064	(381,626)
Pension cost (benefit) charged to profit or loss	796,395	(1,195,921)	368,064	(31,462)
Remeasurement loss on plan assets (excluding amount included in net interest)	—	288,938	—	288,938
Remeasurement loss - change in the effect of the asset ceiling	—	—	(1,028,980)	(1,028,980)
Actuarial changes arising from changes in financial assumptions	(527,672)	—	—	(527,672)
Actuarial changes arising from experience adjustments	1,383,382	—	—	1,383,382
Pension cost (benefit) charged to other comprehensive income	855,710	288,938	(1,028,980)	115,668
At December 31	₱9,412,638	(₱21,705,602)	₱5,740,198	(₱6,552,766)

Changes in defined benefit liability and fair value of plan assets in 2014 are as follows:

	Defined Benefit Liability	Fair Value of Plan Asset	Effect of the Asset Ceiling	Net Defined Benefit Liability (Asset)
At January 1	₱24,541,995	(₱36,316,385)	₱2,591,939	(₱9,182,451)
Current service cost	1,037,271	—	—	1,037,271
Net interest (Note 23)	1,180,470	(1,352,639)	124,672	(47,497)
Pension cost (benefit) charged to profit or loss	2,217,741	(1,352,639)	124,672	989,774
Benefits paid	(16,390,000)	16,390,000	—	—
Remeasurement loss on plan assets (excluding amount included in net interest)	—	480,405	—	480,405
Remeasurement loss - change in the effect of the asset ceiling	—	—	3,684,503	3,684,503
Actuarial changes arising from changes in financial assumptions	(1,079,188)	—	—	(1,079,188)
Actuarial changes arising from experience adjustments	(1,530,015)	—	—	(1,530,015)
Pension cost (benefit) charged to other comprehensive income	(2,609,203)	480,405	3,684,503	1,555,705
At December 31	₱7,760,533	(₱20,798,619)	₱6,401,114	(₱6,636,972)

The assets of the Plan are being held by Sun Life Financial Plans, Inc. The investing decisions of the Plan are made by certain officers of the Parent Company duly authorized by the BOD.

The Plan is composed of 100% insurance as at December 31, 2015 and 2014.

The principal assumptions used to determine retirement benefit plan obligation are as follows:

	2015	2014
Discount rates	6.17%	5.75%
Wage and salary increases	5.00%	5.00%
Average expected future service years of active plan members	18.8	19.8



The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at the end of the reporting period, assuming all other assumptions were held constant:

	Increase (decrease)	2015	2014
Discount rates	+100 basis points	(P1,121,679)	(P975,413)
	-100 basis points	1,318,716	1,154,140
Salary increase rate	+100 basis points	1,231,358	1,076,757
	-100 basis points	(1,073,579)	(933,494)

The Parent Company does not expect to contribute to the defined benefit pension plan in 2016.

Shown below is the maturity analysis of the undiscounted benefit payments:

	2015	2014
One (1) year to five (5) years	P1,066,971	P-
Six (6) years to ten (10) years	-	998,103
Total expected payments	P1,066,971	P998,103

The average duration of the defined retirement benefits liability as at December 31, 2015 and 2014 is 15.2 years and 16.1 years, respectively.

28. Income Taxes

The provision for current income tax in 2015 represents MCIT for the Parent Company and VMC. The provision for 2014 and 2013 represents regular corporate income tax for the Parent Company while provision for VMC in 2013 represents MCIT.

The reconciliation of income tax computed at statutory tax rate to provision for (benefit from) income tax follows:

	2015	2014	2013
Income tax at statutory rate	P85,245,664	P143,817,863	P62,607,460
Additions to (reductions in) income tax resulting from:			
Income subjected to capital gains tax and transfer tax	(113,834,303)	(166,085,303)	(20,004,810)
Nondeductible expenses	20,198,991	21,085,345	7,140,317
Equity in net losses (earnings) of associates	12,177,805	(25,217,390)	(13,485,112)
Interest income subjected to final tax and others	(2,266,229)	(222,291)	(109,832)
Change in unrecognized deferred tax assets	2,210,847	4,257,832	(3,826,195)
Fair value changes of financial assets at FVPL	35,442	(4,917,717)	(18,099,816)

(Forward)



	2015	2014	2013
Dividend income subject to zero-rated income tax	₱—	(₱11,137,444)	(₱20,415,554)
Loss on receivable restructuring	—	—	3,982,762
Others	—	—	2,357,549
	₱3,768,217	(₱38,419,105)	₱146,769

The components of the Group's net deferred tax liabilities are as follows:

	2015	2014
Deferred tax assets:		
Unamortized past service cost	₱3,397,279	₱4,744,433
NOLCO	905,909	—
MCIT	716,693	—
Unrealized foreign exchange losses	—	400,103
	5,019,881	5,144,536
Deferred tax liabilities:		
Unrealized foreign exchange gains	(2,835,849)	—
Retirement benefit plan asset	(1,086,678)	(1,077,240)
Re-measurement gains on defined benefit obligation recognized as OCI	(879,150)	(913,850)
	(4,801,677)	(1,991,090)
	₱218,204	₱3,153,446

As at December 31, 2015 and 2014, the Group did not recognize deferred tax assets on the following deductible temporary differences and carryforward benefits of MCIT and NOLCO since management believes that it is not probable that sufficient taxable profit will be available against which the benefits can be utilized:

	2015	2014
Deductible temporary differences on:		
NOLCO	₱6,882,605	₱—
Decommissioning liability, net of the corresponding asset	2,006,476	2,006,476
Allowance for impairment losses on:		
Investment	11,523,162	11,523,162
Receivables	323,001	323,001
Unwinding of discount	214,949	—
MCIT	81,581	—

Movements in NOLCO are as follows:

	2015	2014
Balances at beginning of year	₱—	₱—
Additions	9,902,303	—
Balances at end of year	₱9,902,303	₱—



As at December 31, 2015 and 2014, excess MCIT that can be claimed as deduction from future taxable income and income tax liabilities is as follows:

	2015	2014
Balances at beginning of year	₱-	₱-
Additions	81,581	-
Balances at end of year	₱81,581	₱-

29. Basic and Diluted EPS

Basic earnings per share is calculated by dividing the net income for the year attributable to equity holders of the Parent Company divided by the weighted average number of common shares outstanding during the year (adjusted for any stock dividends).

Basic and diluted earnings per share are computed as follows:

	2015	2014	2013
Net income from continuing operations	₱280,383,996	₱452,133,071	₱145,637,010
Net income from discontinued operations	-	65,678,910	62,907,753
Total net income	₱280,383,996	₱517,811,981	₱208,544,763
Weighted average number of common shares	3,003,302,538	1,697,327,875	1,164,999,818
Basic and diluted earnings per share	₱0.09	₱0.31	₱0.18

Basic and diluted earnings per share from continuing operations:

	2015	2014	2013
Net income from continuing operations	₱280,383,996	₱452,133,071	₱145,637,010
Weighted average number of common shares	3,003,302,538	1,697,327,875	1,164,999,818
Basic and diluted earnings per share	₱0.09	₱0.27	₱0.13

The resulting per share amounts are the same for both basic and diluted earnings per share in 2015, 2014 and 2013 since the Company does not have any debt or equity securities that will potentially cause an earnings per share dilution.

30. Financial Risk Management and Capital Management

The Group's main financial instruments are cash and cash equivalents, AFS financial assets and long-term debt. The main purpose of these financial instruments is to raise funds and maintain continuity of funding and financial flexibility for the Group. The Group has various other financial assets and liabilities such as receivables, financial assets at FVPL, accounts payable and accrued expenses which arise directly from its operations and investing activities.



The BOD has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and manage the Group's exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group has exposure to credit risk, liquidity risk, foreign currency risk and equity price risk from the use of its financial instruments. The Board reviews and approves the policies for managing each of these risks and they are summarized below.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Group's cash and cash equivalents, receivables and AFS financial assets.

The Group ensures that its financial assets are considered high grade by transacting only with top banks in the Philippines and maintaining good relationships with related parties, key employees and debtors who are highly reputable and with good credit standing.

With respect to credit risk arising from cash and cash equivalents, trade and other receivables and AFS financial assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Since the Group trades only with recognized third parties, there is no requirement for collateral.

The tables below summarize the aging analyses of the Group's financial assets as at December 31, 2015 and 2014.

2015	Neither past due nor impaired	Past due but not impaired			Impaired	Total
		Less than 30 days	30 to 180 days	More than 180 days		
Cash and cash equivalents						
Cash with banks	₱15,290,968	₱—	₱—	₱—	₱—	₱15,290,968
Short-term cash deposits	213,077,372	—	—	—	—	213,077,372
Receivables						
Accrued management fee	—	—	—	117,650,000	—	117,650,000
Trade	—	—	—	—	15,444,055	15,444,055
Due from related parties	3,486,615	—	—	—	—	3,486,615
Others	162,012,185	—	11,875	2,413,860	1,636,006	166,073,926
AFS financial assets						
Unquoted equity instruments	4,332,953	—	—	—	11,523,162	15,856,115
Long-term debt	715,000,000	—	—	—	—	715,000,000
	₱1,113,200,093	₱—	₱11,875	₱120,063,860	₱28,603,223	₱1,261,879,051

2014	Neither past due nor impaired	Past due but not impaired			Impaired	Total
		Less than 30 days	30 to 180 days	More than 180 days		
Cash and cash equivalents						
Cash with banks	₱36,526,744	₱—	₱—	₱—	₱—	₱36,526,744
Short-term cash deposits	638,320,000	—	—	—	—	638,320,000
Receivables						
Accrued management fee	—	—	35,380,000	75,567,000	—	110,947,000
Trade	—	—	—	4,263,109	15,444,055	19,707,164
Due from related parties	15,832,918	—	—	—	—	15,832,918
Others	—	—	—	3,736,502	1,636,006	5,372,508
AFS financial assets						
Quoted equity securities	1,750,019,100	—	—	—	—	1,750,019,100
Unquoted equity instruments	26,904,674	—	—	—	11,523,162	38,427,836
	₱2,467,603,436	₱—	₱35,380,000	₱83,566,611	₱28,603,223	₱2,615,153,270



The credit quality of financial assets is managed by the Group using credit ratings and is classified into three (3): High grade, which has no history of default; Standard grade, which pertains to accounts with history of one (1) or two (2) defaults; and Substandard grade, which pertains to accounts with history of at least three (3) payment defaults or no repayment dates.

The Company has assessed the credit quality of the following financial assets:

- Cash and cash equivalents are classified as high grade since these are deposited with reputable banks.
- Receivables are classified standard grade since these are receivables from related parties which were transacted on an arm's length basis taking into account the related parties' financial standing and ability to pay. Other than the receivable which was written off in 2011, there was no history of default on the outstanding receivables as at December 31, 2015 and 2014.
- Financial assets at FVPL and quoted AFS financial assets in equity instrument are investments that can be traded and from companies with good financial capacity, making the investment secured and realizable. Management assesses the quality of these assets as high grade.
- Unquoted AFS financial assets are assessed as standard grade since these belongs to companies which have good financial conditions and operate in an industry which has potential growth. The unquoted AFS financial asset with allowance for impairment pertains to the investment of the Group to a project that did not materialize.

The Group's maximum exposure to credit risk is equal to the aggregate carrying amount of its financial assets.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objectives to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal policies.

The Group's financial assets used for liquidity management are its cash and cash equivalents, financial assets at FVPL, receivables and AFS financial assets.

As at December 31, 2015 and 2014, the Group's cash and cash equivalents may be withdrawn anytime, while its financial assets at FVPL and AFS financial assets are traded in the stock exchange and may be converted to cash by selling them during the normal trading hours on any business day.



The following tables show the maturity profiles of the Group's financial liabilities as well as undiscounted cash flows from financial assets used for liquidity management:

	2015					Total
	Less than 6 months	6 to 11 months	1 to 2 years	More than 2 years	Impaired	
<i>Financial assets</i>						
Cash and cash equivalents	₱228,368,340	₱—	₱—	₱—	₱—	₱228,368,340
Receivables	165,498,800	11,875	120,063,860	—	17,080,061	302,654,596
AFS financial assets*	—	—	—	4,332,953	11,523,162	15,856,115
Long-term debt	—	—	15,000,000	700,000,000	—	715,000,000
	393,867,140	11,875	135,063,860	704,332,953	28,603,223	1,261,879,051
<i>Financial liability</i>						
Accounts payable and accrued expenses**	175,785,902	21,412,353	50,636,515	104,326,725	—	352,161,495
	₱218,081,238	(₱21,400,478)	₱84,427,345	₱600,006,228	₱28,603,223	₱909,717,556

*Based on expected date of disposal.

**Excluding payable to regulatory agencies

	2014					Total
	Less than 6 months	6 to 11 months	1 to 2 years	More than 2 years	Impaired	
<i>Financial assets</i>						
Cash and cash equivalents	₱674,906,744	₱—	₱—	₱—	₱—	₱674,906,744
Receivables	3,534,470	81,893,026	22,845,482	26,506,551	17,080,061	151,859,590
AFS financial assets*	—	—	—	1,776,923,774	11,523,162	1,788,446,936
	678,441,214	81,893,026	22,845,482	1,803,430,325	28,603,223	2,615,213,270
<i>Financial liabilities</i>						
Accounts payable and accrued expenses**	26,018,582	19,698,209	36,776,361	104,331,586	—	186,824,738
Long-term debt:						
Principal	100,000,000	—	—	—	—	100,000,000
Future interest	8,000,000	—	—	—	—	8,000,000
	134,018,582	19,698,209	36,776,361	104,331,586	—	294,824,738
	₱544,422,632	₱62,194,817	(₱13,930,879)	₱1,699,098,739	₱28,603,223	₱2,320,388,532

*Based on expected date of disposal.

**Excluding payable to regulatory agencies

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and other market variables which will adversely affect the Group's total comprehensive income or value of its financial instruments. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters. The exposures to specific market risks are as follows:

Foreign Exchange Risk

The Group uses the Philippine peso as its functional currency and is therefore exposed to foreign exchange movements, primarily in US\$ currency. The Group follows a policy to manage its foreign exchange risk by closely monitoring its cash flow position and by providing forecast on all other exposures in non-peso currencies.

Information on the Group's \$-denominated monetary assets and liabilities and their ₱ equivalent are as follows:

	2015		2014	
	US\$	₱	US\$	₱
<i>Financial assets:</i>				
Cash and cash equivalents	US\$992,457	₱46,705,026	US\$6,144,685	₱274,790,330
Receivables	2,500,000	117,650,000	2,500,000	110,947,000
Foreign currency-denominated assets	US\$3,492,457	₱164,355,026	US\$8,644,685	₱385,737,330



As at December 31, 2015 and 2014, the exchange rate of the Philippine peso to the US\$ is 47.06 and 44.72, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in Philippine ₱/US\$, with all other variables held constant, of the Group's income before income tax.

There is no other impact on the Group's equity other than those affecting the consolidated statements of comprehensive income.

	Change in ₱/US\$ exchange rate	
	US\$ strengthens by 5%	US\$ weakens by 5%
Increase (decrease) in income before income tax and in equity		
2015	₱8,217,751	(₱8,217,751)
2014	19,286,867	(19,286,867)
2013	904,393	(904,393)

Equity Price Risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of the listed shares. The equity price risk exposure arises from the Group's investment in financial assets at FVPL and quoted AFS financial assets.

The effects on equity and income before income tax, (as a result of a change in the fair value of AFS financial assets and financial assets at FVPL, respectively, at December 31, 2015, 2014 and 2013 due to a reasonably possible change in bid market prices, with all other variables held constant), are as follows:

Financial Assets at FVPL

	Change in fair market value	
	Increase in market indices by 5%	Decrease in market indices by 5%
Increase (decrease) in income before income tax and in equity		
2015	₱168,081	(₱168,081)
2014	—	—
2013	7,286,417	(7,286,417)

AFS Financial Assets

	Change in fair market value	
	Increase in market indices by 5%	Decrease in market indices by 5%
Increase (decrease) in other comprehensive income and in equity		
2015	₱—	₱—
2014	4,915,031	(4,915,031)
2013	42,560,837	(42,560,837)

The impact on the Group's equity already excludes the impact on transactions affecting the consolidated statements of comprehensive income.



31. Fair Value Measurement

Fair Values of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Cash and Cash Equivalents, Receivables and Accounts Payable and Accrued Expenses

The carrying amount of cash and cash equivalents, receivables and accounts payable and accrued expenses approximate their fair values due to their short-term maturities.

Financial Assets at FVPL and AFS Financial Assets

The fair values of publicly traded instruments and similar investments are determined based on quoted closing market prices at the end of the reporting period. For unquoted AFS equity securities for which no reliable basis of fair value measurement is available, these are carried at cost, less impairment loss. The carrying amount of financial assets at FVPL and AFS financial assets approximate their fair values at the end of the reporting period.

Investment Properties

The fair value of investment properties is determined using the Sales Comparison Approach. In this approach, the value of the land was based on the sales of similar or substitute properties, related market data and listings of comparable property within the vicinity. The technique of this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by adjusting the differences between the subject property and those actual sales listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. This comparison was premised on the factors as property location, desirability, accessibility, neighborhood, utility, size and the time elements involved.

	Valuation technique	Significant unobservable inputs	Range (weighted average)
Investments properties	Sales Comparison Approach	Estimated price per square meter Land area square meter	₱147 2,013,698

Based upon analysis of the prevailing land usage in the neighborhood and the properties itself, a mix of residential, commercial and agricultural utility would represent the highest and best use of the property.

Fair Value Hierarchy

	2014		
	Level 1	Level 2	Level 3
Financial assets measured at fair value			
AFS financial assets - quoted equity securities	₱1,750,019,100	₱—	₱—

In 2015, the Group's quoted equity securities classified as AFS financial assets were reclassified to investment in associate.

For the years ended December 31, 2015 and 2014, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of the Level 3 measurements.



32. Segment Reporting

PFRS 8 requires operating segments to be identified on the basis of internal reports, which is similar to management basis, about components of the Group that are regularly reviewed by the chief operating decision maker.

For management purposes, the Group's operating segments pertain to its and investments in VMC and TVRI, subsidiaries, and ACMDC, TPC, UPMC, and NTDCC, associates. The cost of investments in associates amounted to ₱5,172.4 million and ₱3,138.0 million as at December 31, 2015 and 2014, respectively. ACMDC is engaged in mining operations and exploration, TPC is primarily engaged in petroleum and mineral exploration and development, UPMC's main business is the exploration, development, exploitation, recovery and sales of gold, while NTDCC owns and operates the Trinoma Commercial Center. VMC's main business is mining exploration and sale of aggregates and TVRI is engaged in property development.



Management monitors the operating results of its investments in associates separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on total revenues.

(in thousands)

	VMC		TVRI		UPMC		TPC		ACMDC		NTDCC*	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue												
External customers	₱72,271	₱4,959	₱—	₱—	₱—	₱—	₱535,637	₱969,302	₱9,935,083	₱—	₱—	₱—
Foreign exchange gain	—	—	—	—	—	—	28,427	9,711	138,051	—	—	—
Interest income	—	—	1	—	12	5	27,790	38,026	37,182	—	—	—
Other income	4,095	13,516	—	—	398	362	18,546	16,075	527,071	—	—	—
Total revenue	76,366	18,475	1	—	410	367	610,400	1,033,114	10,637,387	—	—	—
Costs and Expenses												
Direct operating	64,180	4,924	—	—	—	—	292,735	352,331	9,140,807	—	—	—
Depreciation	8,497	—	—	—	—	—	113,653	152,793	211,546	—	—	—
Interest expense	224	212	—	—	33,886	52,115	—	—	1,637,254	—	—	—
General and administrative	12,405	17,280	4,021	—	14,060	15,140	62,209	75,236	1,389,052	—	—	—
Foreign exchange	—	—	—	—	4,942	397	—	—	—	—	—	—
Total costs and expenses	85,306	22,416	4,021	—	52,888	67,652	468,597	580,360	12,378,659	—	—	—
Income (loss) before income tax	(8,940)	(3,941)	4,020	—	(52,478)	(67,285)	141,803	452,754	(1,741,272)	—	—	—
Provision for income tax	(82)	(633)	—	—	(8)	(8)	(27,090)	(78,101)	926,833	—	—	—
Net income (loss)	(₱9,022)	(₱4,574)	₱4,020	₱—	(₱52,486)	(₱67,293)	₱114,713	₱374,653	(₱814,439)	₱—	₱—	₱—
Operating assets	₱79,697	₱90,916	₱254,355	₱—	₱1,120,938	₱1,129,140	₱3,615,444	₱3,418,683	₱69,575,967	₱—	₱—	₱—
Operating liabilities	₱89,334	₱91,526	₱36,971	₱—	₱949,618	₱905,286	₱73,988	₱109,668	₱33,095,739	₱—	₱—	₱—
Other disclosure:												
Capital expenditures	₱915	₱55	₱—	₱—	₱37	₱37	₱22,380	₱26,358	₱4,787,069	₱—	₱—	₱—

Capital expenditures consist of additions to property and equipment.

Investment in NTDCC is considered as a discontinued operation as at December 31, 2014.

Other required information for the segments is disclosed in Notes 6, 10, 11, and 12 to the consolidated financial statements.



33. Note to Consolidated Statements of Cash Flows

Noncash Investing Activities:

2015

The share issuance to Alakor amounting to ₱1,110.0 million was in consideration for the Company's acquisition of TVRI from the former. As a result, Alakor's subscription receivable was credited.

2013

Offsetting of accrued guarantee fees against advances to Alakor amounting to ₱19.3 million.

34. Events After the End of Reporting Period

On January 29, 2016, the Parent Company entered into a Lease Agreement with NTDCC for the lease of an aggregate of 1,964.20 square meters undivided portions of the North Avenue Lot Pad A and North Avenue Lot Pad B to which the Parent Company is entitled to Development Rights.

As consideration, NTDCC paid ₱120.5 million, inclusive of VAT, by way of advance rent. The agreement shall be effective until August 8, 2047, subject to the extension of the Development Rights Period.

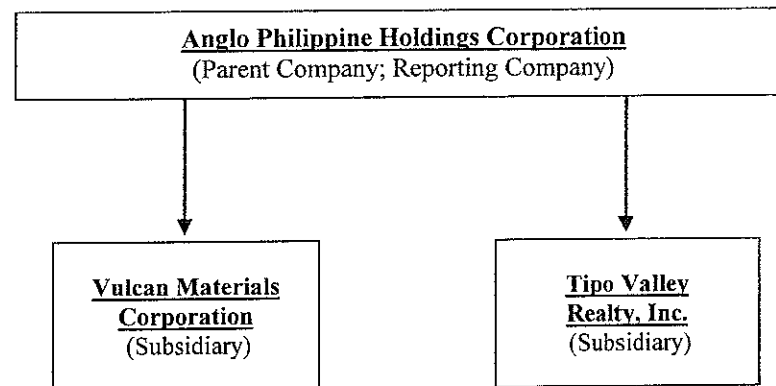


SCHEDULE I
ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
FINANCIAL RATIOS PURSUANT TO SRC RULE 68, AS AMENDED
DECEMBER 31, 2015

	2015	2014
<u>Profitability Ratios:</u>		
Return on assets	3.99%	8.59%
Return on equity	4.21%	9.06%
Gross profit margin	-%	-%
Net profit margin	55.08%	64.80%
<u>Liquidity and Solvency Ratios:</u>		
Current ratio	1.51:1	3.24:1
Quick ratio	1.48:1	3.24:1
Solvency ratio	0.79:1	1.75:1
<u>Financial Leverage Ratios:</u>		
Asset to equity ratio	1.06:1	1.05:1
Debt ratio	0.05:1	0.05:1
Debt to equity ratio	0.06:1	5.42:1
Interest coverage ratio	49.41	22.86



SCHEDULE II
ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP
PURSUANT TO SRC RULE 68, AS AMENDED
DECEMBER 31, 2015



SCHEDULE III
ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE OF EFFECTIVE STANDARDS AND
INTERPRETATIONS UNDER THE PFRS
PURSUANT TO SRC RULE 68, AS AMENDED
DECEMBER 31, 2015

List of Philippine Financial Reporting Standards (PFRSs) [which consist of PFRSs, Philippine Accounting Standards (PASs) and Philippine Interpretations] and Philippine Interpretations Committee (PIC) Q&As effective as at December 31, 2015:

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary		✓		
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
PFRS 6	Exploration for and Evaluation of Mineral Resources	✓		
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			✓
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities			✓
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures			✓
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments	✓		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures			✓
PFRS 10	Consolidated Financial Statements	✓		
PFRS 11	Joint Arrangements	✓		
PFRS 12	Disclosure of Interests in Other Entities	✓		
PFRS 13	Fair Value Measurement	✓		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Balance Sheet Date	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
PAS 16	Property, Plant and Equipment	✓		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures			✓
PAS 19 (Amended)	Employee Benefits	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements			✓
PAS 28	Investments in Associates			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures			✓



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
PAS 32	Financial Instruments: Disclosure and Presentation			✓
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			✓
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
PAS 40	Investment Property			✓
PAS 41	Agriculture			✓



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of PFRS 2			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 11	PFRS 2 - Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
IFRIC 21	Levies			✓
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓



SCHEDULE IV
ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
PURSUANT TO SEC RULE 68, AS AMENDED AND
SEC MEMORANDUM CIRCULAR NO. 11
December 31, 2015

Unappropriated Retained earnings as of December 31, 2014, as reflected in audited financial statements	P1,825,139,231
Amount of recognized deferred tax asset that reduced the amount of income tax expense and increased the net income and retained earnings, until realized	(5,144,536)
Fair value adjustment (mark-to-market gains)	(16,392,390)
Dividend declarations	(45,049,533)
Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning	1,758,552,772
Add: Net income actually earned/realized during the period	
Net income during the period closed to Retained Earnings	P399,306,667
Less: Non-actual/unrealized income net of tax	
Equity in net income of associate/joint venture	—
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	6,703,000
Unrealized actuarial gain	2,051,353
Fair value adjustment (mark-to-market gains)	—
Fair value adjustment of investment property resulting to gain	—
Adjustment due to deviation from PFRS/GAAP – gain	—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	—
Subtotal	<u>8,754,353</u>
Add: Non-actual losses	
Depreciation on revaluation increment (after tax)	—
Adjustment due to deviation from PFRS/GAAP - loss	—
Loss on fair value adjustment of investment property (after tax)	—
Subtotal	<u>—</u>
Net income actually earned during the period	390,552,314
Add (Less):	
Dividend declarations during the period	(60,066,051)
Appropriations of retained earnings	—
Reversals of appropriations	—
Effects of prior period adjustments	—
Treasury shares	(27,566,075)
Subtotal	<u>(87,632,126)</u>
Unappropriated Retained Earnings, as adjusted, ending	<u>P2,061,472,960</u>



SCHEDULE A

ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
FINANCIAL ASSETS IN EQUITY SECURITIES
DECEMBER 31, 2015

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in the balances sheet (figures in thousands)	Income received and accrued
NOT APPLICABLE			



SCHEDULE B

ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS
(OTHER THAN RELATED PARTIES)
DECEMBER 31, 2015

Name and designation of debtor	Balance at beginning period	Additions	Amounts collected / settlements	Amounts written-off	Current	Not current	Balance at end period
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NOT APPLICABLE



SCHEDULE C

ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
AMOUNTS RECEIVABLE FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING THE
CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2015

Name and designation of debtor	Balance at beginning period	Additions	Amounts collected/ settlements	Amounts written-off	Current	Not current	Balance at end period
Vulcan Materials Corp.	₱1,544,742	₱118,295,456	(₱110,145,630)	₱—	₱9,694,568	₱—	₱9,694,568
Tipo Valley Realty, Inc.	12,485,174	6,039,200	—	—	18,524,374	—	18,524,374



SCHEDULE D

ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
INTANGIBLE ASSETS - OTHER ASSETS
DECEMBER 31, 2015

Description	Beginning balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending balance
NOT APPLICABLE						



SCHEDULE E

ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
LONG-TERM DEBT
DECEMBER 31, 2015
(Amounts in Thousands)

Title of Issue and type of obligation	Amount authorized by: Indenture	Amount shown under the caption “Current Portion of long-term borrowings” in related balance sheet	Amount shown under the caption “Long-term borrowings- net of current portion” in related balance sheet
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NOT APPLICABLE



SCHEDULE F

**ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2015**

Name of Related Party	Balance at beginning of period	Balance at end of period
The Philodrill Corporation	₱100,000,000	₱—



SCHEDULE G

**ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2015**

Name of issuing entity of securities guaranteed by the Parent Company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owed by person for which statement is filed	Nature of guarantee
NOT APPLICABLE				



SCHEDULE H

ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
CAPITAL STOCK
DECEMBER 31, 2015

Company's authorized share capital is ₱4 billion divided into 4 billion shares at ₱1.00 par value. As at December 31, 2015, total shares issued and outstanding is 3,003,302,538 held by 3,101 shareholders, and treasury shares is 13,000,000 shares.

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related financial condition caption	Number of shares reserved for option, warrants, conversions and other rights	Directors and Officers	Principal/ Substantial Stockholders	No of shares held by Government	Banks	Others
Common Stock	4,000,000,000	3,016,302,538*	—	71,841,053	2,481,276,651	1,320	—	450,183,514

*Including 13,000,000 shares in Treasury Stock



**Unaudited Financial Statement
for the Interim Period
March 31, 2016**

ANGLO PHILIPPINE HOLDINGS CORPORATION and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited March 31, 2016 Consolidated	Audited December 31, 2015 Consolidated
ASSETS		
Current Assets		
Cash and cash equivalents	272,370,938	228,462,240
Receivables	310,322,184	285,574,535
Financial Assets at Fair Value through profit and loss (FVPL)	3,307,920	3,361,620
Inventories	1,790,152	2,957,675
Prepaid expenses and other current assets	13,365,571	7,422,804
TOTAL CURRENT ASSETS	601,156,765	527,778,874
Noncurrent Assets		
Property and equipment	56,284,227	57,737,032
Investment property	304,596,237	304,596,237
Deferred exploration costs	204,397,614	203,130,871
Available-for-sale investments	8,420,453	4,332,953
Investment in associates	5,150,386,100	5,172,376,971
Long-term note	730,000,000	715,000,000
Net retirement benefit plan assets	6,552,766	6,552,766
Deferred tax assets - net	218,204	218,204
Other noncurrent assets	40,178,486	40,725,220
TOTAL NON CURRENT ASSETS	6,501,034,087	6,504,670,254
TOTAL ASSETS	7,102,190,852	7,032,449,128
LIABILITIES AND EQUITY		
Accounts Payable and Accrued Expenses	336,815,971	350,058,531
Income tax payable	81,581	81,581
TOTAL CURRENT LIABILITIES	336,897,552	350,140,112
Accounts Payable and Accrued Expenses	5,432,916	5,432,916
Decommissioning liability	14,103,011	14,103,011
Deferred Rental Income	107,031,771	-
TOTAL NON CURRENT LIABILITIES	126,567,698	19,535,927
TOTAL LIABILITIES	463,465,250	369,676,039
Capital stock		
Issued	3,008,919,508	3,008,919,508
Subscribed	6,015,343	6,015,343
Additional Paid-In Capital	1,570,157,056	1,570,157,056
Other comprehensive income (loss) on remeasurement	2,051,353	2,051,353
Share in other comprehensive income (loss) of an associate	98,218,227	98,218,227
Retained earnings	1,973,544,143	1,997,591,628
Treasury Stock	(27,566,075)	(27,566,075)
Equity attributable to equity holders of the Parent Company	6,631,339,552	6,655,387,039
Non-controlling interest	7,386,049	7,386,049
TOTAL EQUITY	6,638,725,601	6,662,773,088
TOTAL LIABILITIES AND EQUITY	7,102,190,852	7,032,449,128

ANGLO PHILIPPINE HOLDINGS CORPORATION and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2016 AND 2015

	Unaudited March 31, 2016 Consolidated	Unaudited March 31, 2015 Consolidated
REVENUES		
Sales	17,974,745	20,592,600
Gains on:		
Sale of investments	-	379,447,678
Interest income	7,704,362	595,224
Equity in net income of associates	-	3,247,031
Other income	1,038,475	37,413,161
	<u>26,717,581</u>	<u>441,295,694</u>
COST AND EXPENSES		
Cost of sales	17,590,665	16,177,226
General and administrative expenses	10,934,818	54,472,590
Equity in net losses of associates	21,990,871	-
Interest and other finance charges	-	911,111
Losses on:		
Fair value changes of financial assets at FVPL	53,700	-
Foreign exchange losses - net	195,012	-
	<u>50,765,066</u>	<u>71,560,927</u>
INCOME/(LOSS) BEFORE INCOME TAX	<u>(24,047,485)</u>	<u>369,734,767</u>
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	-	748,263
Deferred	-	-
	<u>-</u>	<u>748,263</u>
NET INCOME/(LOSS) FROM CONTINUING OPERATIONS	<u>(24,047,485)</u>	<u>368,986,504</u>
MINORITY INTEREST	<u>-</u>	<u>-</u>
TOTAL NET INCOME/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	<u>(24,047,485)</u>	<u>368,986,504</u>
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized valuation gain (loss) on AFS investments	-	(232,708,202)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	<u>(24,047,485)</u>	<u>136,278,302</u>
Basic and Diluted Earnings/(Loss) per share	<u>(0.01)</u>	<u>0.12</u>

ANGLO PHILIPPINE HOLDINGS CORPORATION and SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2016 AND 2015

	Capital Stock				Net Unrealized Mark-to-Market Gain/(Loss) on AFS Financial Assets	Re- measurement Gains/(Losses) on Defined Benefit Obligation	Share in Other Comprehensive Income/(Loss) of an Associate	Retained Earnings	Treasury Stock	Non- Controlling Interest	Total
	Issued	Subscribed	Subscriptions Receivable	Additional Paid- in Capital							
Balances at January 1, 2016	3,008,919,508	7,383,030	(1,367,687)	1,570,157,056	-	2,051,353	98,218,227	1,997,591,628	(27,566,075)	7,386,049	6,662,773,088
Net loss	-	-	-	-	-	-	-	(24,047,485)	-	-	(24,047,485)
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	(24,047,485)	-	-	(24,047,485)
Balances at March 31, 2016	3,008,919,508	7,383,030	(1,367,687)	1,570,157,056	-	2,051,353	98,218,227	1,973,544,143	(27,566,075)	7,386,049	6,638,725,601
Balances at January 1, 2015	1,898,957,547	1,117,344,991	(295,259,490)	1,570,157,056	(286,345,682)	2,132,320	(38,704,038)	1,777,273,683	(27,566,075)	-	5,717,990,312
Net income	-	-	-	-	-	-	-	368,986,505	-	-	368,986,505
Other comprehensive income (loss)	-	-	-	-	(232,708,202)	-	-	-	-	-	(232,708,202)
Total comprehensive income	-	-	-	-	(232,708,202)	-	-	368,986,505	-	-	136,278,303
Balances at March 31, 2015	1,898,957,547	1,117,344,991	(295,259,490)	1,570,157,056	(519,053,884)	2,132,320	(38,704,038)	2,146,260,188	(27,566,075)	-	5,854,268,613

ANGLO PHILIPPINE HOLDINGS CORPORATION and SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2016 AND 2015

	Three Months Ended	
	31-Mar-16	31-Mar-15
CASH FLOWS FROM OPERATING ACTIVITIES		
Income/(Loss) before income tax	(24,047,485)	368,986,505
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,452,805	2,481,640
Decrease (increase) in:		
Receivables	(24,747,649)	(1,311,122)
Inventories	1,167,523	(2,748,239)
Prepayments and other current assets	(5,942,767)	916,511
Other non-current assets	546,734	(127,110)
Increase (decrease) in:		
Accounts payable and accrued expenses	(13,242,560)	(11,595,396)
Deferred rental income	107,031,771	-
Net cash used in operating activities	42,218,371	356,602,789
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in:		
Loans to related parties	(15,000,000)	
Asset Held for SaleFinancial assets at FVPL	53,700	143,632,220
Investment in associates	21,990,871	(3,247,031)
AFS Investment	(4,087,500)	(29,383,731)
Advances to other project	-	-
Addition to property and equipment	-	-
Deferred exploration	(1,266,743)	(249,374)
Net cash used in investing activities	1,690,328	110,752,084
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	-
Payment of borrowings	-	(100,000,000)
Net cash provided by financing activities	-	(100,000,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	43,908,698	367,354,872
CASH AND CASH EQUIVALENTS, BEGINNING	228,462,240	674,906,744
CASH AND CASH EQUIVALENTS, END	272,370,938	1,042,261,616

ANGLO PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

Basis of Preparation

The consolidated financial statements have been prepared under the historical cost basis except for financial assets at FVPL and AFS financial assets, which are carried at fair value. The consolidated financial statements are presented in Philippine peso, which is the Company's functional and presentation currency under the Philippine Financial Reporting Standards (PFRS). All values are rounded off to the nearest peso, except when otherwise indicated.

Statement of Compliance

The accompanying consolidated financial statements of the Group have been prepared in compliance with PFRS.

Basis for Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary after eliminating significant intercompany balances and transactions. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if and only if the Parent Company has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Parent Company's voting rights and potential voting rights

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of the subsidiary begins when the Parent Company obtains control, and continues to be consolidated until the date that such control ceases. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Subsidiary

A subsidiary is an entity over which the Parent Company has control.

All intra-company balances and transactions, including income, expenses, unrealized gains and losses and dividends, are eliminated in full. Profits and losses resulting from intra-company transactions that are recognized in assets and liabilities are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any NCI;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and
- Reclassifies the Parent Company's share of components previously recognized in other comprehensive income or OCI to profit or loss or retained earnings, as appropriate.

The consolidated financial statements include the accounts of the Parent Company, VMC, and TVRI.

A subsidiary is fully consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continues to be consolidated until the date when such control ceases. The financial

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

Significant Accounting Policies

The accounting policies and methods used in the preparation of the financial statements for the period ended March 31, 2016 are the same as those used in the preparation of the financial statements for the year ended December 31, 2015, and **NO** policies or methods have been changed.

1. Cash and Cash Equivalents

	March 31, 2016
Cash on hand and with banks	₱4,668,875
Short-term deposits	267,702,063
Total	₱272,370,938

Cash with banks earn interest at their respective bank deposit rates. Short-term deposits are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

2. Receivables

The Company grants interest-bearing and noninterest-bearing advances to its related parties with less than one year credit term. The following are the amounts due from related parties, which are included as part of the "Receivables" account in the balance sheets.

	March 31, 2016
Trade	₱15,854,127
Advances to MRT Dev't Corp.	159,590,613
Accrued management fees	117,650,000
Advances to related parties	3,486,614
Others	30,820,891
	327,402,245
Less: Allowance for impairment losses	(17,080,061)
Total	₱310,322,184

3. Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and any impairment in value.

March 31, 2016	Quarry Development Cost	Condominium Units and Improvements	Machinery and Equipment	Transportation Equipment	Furnitures, Fixtures & Office Equipment	Total
Cost:						
Balances, January 1, 2016	₱94,665,468	₱22,222,178	₱55,103,561	₱ 2,924,455	₱2,367,327	₱177,282,989
Additions						
Retirements						
Balances, March 31, 2016	94,665,468	22,222,178	55,103,561	2,924,455	2,367,327	177,282,989
Accumulated Depreciation:						
Balances, January 1, 2016	51,656,851	10,160,948	55,103,561	339,009	2,285,588	119,545,957
Depreciation	1,004,304	287,050	0	138,537	22,913	1,452,804
Balances, March 31, 2016	52,661,155	10,447,998	55,103,561	22,913	2,308,501	120,998,761
Net Book Values, March 31, 2016	₱42,004,313	₱11,774,180	₱0	₱2,446,909	₱58,826	₱56,284,228

4. Accounts Payable and Accrued Expenses

	March 31, 2016
Trade	₱164,391,004
Deposit to MPIC	89,419,081
Due to Related Parties	50,636,515
Dividends Payable	11,143,298
Deposits from customers	9,474,728
Payable to regulatory agencies	2,906,412
Others	8,844,933
	₱336,815,971
Noncurrent: Deposit from customer	5,432,916
Total	₱342,248,887

Trade payables are noninterest-bearing and generally settled within thirty (30) days. Trade payables relate to payables to suppliers and relate to transactions in the ordinary course of business.

Deposit pertains to advances received from Metro Pacific Investments Corporation (MPIC) in relation to the potential acquisition by MPIC of the shares owned by the Company in Metro Rail Transit Holdings, Inc. (MRTHI), subject to the completion of certain closing requirements. Deposits from customers classified as current pertains to a deposit made by Laura Trading (HK) Limited Group (LTLC) amounting to \$0.2 million as agreed in the exclusive marketing agreement entered by LTLC and the Group. Per marketing agreement, the former agreed to pay the latter \$200,000 for the future extracted mines related to the Group's Comet Project.

Deposit from customer classified as noncurrent pertains to a deposit received from Angat Rockbase Concrete Aggregates, Inc. (ARCAI). On August 8, 2008, VMC and ARCAI entered into a MOA wherein VMC warrants the delivery of approximately 2,000-2,200LCM per day of blasted materials to ARCAI at the agreed price equivalent to VMC's prevailing material cost plus ₱20 per LCM. ARCAI also agreed to pay ₱20.0 million as contribution to the costs incurred by VMC and to develop the quarry and cost to prepare the area to be designated for use by ARCAI. The amount is payable as follows:

- ₱5.0 million front end signing of contract; and
- ₱15.0 million to be build-in the cost of raw materials and amortized over three years at the committed volume of 600,000 LCM per annum or ₱8.33 per LCM.

On July 24, 2012, VMC and ARCAI signed a MOA extending the term of the original agreement by another five years from the original expiration date. For and in consideration of the renewal, ARCAI agreed to pay VMC ₱1.5 million upon signing to pay for the historical development cost on the last year of the extended agreement.

Dividends payable pertains to unpaid cash dividends declared by the Parent Company to its stockholders.

Payable to regulatory agencies include withholding taxes and other government contributions related to employees of the Group. These are normally remitted within ten (10) days from the close of each month.

Other payables include operating expenses that are payable as at end of reporting period.

5. Basic and Diluted Earnings Per Share (EPS)

Basic and diluted earnings (loss) per share are computed as follows:

	March 31 2016
Net loss for the quarter ended March 31, 2016	(₱24,047,485)
Divided by weighted average number of common shares	3,002,303,538
Basic and diluted earnings (loss) per share	(₱0.01)

The resulting per share amounts are the same for both basic and diluted earnings (loss) per share as of March 31, 2016 since the Company does not have any debt or equity securities that will potentially cause an earnings per share dilution.

6. Management's Assessment and Evaluation of Financial Risk Exposures

A. Financial Risk Exposures

The Group has exposure to credit risk, liquidity risk, market risk, interest rate risk, foreign exchange risk and equity price risk from the use of its financial instruments. The BOD reviews and approves the policies for managing each of these risks and they are summarized below.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from Group's cash and cash equivalents, receivables and AFS Financial assets.

The Group ensures that its financial assets are considered high grade by transacting only with top banks in the Philippines and maintaining good relationships with related parties, key employees, debtors and lessors who are highly reputable and with good credit standing.

Cash with banks are deposits made with reputable banks duly approved by the BOD.

Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to credit risk is not significant. No receivables are past due and all receivables are assessed to be collectible and in good standing as of March 31, 2016 and December 31, 2015. Provisions for impairment losses on trade receivables and other receivables were made on accounts specifically identified to be doubtful of collection.

Other than the receivable with provisions for allowance, all other receivables are assessed to be collectible and in good standing as of March 31, 2016 and December 31, 2015.

The Group's maximum exposure to credit risk is equal to the aggregate carrying amount of its financial assets.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objectives to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking adverse effect to the Group's credit standing.

The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal policies.

As of March 31, 2016 and December 31, 2015, the Group's cash and cash equivalents may be withdrawn anytime while its AFS investments are traded in the stock exchange and may be converted to cash by selling them during the normal trading hours on any business day.

The following tables show the maturity profile of the Group's financial liabilities as well as undiscounted cash flows from financial assets used for liquidity management:

31 March 2016	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Impaired	Total
Financial assets						-
Cash and cash equivalents	272,370,938		-	-		272,370,938
Receivables	165,498,800	24,759,524	120,063,860	-	17,080,061	327,402,245
AFS investments*	-	-	-	8,420,453	11,523,162	19,943,615
Long-term note	-	-	30,000,000	700,000,000	-	730,000,000
	437,869,738	24,759,524	150,063,860	708,420,453	28,603,223	1,349,716,798
Financial liabilities						
Accounts payable and accrued expenses	₱178,841,449	₱24,792,304	₱54,016,466	₱81,773,838	-	₱339,424,056
	₱259,028,289	(₱32,780)	₱96,047,394	₱626,646,615	₱28,603,223	₱1,010,292,742

31 December 2015	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Impaired	Total
Financial assets						
Cash and cash equivalents	₱228,368,340	₱–	₱–	₱–		₱228,368,340
Receivables	165,498,800	11,875	120,063,860	-	17,080,061	302,654,596
AFS investments	-	-	-	4,332,953	11,523,162	15,856,115
Long-term note	-	-	15,000,000	700,000,000	-	715,000,000
	₱393,867,140	₱11,875	₱135,063,860	₱704,332,953	28,603,223	1,261,879,051
Financial liabilities						
Accounts payable and accrued expenses	₱175,785,902	₱21,412,353	₱50,636,515	₱104,326,725	-	₱352,161,495
	₱218,081,238	(₱21,400,478)	₱84,427,345	₱600,006,228	₱28,603,223	₱909,717,556

*Based on expected date of disposal

*Excluding payable to regulatory agencies

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest Rate Risk

The Group's exposure to the risk for changes in market interest rate relates primarily to its short-term loans payable and long-term debt obligations with fixed interest rates. Most of the Group's existing debt obligations are based on fixed interest rates with relatively small component of the debts that are subject to interest rate fluctuation. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. As of the end of 1st quarter 2016, the Company has paid all its outstanding loan obligations to creditors.

Foreign Exchange Risk

The Group uses the Philippine peso as its functional currency and is therefore exposed to foreign exchange movements, primarily in U.S. dollar currency. The Group follows a policy to manage its foreign exchange risk by closely monitoring its cash flow position and by providing forecast on all other exposures in non-peso currencies.

Equity Price Risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of the listed shares. The equity price risk exposure arises from the Group's investment in financial assets at FVPL and quoted AFS investments.

Fair Values of Financial Instruments

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Cash and Cash Equivalents, Receivables, Accounts Payable, Short Term Loans Payable and Accrued Expenses

The carrying amount of cash and cash equivalents, receivables, accounts payable and accrued expenses and short-term loans payable are approximated using fair values based on short-term maturities.

AFS Investments.

The fair values of publicly traded instruments & similar investments determined based on quoted bid market prices at the balance sheet date. For unquoted AFS equity securities for which no reliable basis of fair value measurement is available, these are carried at cost less impairment loss.

Fair Value Hierarchy

In 2015, the Group's quoted equity securities classified as AFS Financial Asset were reclassified to Investment in Associate.

On March 16, 2016, the Group purchased 54,500 preferred shares of San Miguel Corporation, all were classified as AFS Financial Assets.

The Group uses the following hierarchy in determining the fair value of financial instruments by valuation technique:

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

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

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

	March 31, 2016		
	Level 1	Level 2	Level 3
Financial Assets			
AFS investments – quoted	4,087,500	–	–
	₱4,087,500	₱–	₱–
	December 31, 2015		
	Level 1	Level 2	Level 3
Financial Assets			
AFS investments – quoted	0	–	–
	₱0	₱–	₱–

As of March 31, 2016 and December 31, 2015, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of the Level 3 measurements.

Derivative Asset

The Group has no derivative asset for the period ended March 31, 2016 and December 31, 2015.

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS

of

ANGLO PHILIPPINE HOLDINGS CORPORATION

Held on July 31, 2015, 2:30 PM
At the Boracay Room, EDSA Shangri-La Hotel
Ortigas Center, Mandaluyong City

1. Call to Order

Mr. Alfredo C. Ramos acted as Chairman and called the meeting to order. Atty. Roberto V. San Jose was Secretary of the Meeting and recorded the minutes of the proceedings.

2. Certification of Quorum

The Secretary announced that notices of the meeting had been sent to the stockholders in accordance with the By-Laws. He also certified that there were present in person or by proxy, stockholders owning 2,563,919,560 shares representing at least 85.37% of the issued capital stock (the list of attendees is available at the office of the Corporation). He therefore certified to the presence of a quorum for the transaction of corporate business.

3. Approval of the Minutes of the Last Stockholders' Meeting

Upon motion duly made and seconded, the minutes of the last stockholders' meeting held on May 20, 2014, copies of which were earlier distributed to the stockholders, were unanimously approved.

4. Management Report

The President, Mr. Christopher M. Gotanco, presented the Report of Management.

Thereafter, upon motion duly made and seconded, the Management Report and the Corporation's financial statements for the previous year, which were presented by the Corporation's President, were noted and approved.

5. Ratification of the Acts of the Board of Directors and Management

The stockholders then reviewed the acts and decisions of the Board of Directors and the Management of the Corporation from the last annual stockholders' meeting to date. After discussion and on motion made and duly seconded, the following resolution was approved:

"RESOLVED, That all contracts, acts, proceedings, elections and appointments heretofore made or taken by the Board of Directors and the Management of Anglo Philippine Holdings Corporation (the "Corporation") for the year 2014 to date be, as they hereby are, approved, ratified and confirmed."

6. Election of Directors

The next matter was the election of directors. Upon nominations made and duly seconded, the following persons were elected by the stockholders present as Directors of the Corporation for the current year and until their successors shall have been duly elected and qualified:

ALFREDO C. RAMOS
CHRISTOPHER M. GOTANCO
FRANCISCO A. NAVARRO
PRESENTACION S. RAMOS
AUGUSTO B. SUNICO
ADRIAN PAULINO S. RAMOS
ANTON S. RAMOS
MAUREEN ALEXANDRA S. RAMOS-PADILLA
ROBERTO V. SAN JOSE
RAMONCITO Z. ABAD
RENATO C. VALENCIA

The Chairman acknowledged that the independent directors were Messrs. Ramoncito Z. Abad and Renato C. Valencia.

7. Appointment of External Auditors

Thereafter, the meeting proceeded with the appointment of the external auditors of the Corporation for the current year. Upon motion made and duly seconded, the following resolution was unanimously adopted:

“RESOLVED, That the stockholders of Anglo Philippine Holdings Corporation (the “Corporation”) approve, ratify and confirm, as they do hereby, the appointment of Sycip Gorres Velayo & Co. as the external auditors of the Corporation for the current year.”

8. Adjournment

There being no further business to transact, upon motion duly made and seconded, the meeting was thereupon adjourned.

ATTEST:

ALFREDO C. RAMOS

Chairman of the Stockholders’ Meeting

ROBERTO V. SAN JOSE

Secretary of the Stockholders’ Meeting