COVER SHEET

4 3 3 7 0

SEC Registration Number

F & J PRINCE
HOLDINGS CORPORATION

(Company's Full Name)

5TH FLOOR CITIBANK CENTER
8741 PASEO DE ROXAS MAKATI

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

Atty. Fina C. Tantuico	8927133 · 8927137
Contact Person	Company Telephone Numbers

1 2	3 1	0 4	1 2
Month	Day	Month	Day
Fiscal Year		Annual Meeting	

DEFINITIVE INFORMATION STATEMENT

Form Type

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total Number of Stockholders

Domestic

Foreign

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

F & J Prince Holdings Corporation

14 June 2016

SECURITIES AND EXCHANGE COMMISSION
SEC Bldg., Edsa, Greenhills, Mandaluyong City

Attention : MR. VICENTE GRACIANO P. FELIZMENIO, JR.
Director, Markets and Securities Regulation Department

THE PHILIPPINE STOCK EXCHANGE, INC.
PSE Plaza, Ayala Triangle, Ayala Avenue, Makati City

Attention : MS. JANET A. ENCARNACION
Head, Disclosure Department

Subject : <u>Definitive Information Statement</u>

Gentlemen:

In accordance with SRC Rule 20, prior to the sending of the Definitive copies to stockholders, we are submitting herewith for your review and approval, drafts of the following:

1) Definitive Information Statement.
2) Notice of Annual Stockholders' Meeting.
3) Proxy Form.
4) 2015 Management Report.
5) 2015 Audited Financial Statements including 2016 Unaudited First Quarter Report

The Statement of Management's Responsibility for Financial Statement was under oath and manually signed by the Chairman, Chief Executive Officer and Chief Financial Officer in the final 2015 Management/Annual Report. The Report of Independent Public Accountants was likewise manually signed by the certifying partner in the final printed 2015 Management/Annual Report.

We trust you will find the foregoing in order.

Very truly yours,

ROBERT Y. COKENG
President

5/F Citibank Center, 8741 Paseo de Roxas, Makati City 1226
Tel. Nos.: 8927133 • 8927137 • 8929443 • Fax Nos.: 8927127 • 8927150
Email Address: fjphco@gmail.com

My Docs>F&J>2016 Files>SEC Form 20-IS>
Definitive IS>Letter-Definitive RYC

F & J Prince Holdings Corporation

5th Floor, Citibank Center, 8741 Paseo de Roxas, Makati City

ANNUAL STOCKHOLDERS' MEETING

Thursday, July 28, 2016, 2:30 P.M.
Function Room 7, Top of the Citi
34th Floor, Citibank Tower
8741 Paseo de Roxas, Makati City

(DEFINITIVE)
INFORMATION STATEMENT

THE CORPORATION UNDERTAKES TO PROVIDE WITHOUT CHARGE TO THE SHAREHOLDERS, UPON THE WRITTEN REQUEST OF ANY SHAREHOLDER, A COPY OF THE ANNUAL REPORT ON SEC FORM 17-A. HOWEVER, THE MANAGEMENT RESERVES THE RIGHT TO CHARGE REASONABLE FEES FOR PROVIDING COPIES OF THE EXHIBITS ATTACHED TO THE REGISTRANT'S SEC FORM 17-A. SAID WRITTEN REQUEST MAY BE DIRECTED TO:

ATTY. FINA BERNADETTE C. TANTUICO
Corporate Secretary
F & J Prince Holdings Corporation
5th Floor, Citibank Center
8741 Paseo de Roxas, Makati City 1226

F & J Prince Holdings Corporation

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To: All Stockholders

NOTICE IS HEREBY GIVEN that the Annual Stockholders' Meeting of *F & J Prince Holdings Corporation* will be held on **July 28, 2016, Thursday at 2:30 in the afternoon, at Function Room 7, Top of the Citi, Citibank Tower, 8741 Paseo de Roxas, Makati City**.

The following matters will be taken up during the meeting:

1. **CALL MEETING TO ORDER.** The Chairman will formally open the 2016 Annual Stockholders' Meeting and will call the meeting to order.

2. **PROOF OF NOTICE AND QUORUM.** The Corporate Secretary will certify on the date when written notice of the time, date, place and purpose of the meeting was sent to all registered stockholders of record as of June 3, 2016. The Corporate Secretary will further certify the presence of a quorum. The holders of record for the time being of majority of the stock of the Company then issued and outstanding and entitled to vote, represented in person or by proxy, shall constitute a quorum for the transaction of business.

3. **APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON JULY 28, 2015.** Copies of the minutes of the stockholders' meeting held on July 28, 2015 will be distributed to the stockholders before the meeting. Shareholders will vote for the adoption of a resolution approving the Minutes of the July 28, 2015 annual general meeting of the stockholders.

4. **MANAGEMENT REPORTS.** The Chairman will deliver a report to the stockholders on the highlights of the company's performance for the year 2015 and the outlook for the year 2016.

5. **PRESENTATION AND APPROVAL OF AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015.** The stockholders will be given an opportunity to ask questions prior to submitting the Annual Report and the Audited Financial Statements for approval by the stockholders. Copies of the Annual Report and Audited Financial Statements will be distributed before the meeting.

6. **RATIFICATION OF CORPORATION ACTION TAKEN.** Ratification by the stockholders will be sought for all the acts and resolutions of the Board of Directors, Board Committees and management of the Company taken or adopted since the annual stockholders' meeting on July 28, 2015. The acts and resolutions of the Board and its Committees were reflected in the minutes of meetings including approval of contracts and agreements, projects and investments, treasury matters and acts of resolutions covered by the disclosures to the SEC and PSE.

7. **ELECTION OF DIRECTORS.** The list of names for the office of the Board of Directors including the Independent Directors for the year 2016-2017 will be announced, for purposes of their election.

8. **ELECTION OF EXTERNAL AUDITOR FOR THE FISCAL YEAR JANUARY TO DECEMBER, 2016.** Upon the endorsement of the Audit Committee, the stockholders shall elect the external auditor for the year 2016.

9. **OTHER MATTERS.** Shareholders may raise questions or express comments that are relevant to the corporation.

10. **ADJOURMENT.** Upon determination by the Corporate Secretary that there are no other matters to be considered, and on motion by the stockholders, the Chairman shall declare the meeting adjourned.

For purposes of the meeting, only stockholders of record at the close of business on June 3, 2016 shall be entitled to vote thereat.

Stockholders who cannot attend the meeting in person are requested to accomplish the attached proxy and return the same to the office of the Corporation not later than the close of office hours on July 21, 2016. If the stockholder is a corporation, a Secretary's Certificate quoting the board resolution authorizing the corporate officer to execute the proxy should also be submitted.

Validation of proxies will be held on July 21, 2016 at 11:00 a.m. at the 5th Floor, Citibank Center Building, Paseo de Roxas, Makati City.

Makati City, June 14, 2016.

By Resolution of the Board of Directors:

(ATTY.) FINA BERNADETTE C. TANTUICO
Corporate Secretary

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

__✓__ **Definitive Information Statement**

F & J Prince Holdings Corporation

2. Name of Registrant as specified in its charter

Philippines

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

43370 | **000-829-097**

4. SEC Identification Number
5. BIR Tax Identification Number

5th Floor, Citibank Center
8741 Paseo de Roxas, Makati City **1226**

6. Address of principal office Postal Code

(632) 8927133 or 8927137

7. Registrant's telephone number, including area code

July 28, 2016, 2:30 p.m.
Function Room 7, Top of the Citi
34th Floor, Citibank Tower
8741 Paseo de Roxas, Makati City

8. Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders.
July 6, 2016

10. In case of Proxy Solicitations:

F & J Prince Holdings Corporation

Name of Person Filing the Statement/Solicitor:

5th Floor, Citibank Center, 8741 Paseo de Roxas, Makati City
8927133 or 8927137

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

Title of Each Class	**Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding** ***(As of June 3, 2016)***
Class "A"	**292,610,118**
Class "B"	**189,217,535**

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

Yes _✓_ No ____

If yes, disclose the name of such Stock Exchange and the class of securities listed therein

Philippine Stock Exchange, Class "A" and "B"

PART I

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

ITEM 1. DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS

Date	:	**July 28, 2016, Thursday**
Time	:	**2:30 p.m.**
Place	:	**Function Room 7, Top of the Citi 34th Floor, Citibank Tower 8741 Paseo de Roxas, Makati City**
Complete mailing address of principal office	:	**5th Floor, Citibank Center 8741 Paseo de Roxas, Makati City 1226**

The Information Statement and the proxy forms and other solicitation materials will be sent to the shareholders on or before **Wednesday, July 6, 2016**.

ITEM 2. DISSENTERS' RIGHT OF APPRAISAL

The appraisal right is available in the following instances stated in the Corporation Code, to wit:

(1) any amendment to the Articles of Incorporation which has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence (Sec. 81);

(2) any sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (Sec. 81);

(3) any merger or consolidation of the Corporation with or into another entity (Sec. 81); and

(4) any investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which the Corporation was organized (Sec. 42).

However, the present meeting is being called in order to approve the following matters, namely:

(1) Approval of the Minutes of the 2015 Annual Stockholders' Meeting;
(2) Approval of the Audited Financial Statements as of December 31, 2015;
(3) Ratification of corporate acts of the Board of Directors;
(4) Election of members of the Board of Directors; and
(5) Appointment of the external auditor of the Corporation for the fiscal year 2016.

Therefore, the matters to be taken up during the meeting do not call for the availability and the exercise of the shareholder's appraisal right.

ITEM 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

None of the directors and executive officers of the Corporation, nor any associate of said persons, have any substantial interest, direct or indirect, in any matter to be acted upon at the meeting, other than elections to office.

None of the directors of the Corporation has informed the Corporation, whether in writing or otherwise, of any intention to oppose any matter to be taken up at the forthcoming stockholders' meeting.

B. CONTROL AND COMPENSATION INFORMATION

ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The securities of the Registrant are divided into two (2) classes: Class A which is issued solely to Filipino citizens and Class B which may be issued to Filipino citizens or to aliens alike. As of **June 3, 2016,** One Hundred Forty Million One Hundred Fifty Six Thousand Seven Hundred Fifty Nine **(140,156,759)** shares are foreign owned**.**

The following number of shares is outstanding and entitled to vote as of **June 3, 2016**:

Class	**No. of Shares Outstanding**	**No. of Votes to which entitled**
Class "A"	292,610,118	292,610,118
Class "B"	189,217,535	189,217,535
Total	**481,827,653**	**481,827,653**

The record date for shareholders who shall be entitled to vote has been fixed at **June 3, 2016**. All shareholders entitled to vote may vote such number of shares of stock standing in his name on the stock and transfer book of the Corporation as of **June 3, 2016**. Said shareholders may vote such shares for as many persons as there are directors to be elected or he may cumulate said shares and give one (1) candidate 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 principle among as many candidates as he shall see fit: *provided* that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the total number of directors to be elected.

(1) Security Ownership of Certain Record and Beneficial Owners

As of **June 3, 2016**, the record or beneficial owners of Five Percent (5%) or more of the outstanding capital stock of the Corporation are as follows:

TITLE OF CLASS	NAME, ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO. OF SHARES HELD	PERCENTAGE
Common B	Essential Holdings Limited 11/F, Belgian House 77-79 Gloucester Road, Hong Kong *Stockholder*	Same as Record Owner Robert Y. Cokeng Managing Director	Foreign	139,778,670 Record & Beneficial	29.01%
Common A	PCD Nominee Corporation 37th Floor Tower I, The Enterprise, 6766 Ayala Avenue Makati City *Stockholder*	None of the beneficial owners own Five (5%) Percent or more of the outstanding capital stock of the Corporation	Filipino	73,681,590	15.29%

Common A & B	Pinamucan Industrial Estates, Inc. 5th Floor, Citibank Center, 8741 Paseo de Roxas, Makati City *A Subsidiary of the Subsidiary of Issuer*	Same as Record Owner Johnson U. Co President	Filipino	49,790,805 Record & Beneficial	10.33%
Common A	Magellan Capital Holdings Corporation 5th Floor, Citibank Center, 8741 Paseo de Roxas, Makati City *94% Subsidiary of Issuer*	Same as Record Owner Robert Y. Cokeng President	Filipino	47,844,022 Record & Beneficial	9.93%
Common A	Consolidated Tobacco Industries of the Philippines, Inc. CTIP Compound, Ortigas Avenue Extension, Rosario, Pasig City *Stockholder*	Same as Record Owner Robert Y. Cokeng President	Filipino	43,052,023 Record & Beneficial	8.93%
Common A	Vructi Holdings Corporation 52 Narra Avenue, Forbes Park, Makati City *Stockholder*	Same as Record Owner Rufino B. Tiangco President	Filipino	34,633,628 Record & Beneficial	7.19%

Mr. Robert Y. Cokeng is the controlling stockholder of Essential Holdings Limited ("EHL"). He is also the President of the Registrant. Mr. Robert Y. Cokeng has the power to vote the shares of EHL in the upcoming Stockholders' Meeting.

Mr. Robert Y. Cokeng is the Chairman of Pinamucan Industrial Estates, Inc. ("PIEI"). He has voting power over the shares of stock of PIEI. He is also President of the Registrant.

Mr. Robert Y. Cokeng has voting power over the shares of stock of Magellan Capital Holdings Corporation ("MCHC") in the Registrant.

Consolidated Tobacco Industries of the Philippines, Inc. ("CTIPI") is principally owned and controlled by the Cokeng and Co families**.** Mr. Robert Y. Cokeng has voting power over the shares of stock of CTIPI.

Vructi Holdings Corporation is controlled by Mr. Rufino B. Tiangco, a director of the Registrant. He has the voting power over the shares of Vructi Holdings Corporation.

(2) Security Ownership of Management

As of **June 3, 2016**, the Directors, Executive Officers and Nominees of the Corporation are the beneficial owners of the following number of shares:

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP		CITIZENSHIP	PERCENT OF OWNERSHIP
Common A	Robert Y. Cokeng	13,693,072 2,020,000	Direct Indirect	Filipino	3.26%
Common A	Francisco Y. Cokeng, Jr.	2,160,000	Direct	Filipino	0.45%
Common A	Johnson U. Co	1,100,000	Direct	Filipino	0.23%
Common A	Emeterio L. Barcelon, SJ	304,952	Direct	Filipino	0.06%
Common A	Mark Ryan K. Cokeng	10,000	Indirect	Filipino	0.002%
Common A	Johnson Tan Gui Yee	15,371,747	Direct	Filipino	3.19%
Common A	Mary K. Cokeng	1,000	Indirect	Filipino	0.0002%
Common A	Johnny O. Cobankiat	7,227,076	Indirect	Filipino	1.50%
Common A & B	Rufino B. Tiangco	128,000	Direct	Filipino	0.03%
Common A & B	Robert Y. Ynson	325,667	Direct	Filipino	0.07%
Common A	Francis L. Chua	100,000	Direct	Filipino	0.02%
Total		**42,441,514**			**8.81%**

(3) Voting Trust Holders of 5% or More of the Outstanding Shares

No shareholder holding more than Five Percent (5%) of the outstanding capital stock of the Corporation holds such shares under a voting trust or similar agreement.

(4) Changes in Control

There has been no change in the voting control of the Registrant nor has there been any arrangement with any party which may result in a change of control since the last fiscal year.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

(1) Directors and Nominees

The following are the incumbent Directors and Executive Officers of the Registrant, and their respective ages, citizenship, business experiences for the last five (5) years, positions and periods of service:

ROBERT Y. COKENG, 64 years old, Filipino citizen.
Chairman, President & Chief Executive Officer

Re-elected on 28 July 2015 for a one-year term. Director and Officer since 1996.

President & Chief Executive Officer, Magellan Capital Holdings Corporation, Magellan Utilities Development Corporation, Pinamucan Power Corporation, Malabrigo Corporation, Consolidated Tobacco Industries of the Philippines, Inc. and Center Industrial and Investment, Inc.; *Director*, Alcorn Gold Resources Corporation (PSE listed company); Chairman, Pinamucan Industrial Estates, Inc.; *Managing Director*, Essential Holdings Ltd.; *Vice-Chairman*, Pointwest Technologies Corporation and Pointwest Innovations Corporation*; Director and Chairman of the Executive Committee*, Business Process Outsourcing International, Inc.; *Chairman*, Ipads Developers, Inc.

FRANCISCO Y. COKENG, JR., 62 years old, Filipino citizen.
Vice-Chairman and Director

Re-elected on 28 July 2015 to a one-year term. Director since 1996.
Also director from 1980-1991.

Director, Consolidated Tobacco Industries of the Philippines, Inc., Magellan Capital Holdings Corporation; *Chairman*, Sunflare Horizon International, Inc.

EMETERIO L. BARCELON, S.J., 88 years old, Filipino citizen.
Senior Vice-President and Director

Re-elected on 28 July 2015 for a one-year term. Director since 1980.

Former Director, Oriental Petroleum and Minerals Corporation; *Former President,* Ateneo de Davao; *Vice-President*, Xavier University; *Former Professor*, Asian Institute of Management; *Columnist*, Manila Bulletin; *Director*, Magellan Capital Holdings Corporation.

JOHNSON U. CO, 63 years old, Filipino citizen.
Vice-President for Administration

Re-elected on 28 July 2015 for a one-year term. Director and Treasurer since 1996.

President, Pinamucan Industrial Estates, Inc., Sunflare Horizon International, Inc.; *Vice-President for Administration and Director*, Magellan Capital Holdings Corporation; *Treasurer*, Magellan Utilities Development Corporation and Malabrigo Corporation; *Director*, Pinamucan Power Corporation; *Vice Chairman*, Consolidated Tobacco Industries of the Philippines, Inc.

MARK RYAN K. COKENG, 30 years old, Filipino citizen.
Treasurer and Director

Re-elected on 28 July 2015 to a one-year term.

Treasurer and Director, Magellan Capital Holdings Corporation; *Director and Treasurer*, Magellan Capital Corporation; *Director*, IPADS Developers, Inc.; *Director*, Pointwest Technologies Corporation, *Director*, Pointwest Innovations Corporation, *Director and Treasurer,* Business Process Outsourcing International, Inc. Bachelor of Arts in Economics and Statistics, Boston University.

MARY K. COKENG, 63 years old, Filipino citizen.
Director

Re-elected on 28 July 2015 to a one-year term. Director since 2008.

Director, Essential Holdings, Limited, *Director*, Magellan Capital Holdings Corporation.

JOHNNY O. COBANKIAT, 64 years old, Filipino citizen.
Director

Re-elected on 28 July 2015 to a one-year term. Director since 2008.

President, Ace Hardware Phils., Cobankiat Hardware, Inc. and Milwaukee Builders Center, Inc.; *Executive Vice President*, Hardware Workshop; *Vice Chairman*, R. Nubla Securities; *Director*, Shang Properties, Inc. (PSE-listed Company).

FRANCIS LEE CHUA, 64 years old, Filipino citizen.
Director

Re-elected 28 July on 2015 for a one-year term. Director since 2001.

General Manager, Sunny Multi Products and Land Management Inc., Midori Carpet; *Corporate Secretary*, Sunflare Horizon International, Inc.

JOHNSON TAN GUI YEE, 69 years old, Filipino citizen.
Director

Re-elected on 28 July 2015 to a one-year term. Director since 1997.

Chairman, Armak Tape Corporation; *President & Chief Executive Officer*, Armak Holdings and Development, Inc.; *President*, Yarnton Traders Corporation; *Director*, Magellan Capital Holdings Corporation.

RUFINO B. TIANGCO, 66 years old, Filipino citizen.
Director

Re-elected on 28 July 2015 to a one-year term. Director since 1997.

Chairman of the Board, R.A.V. Fishing Corporation, Marala Vitas Central Terminal & Shipyard Corp.; *President*, Vructi Holdings Corporation; Trufsons Holdings Corporation, Ruvict Holdings Corporation; *Director*, Magellan Capital Holdings Corporation and Magellan Utilities Development Corporation.

ROBERT Y. YNSON, 68 years old, Filipino citizen.
Director

Re-elected on 28 July 2015 to a one-year term. Director since 1997.

President, Phesco, Incorporated, INA VEIT Systems Technologies, Inc., Hooverdale Industrial Corporation; *Chairman of the Board*, Super Industrial Corporation; *Director*, Philippine Japan Economic Cooperation Committee.

FINA BERNADETTE C. TANTUICO, 54 years old, Filipino citizen.
Corporate Secretary

Re-elected on 28 July 2015 to a one-year term.

Legal Counsel and Corporate Secretary, F & J Prince Holdings Corporation and its subsidiaries and affiliates (2002 up to the present); Magellan Capital Holdings Corporation and its subsidiaries, Magellan Utilities Development Corporation, Pointwest Technologies Corporation, Pointwest Innovations Corporation, Pinamucan Industrial Estates Inc; *Corporate Secretary*, Philippine Telegraph & Telephone Co. (PT&T), Capitol Wireless Inc. (Capwire), Philippine Wireless Inc. (Pocketbell), Republic Telecommunications Company (Retelcom), U.P. Law Alumni Foundation Inc. (UPLAF), *Former Assistant Vice-President and Corporate Secretary,* United Overseas Bank Philippines (2000-2001).

Term of Office. The directors of the Registrant were elected during the annual stockholders' meeting held on 28 July 2015. The directors have a one (1) year term of office.

Executive Officers. The Executive Officers of the Registrant, and their respective ages, citizenship, positions are as follows:

NAME	AGE	CITIZENSHIP	POSITION	PERIOD DURING WHICH THE INDIVIDUAL HAS SERVED AS SUCH
Robert Y. Cokeng	64	Filipino	President and Vice Chairman; Chairman and President	since1996 - 2007 to present
Francisco Y. Cokeng, Jr.	62	Filipino	Vice Chairman	2007 to present
Emeterio L. Barcelon, SJ	88	Filipino	Senior Vice President	1980 to present
Johnson U. Co	63	Filipino	Vice-President for Administration	2013 to present
Mark Ryan K. Cokeng	30	Filipino	Treasurer and Chief Financial Officer	2013 to present
Fina C. Tantuico	54	Filipino	Corporate Secretary	2009 to present

Independent Directors

The independent directors of the Registrant are as follows:

Robert Y. Ynson - as recommended by Phesco, Inc.
Francis L. Chua - as recommended by Arsenio C. Tang

Mr. Francis L. Chua has no relationship with Mr. Arsenio L. Tang, a shareholder of the Registrant with 30,000 common shares and with equivalent percentage of 0.006%. Mr. Robert Y. Ynson is an officer of Phesco, Inc., which owns the equivalent percentage of about 5.28% of the Registrant's Class A common shares or 3.2% of total common shares. The shares owned by Phesco, Inc. were lodged on November 16, 2007 with the Philippine Central Depository (PCD) through the Tri-State Securities, Inc. and are still lodged with the PCD.

Robert Y. Ynson and Francis L. Chua are the incumbent Independent Directors of the company. The Nominations Committee has determined that the incumbent independent directors meet the same qualifications and recommend them for re-election. Information on Mr. Chua and Mr. Ynson such as their family relationships, involvement in legal proceedings has been discussed and is shown in the proceeding section.

During the Annual Stockholders' Meeting held on 12 July 2006, the stockholders, constituting more than 2/3 of the issuer's outstanding capital stock, approved the proposed amendment to the By-Laws adopting the requirements of SRC Rule 38 on the nomination and election of Independent Directors. The aforesaid amendment to the company's By-Laws adopting the requirements of SRC Rule 38 was approved by the SEC on February 2008.

Pursuant to SRC Rule 38 as amended, the Company's Nominations Committee promulgated the following guidelines to govern the conduct of the nomination for independent directors:

1. The Committee shall ascertain that all candidates for nominees meet the qualifications of an independent director pursuant to the Code of Corporate Governance and applicable issuances from the SEC.

2. Each of the Committee members shall choose possible nominees from candidates nominated by shareholders. The nominees must meet the following minimum qualifications:

   (i) He shall have at least one (1) share of stock of the corporation;
   (ii) He shall be at least a college graduate or he shall have been engaged or exposed to the business of the corporation for at least five (5) years;
   (iii) He shall possess integrity/probity; and
   (iv) He shall be assiduous.

The members of the Nomination Committee of the Registrant are the following:

Robert Y. Cokeng	-	Chairman
Johnson U. Co		
Rufino B. Tiangco		
Johnson Tan Gui Yee		
Robert Y. Ynson	-	Independent Director

Nomination for Directorship. The nominees for Directors are the eleven (11) incumbent directors namely Robert Y. Cokeng, Emeterio Barcelon, SJ., Johnson U. Co, Johnny O. Cobankiat, Mary K. Cokeng, Francis L. Chua, Francisco Y. Cokeng, Jr., Johnson Tan Gui Yee, Rufino B. Tiangco, Robert Y. Ynson and Mark Ryan K. Cokeng. The Nomination committee has determined that they meet the qualifications for directors as outlined above. The business background of the eleven (11) incumbent directors have been shown above.

(2) Significant Employees

There are no other persons other than the Registrant's executive officers who are expected to make a significant contribution to its business.

(3) Family Relationships

Messrs. Robert Y. Cokeng and Francisco Y. Cokeng, Jr. are brothers. They are first cousins of Mr. Johnson U. Co. Mrs. Mary K. Cokeng is the spouse of Robert Y. Cokeng. Mr. Mark Ryan K. Cokeng is the son of Robert and Mary Cokeng. Other than the ones disclosed, there no other family relationships known to the Registrant.

(4) Certain Relationship and Related Transaction

There is no transaction or proposed transaction during the last two (2) years to which the Registrant was or is to be a party in relation to any director, any nominee for election as director, any security holder of certain record beneficial owner or management or any member of the immediate families of such directors. The Registrant's subsidiary, Magellan Capital Holdings Corporation (MCHC), and certain of MCHC's subsidiaries and affiliates as well as Registrant's affiliate, Business Process Outsourcing International (BPOI), have transactions with each other such as rental contracts and intercompany loans. These transactions are on arms-length basis and, in the case of partially owned affiliates, are subject to approval of unrelated shareholders of these affiliates. A summary of receivables and transactions with related parties is found on page 39 of Audited Financial Statements in the 2015 Management Report. In the case of rental contracts, the rental rates charged are similar to those charged to outside parties leasing similar properties.

No director has resigned or declined to stand for re-election to the Board of Directors since July 28, 2015, the date of the last annual stockholders' meeting, because of a disagreement with the Corporation on any matter relating to the Corporation's operations, policies or practices.

As of December 31, 2015, MCHC and its subsidiary, Pinamucan Industrial Estates, Inc. (PIEI) have receivables from Magellan Utilities Development Corporation (MUDC), a minority owned affiliate of MCHC. As of December 31, 2015, the Registrant also had dividend receivables from its outsourcing affiliates, PTC and BPOI. Receivables from MUDC are fully provided for in the Audited Financial Statements.

ITEM 6. <u>COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS</u>

(1) GENERAL

None of the directors and executive officers of the Registrant are paid any compensation as such. Among its officers, only Messrs. Fina C. Tantuico, Robert Y. Cokeng, Johnson U. Co, Manuel N. Dy and Mark Ryan K. Cokeng are paid professional fees and compensation by the Registrant or its affiliates, MCHC and PIEI, respectively. Directors are not paid any compensation by the Registrant other than a *per diem* of Five Thousand Pesos (₱5,000.00) per attendance of Board Meeting. Apart from the CEO, there are only three (3) highly compensated executive officers. The next tier is composed of regular staff members.

(2) SUMMARY COMPENSATION TABLE

Summary Compensation Table
Annual Compensation

NAME & PRINCIPAL POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION*
Robert Y. Cokeng, President	2016	-	-	
Johnson U. Co, Vice-President-Administration	2016	-	-	
Mark Ryan K. Cokeng, Treasurer	2016	-	-	₱9,800,000.00[1>]
Fina C. Tantuico, Corporate Secretary	2016	-	-	
All Other Officers & Directors	2016	₱ 388,000.00		

NAME & PRINCIPAL POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION*
Robert Y. Cokeng, President	2015	-	-	
Johnson U. Co, Vice-President-Administration	2015	-	-	
Mark Ryan K. Cokeng, Treasurer	2015	-	-	₱9,159,730.00
Fina C. Tantuico, Corporate Secretary	2015	-	-	
All Other Officers & Directors	2015	₱362,200.00		

NAME & PRINCIPAL POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION*
Robert Y. Cokeng, President	2014	-	-	
Johnson U. Co, Vice-President-Administration	2014	-	-	
Mark Ryan K. Cokeng, Treasurer	2014	-	-	₱8,855,011.00[⌖]
Fina C. Tantuico, Corporate Secretary	2014	-	-	
All Other Officers & Directors	2014	₱370,000.00		-***

* The amount given represents the professional fees and compensation paid by the affiliates of Registrant.
*** Other directors and executive officers of the Registrant are not paid any compensation as such.

[1>] Estimated compensation for the year 2016.
[⌖] On 12 February 2002, the SEC approved the Amendment to the Registrant's By-Laws, specifically Article III, Section 6 on Compensation of Directors. The cap of Pesos (₱500.00) has been removed. Each director may now receive a reasonable per diem, as may be fixed by the Board of Directors, for attendance at board meetings.

(3) COMPENSATION OF DIRECTORS

Directors receive a *per diem* of ₱5000 *per* attendance at Board Meetings and no other compensation as such.[*]

(4) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no employment contracts nor any compensatory plan or arrangements with the Executive Officers of the Registrant.

(5) Warrants and Options Outstanding: Re-pricing

There are no existing warrants outstanding. One detachable Subscription Warrant was issued for each share subscribed under the share offering in 2002. Warrants for 723,727 "A" shares and 71,198 "B" shares were exercised. All the remaining warrants that were not exercised have expired as of May 2008. There are no options or warrants currently outstanding.

LEGAL PROCEEDINGS

For the past five (5) years up to the present, there are no proceedings involving, and to the best of knowledge threatened against the Registrant. As of **June 3, 2016**, none of the current directors, or nominees for election as director, executive officer, underwriter or control person of the Registrant has been involved in or in the subject of any bankruptcy petition, conviction by final judgment, or is the subject of any order judgment or decree, or involved in any violation of a securities of commodities law.

However, with respect to its subsidiaries, following is a summary of pending litigation involving them:

(a) ***"Rolando M. Zosa v. Magellan Capital Holdings Corporation and Magellan Capital Management Corporation"***, Civil Case No. CEB-18619, Regional Trial Court of Cebu City, Branch 58; *Magellan Capital Management Corporation and Magellan Capital Holdings Corporation v. Rolando M. Zosa, et al."* G.R. No. 129916, Supreme Court; *Ad Hoc Arbitration with an Arbitral Tribunal composed of Justice Florentino P. Feliciano, as Chairman and Attys. Ramon R. Torralba and Enrique I. Quiason as members; Regional Trial Court, Branch 139, SP Proc. No. M-6259 and SP Proc. No. 6264.*

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[*] Pursuant to the Amended By-Laws, the Securities and Exchange Commission approved the Amendment of By-Laws Registrant's Board of Directors, During a regular meeting held on 28 February 2002 approved and adopted a resolution fixing the per diem at ₱5000 per attendance at Board Meetings.

This is a case for damages instituted in May 1996, wherein complainant Zosa seeks to enforce his purported rights under his Employment Agreement with defendants and claims entitlement to the following reliefs, to wit:

(1) actual damages in the amount of ₱10,000,000;
(2) attorney's fees in the amount of ₱300,000; and
(3) expenses of litigation in the amount of ₱150,000.

Defendants sought a dismissal of the case, invoking the provision of arbitration in the Employment Contract. In a Decision dated 18 July 1997, the trial court declared invalid the arbitration clause providing for the manner by which the arbitrators will be chosen and substituted the provisions of the Arbitration Law therefore. The Supreme Court, on 26 March 2001 affirmed the trial court's decision which became final and executory. Arbitrators were appointed one by Zosa, on the one hand, and the other jointly appointed by MCHC and MCMC and a third jointly chosen by the two arbitrators.

Sometime in November 2004, the Arbitral Tribunal was finally constituted composed of Justice Florentino P. Feliciano as Chairman and Attys. Ramon R. Torralba and Enrique I. Quiason as members.

On 14 March 2005, the parties submitted to the Tribunal their Confirmation of Agreement to Submit to Arbitration. The Complainant has submitted its Statement of Claims & Memorials. The respondents have submitted their Statement of Defenses and are scheduled to submit their Counter-Memorials on 02 May 2004.

On 02 August 2005, the Memoranda of the parties were submitted and the case was submitted for resolution.

On 06 March 2005, the Tribunal rendered its decision awarding Zosa's claim for severance pay but disallowed his claims for attorney's fees and moral and exemplary damages and costs of suit.

On 12 April 2006, MCHC filed with the Regional Trial Court of Makati City, a verified petition with prayer for the issuance of an Order to Vacate the Arbitral Award, dated 6 March 2006, pursuant to Sections 22 to 29 of Republic Act No. 876 ("The Arbitration Law") and the relevant provisions of Republic Act No. 9825 (the "Alternative Dispute Resolution Act of 2004). Likewise, Zosa filed his Application for Confirmation of Award on 12 April 2006. The two cases were consolidated and are presently pending with Branch 139 of the Regional Trial Court of Makati as Sp. Proc. No. M-6259 and M-6264. The parties are presently awaiting the Court's resolution on the issue of whether the Application for Confirmation of Award was seasonably filed considering the non-payment of docket fees at the time of filing. On 17 March 2009, a hearing was held whereby the Court directed all the parties to submit their respective Memoranda. In compliance with the aforesaid order, MCHC submitted its Memoranda on 17 May 2009. The case was submitted for resolution on 29 January 2013.

On 29 June 2015, the Court rendered its decision confirming the arbitral award directing MCHC solidarily with MCMC to pay Zosa's severance compensation in the amount of P14,669,691.43. MCHC filed its Motion for Reconsideration on 23 July 2015 which was denied in an Order dated 7 January 2016. On 9 February 2016, MCHC filed with the Court of Appeals its Petition for Review of the Decision of the Regional Trial Court. The case is now pending with the Court of Appeals.

(b) ***"People of the Philippines vs. Ariel Balatbat",*** Criminal Case No. 115515, Regional Trial Court of Pasig City, Branch 155. MCHC filed a complaint, through its authorized officer, against Ariel Balatbat for qualified theft relating to several unauthorized withdrawals of, and anomalous transactions involving, company funds in the total amount ₱41,021.50 (converted to US$1,000.00). On 29 October 2004, the Court rendered its decision finding the accused guilty beyond reasonable doubt of the crime of qualified theft under Article 310 of the Revised Penal Code and imposed the corresponding penalty of imprisonment of 10 years minimum to a maximum of 14 years. The case is pending appeal as of this writing.

"People of the Philippines vs. Ariel Balatbat", Criminal Case No. 114955, Regional Trial Court of Pasig City, Branch 151. MUDC, through its authorized officer, has also filed a complaint against Ariel Balatbat for qualified theft relating to several unauthorized withdrawals of, and anomalous transactions involving, company funds in the total amount of ₱121,500.00 (equivalent to US$3,000.00), US$4,000.00, and US$1,020.00. Said amounts were never recovered or accounted for. The case is currently pending before the Regional Trial Court, which also issued a warrant of arrest for the same. The bail was set for ₱40,000.00. The accused was arrested and subsequently arraigned. Three (3) witnesses have been presented - two (2) from the bank and one (1) from MUDC.

On 28 February 2005, the Prosecution filed its "Formal Offer of Evidence". Defense rested its case on 4 December 2006. On 22 January 2007, the Prosecution presented its rebuttal evidence. The Memorandum for the Prosecution having been filed, the case was submitted for decision. As of this writing or on April 29, 2013 the Court rendered its decision finding the accused guilty of the crime of qualified theft and sentenced the accused to *reclusion perpetua*. It also ordered the restitution to MUDC of the amount of $4,000.00 or its peso equivalent ₱105,720.00 Pesos. The Court found no liability for the amount of $3,000.00 withdrawn it appearing that same was credited to private complainant.

ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS

Management intends to recommend the re-appointment of Sycip Gorres Velayo & Co. as the external auditor of the Corporation. Said accounting firm was first engaged by the Corporation as its external auditor in 1997 and re-appointed through 1998 to 2005 during the stockholders' meeting of said years. There has been no changes in and disagreements with SGV on its accounting and financial disclosure since their appointment in 1997. Prior to 1997, the external auditor of the Corporation was Velandria Dimagiba & Co. The change in the external auditor was not due to any disagreement between the Corporation and the former auditor on accounting and financial disclosures, or their resignation or dismissal.

In compliance with SRC Rule 68 as amended, Part 3(b)(iv)(ix), requiring that the signing partner of the auditing firm of the regulated entity shall be rotated every five years of engagement, and that a two-year cooling off period shall be observed in the re-engagement of the same signing partner or individual auditor, the following were the SGV partners assigned to handle the Issuer for the past six years and the partner expected to be assigned for 2016:

2009 – Jose Pepito E. Zabat
2010 – John Nai Peng Ong
2011 – John Nai Peng Ong
2012 – Leovina Mae V. Chu
2013 – Leovina Mae V. Chu
2014 – Jhoanna Feliza C. Go
2015 – Jhoanna Feliza C. Go
2016 – Jhoanna Feliza C. Go (Expected Partner in-charge)

The representatives of the Independent Auditors will be present at the Annual Stockholders' Meeting to answer any questions raised to or to make appropriate statements.

The members of the Registrant's Audit Committee are the following:

Francis L. Chua	-	Committee Chairman and Independent Director
Robert Y. Cokeng		
Johnson U. Co		
Johnson Tan Gui Yee		
Rufino B.Tiangco		

ITEM 8. <u>COMPENSATION PLANS</u>

There is no action to be taken with respect to any plan pursuant to cash or non-cash compensation to be paid or distributed.

The members of the Registrant's Compensation Committee are the following:

Robert Y. Cokeng	-	Chairman
Johnson U. Co		
Francis L. Chua	-	Independent Director
Johnson Tan Gui Yee		
Rufino B. Tiangco		

C. OTHER MATTERS

ITEM 9. ACTION WITH RESPECT TO REPORTS

Action will be required for the approval of the following matters:

(1) Minutes of the Annual Stockholders' Meeting held on July 28, 2015 – briefly, directors for the year 2015 were nominated and elected, and the following matters were approved:

- (a) minutes of the 2014 Annual Stockholders' Meeting were approved;
- (b) 2014 Audited Financial Statements were likewise approved;
- (c) ratification of corporate actions taken in 2014;
- (d) re-appointment of SGV & Co. as external auditor;

(2) Audited Financial Statements as of December 31, 2015; and
(3) Ratification of corporate actions taken by the Board of Directors for the year 2015.

Actions taken on the above minutes and reports will constitute approval or disapproval of any of the matters referred to in such minutes and reports.

ITEM 10. MATTERS NOT REQUIRED TO BE SUBMITTED

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

ITEM 11. AMENDMENT OF CHARTER, BY-LAWS OR OTHER DOCUMENTS

No action is required for any amendment of the corporation's charter or By-laws.

ITEM 12. OTHER PROPOSED ACTION

No other action is to be taken with respect to any matter not specifically referred to above.

ITEM 13. DISAGREEMENTS

No director of the Registrant has informed the Registrant that he opposes any action intended to be taken or taken by the Registrant.

ITEM 14. VOTING PROCEDURES

Provided there is present, in person or by proxy, the owners of a majority of the outstanding capital stock of the Corporation:

(1) matters presented for approval by the shareholders, other than election of directors, will be considered approved upon the affirmative vote of a majority of the shareholders present at the meeting, and

(2) candidates for the positions of Directors of the Corporation receiving the highest number of votes shall be declared elected.

Each shareholder may vote in person or by proxy the number of shares of stock standing in his name on the books of the Corporation. Each share represents one vote. In accordance with the By-laws of the Corporation, the election of directors and/or approval of any other matters presented to the shareholders shall be by ballot, and the Corporate Secretary shall count the votes cast.

CERTIFICATION

I, **FINA BERNADETTE C. TANTUICO**, the Corporate Secretary of **F & J PRINCE HOLDINGS CORPORATION**, hereby certify that to the best of my knowledge, none of the current Directors or Officers of F & J Prince Holdings Corporation, with principal address at the 5th Floor Citibank Center, 8741 Paseo de Roxas, Makati City, are employed by, or holding positions in, or are in any way connected with any government agency or instrumentality of the government. One of the directors, Father Emeterio Barcelon, retired from his position as a professor of the Development Academy of the Philippines in 1999 and has not occupied any government position since his retirement.

This Certification is issued in compliance with the directive of the Securities & Exchange Commission (in compliance with Office of the President Memorandum Circular No. 17, September 4, 1986), in relation to the submission of the Corporation's Preliminary Information Statement.

June 14, 2016.

(ATTY.) FINA BERNADETTE C. TANTUICO
Corporate Secretary

SIGNATURE

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.

June 14, 2016, Makati City, Philippines.

F & J Prince Holdings Corporation

By:

ROBERT Y. COKENG
President

My Documents>F&J>2016 Files>
SEC Form 20-IS>Definitive IS

PART II
INFORMATION REQUIRED IN A PROXY FORM

Item 1. Identification

The proxy is being solicited by *F & J Prince Holdings Corporation* (the "Corporation") for and in its behalf, in connection with its Annual Stockholders Meeting to be held on **Thursday, July 28, 2016 at 2:30 p.m. at the Function Room 7, Top of the Citi, 34th Floor, Citibank Tower, 8741 Paseo de Roxas, Makati City.**

Item 2. Instruction

In order that your securities may be represented at the meeting in case you are not personally present, please complete, sign and date the Proxy Form.

The Corporation shall be pleased to vote your securities in accordance with your wishes if you will execute the Proxy Form and return the same promptly. It is understood that if you sign without otherwise marking the form, the securities will be voted as recommended by the Board of Directors on all matters to be considered at the meeting. The Chairman of the meeting is hereby authorized and empowered to fully exercise all rights as the attorney and proxy at such meeting.

Item 3. Revocability of Proxy

The shareholder may revoke the proxy issued by him at any time prior to its use by the party who is thereby authorized to exercise the same. The By-laws do not provide any formal procedure by which revocation shall be done. However, the By-laws provide that no proxy bearing a signature that is not legally acknowledge, shall be recognized at any meeting unless such signature is known and recognized by the secretary of the meeting. Furthermore, proxies for meetings must be filed with and received at the offices of the Corporation at least five (5) days prior to the date of the meeting.

Item 4. Persons Making the Solicitation

The solicitation of proxies is being undertaken by the Corporation in order to obtain the required quorum and the required vote to approve the subject matter of the annual meeting. No director has informed the Corporation of any intention to oppose the matters to be taken up in the annual meeting. No director or executive officer of the Registrant has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office.

In addition to ordinary mail, the Corporation, in coordination with its stock and transfer agent, intends to utilize the usual couriers and messengers to undertake the personal delivery of the proxy forms. No special contracts for courier or delivery services have been entered into. Costs will be limited to the normal costs of such services.

The costs of distributing this Information Statement and of soliciting the relevant proxies, which will be approximately Thirty Thousand Pesos (₱30,000.00) shall be borne by the Corporation.

P R O X Y

This proxy is being solicited by *F & J Prince Holdings Corporation* (the "Corporation") for and in its behalf, in connection with its Annual Stockholders' Meeting to be held on **Thursday, July 28, 2016, at 2:30 p.m. at the Function Room 7, Top of the Citi, 34th Floor, Citibank Tower, 8741 Paseo de Roxas, Makati City.**

In order that your securities may be represented at the meeting in case you are not personally present, please complete, sign and date this Proxy Form.

The Corporation shall be pleased to vote your securities in accordance with your wishes if you will execute this Proxy Form and return the same promptly. It is understood that if you sign without otherwise marking the form, the securities will be voted as recommended by the Board of Directors on all matters to be considered at the meeting. The Chairman of the meeting is hereby authorized and empowered to fully exercise all rights as the attorney and proxy at such meeting.

Hereunder are the matters to be taken up during the meeting, please indicate your proposal selection by firmly placing an "X" in the appropriate box:

1. **Approval of the Minutes of the July 28, 2015 Annual Stockholders' Meeting.**
   Voting Instruction

   ☐ For ☐ Against ☐ Abstain

2. **Approval of the Audited Financial Statements as of December 31, 2015.**
   Voting Instruction

   ☐ For ☐ Against ☐ Abstain

3. **Ratification of Corporate Acts.**
   Voting Instruction

   ☐ For ☐ Against ☐ Abstain

4. Election of Directors.

Nominees	Authority to Vote Granted	Authority to Vote Withheld
1. Emeterio L. Barcelon, S. J.	☐	☐
2. Johnson U. Co	☐	☐
3. Johnny O. Cobankiat	☐	☐
4. Mark Ryan K. Cokeng	☐	☐
5. Francisco Y. Cokeng, Jr.	☐	☐
6. Mary K. Cokeng	☐	☐
7. Robert Y. Cokeng	☐	☐
8. Rufino B. Tiangco	☐	☐
9. Johnson Tan Gui Yee	☐	☐
Independent Directors:		
10. Francis L. Chua (as recommended by Arsenio C. Tang)	☐	☐
11. Robert Y. Ynson (as recommended by Phesco, Inc.)	☐	☐

5. Appointment of Sycip Gorres Velayo & Company as External Auditor of the Corporation for the Fiscal Year January to December 2016.

Voting Instruction

☐ For ☐ Against ☐ Abstain

This Proxy shall confer discretionary authority to vote with respect to any of the following matters:

1. Matters which the Corporation does not know a reasonable time before this solicitation, are to be presented at the meeting; and
2. Matters incident to the conduct of the meeting.

No director of the Registrant has informed the Registrant that he opposes any action intended to be taken or taken by the Registrant.

IN WITNESS WHEREOF, the undersigned stockholder has executed this proxy this ______ day of _____________ 2016, at ___________________________________.

____
Usual Signature

____
Print Name Here

____
Address

F & J Prince Holdings Corporation

2015
Management Report

STOCK TRADING PRICE INFORMATION

The shares of the Registrant are listed with the Philippine Stock Exchange.

The high and low prices for each quarter within the last two (2) fiscal years and 1st quarter of 2016 are as follows:

QUARTER; YEAR	CLASS "A"		CLASS "B"	
	High	Low	High	Low
1st Quarter, 2014	3.20	2.90	3.77	2.56
2nd Quarter, 2014	3.20	2.95	3.14	3.00
3rd Quarter, 2014	3.17	2.60	3.00	2.91
4th Quarter, 2014	3.32	2.95	3.49	2.88
1st Quarter, 2015	3.35	3.00	3.04	2.98
2nd Quarter, 2015	3.75	3.00	3.84	3.04
3rd Quarter, 2015	3.75	2.73	3.10	2.85
4th Quarter, 2015	7.70	2.92	7.60	3.50
1st Quarter, 2016	5.97	4.30	6.46	4.36

Note 1: Dividends amounting to ₱0.20 per share were declared and paid out in 2015. Dividends of ₱0.20 per share were declared and paid by the company in 2014.

Note 2: Class "A" shares may be owned only by Filipino citizens while Class "B" shares may be owned by Filipino citizens as well as foreigners.

Note 3: Latest market price traded was ₱5.10 per share for Class "A" shares transacted on June 1, 2016; and ₱5.00 per share for Class "B" shares transacted on June 1, 2016.

Number of Shareholders

As of **June 3, 2016**, the Registrant had Four Hundred Seventy Nine (479) stockholders of record, as follows: Class "A" shares – Four Hundred Thirty Five (435) shareholders; Class "B" shares – Thirty Seven (37) shareholders; and shareholders owning both Class "A" and "B" – Seven (7) shareholders.

Dividends

Dividends amounting to ₱0.20 per share were declared and paid in 2015. Dividends of ₱0.20 per share were declared and paid in 2014.

Under the Registrant's By-laws, there are no restrictions in the declaration of dividends other than what is prescribed in the Corporation Code, namely that these shall be declared only from surplus profit and no stock dividend shall be issued without the approval of stockholders representing not less than two-thirds of all stock outstanding and entitled to vote at a general or special meeting called for the purpose. The amount of unrestricted retained earnings available for distribution as of December 31, 2015 was ₱308,233,826.00.

F & J Prince Holdings Corporation

Management Report

Annual Stockholders' Meeting

July 28, 2016

Contents

- Report of the Chairman and President
- Business and General Information
- Financial and Other Information
- Board of Directors and Management
- Statement of Management's Responsibility
- Financial Statements

  Balance Sheet
  Income Statement
  Cash Flow Statement
  Notes to Financial Statements
- Directory/Bankers

REPORT OF THE CHAIRMAN AND PRESIDENT

The Registrant's consolidated revenue in 2015 increased by 56% to ₱183.5 million from ₱117.9 million in 2014. Equity in net earnings of associates increased by 45% from ₱72.6 million in 2014 to ₱105.4 million in 2015 as the Registrant's outsourcing affiliates especially Pointwest experienced strong earnings growth as revenues jumped. Interest income increased from ₱ 37.7 million in 2014 to ₱39.2 million in 2015 as interest levels have stabilized and started to inch up. A net foreign exchange gain of ₱22.8 million was recorded in 2015 as the Peso declined against foreign currencies which benefitted the foreign exchange denominated bonds and other securities held by the Registrant and its subsidiary against a foreign exchange loss in 2014. Rent more than doubled from ₱4.5 million in 2014 from ₱12.8 million in 2015 due to escalation of rental rates and the leasing out of additional condominium office units in 2014. Gain on disposal of AFS, HTM and FVPL Financial Assets of ₱1.5 million was recorded in 2015 against ₱0.2 million in 2014. Dividend income decreased from ₱2.3 million in 2014 to ₱1.5 million in 2015.

Total consolidated expenses of the Registrant increased to ₱35.3 million in 2015 compared to ₱34 million in 2014. Fair Value losses of financial assets at FVPL of ₱6.0 million and impairment loss on AFS Financial assets of ₱2.1 million were partly offset by reduction in FX loss and loss on disposal of AFS financial asset.

As a result of the above, total consolidated income before tax in 2015 totalled ₱148.2 million compared to ₱83.9 million in 2014. After provision for income tax, total consolidated net income after tax totalled ₱139.6 million in 2015 compared to ₱78.8 million in 2014 or an increase of 77%.

Net income attributable to non-controlling interest, namely minority shareholders of Magellan Capital Holdings Corporation, totalled ₱1.2 million in 2015 compared to ₱1.5 million in 2014.

The Registrant's financial position is very strong as it has substantial cash resources available to undertake its planned projects. As of December 31, 2015, the Registrant's consolidated cash and cash equivalent totaled over ₱965.6 million which was higher than the level of ₱946.8 million as of December 31, 2014 due to inflow of dividend, rental and interest income. The Registrant and its subsidiary is planning to undertake development of MCHC's land in Fort Bonifacio into an income producing building as well as to acquire income producing properties as well as additional land for development. The Registrant and its subsidiary are debt free with total consolidated liabilities of ₱32.8 million compared to total equity of ₱1.8 billion as of the end of 2015.

The Registrant and its subsidiary and affiliates are substantially debt free except for MUDC which has loans and advances from its principal shareholders. The Registrant and its subsidiaries have more than enough cash resources to meet any expected requirements in the next twelve months. Consolidated cash and cash equivalents at the end of 2015 totalled ₱965 million compared to ₱946.8 million at the end of 2014 while total current assets totalled ₱1.1 billion at year-end 2015 the same level as at year -end 2014. Other than the normal fluctuation of the Peso exchange rate as well as the effect of the normal market fluctuations on the value of stock and bond holdings owned by the Registrant and its subsidiary, the Registrant is not aware of any trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in its liquidity increasing or decreasing in any material way. Likewise, the Registrant does not know of any trends, events or uncertainties that have or that are reasonably expected to have a material favorable or unfavorable impact on the revenues or income from continuing operations.

The following is a detailed discussion of the company direct and indirect subsidiaries and its affiliated associates:

MAGELLAN CAPITAL HOLDINGS CORPORATION (MCHC)

Magellan Capital Holdings Corporation (MCHC), your Company's 95% owned subsidiary, is involved in the development of and investment in infrastructure and power generation projects. Established in 1990, MCHC has ₱689 million in paid-in capital and ₱1,552 million in consolidated shareholders' equity as of December 31, 2014. After the acquisition of the block of shares owned by PSEG Philippine Holdings LLC. in December 2006, your Company owns 95% of the outstanding shares of MCHC and effectively controls and manages MCHC.

MCHC was until December 2006, 28% owned by PSEG Philippine Holdings LLC, a unit of the Public Service Enterprise Group (PSEG), the largest energy holding company in New Jersey and one of the largest in the United States.

MCHC's total consolidated assets at year-end 2015 was ₱1,942 million compared to ₱1,578.9 million at end of 2013. The primary reason for the increase in assets was the ₱921.9 million in AFS financial assets – net of current portion in 2015 versus ₱590.9 million in 2014. MCHC's consolidated revenues for the year 2015 totaled ₱76.9 million, an increase of 25% from 2014. The increase was due mainly to rental income in the amount of ₱12.7 million in 2015 versus ₱4.5 million in 2014 as well as a net foreign exchange gain of ₱7.997 million. Total consolidated operating expenses of MCHC increased to ₱27.8 million in 2015 from ₱25.8 million in 2014 due mainly to depreciation. As a result of the above, net income after tax of MCHC totaled ₱42.9 million in 2015 from ₱31.1 million in 2014.

The President and CEO of MCHC is Mr. Robert Y. Cokeng, who is also President of your Company.

MCHC owns 43% of Magellan Utilities Development Corporation (MUDC) which is discussed below. MCHC also owns the entire fifth floor of the Citibank Center Building in Makati as well as three (3) units in the adjacent Citibank Tower Building. Almost half of the floor in Citibank Center is used by your Company as well as MCHC and its subsidiaries as its corporate offices. One unit is leased to Business Process Outsourcing International, a 35% owned affiliate of the Company. The other two units available for lease have also been rented out. The condo units in the Citi Tower Building are also currently leased out. MCHC also owns a 985 square meter lot in Fort Bonifacio that it intends to develop into an office building.

MAGELLAN UTILITIES DEVELOPMENT CORPORATION (MUDC)

Magellan Utilities Development Corporation (MUDC) is an MCHC project company developing a 320 MW Power Project in Pinamucan, Batangas. MCHC directly owns 43% of MUDC. GPU Power Philippines, Inc., a unit of GPU Corporation (GPU), former U.S. parent company of the Manila Electric Company (MERALCO), owns 40% of MUDC. MERALCO was established by a predecessor company of GPU during the American colonial era and was a wholly owned subsidiary of GPU until 1962 when MERALCO was acquired by a Lopez - led investor group.

With the continued uncertainty over the project being developed by MUDC, MUDC at the urging of its outside auditors had in 2004 written-off all its project development expenditures. It had in 2003 already written-off all pre-operating expenses as dictated by new accounting standards that became effective in 2003. With these write-offs, MUDC now has negative equity of ₱257 million as of year-end 2015. In 2005, your Company decided not to continue development of the project. Your Company's exposure including those of MCHC and its subsidiary, Pinamucan Industrial Estates, Inc., in the project have been provided for and will not have any impact on the Company's financial position. MCHC, along with other shareholders of MUDC, will evaluate the future course of action for MUDC, including possible liquidation.

POINTWEST TECHNOLOGIES CORPORATION (PTC)

Established in 2003 with your Company as one of the founding shareholders, Pointwest Technologies Corporation (PTC) is a global service company offering outsourced IT services from the Philippines. It is led by an experienced management team that helped pioneer offshore outsourcing in the Philippines. Among others, it offers software servicing, maintenance, testing and development to various clients, mostly in the United States. Your Company owns 30% of PTC. PTC has been profitable since its inception and has grown to a staff of over 1,200 professionals and support staff and annual revenues in 2015 of over ₱1.8 billion.

BUSINESS PROCESS OUTSOURCING INTERNATIONAL, INC. (BPOI)

Business Process Outsourcing International, Inc. (BPOI) is a provider of accounting and finance related services such as payroll services, internal audit, payables processing and others. It has a total staff of over 400 servicing many of the multinational and large corporations operating in the country. BPOI was spun off from the BPO Department of SGV & Co., the biggest auditing firm in the country.

Your Company owns 35% of BPOI after it acquired another 8.75% in 2005. BPOI revenues in 2015 exceeded ₱358 million.

CONCLUSION

Your Company generated a consolidated net income after tax in 2015 of ₱139.6 million, an increase from the ₱78.8 million net income after tax in 2014. The Company's outsourcing affiliates had a profitable year in 2015 and earnings increased. Equity in net earnings of associates which represents the Company's share of earnings of its outsourcing affiliates totaled ₱105.4 million in 2015 compared to the ₱72.6 million reported in 2014. Your Company also had an increase in total comprehensive income for the year 2015 with a total of ₱159.3 million from ₱94.7 million in 2014. As a result of the higher comprehensive net income and the effect of dividend payments of P96.4 million in 2015, total stockholders equity increased to ₱1,839.6 million at the end of 2015 from ₱1,758.1 million at the end of 2014. In addition, the Company and its subsidiary has been increasing its investment in income producing property and will be developing its lot in Fort Bonifacio into an office building generating lease income. It is also looking to acquire other income producing properties to increase the Company's income from continuing operations. The Company will be carefully and prudently evaluating other new projects that may be suitable to pursue in the current economic environment.

With the support of the Directors, Officers, Staff and Shareholders, we are confident of the Company's future prospects and continued success. We again reiterate our thanks to the Shareholders for their continued support.

ROBERT Y. COKENG
Chairman & President

BUSINESS AND GENERAL INFORMATION

A. BUSINESS DEVELOPMENT

The Registrant was incorporated and registered with the Securities and Exchange Commission ("SEC") on 18 February 1971 to engage primarily in the business of mining, including mineral and oil exploration. Its shares were registered and listed with the SEC in 1979 and thereafter listed and traded at the Manila Stock Exchange. Presently, its shares are listed with the Philippine Stock Exchange ("PSE").

On 28 July 1997, the Registrant's primary purpose was changed to that of a holding company. At present, the Registrant holds a 94.34% majority interest in Magellan Capital Holdings Corporation ("MCHC").

In addition, the Registrant owns 30% of Pointwest Technologies Corporation ("PTC"), a software servicing and development company. The Registrant also owns 35% of Business Process Outsourcing International, Inc. ("BPOI") a provider of accounting-based business process outsourcing ("BPO") services to a large number of clients.

From its incorporation to the present, the Registrant has not been subject to any bankruptcy, receivership or similar proceedings. There has been no material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets other than in the ordinary course of business and other than the sale by MCHC of its shares in one of its subsidiaries to J.G. Summit Holdings, Inc.

Business Development of the Registrant's Subsidiaries

Magellan Capital Holdings Corporation ("MCHC"), is a corporation which was incorporated and registered with the SEC on 06 November 1990. The Registrant owns a 94.37% majority interest in MCHC. MCHC's primary purpose is to engage in the business of identifying, developing and implementing infrastructure and industrial projects. On December 7, 2006, the Registrant acquired the shares of MCHC owned by PSEG Philippines Holdings LLC which represented a 27.67% total equity stake in MCHC. As a result of this transaction, the Registrant increased its ownership stake in MCHC from 66.67% to 94.37%. Because the shares were acquired at a substantial discount to book value, the Registrant booked a gain of ₱201.3 million representing excess of fair value of net assets acquired over cost in 2006.

MCHC owns 100% of the shares of the following companies:

NAME OF COMPANY	DATE OF INCORPORATION	PRIMARY PURPOSE
Pinamucan Industrial Estates, Inc.	05 May 1993	Real Estate holding and Development
Malabrigo Corporation	31 August 1993	Mining
Magellan Capital Trading, Inc.	04 January 1991	Trading
Magellan Capital Realty Development Corporation	14 November 1990	Realty

From its incorporation to the present, none of the Registrant's above-named subsidiaries have been subject to any bankruptcy, receivership or similar proceedings. There has also been no material reclassification, merger, consolidation, or purchase or sale of a significant amount of their assets other than in the ordinary course of business.

Business of Registrant

Description of Registrant

The Registrant is a holding company. At present, it owns almost 95% of its subsidiary, MCHC, which is currently invested in real estate assets and in bond and stock investments and in shares of its subsidiaries. Most of the Registrant's indirect operating subsidiaries, i.e. MCHC's subsidiaries, are in development of infrastructure projects, as well as landholding and development. The Registrant also owns 30% of PTC, a soft ware servicing development company and 35% of BPOI, a company providing accounting, finance and payroll services which it acquired in 2004 and 2005.

Percentage of Consolidated Total Revenues

Breakdown of Revenue for the year 2015

	CONSOLIDATED TOTAL REVENUE	PERCENTAGE BREAKDOWN
Equity in Net Earnings of Associates	₱ 105,413,232	57.5%
Interest Income	39,171,045	21.4%
Net Foreign Exchange Gains	22,825,228	12.4%
Gain on Disposal of AFS and FVPL Financial Assets	1,525,919	0.8%
Rent	12,796,615	7.0%
Dividend Income	1,538,110	0.8%
Others	180,027	0.1%
Total	**₱ 183,450,176**	**100.00%**

Breakdown of Revenue for the year 2014

	CONSOLIDATED TOTAL REVENUE	PERCENTAGE BREAKDOWN
Equity in Net Earnings of Associates	₱ 72,551,106	61.6%
Interest Income	37,719,971	32.0%
Gain on Disposal of AFS and HTM Financial Assets	235,949	0.2%
Rent	4,505,021	3.8%
Dividend Income	2,290,430	1.9%
Others	564,518	0.5%
Total	**₱ 117,866,995**	**100.00%**

The Registrant's consolidated revenue in 2015 increased by 56% to ₱183.5 million from ₱117.9 million in 2014. Equity in net earnings of associates increased by 45.3% from ₱72.6 million in 2014 to ₱105.4 million in 2015 as the Registrant's outsourcing affiliates both increased earnings due to higher revenues and improved margins. Interest income increased to ₱39.2 million in 2015 from ₱37.7 million in 2014 as interest levels have begun to stabilize. A net foreign exchange gain of ₱22.8 million was recorded in 2015 as the Peso declined against foreign currencies which benefitted the foreign exchange denominated bonds and other securities held by the Registrant and its subsidiary. Rent increased from ₱4.5 million in 2014 to ₱12.8 million in 2015 due to escalation of rental rates and leasing of additional office units purchased in 2014. Gain on disposal of AFS, HTM and FVPL Financial Assets increased to ₱1.5 million in 2015 compare to ₱0.2 million in 2014. Dividend income decreased to ₱1.5 million in 2015 from ₱2.3 million in 2014.

B. PRINCIPAL PRODUCTS AND SERVICES OF MCHC

Currently, MCHC, the Registrant's subsidiary, has direct holdings in real estate and stock and bond investments. It also owns shares in subsidiaries and affiliates engaged in development of infrastructure projects and in real estate investment and development.

(a) Power Generation Project Companies

As a result of the crippling power shortages in the 1980s, the Philippine government launched its program to encourage private sector participation in the power industry through the enactment of Executive Order No. 215 ("EO 215"). Under EO 215, independent power producers ("IPPs") may participate in bulk generation to serve the requirements of the National Power Corporation ("NPC"), electric cooperatives, private utilities and other customers. It was against this background that MCHC's power generation project companies, Magellan Utilities Development Corporation ("MUDC"), Magellan Cogeneration, Inc. ("MCI") and Mactan Power Corporation ("MPC") were organized, on the basis of BOO schemes under Republic Act No. 6957, as amended by Republic Act No. 7718. The MPC project was sold by MCHC in 1997 right before the onset of the Asian economic crisis. The MCI project was completed and sold in 1998.

MUDC, which was established to develop an approximately 320MW power plant in Pinamucan, Batangas is 43%-owned by MCHC. The other major shareholder in MUDC is GPU Power Philippines, Inc. ("GPU Power"), with a 40% equity interest. GPU Power is a subsidiary of GPU Corporation ("GPU"), the former parent company of Manila Electric Company ("MERALCO"). GPU was a U.S.-based energy holding company with about US$11 billion in assets that operates utilities and power plants in New Jersey and Pennsylvania, U.S.A. GPU has been acquired by First Energy Corporation of Ohio which has decided to withdraw from the project and has done so by liquidating GPU Power.

MUDC initially had a 25-year power sales contract with MERALCO, under which MUDC was to supply power to MERALCO from its 300 MW coal-fired power plant to be constructed in Pinamucan, Batangas. Under a Memorandum of Agreement executed in December 1998, the parties agreed to execute a power purchase agreement whereby MERALCO would purchase the power generated from MUDC's 320 MW power plant, which was to be fuelled primarily by natural gas. The said power purchase agreement has not yet been finalized.

As a result of the project's uncertain prospects, the Registrant's auditor recommended and management had agreed that provision be made for all project development expenditures and pre-operating expenses by MUDC in line with current accounting standards. MUDC has decided not to proceed with its power project due to MERALCO's unwillingness to enter into a revised Power Purchase Agreement and due to the withdrawal of its foreign partner, GPU. In addition, MCHC has almost fully provided for its receivables due from MUDC. In 2008, in the Registrant's Consolidated Financial Statements, receivables due to MCHC's subsidiary, Pinamucan Industrial Estates, Inc., were also fully provisioned. Thus, the Registrant's remaining exposure to the MUDC project is minimal (about ₱2.1 million) at the end of 2015.

(b) Real Estate Holding and Development Companies

Until July 2011, MCHC owned 100% interest in Batangas Agro-Industrial Development Corporation ("BAID").

BAID has the following wholly-owned subsidiaries which together with BAID own 50 hectares of land fronting Batangas Bay in Pinamucan, Batangas:

(1) Fruit of the East, Inc.;
(2) United Philippines Oil Trading, Inc.;
(3) Hometel Integrated Management Corporation;
(4) King Leader Philippines, Inc.;
(5) Samar Commodities & Industrial Corporation; and
(6) Tropical Aqua Resources, Inc.

In July 2011, MCHC sold all its shares in BAID to J.G. Summit Holdings, Inc. for a total consideration of ₱1.04 billion.

(c) Principal Products and Services of Pointwest Technologies Corporation ("PTC")

PTC is a global service company offering outsourced IT services from the Philippines. It is led by an experienced management team that helped pioneer offshore outsourcing in the Philippines. The Registrant is a founding shareholder of PTC and owns 30% of its equity. Among others, PTC offers software servicing, maintenance, testing, and development to various clients mostly in the United States. It started operations in 2003 and has now built up to a staffing level of over One Thousand Two Hundred (1,200) IT Professionals and Support Staff. PTC's consolidated revenue in 2015 reached over One Billion Eight Hundred Million Pesos (₱1.8 Billion).

(d) Principal Products and Services of Business Process Outsourcing International, Inc. ("BPOI")

BPOI is a provider of finance and accounting services such as payroll services, internal audit, payables processing and other accounting based services. It has a total of over 600 employees servicing many of the large multinationals operating in the country. BPOI was spun off from the BPO department of SGV & Co, the biggest auditing firm in the country. The Registrant is a major shareholder of BPOI with a 35% ownership stake. BPOI's revenues in 2015 exceeded ₱358 million and has over 400 accountants and support staff.

Competition

Pointwest Technologies Corporation and BPOI face competition from other providers of software and business process outsourcing services both in the country and abroad. Outsourcing is a competitive industry and being competitive requires ability to provide quality and reliable service and ability to control costs so that operating margins are maintained at viable levels.

Transactions with and/or Dependence on Related Parties

The Registrant's subsidiary, MCHC and certain of MCHC's subsidiaries and affiliates as well as Registrant's affiliate, BPOI have transactions with each other such as rental contracts and intercompany loans. These transactions are on arms-length basis and, in the case of partially owned affiliates, are subject to approval of unrelated shareholders of these affiliates. In the case of rental contracts, the rental rates charged are similar to those charged to outside parties leasing similar properties.

Patents, Trademarks, Copyrights, Etc.

As previously stated, other than for MUDC's power supply agreement with MERALCO and Memorandum of Understanding with SPEX, there are no patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts and the like, owned by or pertaining to the Registrant and its subsidiary, MCHC.

Costs and Effects of Compliance with Environmental Laws

Since MUDC has decided not to pursue its power project, there is no anticipated need to comply with any environmental regulations. The other affiliates which are involved in the outsourcing industry which mainly involve the use of computer and other office equipment are expected to have negligible environmental impact.

Employees

The Registrant has three (3) full time employees, one (1) each for accounting, clerical, and administrative and one (1) consultant, not including the employees and consultants retained by the Registrant's subsidiary and affiliates. The Registrant's employees are not subject to any Collective Bargaining Agreements (CBA), nor are they involved in or have threatened to strike for the past three (3) years. Aside from the mandatory 13th month pay and additional 14th month pay and service incentive leaves (vacation and sick) benefits and retirement benefits mandated by R.A. 7641, there are no other benefits that are granted by the Registrant to its employees. The Registrant does not anticipate the need to hire additional employees within the ensuing twelve (12) months.

Risk of the Business of the Registrant and Subsidiaries

1. Pointwest Technologies Corporation (PTC)

PTC would face the normal risks faced by an IT services company serving mostly foreign clients. These risks include: 1) the risk that PTC may not find or retain clients; 2) some contracts are on non-recurring basis and may not be renewed; 3) risk of contract dispute in case of customer dissatisfaction with the services provided; 4) risk of non-collection of receivables due to contract dispute or to financial problems of customers; 5) high staff turnover which may affect service quality; 6) ability to recruit and retain qualified IT professionals; (7) change in foreign exchange rates that may affect the operating margin of its businesses.

2. Business Process Outsourcing International, Inc. ("BPOI")

BPO would face the normal risks faced by a BPO company which are very similar to the risks faced by an IT services outsourcing company such as PTC. BPOI currently services only domestic clients but intends to develop its foreign business. The risks BPOI takes include: 1) the risk that BPOI may not find or retain clients; 2) some contracts are on non-recurring basis and may not be renewed; 3) risk of contract dispute in case of customer dissatisfaction with the services provided; 4) risk of non-collection of receivables due to contract dispute or to financial problems of customers; 5) high staff turnover which may affect service quality; 6) ability to recruit and retain qualified accounting and finance professionals.

3. Portfolio Investments

The Registrant and its subsidiaries and affiliates also invest their excess cash in bonds, stocks and short-term placements. These involve government securities as well as corporate bond and stock investments which face the normal commercial risks such as price declines, payment defaults and foreign exchange risks in the case of foreign currency denominated investments.

Other Interests

MCHC also has a 100% interest in a mining company, Malabrigo Corporation ("Malabrigo"). Malabrigo has a paid-up capital of ₱10,000,000.00 and limestone mining claims in Batangas, which

are not considered significant in potential. It has also invested as a partner in a shopping center project in the United States.
Other than MUDC's power supply agreement with MERALCO and Memorandum of Understanding with SPEX, there are no patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts and the like owned by or pertaining to the Registrant and its subsidiary, MCHC. Also, no substantial expenditures have been made for research and development activities for the past three (3) years.

PROPERTIES

Equity Interests. The Registrant' investment in MCHC, consists of shares of common stock with aggregate issued value representing approximately 94.37% of the outstanding shares of MCHC.

MCHC owns 70,458 shares of common stock, representing approximately 43% of the outstanding capital stock of MUDC. MUDC was set up to develop a 320 MW power plant project in Pinamucan, Batangas which has now been aborted. MCHC's exposure to MUDC has been fully provided for in the Consolidated Financial Statements.

MCHC also has equity interests in Pinamucan Industrial Estates, Inc. (100%-owned) and Malabrigo (100%-owned). MCHC also owns 100% of Magellan Capital Trading Corporation; Magellan Capital Realty Development Corporation, two inactive shell companies.

The Registrant owns common shares in Pointwest Technologies Corporation which represent a 30% ownership interest in the company. The Registrant also owns shares of BPOI equivalent to 35% ownership interest in BPOI.

Real Estate. The Registrant has no real estate holdings except through its subsidiary, MCHC.

(a) Condominium Units

MCHC owns five (5) office condominium units which comprise the entire 5th Floor of the Citibank Center building, located at 8741 Paseo de Roxas, Makati City, including five (5) appurtenant parking units, *per* a Deed of Sale executed on 26 April 2000. Three of the five units are being leased out and two units are used as the corporate offices of the Registrant and its subsidiaries. MCHC also owns an office condominium unit on the 25th Floor and two condominium units on the 16th Floor of the Citibank Tower Building in Makati (acquired in December 2014) and ten parking slots which are being leased out at prevailing commercial rates.

(b) Office Properties

MCHC, the Registrant's wholly-owned subsidiary, has relocated its corporate offices to its Citicenter Property which consists of the entire 5th Floor of the Citibank Center Building in Makati. The Registrant, as principal shareholder of MCHC, has been allocated office space by MCHC. MCHC has also leased out the four (4) remaining units. One of the units has been leased by Business Process Outsourcing International (BPOI) since February 16, 2009. Three other units are leased to other lessees.

(c) Land/Property Ownership

MCHC has acquired a 985 m2 lot in Fort Bonifacio which it plans to develop into an office building for lease. As of 31 December 2015, the above land and properties are not subject to any mortgages, liens or encumbrances.

MCHC acquired, at the end of 2014, two additional condominium office units in Citibank Tower which are currently leased out. As a result, total rental income in 2015 exceeded ₱1 million monthly.

LEGAL PROCEEDINGS

There are no proceedings involving, and to the best of knowledge threatened against the Company. However, with respect to its subsidiaries, following is a summary of pending litigation involving them:

(a) ***"Rolando M. Zosa v. Magellan Capital Holdings Corporation and Magellan Capital Management Corporation"***, Civil Case No. CEB-18619, Regional Trial Court of Cebu City, Branch 58; *Magellan Capital Management Corporation and Magellan Capital Holdings Corporation v. Rolando M. Zosa, et al."* G.R. No. 129916, Supreme Court; *Ad Hoc Arbitration with an Arbitral Tribunal composed of Justice Florentino P. Feliciano, as Chairman and Attys. Ramon R. Torralba and Enrique I. Quiason as members; Regional Trial Court, Branch 139, SP Proc. No. M-6259 and SP Proc. No. 6264.*

This is a case for damages instituted in May 1996, wherein complainant Zosa seeks to enforce his purported rights under his Employment Agreement with defendants and claims entitlement to the following reliefs, to wit:

(1) actual damages in the amount of ₱10,000,000;
(2) attorney's fees in the amount of ₱300,000; and
(3) expenses of litigation in the amount of ₱150,000.

Defendants sought a dismissal of the case, invoking the provision of arbitration in the Employment Contract. In a Decision dated 18 July 1997, the trial court declared invalid the arbitration clause providing for the manner by which the arbitrators will be chosen and substituted the provisions of the Arbitration Law therefor. The Supreme Court, on 26 March 2001 affirmed the trial court's decision which became final and executory. Arbitrators were appointed one by Zosa, on the one hand, and the other jointly appointed by MCHC and MCMC and a third jointly chosen by the two arbitrators.

Sometime in November 2004, the Arbitral Tribunal was finally constituted composed of Justice Florentino P. Feliciano as Chairman and Attys. Ramon R. Torralba and Enrique I. Quiason as members.

On 14 March 2005, the parties submitted to the Tribunal their Confirmation of Agreement to Submit to Arbitration. The Complainant has submitted its Statement of Claims & Memorials. The respondents have submitted their Statement of Defenses and are scheduled to submit their Counter-Memorials on 02 May 2004.

On 02 August 2005, the Memoranda of the parties were submitted and the case was submitted for resolution.

On 06 March 2005, the Tribunal rendered its decision awarding Zosa's claim for severance pay but disallowed his claims for attorney's fees and moral and exemplary damages and costs of suit.

On 12 April 2006, MCHC filed with the Regional Trial Court of Makati City, a verified petition with prayer for the issuance of an Order to Vacate the Arbitral Award, dated 6 March 2006, pursuant to Sections 22 to 29 of Republic Act No. 876 ("The Arbitration Law") and the relevant provisions of Republic Act No. 9825 (the "Alternative Dispute Resolution Act of 2004). Likewise, Zosa filed his Application for Confirmation of Award on 12 April 2006. The two cases were consolidated and are presently pending with Branch 139 of the Regional Trial Court of Makati as Sp. Proc. No. M-6259 and M-6264. The parties are presently awaiting the Court's resolution on the issue of whether the Application for Confirmation of Award was seasonably filed considering the non-payment of docket fees at the time of filing. On 17 March 2009, a hearing was held whereby the Court directed all the parties to submit their respective Memoranda. In compliance with the aforesaid order, MCHC submitted its Memoranda on 17 May 2009. The case was submitted for resolution on 29 January 2013.

On 29 June 2015, the Court rendered its decision confirming the arbitral award directing MCHC solidarily with MCMC to pay Zosa's severance compensation in the amount of ₱14,669,691.43. MCHC filed its Motion for Reconsideration on 23 July 2015 which was denied in an Order dated 7 January 2016. On 9 February 2016, MCHC filed with the Court of Appeals its Petition for Review of the Decision of the Regional Trial Court. The case is now pending with the Court of Appeals.

(b) ***"People of the Philippines vs. Ariel Balatbat",*** Criminal Case No. 115515, Regional Trial Court of Pasig City, Branch 155. MCHC filed a complaint, through its authorized officer, against Ariel Balatbat for qualified theft relating to several unauthorized withdrawals of, and anomalous transactions involving, company funds in the total amount ₱41,021.50 (converted to US$1,000.00). On 29 October 2004, the Court rendered its decision finding the accused guilty beyond reasonable doubt of the crime of qualified theft under Article 310 of the Revised Penal Code and imposed the corresponding penalty of imprisonment of 10 years minimum to a maximum of 14 years. The case is pending appeal as of this writing.

"People of the Philippines vs. Ariel Balatbat", Criminal Case No. 114955, Regional Trial Court of Pasig City, Branch 151. MUDC, through its authorized officer, has also filed a complaint against Ariel Balatbat for qualified theft relating to several unauthorized withdrawals of, and anomalous transactions involving, company funds in the total amount of ₱121,500.00 (equivalent to US$3,000.00), US$4,000.00, and US$1,020.00. Said amounts were never recovered or accounted for. The case is currently pending before the Regional Trial Court, which also issued a warrant of arrest for the same. The bail was set for ₱40,000.00. The accused was arrested and subsequently arraigned. Three (3) witnesses have been presented - two (2) from the bank and one (1) from MUDC.

On 28 February 2005, the Prosecution filed its "Formal Offer of Evidence". Defense rested its case on 4 December 2006. On 22 January 2007, the Prosecution presented its rebuttal evidence. The Memorandum for the Prosecution having been filed, the case was submitted for decision. As of this writing or on April 29, 2013 the Court rendered its decision finding the accused guilty of the crime of qualified theft and sentenced the accused to *reclusion perpetua*. It also ordered the restitution to MUDC of the amount of $4,000.00 or its peso equivalent ₱105,720.00 Pesos. The Court found no liability for the amount of $3,000.00 withdrawn it appearing that same was credited to private complainant.

FINANCIAL AND OTHER INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Registrant's consolidated revenue in 2015 increased by 56% to ₱183.5 million from ₱117.9 million in 2014. Equity in net earnings of associates increased by 45% from ₱72.6 million in 2014 to ₱105.4 million in 2015 as the Registrant's outsourcing affiliates especially Pointwest experienced strong earnings growth as revenues jumped. Interest income increased from ₱37.7 million in 2014 to ₱39.2 million in 2015 as interest levels have stabilized and started to inch up. A net foreign exchange gain of ₱22.8 million was recorded in 2015 as the Peso declined against foreign currencies which benefitted the foreign exchange denominated bonds and other securities held by the Registrant and its subsidiary against a foreign exchange loss in 2014. Rent more than doubled from ₱4.5 million in 2014 to ₱12.8 million in 2015 due to escalation of rental rates and the leasing out of additional condominium office units acquired in 2014. Gain on disposal of AFS, HTM and FVPL Financial Assets of ₱1.5 million was recorded in 2015 against ₱0.2 million in 2014. Dividend income decreased from ₱2.3 million in 2014 to ₱1.5 million in 2015.

Total consolidated expenses of the Registrant increased to ₱35.3 million in 2015 compared to ₱34 million in 2014. Fair Value losses of financial assets at FVPL of ₱6.0 million and impairment loss on AFS Financial assets of ₱2.1 million in 2015 were part offset by reduction in Fx loss and loss on disposal of AFS financial asset.

As a result of the above, total consolidated income before tax in 2015 totalled ₱148.2 million compared to ₱83.9 million in 2014. After provision for income tax, total consolidated net income after tax totalled ₱139.6 million in 2015 compared to ₱78.8 million in 2014 or an increase of 77%.

Net income attributable to non-controlling interest, namely minority shareholder of Magellan Capital Holdings Corporation, totalled ₱1.2 million in 2015 compared to ₱1.5 million in 2014.

The Registrant's financial position is very strong as it has substantial cash resources available to undertake its planned projects. As of December 31, 2015, the Registrant's consolidated cash and cash equivalent totaled over ₱965.6 million which was higher than the level of ₱946.8 million as of December 31, 2014 due to inflow of dividend, rental and interest income. The Registrant and its subsidiary is planning to undertake development of MCHC's land in Fort Bonifacio into an income producing building as well as to acquire income producing properties as well as additional land for development. The Registrant and its subsidiary are debt free with total consolidated liabilities of ₱32.8 million compared to total equity of ₱1.8 billion as of the end of 2015.

The Registrant and its subsidiary and affiliates are substantially debt free except for MUDC which has loans and advances from its principal shareholders. The Registrant and its subsidiaries have more than enough cash resources to meet any expected requirements in the next twelve months. Consolidated cash and cash equivalents at the end of 2015 totalled ₱965.6 million compared to ₱946.8 million at the end of 2014 while total current assets totalled ₱1.1 billion at year-end 2015 the same level as at year-end 2014. Other than the normal fluctuation of the Peso exchange rate as well as the effect of the normal market fluctuations on the value of stock and bond holdings owned by the Registrant and its subsidiary, the Registrant is not aware of any trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in its liquidity increasing or decreasing in any material way. Likewise, the Registrant does not know of any trends, events or uncertainties that have or that are reasonably expected to have a material favorable or unfavorable impact on the revenues or income from continuing operations.

Top Five (5) Key Performance Indicators

The top five (5) performance indicators for the Registrant are as follows:

(1) Revenue Generation
(2) Change in net income
(3) Earnings per share
(4) Current ratio
(5) Book value per share

Revenue Generation. Revenue in the last three fiscal years are summarized below along with vertical percentage analysis:

(₱000)	YEAR 2015	PER-CENTAGE	YEAR 2014	PER-CENTAGE	YEAR 2013	PER-CENTAGE
Equity in net earnings of associates	₱ 105,413	57.5%	₱ 72,551	61.6%	₱ 89,756	57.9%
Interest Income	39,171	21.4%	37,720	32.0%	47,162	30.4%
Rent	12,797	7.0%	4,505	3.8%	3,715	2.4%
Dividend Income	1,538	0.8%	2,290	1.9%	768	0.5%
Gain on Disposal of Transport Equipment	-	-	-	-	320	0.2%
Gain on Disposal of AFS, HTM and FVPL Investments	1,526	0.8%	236	0.2%	1,302	0.9%
Net FX Gain	22,825	12.4%	-	-	11,699	7.5%
Others	180	0.1%	565	0.5%	270	0.2%
Total from continuing operation	**₱ 183,450**	**100.0%**	**₱ 117,867**	**100.0%**	**₱ 154,992**	**100.0%**

Because it is a holding company, the Registrant derives a large part of its revenue from its equity in net earnings of associates which in 2015 accounted for over 57% of consolidated total revenues from continuing operations. The Registrant's outsourcing affiliates have been increasing their earnings in the last few years. 2014 saw a drop in earnings of the outsourcing affiliates as BPOI lost a major account and Pointwest experienced lower margin on some new accounts. However, revenue and earnings recovered sharply in 2015 leading to record revenues and profits at Pointwest and a respectable growth at BPOI. As a result, the Registrant's share in their net earnings increased to ₱105.4 million in 2015 from ₱72.6 million in 2014. Interest income also increased slightly in 2015 to ₱39.1 million from ₱37.7 million in 2014 due to stabilizing rates of interest in the capital markets. In addition, net Fx gain was ₱22.8 million in 2015 as the strong dollar benefitted the foreign exchange denominated bonds and stock portfolio of the Registrant and its subsidiaries. In the future, we would expect rental income to gradually increase as the Registrant and its subsidiary increases its portfolio of income producing properties by developing its land in Fort Bonifacio into an income producing building and by acquiring additional income producing properties. Rental income in 2015 has exceeded ₱12.8 million from ₱4.5 million in 2014 due to acquisition of additional income producing property.

Change in net income. The summary income statement for the last three fiscal years are shown below with vertical percentage analysis.

(000)	YEARS ENDED DECEMBER 31					
	2015	PERCENTAGE	2014	PERCENTAGE	2013	PERCENTAGE
Revenue	₱ 183,450	100%	₱ 117,867	100%	₱ 154,992	100.0%
Expenses	35,273	19.2%	33,996	28.8%	24,693	15.9%
Net Income Before Tax	148,178	80.8%	83,871	71.2%	130,299	84.1%
Tax	(8,536)	4.7%	(5,116)	4.3%	(10,155)	6.6%
Net Income After Tax	139,641	76.1%	78,754	66.8%	120,144	77.5%
Total Net Income	**₱ 139,641**	**76.1%**	**₱ 78,754**	**66.8%**	**₱ 120,144**	**77.5%**
Attributable to Stockholders of Registrant	138,463	75.5%	77,290	65.6%	116,866	75.4%
Non-Controlling Interest	1,178	0.6%	1,464	1.2%	3,278	2.1%

As the above shows, net income improved by 77% to ₱139.6 million in 2015 from ₱78.8 million in 2014. The increase in net income was mainly due to sharply higher equity in net earnings of associates, substantial net fx gain and higher rental income. The net income in 2015 attributable to stockholders of the Registrant was ₱138.5 million while ₱1.2 million was attributable to non-controlling interests, namely minority shareholders of Magellan Capital Holdings Corporation. The net income attributable to stockholders of the Registrant in 2014 was ₱77.3 million while ₱1.5 million was attributable to non-controlling interests.

Earnings per share. The earnings per share in 2015 amounted to ₱0.36 per share compared to earnings per share from continuing operations of ₱0.20 in 2014 and ₱0.30 in 2013 earnings per share increased by 79% in 2015. The earnings per share are adjusted to reflect the shares held by the Registrant's subsidiaries which are classified as treasury shares in the Consolidated Financial Statements.

Current-Ratio. Current Ratio (current assets divided by current liabilities) which measures the liquidity position of the Registrant was 70 x at December 31, 2015 compared to 54 x at the end of 2014. The Registrant's liquidity position is very strong and gives it substantial resources to pursue its projects.

Book value per share. The Registrant's book value per share (excluding treasury shares owned by subsidiaries of the Registrant) was ₱4.60 per share at the end of 2015 from ₱4.38 at year-end 2014 and ₱4.34 at year-end 2013.

OPERATIONS AND FINANCIAL CONDITION FOR THE LAST THREE (3) FISCAL YEARS

The following is a detailed discussion of the Registrant's operations and financial condition for the past three (3) fiscal years.

Exhibit "2" shows the audited consolidated balance sheet as of December 31, 2015 and December 31, 2014 and audited consolidated income statements for the years 2015, 2014 and 2013. The accounts are discussed below in more detail.

OPERATING RESULTS

Revenues. In the year ended 31 December 2015, total consolidated revenues totalled ₱183.5 million compared to ₱117.9 million in 2014 and ₱155 million in 2013. The reasons for the change have been discussed in the revenue generation section earlier in Item 6 of this Report.

Expenses. Total consolidated operating expenses increased to ₱35.3 million in 2015 from the ₱34 million in 2014 due to the reasons discussed earlier in this report.

Net Income Before Tax. As a result of the movement in revenues and expenses discussed in the preceding sections, net income before tax totalled ₱148.2 million in 2015 compared to ₱83.9 million in 2014 and ₱130.3 million in 2013.

Provision For Income Tax. In 2015, there was a provision for income tax of ₱8.5 million compared to ₱5.1 million in 2014 and ₱10.2 million in 2013.

Net Income After Tax. As a result of the provision for income tax discussed above, the Registrant had a consolidated net income after tax of ₱139.6 million in 2015, an increase of 77% over the net income after tax of ₱78.8 million in 2014. Net income after tax in 2013 was ₱120.1 million.

BALANCE SHEET ACCOUNTS

The following comparative financial analysis is based on audited consolidated balance sheets as of December 31, 2015 and December 31, 2014 shown in Exhibit "2". Exhibit "4" shows the vertical percentage analysis of balance sheet accounts as of December 31, 2015 and December 31, 2014. The movements in the various accounts are discussed below:

ASSETS

Current Assets. Total current assets at year-end 2015 totalled ₱1,092 million compared to ₱1,096 million at year-end 2014. Cash and cash equivalents increased to ₱966 million at year end 2015 from ₱947 million at year end 2014. Financial assets at Fair Value through Profit or Loss (FVPL) totalled ₱62.4 million at year-end 2015 from ₱65.6 million at year-end 2014. Current receivables from related parties also decreased to ₱23.5 million at year-end 2015 from ₱53.9 million at year-end 2014 due mainly to collection of dividend receivables from Pointwest Technologies Corporation and Business Process Outsourcing International, Inc. Current portion of AFS Investments totaled ₱4.9 million at year-end 2015 from ₱9.0 million at year end 2014. Prepayments and other assets increased to ₱27.1 million at year-end 2015 from ₱16.6 million at year-end 2014.

Non-Current Assets. Total non-current assets at year-end 2015 totalled ₱780.5 million versus ₱691.8 million at year-end 2014. Most of the increase was due to increase in investment in associates from ₱149.1 million at year end 2014 to ₱202.4 million at year end 2015 due to higher equity in net earnings of associates and increase in AFS Financial assets which increased due to net Fx gain and net unrealized gain on AFS assets.

Total Assets. As a result of the movement in the accounts described above, total consolidated assets of the Registrant at year-end 2015 totalled ₱1,872 million compared to ₱1,778 million at year-end 2014.

LIABILITIES AND EQUITY

Current Liabilities. Current liabilities decreased to ₱15.6 million at year-end 2015 from ₱20.4 million at year-end 2015 mainly due to decrease in accounts payable and accrued expenses to ₱4.0 million at year end 2015 from ₱10.7 million at year end 2014.

Non-Current Liabilities. Non-current liabilities increased to ₱17.2 million at year-end 2015 from ₱9.7 million at year-end 2014 due mainly to increase in deferred income tax liability.

Stockholder's Equity. Total Stockholder's Equity Attributable to Equity Holders of the Registrant increased to ₱1,766.9 million at year-end 2015 from ₱1,688.7 million at year end 2014. This was due mainly to the net comprehensive income in 2015 attributable to equity holders of the Registrant of ₱155.9 million but reduced by dividends paid out during the year. Equity attributable to minority shareholders of MCHC totalled ₱72.8 million at year end 2015 compared to ₱69.4 million at year-end 2014 due to the share of minority shareholders of MCHC in the comprehensive net income of ₱3.4 million. As a result, total stockholders equity at year-end 2015 stood at ₱1,839.7 million compared to ₱1,758.1 million at year-end 2014.

(i) Any known trends or any known demands, commitments, events or uncertainties

The Registrant and its subsidiary and affiliates are now substantially debt-free, except for MUDC, which has loans and advances from its principal shareholders. The Registrant and its subsidiaries have more than enough cash resources to meet any expected requirements during the next twelve (12) months. Consolidated cash and cash equivalents totalled ₱965.6 million at year end 2015 compared to ₱946.8 million at year end 2014. Other than the normal fluctuations of the Philippine Peso to the U.S. Dollar, the Registrant is unaware of any trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in its liquidity increasing or decreasing in any material way. Likewise, the Registrant does not know of any trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the revenues or income from continuing operations.

(ii) Any events that will trigger direct or contingent financial obligation

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.

(iii) All material off-balance sheet transactions, arrangements, obligations

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.

(iv) There are no material commitments for capital expenditures, by the Company or its majority owned subsidiary.

(v) There are no trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable impact on net revenues/income from continuing operations except for possible unrealized or realized foreign exchange gains from the dollar denominated investments of the Company and its majority owned subsidiary. These are generally recognized in the year-end Audited Financial Statements except for realized foreign exchange gain which are reported in the period realized.

(vi) The Company did not realize any non-operating income in the first quarter of 2016 or in the first quarter of 2015 aside from unrealized gains on trading securities and gains on disposal of AFS/HTM investments.

FIRST QUARTER 2016 REPORT

The following is a detailed discussion of the Registrant's operations and financial condition during the first quarter of 2016 and first quarter of 2015.

Operating Results

Breakdown of Revenue for the Three Month Periods Ending March 31, 2016 and March 31, 2015 with Vertical and Horizontal Percentage Analysis:

(P000)	FIRST QUARTER MARCH 31, 2016	VERTICAL PERCENTAGE ANALYSIS MARCH 31, 2016	FIRST QUARTER MARCH 31, 2016	VERTICAL PERCENTAGE ANALYSIS MARCH 31, 2016	INCREASE (DECREASE) AMOUNT MARCH 31, 2016	INCREASE (DECREASE) PERCENTAGE MARCH 31, 2016
INTEREST INCOME						
From Banks	₱ 3,025	24.5%	₱ 1,496	9.7%	₱ 1,529	102%
From Securities	5,325	43.1%	5,583	36.4%	258	(4.6%)
TOTAL	**8,350**	**67.6%**	**7,079**	**46.1%**	**1,271**	**18.0%**
Dividend Income	31	0.3%	14	0.1%	17	121%
Rent Income	3,385	27.4%	3,352	21.8%	33	1%
Unrealized Gain on Trading Securities	287	2.3%	2,845	18.5%	(2,558)	(90%)
Gains on Disposal of AFS/HTM	-		2,052	13.4%	(2,052)	(100%)
Net Unrealized FX Gain	222	1.8%	-		222	-
Other Income	85	0.6%	-	-	85	-
TOTAL	**₱ 12,362**	**100%**	**₱ 15,346**	**100%**	**₱ (2,984)**	**(19.4%)**

Revenues. Consolidated Revenues, during the 3 month period ended March 31, 2016, totaled ₱12.4 million compared to the ₱15.3 million during the same 3 month period in 2015 or a decrease of 19%. The lower revenue was mainly due to lower unrealized gain on trading securities which dropped from ₱2.8 million in the First Quarter of 2015 to ₱0.3 million in the First Quarter of 2016. In addition, there was no gain on disposal of AFS/HTM investment in the First Quarter of 2016 compared to a ₱2.1 million gain in the First Quarter of 2015. This was partly offset by higher interest income which increased from ₱ 7.1 million in the First Quarter of 2015 to ₱ 8.4 million in the First Quarter of 2016.

Expenses. Consolidated General and Administrative Expenses in the first quarter of 2016 totaled ₱6.1 million which was lower than the ₱6.9 million in the first quarter of 2015. Lower net fx loss accounted for most of the decrease.

Operating Income. As a result of the factors discussed above, consolidated operating income in first quarter 2015 totaled ₱ 6.2 million compared to ₱8.4million net income in the same period of 2015.

Net Income. Net income totaled ₱6.2 million during the first quarter of 2016 compared to net income of ₱8.4million in the first quarter of 2015. The net income in the first quarter of 2016 attributable to shareholders of the Company totaled ₱5.9 million while ₱325,800 in net income was attributable to minority shareholders in the company's majority owned subsidiary Magellan Capital Holdings Corporation. In the first quarter of 2015, ₱8.0 million net income was attributable to shareholders of the company and ₱368,076 attributable to minority shareholders in the Registrant's subsidiary.

BALANCE SHEET ACCOUNTS

Annex "F" shows the Vertical and Horizontal Percentage Analysis of Balance Sheet Account for March 31, 2016 compared to December 31, 2015.

ASSETS

Current Assets. Consolidated current assets as of March 31, 2016 totaled ₱1,103.9 million compared to ₱1,091.9 million as of December 31, 2015. Most of the increase was due to increase in financial assets at fair value.

Receivables from Related Parties. This account was nil at March 31, 2016, the same level as at year-end 2015.

Investments in Associates. This account which consists of investment in Pointwest Technologies Corporation and BPO International, Inc. remained unchanged from year-end 2015 to March 31, 2016 at ₱202.4 million as equity in net earnings of associates are taken up at year-end.

Available for Sale Investments. This account which consists mostly of corporate bonds decreased to ₱397.3 million as of March 31, 2016 from ₱401.2 million at year-end 2015.

Property And Equipment. This account totaled ₱17.3 million as of March 31, 2016 compared to ₱12.0 million as of December 31, 2015 due to investment in a condominium unit.

Investment in Property. This Account decreased slightly to ₱131.4 million as of March 31, 2016 from ₱132.4 million due to depreciation allowance taken in the first quarter of 2016.

Other Non-Current Assets. This account totaled ₱26.6 million as of March 31, 2016 from ₱ 32.4 at year-end 2015.

Total Assets. As a result of the foregoing, total assets increased slightly to ₱1,878.9 million as of March 31, 2016 from ₱1,872.4 million as of December 31, 2015.

LIABILITIES AND EQUITY

Current Liabilities. Current liabilities was at ₱15.4 million as of March 31, 2016 compared to ₱15.6 million at year-end 2015 due to lower withholding tax payable.

Non-Current Liabilities. Non-current liabilities which consists mostly of retirement benefits obligation was stable at ₱17.2 million as of March 31, 2016, the same level as at year-end 2015. The accrual of additional retirement benefit obligation is taken up at year-end based on actuarial studies commissioned at that time.

Stockholder's Equity. Total stockholder's equity increased to ₱1,846.4 million as of March 31, 2016 from ₱1,839.7 million at year-end 2015 due to the comprehensive net income of ₱6.7 million generated in the first quarter of 2016. Total equity attributable to stockholders of the company totaled ₱1,773.2 million at March 31, 2016 from ₱1,766.7 million at December 31, 2015 due to the comprehensive income ₱6.4 million attributable to stockholders of the company. Minority interest which represents the share of minority shareholders of Magellan Capital Holdings Corporation was ₱73.1 million at March 31, 2016 compared to ₱72.8 million at December 31, 2015 due to their share of comprehensive income generated in the first quarter of 2016 of ₱0.3 million.

INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

External Audit Fees and Services

a) *Audit and Audit- Related Fees for the Last Three Fiscal Years*

	2013	2014	2015
Registrant	₱ 211,000	₱ 221,500	₱ 232,500
MCHC	325,000	341,250	358,500
Subsidiaries of MCHC	42,961	41,009	45,930
MUDC	24,013	19,149	19,144

b) *Tax Fees*: None
c) *All Other Fees*: None
d) Audit Committee has approved the audit fees

Prior to the commencement of audit work, the external auditors, present their program and schedule to the company's Audit Committee. The company's audited financial statements for the year are presented by the external auditors to the Audit Committee for committee approval and endorsement to the full Board for final approval. Upon the recommendation of the Audit Committee, the Board approved the audit fees and nomination of SGV & Co as external auditor for the year 2015.

Financial Statements

The Statement of Management's Responsibility along with Audited Consolidated Financial Statements as of December 31, 2015 are shown in this report.

Changes in and Disagreements with Accountants on Accountings and Financial Disclosure

The Corporation has continuously engaged the services of SGV & Co. as the Corporation's External Auditor. There has been no change in and disagreements with SGV & Co., on its accounting and financial disclosure since their appointment in 1997.

Attendance of Accountants in the meeting

Representatives of the Corporation's External Auditor, SGV & Co., are expected to be present at the Annual Stockholders' Meeting on July 28, 2016. Said accountants will be given the opportunity to make a statement if they desire to do so and will be available to respond to relevant questions on the financial statements.

Dividends

Dividends of ₱0.20 per share were declared and paid in 2015. Dividends of ₱0.20 per share were paid in 2014.

Under the Registrant's By-laws, there are no restrictions in the declaration of dividends other than what is prescribed in the Corporation Code, namely that these shall be declared only from surplus profit and no stock dividend shall be issued without the approval of stockholders representing not less than two-thirds of all stock outstanding and entitled to vote at a general or special meeting called for the purpose. The amount of unrestricted retained earnings available for distribution as of December 31, 2015 was ₱308,233,826.00.

TOP 20 STOCKHOLDERS OF THE REGISTRANT

The top twenty (20) stockholders of the common equity of the Registrant as of **June 3, 2016** are as follows:

	NAME OF STOCKHOLDERS	NUMBER OF SHARES			PER-CENTAGE
		CLASS A	CLASS B	TOTAL	
1	Essential Holdings Limited	-	139,778,670	139,778,670	29.01%
2	PCD Nominee Corporation	73,681,590	-	73,681,590	15.29%
3	Pinamucan Industrial Estates, Inc.	12,043,426	37,747,379	49,790,805	10.33%
4	Magellan Capital Holdings Corporation	47,844,022	-	47,844,022	9.93%
5	Consolidated Tobacco Industries of the Phils., Inc.	43,052,023	-	43,052,023	8.93%
6	Vructi Holdings Corporation	34,633,628	-	34,633,628	7.19%
7	Center Industrial and Investment, Inc.	23,991,000	-	23,991,000	4.98%
8	Robert Y. Cokeng	15,713,072	-	15,713,072	3.26%
9	Johnson Tan Gui Yee	15,371,747	-	15,371,747	3.19%
10	Victorian Development Corporation	12,085,427	-	12,085,427	2.51%
11	PCD Nominee Corporation (F)	10,808,581	-	10,808,581	2.24%
12	Brixton Investment Corporation	2,818,000	-	2,815,000	0.58%
13	Francisco Y. Cokeng, Jr.	2,160,000	-	2,160,000	0.45%
14	Johnson U. Co	1,100,000	-	1,100,000	0.23%
15	Homer U. Cokeng, Jr.	1,020,000	80,000	1,100,000	0.23%
16	Betty C. Dy	1,100,000	-	1,100,000	0.23%
17	Rosalinda C. Tang	1,080,000	-	1,080,000	0.22%
18	Olivia Chua Ng	950,000	-	950,000	0.20%
19	Metro Agro Industrial Supply Corporation	523,833	270,144	793,977	0.16%
20	Criscini Reyes	400,000	-	400,000	0.08%

Percentage based on the Total Issued and Outstanding Shares of 481,827,653.

Recent sales of unregistered or exempt securities, including recent issuance of securities constituting an exempt transaction

The Registrant has not sold any securities within the past three (3) years, which were not registered under the Securities Regulation Code, including sales of reacquired, as well as new issues, securities issued in exchange for property, services, or other securities and new securities resulting from the modification of outstanding securities.

Warrants

There are no warrants or options outstanding as of the end of December, 2015 and up to the present.

DISCUSSION ON COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

In Compliance with SEC Memorandum Circular No. 2, dated April 05, 2002, the Company submitted its Manual on Corporate Governance on August 29, 2002 as approved by its Board of Directors in a meeting held on August 14, 2002, which basically adopted the SEC's Model Manual. Since the Manual's effectivity on January 01, 2003, the Company's Board of Directors and Management has been complying with the principles laid down by the Code of Corporate Governance through the mechanisms which have been institutionalized in the Manual and so far as may be relevant and appropriate to the Company's business as a holding company.

The Company continues to adopt measures to ensure compliance with the leading practices on good corporate governance through, among others, the nomination and election of two independent directors, the constitution of the different committees required by the Code such as the Nominations Committee, the Audit Committee, the Compensation and Remuneration Committee, all of which have been performing their functions as laid down in the Manual.

During a meeting held on March 29, 2004 the company's Board of Directors approved the adoption as part of the Manual, Sec. 4.2 of the PSE's Revised Disclosure Rules, which is in consonance with Chapter VII of the Securities Regulation Code.

Since its effective date, there has been no deviation from the Company's Manual of Corporate Governance. No member of the Company's Board of Directors or its officers and personnel has done or caused to be done any act in violation of the principles laid down in the said Manual.

The Company continues to adhere to the principles and policies of its Manual with the view to continually improve the company's corporate governance.

On February 11, 2008, the Board of Directors of the Company attended and completed the Seminar on Corporate Governance given by the UP Law Center, as required by the Rules. The company continues to comply with the appropriate performance self-rating assessment and performance evaluation system in compliance with pertinent SEC regulations.

On February 22, 2011, the Company submitted its Revised Manual on Corporate Governance pursuant to SEC Memorandum Circular No. 6, Series of 2009.

In compliance with pertinent Rules, the Corporate Secretary of the Company attended various seminars on the Corporate Governance – the Asean Scorecard Information Briefing held on various dates, the last one being held last March 26, 2013 at the Institute of Corporate Directors.

On May 30, 2013, the Company submitted its Annual Corporate Governance Report pursuant to SEC Circular No. 5, Series of 2013.

On October 20, 2014, the Company's President and Corporate Secretary attended the SEC-PSE Corporate Governance Forum at the Makati Shangri-la Hotel.

On April 23, 2015, the Company's representatives attended the SEC Corporate Governance Workshop on the Asean Corporation Governance Scorecard at the Crowne Plaza Manila in Ortigas.

On December 9, 2015, the members of the Board of Directors and the Corporate Secretary attended the Advance Corporate Governance Seminar held at the New World Hotel, Esperanza Street corner Makati Avenue, Ayala Center, Makati City

On April 22, 2016, The Company's Corporate Secretary attended the Business Integrity Workshop of the Institute of Corporate Directors on "Compliance with US FCPA and the UK Bribery Act" at the Makati Diamond Residences.

Evaluation System

The Company continues to adhere to the principles and policies of its Manual with the view to continually improve the company's corporate governance. It has adopted as a guideline the SEC's Corporate Governance Self-Rating Form (CG-SRF) in order to determine the Company's compliance with the leading practices on Corporate Governance.

Plan to Improve

The Company continues to take efforts to be abreast with development and trends on Corporate Governance as the same may emerge.

BOARD OF DIRECTORS AND MANAGEMENT

DIRECTORS

Robert Y. Cokeng
Chairman

Francisco Y. Cokeng, Jr.
Vice-Chairman

Emeterio L. Barcelon, S.J.

Francis L. Chua

Johnson U. Co

Johnny O. Cobankiat

Mark Ryan K. Cokeng

Mary K. Cokeng

Johnson Tan Gui Yee

Rufino B. Tiangco

Robert Y. Ynson

MANAGEMENT

ROBERT Y. COKENG
Chairman of the Board

ROBERT Y. COKENG
President

EMETERIO L. BARCELON, S.J.
Senior Vice-President

JOHNSON U. CO
Vice-President for Administration

MARK RYAN K. COKENG
Treasurer and
Chief Financial Officer

ATTY. FINA C. TANTUICO
Corporate Secretary

DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

DIRECTORS AND EXECUTIVE OFFICERS

The following are the directors and executive officers of the Registrant, with the past and present positions held by them in the Registrant's subsidiaries and other companies for the past five (5) years:

ROBERT Y. COKENG, 64 years old, Filipino citizen.
Chairman, President & Chief Executive Officer

Re-elected on 28 July 2015 for a one-year term. Director and Officer since 1996.

President & Chief Executive Officer, Magellan Capital Holdings Corporation, Magellan Utilities Development Corporation, Pinamucan Power Corporation, Malabrigo Corporation, Consolidated Tobacco Industries of the Philippines, Inc. and Center Industrial and Investment, Inc.; *Director*, Alcorn Gold Resources Corporation (PSE listed company); Chairman, Pinamucan Industrial Estates, Inc.; *Managing Director*, Essential Holdings Ltd.; *Vice-Chairman*, Pointwest Technologies Corporation and Pointwest Innovations Corporation*; Director and Chairman of the Executive Committee*, Business Process Outsourcing International, Inc.; *Chairman*, Ipads Developers, Inc.

FRANCISCO Y. COKENG, JR., 62 years old, Filipino citizen.
Vice-Chairman and Director

Re-elected on 28 July 2015 to a one-year term. Director since 1996.
Also director from 1980-1991.

Director, Consolidated Tobacco Industries of the Philippines, Inc., Magellan Capital Holdings Corporation; *Chairman*, Sunflare Horizon International, Inc.

EMETERIO L. BARCELON, S.J., 88 years old, Filipino citizen.
Senior Vice-President and Director

Re-elected on 28 July 2015 for a one-year term. Director since 1980.

Former Director, Oriental Petroleum and Minerals Corporation; *Former President,* Ateneo de Davao; *Vice-President*, Xavier University; *Former Professor*, Asian Institute of Management; *Columnist*, Manila Bulletin; *Director*, Magellan Capital Holdings Corporation.

JOHNSON U. CO, 63 years old, Filipino citizen.
Vice-President for Administration

Re-elected on 28 July 2015 for a one-year term. Director and Treasurer since 1996.

President, Pinamucan Industrial Estates, Inc., Sunflare Horizon International, Inc.; *Vice-President for Administration and Director*, Magellan Capital Holdings Corporation; *Treasurer*, Magellan Utilities Development Corporation and Malabrigo Corporation; *Director*, Pinamucan Power Corporation; *Vice Chairman*, Consolidated Tobacco Industries of the Philippines, Inc.

MARK RYAN K. COKENG, 30 years old, Filipino citizen.
Treasurer and Director

Re-elected on 28 July 2015 to a one-year term.

Treasurer and Director, Magellan Capital Holdings Corporation; *Director and Treasurer*, Magellan Capital Corporation; *Director*, IPADS Developers, Inc.; *Director*, Pointwest Technologies Corporation, *Director*, Pointwest Innovations Corporation, *Director and Treasurer,* Business Process Outsourcing International, Inc. Bachelor of Arts in Economics and Statistics, Boston University.

MARY K. COKENG, 63 years old, Filipino citizen.
Director

Re-elected on 28 July 2015 to a one-year term. Director since 2008.

Director, Essential Holdings, Limited, *Director*, Magellan Capital Holdings Corporation.

JOHNNY O. COBANKIAT, 64 years old, Filipino citizen.
Director

Re-elected on 28 July 2015 to a one-year term. Director since 2008.

President, Ace Hardware Phils., Cobankiat Hardware, Inc. and Milwaukee Builders Center, Inc.; *Executive Vice President*, Hardware Workshop; *Vice Chairman*, R. Nubla Securities; *Director*, Shang Properties, Inc. (PSE-listed Company).

FRANCIS LEE CHUA, 64 years old, Filipino citizen.
Director

Re-elected 28 July on 2015 for a one-year term. Director since 2001.

General Manager, Sunny Multi Products and Land Management Inc., Midori Carpet; *Corporate Secretary*, Sunflare Horizon International, Inc.

JOHNSON TAN GUI YEE, 69 years old, Filipino citizen.
Director

Re-elected on 28 July 2015 to a one-year term. Director since 1997.

Chairman, Armak Tape Corporation; *President & Chief Executive Officer*, Armak Holdings and Development, Inc.; *President*, Yarnton Traders Corporation; *Director*, Magellan Capital Holdings Corporation.

RUFINO B. TIANGCO, 66 years old, Filipino citizen.
Director

Re-elected on 28 July 2015 to a one-year term. Director since 1997.

Chairman of the Board, R.A.V. Fishing Corporation, Marala Vitas Central Terminal & Shipyard Corp.; *President*, Vructi Holdings Corporation; Trufsons Holdings Corporation, Ruvict Holdings Corporation; *Director*, Magellan Capital Holdings Corporation and Magellan Utilities Development Corporation.

ROBERT Y. YNSON, 68 years old, Filipino citizen.
Director

Re-elected on 28 July 2015 to a one-year term. Director since 1997.

President, Phesco, Incorporated, INA VEIT Systems Technologies, Inc., Hooverdale Industrial Corporation; *Chairman of the Board*, Super Industrial Corporation; *Director*, Philippine Japan Economic Cooperation Committee.

FINA C. TANTUICO, 54 years old, Filipino citizen.
Corporate Secretary

Re-elected on 28 July 2015 to a one-year term.

Legal Counsel and Corporate Secretary, F & J Prince Holdings Corporation and its subsidiaries and affiliates (2002 up to the present); Magellan Capital Holdings Corporation and its subsidiaries, Magellan Utilities Development Corporation, Pointwest Technologies Corporation, Pointwest Innovations Corporation, Pinamucan Industrial Estates Inc; *Corporate Secretary*, Philippine Telegraph & Telephone Co. (PT&T), Capitol Wireless Inc. (Capwire), Philippine Wireless Inc. (Pocketbell), Republic Telecommunications Company (Retelcom), U.P. Law Alumni Foundation Inc. (UPLAF), *Former Assistant Vice-President and Corporate Secretary,* United Overseas Bank Philippines (2000-2001).

Term of Office. The directors of the Registrant were elected during the annual stockholders' meeting held on 28 July 2015. The directors have a one (1) year term of office.

The Independent Directors. The independent directors of the Registrant are Robert Y. Ynson and Francis L. Chua.

(2) SIGNIFICANT EMPLOYEES

There are no other persons other than the Registrant's executive officers who are expected to make a significant contribution to its business.

(3) FAMILY RELATIONSHIPS

Messrs. Robert Y. Cokeng and Francisco Y. Cokeng, Jr. are brothers. They are first cousins of Johnson U. Co. Mary K. Cokeng is the spouse of Robert Y. Cokeng. Mark Ryan K. Cokeng is the son of Robert and Mary Cokeng.

EXHIBIT "1"

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **F& J Prince Holdings Corporation and its subsidiaries** is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2015 and 2014, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of 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 or Trustees reviews and approves the financial statements and submits the same to the stockholders or members.

Sycip, Gorres, Velayo and Company, the independent auditors appointed by the stockholders, has examined the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such examination.

Signed under oath by the following:

Robert Y. Cokeng
President/ CEO/ Chairman

Mark Ryan K. Cokeng
Treasurer/Chief Financial Officer

SUBSCRIBED AND SWORN to before me this APR 13 2016 day of ________,2016, affiants exhibiting to me their Community Tax Certificates, as follows:

Names	Community Tax Cert. No.	Date of Issue	Place of Issue
Robert Y. Cokeng	05083321	12 January, 2016	Makati City
Mark Ryan K. Cokeng	05083322	12 January, 2016	Makati City

NOTARY PUBLIC
ATTY HENRY D. ADASA
NOTARY PUBLIC - CITY OF MANILA
UNTIL DEC. 31. 2016
S.C. ROLL NO. 29679
1852 SAN MARCELINO ST. MALATE MLA.
IBP NO. 939545 01/04/2016 Z.N.
PTR NO. 4915147 01/04/2016 MLA.
MCLE COMPLIANCE NO. III-0023245

Doc.No. 399 ;
Page No. 61 ;
Book No. XXXII ;
Series of 2016

F & J Prince Holdings Corporation

Audited
Financial Statements
as of
December 31, 2015

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
F & J Prince Holdings Corporation
5th Floor, Citibank Center
8741 Paseo de Roxas
Makati City

We have audited the accompanying consolidated financial statements of F & J Prince Holdings Corporation and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, and the consolidated statements of income, 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 F & J Prince Holdings Corporation and its subsidiaries as at December 31, 2015 and 2014, and its financial performance and 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.

Jhoanna Feliza C. Go

Jhoanna Feliza C. Go
Partner
CPA Certificate No. 0114122
SEC Accreditation No. 1414-A (Group A),
April 8, 2014, valid until April 7, 2017
Tax Identification No. 219-674-288
BIR Accreditation No. 08-001988-103-2014,
March 10, 2014, valid until March 9, 2017
PTR No. 5321642, January 4, 2016, Makati City

April 11, 2016

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	₱965,633,140	₱946,841,757
Financial assets at fair value through profit or loss (FVPL) [Note 6]	62,352,318	65,604,929
Receivables (Note 7)	8,397,430	4,390,561
Receivables from related parties (Note 18)	23,513,795	53,868,614
Current portion of available-for-sale (AFS) financial assets (Note 9)	4,902,099	8,978,882
Prepayments and other current assets	27,097,708	16,643,654
Total Current Assets	1,091,896,490	1,096,328,397
Noncurrent Assets		
Receivables from related parties (Note 18)	–	1,884,564
AFS financial assets - net of current portion (Note 9)	401,236,077	363,443,262
Investments in associates (Note 8)	202,417,747	149,116,248
Property and equipment (Note 11)	12,027,977	13,875,919
Investment properties (Note 12)	132,430,015	136,677,566
Other noncurrent assets (Note 13)	32,426,972	26,806,842
Total Noncurrent Assets	780,538,788	691,804,401
TOTAL ASSETS	₱1,872,435,278	₱1,788,132,798
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Note 14)	₱3,955,401	₱10,710,792
Dividends payable (Note 17)	3,418,416	2,524,522
Income tax payable	3,191,511	2,153,252
Provision for legal obligation (Note 21)	5,000,000	5,000,000
Total Current Liabilities	15,565,328	20,388,566
Noncurrent Liability		
Retirement benefit obligation (Note 15)	10,918,293	9,679,932
Deferred income tax liability (Note 16)	6,296,804	–
Total Noncurrent Liabilities	17,215,097	9,679,932
Total Liabilities	32,780,425	30,068,498
Equity		
Common stock (Note 17)	481,827,653	481,827,653
Additional paid-in capital	144,759,977	144,759,977
Treasury shares (Note 17)	(99,669,477)	(98,942,697)
Net unrealized valuation gains on AFS financial assets (Note 9)	19,321,108	12,590,012
Actuarial losses on retirement benefit obligation (Note 15)	(2,412,162)	(2,376,318)
Accumulated share in other comprehensive income of associates (Note 8)	(15,961,151)	(26,709,841)
Retained earnings (Note 17)	1,238,994,327	1,177,526,941
Equity Attributable to Equity Holders of the Parent Company	1,766,860,275	1,688,675,727
Non-controlling Interests	72,794,578	69,388,573
Total Equity	1,839,654,853	1,758,064,300
TOTAL LIABILITIES AND EQUITY	₱1,872,435,278	₱1,788,132,798

See accompanying Notes to Consolidated Financial Statements.

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2015	2014	2013
REVENUES AND INCOME			
Equity in net earnings of associates (Note 8)	**₱105,413,232**	₱72,551,106	₱89,756,009
Interest income (Notes 5, 9 and 10)	**39,171,045**	37,719,971	47,161,868
Net foreign exchange gains	**22,825,228**	–	11,699,326
Rent income (Notes 12 and 21)	**12,796,615**	4,505,021	3,714,974
Dividend income (Notes 6 and 9)	**1,538,110**	2,290,430	767,640
Gains on disposal of:			
AFS financial assets (Note 9)	**908,071**	–	1,302,487
Financial assets at FVPL (Note 6)	**617,848**	–	–
HTM investments (Note 10)	–	235,949	–
Property and equipment (Note 11)	–	–	320,000
Others	**180,027**	564,518	270,034
	183,450,176	117,866,995	154,992,338
EXPENSES			
Personnel expenses:			
Salaries and wages	**9,790,664**	9,819,912	8,998,307
Retirement benefits (Note 15)	**1,157,197**	1,103,105	1,512,887
Other employee benefits	**1,776,010**	1,807,045	1,628,883
Depreciation (Notes 11 and 12)	**6,108,081**	3,549,572	2,992,212
Fair value losses on financial assets at FVPL (Note 6)	**5,996,071**	5,534,800	48,360
Professional fees	**2,886,197**	2,976,152	2,851,545
Impairment loss in AFS financial assets recognized in profit or loss (Note 9)	**2,127,676**	–	–
Condominium dues	**1,788,619**	2,241,724	3,586,024
Taxes and licenses	**663,274**	681,952	889,716
Entertainment, amusement and recreation	**603,277**	597,417	438,226
Bank charges	**557,812**	291,315	195,930
Loss on bank foreclosure (Note 13)	**407,475**	–	–
Utilities	**397,636**	454,720	389,170
Net foreign exchange loss	–	2,837,688	–
Loss on disposal of AFS financial assets (Note 9)	–	1,110,399	–
Others	**1,012,557**	990,414	1,161,708
	35,272,546	33,996,215	24,692,968
INCOME BEFORE INCOME TAX	**148,177,630**	83,870,780	130,299,370
PROVISION FOR INCOME TAX (Note 16)			
Current	**6,904,318**	5,116,409	10,155,438
Deferred	**1,632,010**	–	–
	8,536,328	5,116,409	10,155,438
NET INCOME	**₱139,641,302**	₱78,754,371	₱120,143,932
NET INCOME ATTRIBUTABLE TO			
Equity holders of the parent	**₱138,463,644**	₱77,290,274	₱116,865,971
Non-controlling interests	**1,177,658**	1,464,097	3,277,961
	₱139,641,302	₱78,754,371	₱120,143,932
Basic/Diluted Earnings Per Share for Net Income Attributable to Equity Holders of the Parent Company (Note 19)	**₱0.36**	₱0.20	₱0.30

See accompanying Notes to Consolidated Financial Statements.

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2015	2014	2013
NET INCOME	**₱139,641,302**	₱78,754,371	₱120,143,932
OTHER COMPREHENSIVE INCOME			
Items that will be reclassified to profit or loss:			
Net unrealized valuation gains (losses) on AFS financial assets, net tax effect of ₱4,706,254 in 2015 (Notes 9 and 16)	**8,963,303**	29,980,275	(14,977,727)
Items that will not be reclassified to profit or loss:			
Actuarial losses on retirement benefit obligation, net tax effect of ₱41,460 in 2015 (Notes 15 and 16)	**(39,704)**	(433,821)	(280,905)
Share in other comprehensive income of associates (Note 8)	**10,748,690**	(13,538,300)	(2,081,585)
	19,672,289	16,008,154	(17,340,217)
TOTAL COMPREHENSIVE INCOME	**₱159,313,591**	₱94,762,525	₱102,803,715
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO			
Equity holders of the parent	**155,907,586**	91,759,075	99,525,754
Non-controlling interests	**3,406,005**	3,003,450	3,277,961
	₱159,313,591	₱94,762,525	₱102,803,715

See accompanying Notes to Consolidated Financial Statements.

F & J PRINCE 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									
	Common Stock (Note 17)	Additional Paid-in Capital	Treasury Shares (Note 17)	Net Unrealized Valuation Gains (Losses) on AFS Financial Assets (Note 9)	Actuarial Losses on Retirement Benefit Obligation (Note 15)	Share in Other Comprehensive Income of Associates (Note 8)	Retained Earnings (Note 17)	Total	Non-controlling Interests	Total Equity
Balances at January 1, 2013	₱481,827,653	₱144,759,977	(₱96,400,447)	(₱913,522)	(₱1,621,253)	(₱11,089,956)	₱1,156,681,379	₱1,673,243,831	₱74,477,699	₱1,747,721,530
Net income for the year	–	–	–	–	–	–	116,865,971	116,865,971	3,277,961	120,143,932
Other comprehensive income										
Net unrealized valuation losses on changes in fair value of AFS financial assets (Note 9)	–	–	–	(14,977,727)	–	–	–	(14,977,727)	–	(14,977,727)
Actuarial loss on retirement benefit obligation (Note 15)	–	–	–	–	(280,905)	–	–	(280,905)	–	(280,905)
Share in other comprehensive income of associates (Note 8)	–	–	–	–	–	(2,081,585)	–	(2,081,585)	–	(2,081,585)
Total comprehensive income for the year	–	–	–	(14,977,727)	(280,905)	(2,081,585)	116,865,971	99,525,754	3,277,961	102,803,715
Dividends declared - ₱0.20 per share (Note 17)	–	–	–	–	–	–	(96,365,531)	(96,365,531)	–	(96,365,531)
Acquisition of treasury shares (Note 17)	–	–	(2,542,250)	–	–	–	–	(2,542,250)	–	(2,542,250)
Dividends declared by the subsidiary to non-controlling interests	–	–	–	–	–	–	–	–	(6,972,417)	(6,972,417)
Balances at December 31, 2013	₱481,827,653	₱144,759,977	(₱98,942,697)	(₱15,891,249)	(₱1,902,158)	(₱13,171,541)	₱1,177,181,819	₱1,673,861,804	₱70,783,243	₱1,744,645,047

(Forward)

	Attributable to Equity Holders of the Parent Company									
	Common Stock (Note 17)	Additional Paid-in Capital	Treasury Shares (Note 17)	Net Unrealized Valuation Gains (Losses) on AFS Financial Assets (Notes 9)	Actuarial Losses on Retirement Benefit Obligation (Note 15)	Share in Other Comprehensive Income of Associates (Note 8)	Retained Earnings (Note 17)	Total	Non-controlling Interests	Total Equity
Balances at January 1, 2014	₱481,827,653	₱144,759,977	(₱98,942,697)	(₱15,891,249)	(₱1,902,158)	(₱13,171,541)	₱1,177,181,819	₱1,673,861,804	₱70,783,243	₱1,744,645,047
Net income for the year	–	–	–	–	–	–	77,290,274	77,290,274	1,464,097	78,754,371
Other comprehensive income										
Net unrealized valuation gains on changes in fair value of AFS financial assets (Note 9)	–	–	–	28,481,261	–	–	–	28,481,261	1,499,014	29,980,275
Actuarial loss on retirement benefit obligation (Note 15)	–	–	–	–	(474,160)	–	–	(474,160)	40,339	(433,821)
Share in other comprehensive income of associates (Note 8)	–	–	–	–	–	(13,538,300)	–	(13,538,300)	–	(13,538,300)
Total comprehensive income for the year	–	–	–	28,481,261	(474,160)	(13,538,300)	77,290,274	91,759,075	3,003,450	94,762,525
Dividends declared - ₱0.20 per share (Note 17)	–	–	–	–	–	–	(76,945,152)	(76,945,152)	–	(76,945,152)
Dividends declared by the subsidiary to non-controlling interests	–	–	–	–	–	–	–	–	(4,398,120)	(4,398,120)
Balances at December 31, 2014	₱481,827,653	₱144,759,977	(₱98,942,697)	₱12,590,012	(₱2,376,318)	(₱26,709,841)	₱1,177,526,941	₱1,688,675,727	₱69,388,573	₱1,758,064,300

(Forward)

	Attributable to Equity Holders of the Parent Company									
	Common Stock (Note 17)	Additional Paid-in Capital	Treasury Shares (Note 17)	Net Unrealized Valuation Gains on AFS Financial Assets (Note 9)	Actuarial Losses on Retirement Benefit Obligation (Note 15)	Share in Other Comprehensive Income of Associates (Note 8)	Retained Earnings (Note 17)	Total	Non-controlling Interests	Total Equity
Balances at January 1, 2015	₱481,827,653	₱144,759,977	(₱98,942,697)	₱12,590,012	(₱2,376,318)	(₱26,709,841)	₱1,177,526,941	₱1,688,675,727	₱69,388,573	₱1,758,064,300
Net income for the year	–	–	–	–	–	–	138,463,644	138,463,644	1,177,658	139,641,302
Other comprehensive income										
Net unrealized valuation gains on changes in fair value of AFS financial assets (Note 9)	–	–	–	6,731,096	–	–	–	6,731,096	2,232,207	8,963,303
Actuarial loss on retirement benefit obligation (Note 15)	–	–	–	–	(35,844)	–	–	(35,844)	(3,860)	(39,704)
Share in other comprehensive income of associates (Note 8)	–	–	–	–	–	10,748,690	–	10,748,690	–	10,748,690
Total comprehensive income for the year	–	–	–	6,731,096	(35,844)	10,748,690	138,463,644	155,907,586	3,406,005	159,313,591
Dividends declared - ₱0.20 per share (Note 17)	–	–	–	–	–	–	(76,996,258)	(76,996,258)	–	(76,996,258)
Acquisition of treasury shares (Note 17)	–	–	(726,780)	–	–	–	–	(726,780)	–	(726,780)
Balances at December 31, 2015	₱481,827,653	₱144,759,977	(₱99,669,477)	₱19,321,108	(₱2,412,162)	(₱15,961,151)	₱1,238,994,327	₱1,766,860,275	₱72,794,578	₱1,839,654,853

See accompanying Notes to Consolidated Financial Statements

F & J PRINCE 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	**₱148,177,630**	₱83,870,780	₱130,299,370
Adjustments for:			
Equity in net earnings of associates (Note 8)	**(105,413,232)**	(72,551,106)	(89,756,009)
Interest income (Notes 5, 9 and 10)	**(39,171,045)**	(37,719,971)	(47,161,868)
Net unrealized foreign exchange losses (gains)	**(23,362,015)**	(1,870,226)	1,973,170
Dividend income (Notes 6 and 9)	**(1,538,110)**	(2,290,430)	(767,640)
Losses (gains) on disposal of:			
AFS financial assets (Note 9)	**(908,071)**	1,110,399	(1,302,487)
Financial assets at FVPL (Note 6)	**(617,848)**	–	–
HTM investments (Note 10)	**–**	(235,949)	–
Property and equipment (Note 11)	**–**	–	(320,000)
Depreciation (Notes 11 and 12)	**6,108,081**	3,549,572	2,992,212
Fair value losses on financial assets at FVPL (Note 6)	**5,996,071**	5,534,800	48,360
Impairment loss on AFS financial assets (Note 9)	**2,127,676**	–	–
Loss on bank foreclosure (Note 13)	**407,475**	–	–
Operating losses before working capital changes	**(8,193,388)**	(20,602,131)	(3,994,892)
Decrease (increase) in:			
Receivables	**(348,908)**	837,680	684,456
Receivables from related parties	**(36,237)**	(21,250)	1,997,200
Prepayments and other current assets	**(10,454,054)**	(8,006,752)	(3,061,606)
Increase (decrease) in:			
Accounts payable and accrued expenses	**(1,965,051)**	425,372	2,246,890
Retirement benefit obligation (Note 15)	**1,157,197**	1,103,105	1,512,887
Proceeds from disposal of:			
Financial assets at FVPL (Note 6)	**2,497,848**	–	–
AFS financial assets (Note 9)	**65,265,170**	55,736,008	–
HTM investments	**–**	17,992,000	32,692,197
Additions to:			
Financial assets at FVPL (Note 6)	**(4,623,460)**	(8,831,978)	(3,180,000)
AFS financial assets (Note 9)	**(84,646,959)**	(67,457,497)	(46,982,401)
HTM investments	**–**	–	(16,571,100)
Net cash used in operations	**(41,347,842)**	(28,825,443)	(34,656,369)
Dividends received	**102,299,153**	60,915,292	99,772,545
Interest received	**35,856,108**	40,819,972	41,695,059
Income taxes paid	**(5,866,059)**	(8,500,365)	(5,570,866)
Net cash flows from operating activities	**90,941,360**	64,409,456	101,240,369
CASH FLOWS USED IN INVESTING ACTIVITIES			
Increase in other noncurrent assets	**(6,370,629)**	(735,479)	(26,518,709)
Additions to:			
Investments in associate (Note 8)	**(5,625,000)**	(1,875,000)	–
Property and equipment (Note 11)	**(12,588)**	(643,190)	(16,649,984)
Investment properties (Notes 12 and 25)	**(4,790,340)**	(60,038,929)	–
Proceeds from disposal of property and equipment	**–**	–	320,000
Net cash flows used in investing activities	**(16,798,557)**	(63,292,598)	(42,848,693)

(Forward)

	Years Ended December 31		
	2015	2014	2013
CASH FLOWS USED IN FINANCING ACTIVITIES			
Acquisition of treasury shares (Note 17)	**(₱726,780)**	₱–	(₱2,542,250)
Dividends paid	**(76,102,364)**	(76,029,118)	(95,437,013)
Dividends to non-controlling interest	**–**	(4,398,120)	(6,972,417)
Cash flows used in financing activities	**(76,829,144)**	(80,427,238)	(104,951,680)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**21,477,724**	1,377,694	23,790,454
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**18,791,383**	(77,932,686)	(22,769,550)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**946,841,757**	1,024,774,443	1,047,543,993
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 5)	**₱965,633,140**	₱946,841,757	₱1,024,774,443

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

F & J Prince Holdings Corporation (the Parent Company) was registered with the Philippine Securities and Exchange Commission (SEC) on February 18, 1971. Its primary purpose is to purchase, subscribe for or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including, but not limited to, land, building, condominium units, shares of stock, bonds, debentures, notes, evidence of indebtedness and other securities, contracts or obligations of any corporation and associations, domestic or foreign. The Parent Company's shares of stock are listed in and traded through the Philippine Stock Exchange (PSE). The principal activities of its subsidiaries are described in Note 2.

The registered office address of the Parent Company is 5th Floor, Citibank Center Building, 8741 Paseo de Roxas corner Villar Street, Salcedo Village, Makati City.

The consolidated financial statements of the Parent Company and its subsidiaries (collectively referred to as the "Group") were authorized for issue by the Board of Directors (BOD) on April 11, 2016.

2. Basis of Preparation, Statement of Compliance and Basis of Consolidation

Basis of Preparation
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

The consolidated financial statements have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss (FVPL) and certain available for sale (AFS) financial assets that have been measured at fair value (see Notes 6 and 9). The consolidated financial statements are presented in Philippine peso (₱), which is the Parent Company and its subsidiaries' functional currency, and rounded off to the nearest peso, except when otherwise indicated.

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015. Control is achieved when the Group has power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee), 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.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group 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; and
- The Group's voting rights and potential voting rights

The Group 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 a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Transactions involving non-controlling interest in a subsidiary without change of control are accounted for as equity transactions. Any excess or deficit of consideration paid over the carrying amount of non-controlling interest acquired is recognized in equity of the Group.

Details on the subsidiaries as of December 31, 2015 and 2014 are as follows:

	Country of Incorporation	Percentage of Ownership
Magellan Capital Holdings Corporation (MCHC)*	Philippines	94.37%
Pinamucan Industrial Estates, Inc. (PIEI)	Philippines	100%
Malabrigo Corporation (MC)	Philippines	100%
Magellan Capital Realty Development Corporation (MCRDC)**	Philippines	100%
Magellan Capital Trading Corporation (MCTC)**	Philippines	100%

**Intermediate Parent Company*
***Nonoperational since incorporation.*

MCHC
MCHC is a holding company involved in investing real and personal properties of every kind, including, but not limited to, land, buildings, condominium units, shares of stock, bonds, and other securities of any corporation or association, domestic or foreign. MCHC was registered with SEC on November 6, 1990. MCHC has investments in subsidiaries mainly PIEI, MC, MCRDC and MCTC.

PIEI
PIEI was organized primarily as a real estate developer and was registered with the SEC on May 5, 1993.

MC
MC was organized primarily to purchase, operate, maintain and sell coal mines and their products and by-products. MC was registered with the SEC on August 31, 1993.

MCRDC
MCRDC was organized to purchase, subscribe for, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of shares of stock, bonds, debentures, notes, evidence of indebtedness and other securities, contracts and obligations of any corporation or corporations, domestic or foreign. MCRDC was registered with the SEC on November 14, 1990 and has been nonoperational since incorporation.

MCTC
MCTC was organized to conduct and carry on the business of buying, selling, distributing and marketing at wholesale and retail all kinds of goods, commodities, wares and merchandise. MCTC was registered in the SEC on January 7, 1991 and has been nonoperational since incorporation.

3. Summary of Significant Accounting Policies

Changes in Accounting Policies and Disclosures
The accounting policies adopted are consistent with those of the previous financial year, except for the following standards and amendments, which are effective for annual periods beginning on or after January 1, 2015, that the Group has applied for the first time.

- Amendments to Philippine Accounting Standards (PAS) 19, *Defined Benefit Plans: Employee Contributions*
  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 since the Group does not have defined benefit plan that requires contributions from employees or third parties.

Annual Improvements to PFRSs (2010 - 2012 cycle)
These improvements are effective from July 1, 2014 and the Group has applied these amendments for the first time in these consolidated financial statements. Unless otherwise stated, these amendments have no impact on the consolidated financial statements.

- 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 group;
  - A performance condition may be a market or non-market condition; and
  - 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 whether or not it falls within the scope of PAS 39, *Financial Instruments: Recognition and Measurement* (or PFRS 9, *Financial Instruments*, if early adopted).

- 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 (i.e., 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.

- 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)

These improvements are effective from July 1, 2014 and the Group has applied these amendments for the first time in these consolidated financial statements. Unless otherwise stated, these amendments have no impact on the consolidated financial statements.

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*
  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 the investment property and owner-occupied property (i.e., property, plant and equipment).

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current or noncurrent classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as noncurrent.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent.

Fair Value Measurement
Fair value is the estimated 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 by 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 best economic 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 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 the end of each 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.

<u>Financial Instruments</u>
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets
Financial assets are classified, at initial recognition, as financial assets at FVPL, loans and receivables, held-to-maturity (HTM) investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at FVPL, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

a. Financial Assets at FVPL
Financial assets at FVPL include financial assets held for trading and financial assets designated upon initial recognition at FVPL. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by PAS 39. Financial assets at FVPL are carried in the consolidated statement of financial position at fair value with net changes in fair value presented as fair value gains or losses on financial asset at FVPL in profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at FVPL. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset that would otherwise be required or a reclassification of a financial asset out of FVPL.

The Group's investments in trading securities are classified under financial assets at FVPL as of December 31, 2015 and 2014 (see Note 6).

b. Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effect interest rate (EIR). The effective interest amortization is included as interest income in profit or loss. The losses arising from impairment are recognized in profit or loss.

The Group's cash and cash equivalents, short-term investments included under "Prepayments and other current assets" account, receivables, receivables from related parties and fixed income deposit included under "Other noncurrent assets" account are classified as loans and receivables as of December 31, 2015 and 2014 (see Notes 5, 7, 13 and 18).

c. HTM Investments
Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as HTM investments when the Group has the positive intention and ability to hold them to maturity. After initial measurement, HTM investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effective interest amortization is included as interest income in profit or loss. The losses arising from impairment are recognized in profit or loss as impairment loss on HTM investments.

As of December 31, 2015 and 2014, the Group has no HTM investments.

d. AFS Financial Assets
AFS financial assets include equity investments and debt investments. Equity investments classified as AFS financial assets are those that are neither classified as held for trading nor designated at FVPL. Debt securities in this category are those that are intended to be held for an indefinite period of time and that maybe sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealized gains or losses recognized in OCI until the investment is derecognized, at which time the cumulative gain or loss is recognized in profit or loss. When the investment is determined to be impaired, the cumulative loss in OCI is reclassified to profit or loss as impairment loss on AFS financial assets. Interest earned whilst holding AFS financial assets is reported as interest income using the effective interest method.

Equity securities classified as AFS financial assets that do not have quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost.

The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

In the case financial asset with a fixed maturity, the fair value at the date of reclassification becomes its new amortized cost and any previous gain or loss on the asset that has been recognized in OCI is amortized to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the maturity amount is also amortized over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in OCI is reclassified to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall remain in OCI until the financial asset is sold or otherwise disposed of, when it shall be recognized in profit or loss. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is recognized in profit or loss.

The Group's AFS financial assets consist of debt and equity securities as of December 31, 2015 and 2014 (see Note 9).

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that 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.

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.

Impairment of Financial Assets
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial

reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

a. *Financial Assets Carried at Amortized Cost*
For assets carried at amortized cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them 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.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in profit or loss. Interest income recognized continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance 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 year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to reversal of impairment loss in profit or loss.

b. *AFS Financial Assets*
For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS financial assets, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost.

'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When 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 is removed from OCI and recognized in profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized in OCI.

The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as AFS financial assets, the impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Interest income is recognized as part of profit or loss. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

Financial liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, other financial liabilities, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in case of other financial liabilities, net of directly attributable transaction costs.

As of December 31, 2015 and 2014, the Group does not have financial liabilities designed at FVPL or as derivatives designated as hedging instruments in an effective hedge.

Issued financial instruments or their components, which are not designated 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 subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR. The effective interest amortization is included as interest expense in profit or loss. This accounting policy applies primarily to accounts payable and accrued expenses and dividends payable (other than liabilities covered by other accounting standards, such as income tax payable) [see Note 14].

Derecognition of Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where 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. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an 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 to 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 counter parties.

Cash and Cash Equivalents
Cash and cash equivalents in the consolidated statement of financial position comprise cash with banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Input Value-added Taxes (VAT)
Input VAT, included in "Prepayments and other current assets" 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 is stated at its estimated net realizable value (NRV).

Investment in Associates
An associate is an entity over 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. The Group's investment in an associate is accounted for under the equity method.

Under the equity method, the investment in associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Group's share of the results of operations of the associate is reflected in profit or loss. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associate. If the Group's shares of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognizing its share of further losses.

The financial statements of the associate are prepared for the same reporting period as the Group. When 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 its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in an associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognize the loss in profit or loss.

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

The Group has equity interest in the following associates as of December 31, 2015 and 2014:

	Country of Incorporation	Percentage of Ownership
Magellan Utilities Development Corporation (MUDC)	Philippines	43
Business Process Outsourcing, International (BPO)	Philippines	35
Pointwest Technologies Corporation (PTC)	Philippines	30

Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment, including cost of major inspection, when that cost is incurred and if the recognition criteria are met. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

Category	Number of Years
Condominium	25
Condominium improvements	10
Transportation equipment	10
Office furniture, fixtures and equipment	5

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as difference between the net disposal proceeds and carrying amount of the asset) is included in profit or loss when the asset is derecognized.

The residual value and useful lives of property and equipment are reviewed periodically and adjusted prospectively, if appropriate.

Investment Properties

Investment properties, comprising a parcel of land and condominium units, is held either to earn rental income or for capital appreciation or both. Investment property pertaining to land is measured at cost, including transaction costs less any accumulated impairment in value.

Investment property pertaining to condominium is carried at cost less any accumulated depreciation and any impairment in value. Depreciation is computed using straight line method over the estimated useful life of 25 years.

Investment properties are derecognized when they have been disposed of or when the investment properties are 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 profit or loss in the period of derecognition.

Transfers are made to (or from) investment properties only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Impairment of Nonfinancial Assets
The Group assesses, at each reporting date, whether there is an indication that an asset maybe impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount 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 or CGU 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 assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognized in profit or loss in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor 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 profit or loss.

Common Stock and Additional Paid-in Capital
The Group has issued capital stock that is classified as equity. Incremental costs directly attributable to the issue of new capital stock 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. Additional paid-in capital also arises from additional capital contribution from the shareholders.

Treasury Shares
Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in share premium.

Retained Earnings
The amount included in retained earnings includes income attributable to the Group's stockholders and reduced by dividends. Dividends are recognized as a liability and deducted from equity when they are approved by the Group's BOD. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date. Retained earnings may also include effect of changes in accounting policy as may be required by the relevant transitional provisions.

Revenue

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, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is acting as principal in substantially all its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Interest Income

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as AFS financial assets, interest income is recorded using the effective interest method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is recognized in profit or loss.

Dividend Income

Revenue is recognized when the Group's right to receive payment is established, which is generally when the investee's BOD approve the dividend.

Rental Income

Rental income arising from operating lease on investment properties is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on a straight-line basis. Contingent rents are recognized as revenue in the period in which they are earned.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are generally recognized when goods are received by and services are rendered to the Group or when the expenses arise.

Retirement Benefits

The Group operates a defined benefit plan in the Philippines. These benefits are unfunded.

The cost of providing benefits under defined benefit plan is determined using the projected unit credit method.

Remeasurements comprising of actuarial gains and losses, the effect of the ceiling, exchange amounts in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized in OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under "Retirement benefits" in profit or loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Leases
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if the right is not explicitly specified in an arrangement. Leases in which risks and rewards of ownership of the asset are not substantially transferred to/from the Group are classified as operating lease.

Foreign Currency Transactions
The consolidated financial statements are presented in Philippine peso, which is the Parent Company and its subsidiaries' functional currency. Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualities for recognition. Monetary assets and liabilities denominated in foreign currencies are translated functional currency spot rates of exchange at the reporting date. Differences arising on settlement on translation of monetary items are recognized in profit or loss. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates when the fair values are determined. The gain or loss arising on translation of nonmonetary items measured at fair values is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Income Taxes
Current Income Tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The income tax rates and income tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

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

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

- where the deferred income 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 profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in 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 income tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits in the form of minimum corporate income tax (MCIT) and unused tax losses in the form of net operating loss carryover (NOLCO). Deferred income tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences of MCIT and NOLCO can be utilized, except:

- where the deferred income 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 profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income 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 income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred income tax asset to be recovered.

Deferred income 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 the reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside of profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustments is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

Provisions

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. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingencies
Contingent assets and liabilities are not recognized in the consolidated financial statements. Contingent assets are disclosed in the notes of consolidated financial statements when an inflow of economic benefits is probable and recognized in the consolidated statement of financial position and the related income in profit or loss when an inflow of economic benefits is virtually certain. On the other hand, contingent liabilities are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Earnings Per Share (EPS)
Basic earnings per share amounts are calculated by dividing net income for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net income for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

As of December 31, 2015, 2014 and 2013, the Parent Company does not have any dilutive potential common shares. Hence, diluted EPS is the same as basic EPS.

Events After the Reporting Period
Events after the reporting period that provide additional information about the Group's financial position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

Standards Issued but Not Yet Effective
The Group intends to adopt the following standards and interpretation, if applicable, when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these standards and interpretations to have significant impact on its consolidated financial statements.

Deferred

- Philippine Interpretation IFRIC 15, *Agreements for the 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 rewards of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of 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 standards 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 financial statements of the Group.

Effective 2016

- PFRS 10, *Consolidated Financial Statements,* and PAS 28, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidated Exceptions* (Amendments)
  These amendments clarify that the exemption in PFRS 10 from presenting consolidated financial statement applies to parent entity that is a subsidiary of an investment entity that measures all of its subsidiaries at fair value and that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. The amendments also allow an investor (that is not an investment entity and has an investment entity associate or joint venture), when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its subsidiaries. These amendments will not have any impact on the Group's financial statements.

- 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. These amendments will not have any impact on the Group's financial statements.

- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (Amendments)
  The 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 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, a 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 to be applied retrospectively, with early adoption permitted. These amendments are not expected to have any impact to the Group.

- PAS 1, *Presentation of Financial Statement - Disclosure Initiative* (Amendments)
  The amendments are intended to assist entities in applying judgment when meeting the presentation and disclosure requirements in PFRS. They clarify the following:

  - That specific line items in the statement of income and OCI and the statement of financial position may 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 classifies between those items that will or will not be subsequently reclassified to profit or loss.

Early application is permitted and entities do not need to disclose that fact as the amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates. 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 statements of financial position and present movements in these account balances as separate line items in the statements of profit or loss and other comprehensive income. 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. Since the Group is an existing PFRS preparer, this standard would not apply.

- PAS 16, *Property, Plant and Equipment,* and PAS 41, *Agriculture - 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. These amendments are not expected to have any impact to the Group as the Group does not have any bearer plants.

- 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 to be applied prospectively, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its noncurrent assets.

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 a material impact on the Group.

- 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*
  This 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 2018

- PFRS 9, *Financial Instruments (2014 or final version)*
  In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments*. The new standard (renamed as PFRS 9) reflects all phases of the financial instruments project and replaces PAS 39, Financial Instruments: Recognition and Measurement, 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 providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Early application of previous versions of PFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The Group did not early adopt PFRS 9.

  The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Group's financial liabilities. The Group is currently assessing the impact of adopting this standard and plans to adopt the new standard on the required effective date once adopted locally.

In addition, the IASB has issued the following new standards that have not yet been adopted locally by the SEC and FRSC. The Group is currently assessing the impact of these new standards and the plans to adopt them on their required effective date once adopted locally.

- International Financial Reporting Standards (IFRS) 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. Early adoption is permitted.

- IFRS 16, *Leases*

  On January 13, 2016, the IASB issued its new standard, IFRS 16, *Leases*, which replaces International Accounting Standards (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 on 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. 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.

4. Significant Accounting Judgments and Estimates

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, which have most significant effect on the amounts recognized in the consolidated financial statements.

Estimating Impairment of Quoted Equity Securities Classified as AFS Financial Assets
The Group treats quoted equity securities classified as AFS financial assets as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is 'significant' or 'prolonged' requires judgment.

The Group generally considers a decline in fair value of greater than 20% as significant and a decline in fair value for a period of more than six (6) moths as prolonged. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

Determining Functional Currency
Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Parent Company and its subsidiaries has been determined to be the Philippine peso. The Philippine peso is the currency of the primary economic environment in which the Group operates. It is the currency that mainly influences the revenue and expenses of the Group.

Determining Non-controlling Interest (NCI) that is Material to the Group
The Group assesses whether an NCI is material by considering factors such as the carrying amount of the NCI relative to the net equity of the Group, the profit or loss or OCI of the subsidiary attributable to the NCI, the assets and liabilities of the related subsidiary, or the amount of dividends paid by the subsidiary to the NCI, and the proportion that these amounts bear to the Group's financial position or results of operations. The Group also considers the nature of the activities of the subsidiary and its relative importance or risk compared to other operations of the Group. Based on management's assessment, it has determined that the NCI in MCHC is not material to the Group.

Classification of Financial Instruments
The Group exercises judgments in classifying a financial instrument, or its component parts, upon initial recognition either as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement 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.

In addition, the Group classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether market transactions take place with sufficient frequency and volume.

Operating Lease - Group as a Lessor
The Group entered into various lease agreements as a lessor. The Group has determined that it retains all significant risks and rewards of ownership of these properties which are leased out on operating lease due to the following:

a. the ownership of the asset does not transfer at the end of the lease term;

b. the lessee has no option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable such that at the inception of the lease, it is reasonable and certain that the option will be exercised;
c. the lease term is not for the major part of the economic life of the asset even if title is not transferred; and
d. at the inception of the lease, the present value of the minimum lease payments does not amount to at least substantially all of the fair value of the leased asset.

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Determination of Fair Values of Financial Instruments
The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgments. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., quoted prices, interest rates and foreign exchange rates), the amount of changes in fair value would differ if the Group utilized a different valuation methodology.

Where the fair value of certain financial assets and financial 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. The judgments include considerations of liquidity and model inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair values of the Group's financial instruments are disclosed in Note 23 to the consolidated financial statements.

Estimating Allowance for Impairment Losses on Financial Assets Carried at Amortized Cost
The Group reviews financial assets carried at amortized cost at each reporting date to assess whether an impairment loss should be recorded in profit or loss. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

The allowance for impairment losses on receivables and receivables from related parties amounted to ₱187.1 million and ₱187.5 million as of December 31, 2015 and 2014, respectively (see Notes 7 and 18). The Group has written-off from receivables from related parties amounting to ₱0.4 million in 2015. Moreover, the Group recognized loss on bank foreclosure amounting to ₱0.4 million in 2015 for its fixed income deposit (see Note 13).

The aggregate carrying amounts of the Group's short-term investments included under "Prepayments and other current assets" account, receivables, receivables from related parties and fixed income deposits included under "Other noncurrent assets" account amounted to ₱43.0 million and ₱60.9 million as of December 31, 2015 and 2014, respectively (see Notes 7, 13 and 18).

The balance of the allowance for impairment losses on AFS financial assets amounted to ₱3.1 million and ₱1.0 million as of December 31, 2015 and 2014, respectively. The carrying amount of the Group's AFS equity financial assets as of December 31, 2015 and 2014 are disclosed in Note 9 to the consolidated financial statements.

Estimating Impairment of Nonfinancial Assets
The Group determines whether prepayments and other current assets, investments in associates, property and equipment, investment properties, and other noncurrent assets are impaired whenever events or changes in circumstances indicate that the carrying amount of the assets 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 estimated recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal 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 cash-generating unit to which the asset belongs.

The Group has not identified any events or changes in circumstances that would indicate an impairment loss on the following other nonfinancial assets as of December 31, 2015 and 2014:

	2015	2014
Prepayments and other current assets	**₱16,042,896**	₱16,643,654
Investments in associates (see Note 8)	**202,417,747**	149,116,248
Property and equipment (see Note 11)	**12,027,977**	13,875,919
Investment properties (see Note 12)	**132,430,015**	136,677,566
Other noncurrent assets (see Note 13)	**32,426,972**	26,056,343
	₱395,345,607	₱342,369,730

The balance excludes short-term investments included under "Prepayments and other current assets" account and fixed income included under "Other noncurrent assets" account, which is classified as financial assets, amounting to ₱11.1 million and ₱0.8 million as of December 31, 2015 and 2014, respectively.

Estimating Useful Lives of Property and Equipment and Investment Properties
The estimated useful lives used as bases for depreciating the Group's property and equipment and investment properties were determined on the basis of management's assessment of the period within which the benefits of these assets are expected to be realized taking into account actual historical information on the use of such assets as well as industry standards and averages applicable to the Group's assets.

The net book value of the Group's property and equipment and investment properties are disclosed in Notes 11 and 12 to the consolidated financial statements.

Estimating Retirement Benefit Obligation
The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. In accordance with PFRS, actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations. The assumptions and the carrying amount of the Group's retirement benefit obligation as of December 31, 2015 and 2014 are disclosed in Note 15 to the consolidated financial statements.

Estimating Realizability of Deferred Income Tax Assets
The Group reviews the carrying amounts of deferred income tax assets at each reporting date and reduces it to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable income to allow all or part of its deferred income tax assets to be utilized.

The Group has unrecognized temporary differences amounting to ₱236.5 million and ₱250.2 million as of December 31, 2015 and 2014, respectively (see Note 16).

Estimating Provision for Legal Obligation
The estimate of provision for legal obligation has been developed by management. The management currently does not believe the provision will have a material adverse effect on its financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in the estimates of provisions. In 2011, the Group recognized provision for legal obligation amounting to ₱5.0 million for claims arising from lawsuit which are either awaiting decision by the courts or are subject to settlement obligations (see Note 21). No additional provisions were made in 2015, 2014 and 2013.

5. Cash and Cash Equivalents

	2015	2014
Cash on hand	**₱9,000**	₱9,000
Cash with banks	**164,386,383**	127,714,828
Short-term placements	**801,237,757**	819,117,929
	₱965,633,140	₱946,841,757

Cash with banks earn interest at the respective bank deposit rates. Short-term placements are fixed rate time deposits denominated in United States (US) dollar and Philippine peso, made for varying periods of up to three months or less, depending on the immediate cash requirements of the Group, and earn interest at the respective bank rates of 1.6% to 3.0% and 1.0% to 3.5% in 2015 and 2014, respectively. Interest income earned from these bank deposits and short-term placements amounted to ₱15.1 million, ₱12.7 million and ₱21.8 million in 2015, 2014 and 2013, respectively.

6. Financial Assets at FVPL

Financial assets at FVPL consist of listed securities which are traded in the PSE, New York Stock Exchange (NYSE) and Hong Kong Stock Exchange (HKEx). Fair values of listed equity securities are based on quoted market prices in the PSE, NYSE and HKEx.

The carrying value of financial assets at FVPL includes net unrealized losses on fair value changes amounting to ₱6.0 million, ₱5.5 million and ₱0.05 million in 2015, 2014 and 2013, respectively. Net cumulative unrealized gains on financial assets at FVPL amounted to ₱18.1 million and ₱24.4 million as of December 31, 2015 and 2014, respectively.

The rollforward of the Group's investments in financial assets at FVPL is as follows:

	2015	2014
Cost:		
Balances at beginning of year	**₱41,181,502**	₱32,349,524
Additions	**4,623,460**	8,831,978
Disposals	**(1,590,000)**	–
Balances at end of year	**44,214,962**	41,181,502
Changes in fair value:		
Balances at beginning of year	**24,423,427**	29,958,227
Fair value losses	**(5,996,071)**	(5,534,800)
Disposals	**(290,000)**	–
Balances at end of year	**18,137,356**	24,423,427
	₱62,352,318	₱65,604,929

Dividend income earned on investments in financial assets at FVPL amounted to ₱0.8 million, ₱0.5 million and ₱0.4 million in 2015, 2014 and 2013, respectively, presented as "Dividend income" in profit or loss.

The Group recognized gain on disposal of financial asset at FVPL amounting to ₱0.6 million in 2015.

7. Receivables

	2015	2014
Accrued interest	**₱7,568,959**	₱4,254,022
Rent receivable (Note 21)	**641,268**	652,254
Receivable from Philippine Depositary Insurance Corporation (PDIC) [see Note 13]	**500,000**	–
Others	**532,581**	329,663
	9,242,808	5,235,939
Less allowance for impairment losses	**845,378**	845,378
	₱8,397,430	₱4,390,561

Accrued interest from third parties pertain to interests earned on investments in short-term placements, short-term investments and debt securities classified as AFS financial assets that are expected to be collected within one year.

8. Investments in Associates

	2015	2014
Costs:		
Acquisition costs	**₱186,260,135**	₱186,260,135
Conversion of deposit for stock subscription	**7,500,000**	–
	193,760,135	186,260,135
Accumulated equity in net earnings and OCI:		
Balances at beginning of year	**(39,018,887)**	(42,467,120)
Share in net income from associates	**105,413,232**	72,551,106
Share in OCI from associates	**10,748,690**	(13,538,300)
Dividends declared by associates	**(68,485,423)**	(55,564,573)
Balances at end of year	**8,657,612**	(39,018,887)
Deposit for stock subscription:		
Balances at beginning of year	**1,875,000**	–
Deposit	**5,625,000**	1,875,000
Conversion of deposit for stock subscription	**(7,500,000)**	–
	–	1,875,000
	₱202,417,747	₱149,116,248

The Group has equity interest and additional deposits for stock subscription to the following associates as of December 31:

	Country of Incorporation	Percentage of Ownership 2015	2014	Carrying Amount of Investments 2015	2014
PTC	Philippines	**30**	30	**₱147,495,526**	₱95,161,854
BPO	Philippines	**35**	35	**54,922,221**	53,954,394
MUDC	Philippines	**43**	43	**–**	–
				₱202,417,747	₱149,116,248

PTC

PTC is a global service company outsourcing information technology services from the Philippines. Among others, it offers software servicing, maintenance, testing and development to various clients, mostly in the US.

a. *Dividends*

On December 7, 2015, PTC declared cash dividends amounting to ₱35.3 million or ₱0.0235 per share of the outstanding stocks as of record date of December 31, 2015. Dividends shall be payable on or before June 30, 2016.

On June 25, 2015, PTC declared cash dividends amounting to ₱158.0 million or ₱0.1404 per share of the outstanding stocks as of record date of May 31, 2015. Dividends shall be payable as follows: August 31, 2015 - ₱31.6 million and October 31, 2015 - ₱126.4 million.

On December 1, 2014, PTC declared cash dividends amounting to ₱150.2 million or ₱0.1394 per share of the outstanding stocks as of record date of October 31, 2014. Dividends shall be payable as follows: December 31, 2014 - ₱7.3 million, March 31, 2015 - ₱8.7 million and April 30, 2015 - ₱134.2 million.

On July 1, 2013, PTC declared cash dividend amounting to ₱264.3 million or to ₱2.3481 per share of outstanding stocks as of record date of July 31, 2013, payable on or before December 31, 2013. PTC subsequently extended the payment date to on or before June 30, 2014. The Parent Company received dividends amounting to ₱79.3 million on April 30, 2014.

The Group's share in the dividends declared amounted to ₱58.0 million, ₱45.1 million and ₱79.3 million in 2015, 2014 and 2013, respectively. As of December 31, 2015 and 2014, the outstanding dividend receivable amounted to ₱10.6 million and ₱42.9 million, respectively (see Note 18).

b. *Deposit for Stock Subscription*
On December 1, 2014, PTC's authorized capital stock was increased from 400 million shares, with par value of ₱1 per share to 500 million shares with the same par value.

In compliance with the minimum subscription requirement for the application of the increase of PTC's capital stock, its stockholders, including the Group, deposited a total amount of ₱6.3 million, representing 25% of the minimum subscription of the capital increase. The Group maintained its percentage ownership over PTC by providing an advance payment amounting to ₱1.9 million in 2014.

On August 26, 2015, the Group deposited a total amount of ₱5.6 million, representing the remaining balance for subscription of capital increase.

On September 21, 2015, the SEC has approved PTC's application for increase in authorized capital stock. Accordingly, the deposit for stock subscription amounting to ₱7.5 million was converted to capital stock.

The summarized financial information of PTC is as follows ('000):

	2015	2014
Current assets	**₱673,369**	₱730,760
Noncurrent assets	**222,721**	139,474
Total assets	**896,090**	870,234
Current liabilities	**263,706**	394,354
Noncurrent liabilities	**159,482**	164,888
Total liabilities	**423,188**	559,242
Equity	**472,902**	310,992
Gross revenue	**1,782,703**	1,389,486
Operating profit	**326,751**	220,273
Net income	**310,232**	206,619
Group's share in net income	**93,069**	61,986

The carrying value of the investment in PTC approximates its share in net assets of PTC.

BPO
BPO is a provider of accounting and finance related services such as payroll, internal audit, payables processing and others. It is involved in outsourcing business process services in the Philippines, servicing many of the multinational and large corporations operating in the country.

On December 18, 2015, BPO declared of cash dividend amounting to ₱30.0 million or ₱38.50 per share of the outstanding stocks as of record date December 15, 2015. Dividends shall be payable on or before May 30, 2016.

On December 15, 2014, BPO declared of cash dividend amounting to ₱30.0 million or ₱38.50 per share of the outstanding stocks as of record date December 15, 2014. The dividends were paid on May 21, 2015.

On December 17, 2013, BPO declared cash dividend amounting to ₱58.5 million or ₱75.00 per share of the outstanding stocks as of record date of December 17, 2013. The dividends were paid on April 30, 2014.

The Group's share in the dividends declared amounted to ₱10.5 million, ₱10.5 million and ₱20.5 million in 2015, 2014 and 2013, respectively. As of December 31, 2015 and 2014, the Group has an outstanding receivable amounting to ₱10.5 million (see Note 18).

The summarized financial information of BPO is as follows ('000):

	2015	2014
Current assets	**₱152,865**	₱135,886
Noncurrent assets	**68,942**	66,223
Total assets	**221,807**	202,109
Current liabilities	**114,078**	96,148
Noncurrent liabilities	**11,391**	12,388
Total liabilities	**125,469**	108,536
Equity	**96,338**	93,573
Gross revenue	**358,401**	331,975
Operating profit	**49,076**	41,447
Net income	**35,268**	30,187
Group's share in net income	**12,344**	10,565

The difference between the carrying value of the investment in BPO against the share in net assets of BPO amounting to ₱23.4 million represents goodwill at acquisition date.

MUDC

The Group has a 43% interest in MUDC. As of December 31, 2015, MUDC has been nonoperational since its incorporation. However, it has obtained the necessary requirements for the signing of a supply agreement with a public utility firm and a purchase agreement with certain oil companies. As of December 31, 2015 and 2014, MUDC has project development costs of ₱207.1 million. The recoverability of these assets and the ultimate success of MUDC's future operations are dependent upon the signing of these agreements. The foregoing conditions indicate the existence of a material uncertainty which may cast significant doubt on MUDC's ability to continue as a going concern and the recoverability of the Group's significant investment in MUDC.

As of December 31, 2015 and 2014, MUDC has incurred significant losses, which resulted in deficit of ₱438.1 million and capital deficiency of ₱257.2 million, respectively.

Moreover, the Group's share in the losses of MUDC exceeded the carrying amount of its investment. Consequently, the Group has discontinued recognizing its share of further losses in excess of the investment cost of ₱94.9 million as of December 31, 2015 and 2014.

Additional losses are provided for by the Group to the extent that it has made payments on behalf of MUDC to satisfy MUDC's obligations that the Group has guaranteed or otherwise committed.

As of December 31, 2015 and 2014, the Parent Company has assessed that its advances to MUDC amounting to ₱127.7 million are impaired since management believes that it will no longer recover from such advances.

The summarized financial information of MUDC is as follows ('000):

	2015	2014
Current assets	**₱144**	₱188
Noncurrent assets	**16,040**	16,030
Total assets	**16,184**	16,218
Current liabilities	**280**	280
Noncurrent liabilities	**273,143**	273,133
Total liabilities	**273,423**	273,413
Capital deficiency	**(257,239)**	(257,195)
Revenues	**1**	2
Expenses	**45**	34
Net loss	**44**	32

9. AFS Financial Assets

	2015	2014
Debt securities	**₱246,312,795**	₱299,045,472
Equity securities - at fair value, net of allowance for impairment loss of ₱3.1 million and ₱1.0 million as of December 31, 2015 and 2014	**64,685,296**	26,277,942
Equity securities - at cost	**95,140,085**	47,098,730
	406,138,176	372,422,144
Less: current portion	**4,902,099**	8,978,882
	₱401,236,077	₱363,443,262

Movements in AFS financial assets are as follows:

	2015	2014
Balance at the beginning of the year	**₱372,422,144**	₱132,559,294
Additions	**84,646,959**	67,457,497
Disposals	**(65,979,989)**	(56,097,106)
Changes in fair market value:		
Profit or loss	**8,213,435**	(15,404,830)
Other comprehensive income	**8,963,303**	29,980,275
Provision for impairment loss	**(2,127,676)**	–
Reclassification	**–**	213,927,014
Balances at end of year	**₱406,138,176**	₱372,422,144

Investments in debt securities are denominated in various foreign currencies and are stated at fair value based on quoted prices. Changes in market values are included in the consolidated statement of comprehensive income. The debt securities bear fixed interest rates ranging from 4.34% to 10.65% and 2.35% to 10.65% in 2015 and 2014, respectively. Maturity dates of the investments range from October 17, 2016 to January 31, 2023. Interests on investments are received and settled semi-annually in its denominated currency.

Investments in equity securities carried at fair value consist of proprietary club shares, perpetual bonds and investments in quoted shares of stock which the Group has neither control nor significant influence. The fair market values of these listed shares are determined by reference to published quotations in an active market as of December 31, 2015 and 2014.

Investments in equity securities carried at cost consist of unquoted shares and investments in the shares of stock which the Group has neither control nor significant influence.

Movements in the net unrealized valuation gains on AFS financial assets under OCI are as follow:

	2015	2014
Balances at beginning of year	**₱13,115,725**	(₱16,864,550)
Changes in fair value of AFS financial assets, net tax effect ₱4,706,254 in 2015	**8,458,517**	24,664,540
Impairment loss on AFS financial assets recognized in profit or loss	**2,127,676**	–
Disposals of AFS financial assets	**(1,622,890)**	749,301
Reclassification of HTM investments to AFS investments (see Note 10)	**–**	4,530,346
Amortization of net unrealized valuation gains on AFS financial assets reclassified to HTM investments	**–**	36,088
Balances at end of year	**₱22,079,028**	₱13,115,725

Details of the allowance for impairment losses as of December 31, 2015 and 2014 are as follows:

	2015	2014
Balances at beginning of year	**₱1,000,000**	₱1,000,000
Provision	**2,127,676**	–
Balances at end of year	**₱3,127,676**	₱1,000,000

Net unrealized valuation gains on AFS financial assets attributable to equity holders of the Parent Company amounted to ₱19.3 million and ₱12.6 million as of December 31, 2015 and 2014, respectively.

On April 4, 2014, the Group sold more than an insignificant portion of its HTM investments before maturity. The Group subsequently reclassified its HTM investments to AFS financial assets in accordance with the requirements of PAS 39 (see Note 10).

Interest earned on debt securities classified as AFS financial assets amounted to ₱24.1 million, ₱22.7 million and ₱4.8 million in 2015, 2014 and 2013 respectively, presented as "Interest income" in profit or loss.

Dividend income earned on equity securities classified as AFS financial assets amounted to ₱0.7 million, ₱1.8 million and ₱0.4 million in 2015, 2014 and 2013, respectively.

The Group disposed certain AFS financial assets and recognized gains (losses) from disposal amounting to ₱0.9 million, (₱1.1 million) and ₱1.3 million in 2015, 2014 and 2013, respectively.

10. HTM Investments

On April 4, 2014, the Group sold HTM investments with a carrying value of ₱17.8 million resulting to a gain from disposal amounting to ₱0.2 million. Consequently, the remaining portfolio of HTM investments with a carrying amount of ₱213.9 million was reclassified to AFS financial assets and was remeasured at fair value. The fair value gain from remeasurement amounting to ₱4.5 million was recognized in OCI (see Note 9).

Interest income on these HTM investments amounted to ₱2.3 million and ₱20.6 million in 2014 and 2013, respectively, presented as "Interest income" in profit or loss.

11. Property and Equipment

2015

	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total
Costs:					
Balances at beginning of year	₱20,755,943	₱8,692,633	₱8,395,222	₱2,831,072	₱40,674,870
Additions	–	–	–	12,588	12,588
Balances at end of year	20,755,943	8,692,633	8,395,222	2,843,660	40,687,458
Accumulated depreciation:					
Balances at beginning of year	11,831,202	7,870,994	4,444,676	2,652,079	26,798,951
Depreciation	830,238	295,004	660,975	74,313	1,860,530
Balances at end of year	12,661,440	8,165,998	5,105,651	2,726,392	28,659,481
Net book values	₱8,094,503	₱526,635	₱3,289,571	₱117,268	₱12,027,977

2014

	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total
Costs:					
Balances at beginning of year	₱62,115,626	₱8,058,590	₱8,395,222	₱2,821,925	₱81,391,363
Additions	–	634,043	–	9,147	643,190
Reclassification to investment properties (see Note 12)	(41,359,683)	–	–	–	(41,359,683)
Balances at end of year	20,755,943	8,692,633	8,395,222	2,831,072	40,674,870
Accumulated depreciation:					
Balances at beginning of year	25,069,539	7,657,214	3,783,701	2,569,936	39,080,390
Depreciation	830,238	213,780	660,975	82,143	1,787,136
Reclassification to investment properties (see Note 12)	(14,068,575)	–	–	–	(14,068,575)
Balances at end of year	11,831,202	7,870,994	4,444,676	2,652,079	26,798,951
Net book values	₱8,924,741	₱821,639	₱3,950,546	₱178,993	₱13,875,919

In 2014, the Group reclassified condominium units with net book value amounting to ₱27.3 million to investment property (see Note 12). These units are currently leased out as office space to tenants.

In 2013, the Group sold fully depreciated transportation equipment which resulted to a gain amounting to ₱0.3 million.

Fully depreciated property and equipment that are still in use amounted to ₱13.2 million and ₱11.7 million as of December 31, 2015 and 2014, respectively.

12. Investment Properties

2015

	Land	Condominium	Total
Costs:			
Balances at beginning and end of year	₱46,319,625	₱106,188,952	₱152,508,577
Accumulated depreciation:			
Balances at beginning of year	–	15,831,011	15,831,011
Depreciation	–	4,247,551	4,247,551
Balances at end of year	–	20,078,562	20,078,562
Net book values	₱46,319,625	₱86,110,390	₱132,430,015

2014

	Land	Condominium	Total
Costs:			
Balances at beginning of year	₱46,319,625	₱–	₱46,319,625
Additions	–	64,829,269	64,829,269
Reclassification from property and equipment (see Note 11)	–	41,359,683	41,359,683
Balances at end of year	46,319,625	106,188,952	152,508,577
Accumulated depreciation:			
Depreciation	–	1,762,436	1,762,436
Reclassification from property and equipment (see Note 11)	–	14,068,575	14,068,575
Balances at end of year	–	15,831,011	15,831,011
Net book values	₱46,319,625	₱90,357,941	₱136,677,566

Condominium units are being leased to third parties and other related parties as office space. The investment property generated revenue amounting to ₱12.8 million, ₱4.5 million and ₱3.7 million in 2015, 2014 and 2013, respectively.

An investigation and appraisal was conducted by a third party appraiser, to provide information about the market values of the real estate properties. The fair value was estimated using the market approach which considered sales of similar or substitute properties and related market data. The assessed fair value of the investment property amounted to ₱194.5 million as of December 31, 2015 and 2014. The fair value is categorized under Level 2 fair value hierarchy.

There are no restrictions on realizability of investment properties and there were no significant repairs and maintenance made to maintain the investment properties.

13. Other Noncurrent Assets

	2015	2014
Deposit on contracts	**₱31,642,840**	₱25,586,190
Deposits	**784,132**	470,153
Fixed income deposit	**–**	750,499
	₱32,426,972	₱26,806,842

Deposit on contracts pertains to payments for condominium units that are expected to be completed and available for turnover in 2016.

Fixed income deposit pertains to the Parent Company's time deposit in Xavier Punla Rural Bank which will mature in 2018. Fixed income deposit earns interest at the rate of 10% per annum.

On August 24, 2015, the Monetary Board (MB) placed Xavier-Punla Rural Bank, Inc. under the management of the PDIC. The Parent Company recognized impairment loss on deposit amounting to ₱0.4 million in 2015. The Parent Company believes that it would be able to recover ₱0.5 million from PDIC (see Note 7).

14. Accounts Payable and Accrued Expenses

	2015	2014
Customer deposits (see Note 21)	**₱1,584,805**	₱1,555,859
Accounts payable	**1,001,888**	7,890,509
Accrued professional fees	**766,152**	678,391
Government payables	**602,556**	586,033
	₱3,955,401	₱10,710,792

Accounts payable are generally non-interest bearing payables to third party contractors.

Customer deposits pertain to deposits made by tenants for the lease of an insignificant portion of the Parent Company's condominium spaces and will be refunded to the lessee after the lease term.

15. Retirement Benefits Cost

The Group has an unfunded, defined benefit pension plan covering substantially all its regular employees. Retirement benefits under the plan are based on a percentage of latest monthly salary and years of credited service.

Composition of retirement benefit expense recognized in profit or loss (included in the personnel expenses account) and changes in the present value of unfunded defined benefit obligation are as follows:

	2015	2014	2013
Balances at beginning of year	**₱9,679,932**	₱8,143,006	₱6,349,214
Retirement benefit expense in profit or loss:			
Current service costs	**761,181**	745,456	1,251,907
Interest costs	**396,016**	357,649	260,980
	1,157,197	1,103,105	1,512,887
Remeasurements in other comprehensive income:			
Changes in financial assumptions	**97,660**	48,669	(54,103)
Experience adjustment	**(16,496)**	385,152	240,015
Changes in demographic assumptions	**–**	–	94,993
	81,164	433,821	280,905
Balances at end of year	**₱10,918,293**	₱9,679,932	₱8,143,006

Actuarial losses on retirement benefit obligation attributable to the equity holders of the Parent Company amounted to ₱2.4 million as of December 31, 2015 and 2014, respectively.

As of December 31, 2015, the Parent Company has not yet decided on the amount it will contribute to its retirement plan in 2016.

The principal actuarial assumptions used in determining retirement benefit obligation for the Group's retirement plan are as follows:

	2015	2014	2013
Discount rates	**4.30%**	4.20%	3.70%
Salary increase rates	**5.00%**	5.00%	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2015 and 2014, assuming if all other assumptions were held constant:

		Effect on defined benefit obligation		
		2015	2014	2013
Discount rates	+50 basis points	**(₱921,839)**	(₱915,570)	(₱157,052)
	-50 basis points	**926,910**	975,030	164,422
Future salary increases	+50 basis points	**909,831**	954,733	83,129
	-50 basis points	**(905,403)**	(900,994)	(118,529)

The average duration of the retirement benefit obligation as of December 31, 2015 and 2014 is 6 years.

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

	2015	2014	2013
Less than 1 year	**₱8,851,801**	₱7,842,226	₱6,568,259
More than 1 year to 5 years	**4,051,664**	3,965,868	1,940,999
More than 5 years to 10 years	**3,847,675**	3,517,693	1,213,338
	₱16,751,140	₱15,325,787	₱9,722,596

16. Income Taxes

The Group's provision for income tax in 2015, 2014 and 2013 are as follows:

	2015	2014	2013
Current:			
RCIT	**₱4,051,089**	₱2,353,362	₱5,583,353
Final tax on interest income	**2,766,639**	2,708,642	4,530,001
MCIT	**74,163**	54,405	42,084
Stock transaction tax (STT) on disposal of financial assets at FVPL	**12,427**	–	–
	6,904,318	5,116,409	10,155,438
Deferred	**1,632,010**	–	–
	₱8,536,328	₱5,116,409	₱10,155,438

The reconciliation of income tax computed at the statutory income tax rate to provision for income tax shown in profit or loss is as follows:

	2015	2014	2013
At statutory tax rate of 30%:	**₱44,453,289**	₱25,161,234	₱39,089,811
Additions to (reductions in) income tax resulting from:			
Equity in net earnings of associates	**(31,623,970)**	(21,765,332)	(26,926,803)
Benefit from income subjected to final tax	**(4,103,661)**	(1,110,935)	(3,332,805)
Movement in unrecognized temporary difference	**(2,593,867)**	1,008,370	(543,880)
Nontaxable dividend income	**(296,545)**	(276,350)	(230,292)
Nondeductible losses expenses	**2,439,260**	1,718,808	2,099,407
Expired NOLCO	**226,205**	355,703	–
Expired MCIT	**35,617**	24,911	–
	₱8,536,328	₱5,116,409	₱10,155,438

The Group's net deferred income taxes as of December 31, 2015 and 2014 are as follows:

	2015	2014
Deferred income tax assets recognized in profit or loss:		
Allowance for impairment losses on receivables and AFS financial assets	**₱5,473,313**	₱561,068
NOLCO	**287,660**	–
Retirement benefit obligation	**246,380**	–
MCIT	**170,652**	–
	6,178,005	561,068

(Forward)

	2015	2014
Deferred income tax liabilities recognized in profit or loss:		
Unrealized foreign exchange gain	**(₱7,008,605)**	(₱561,068)
Gain on fair value changes of foreign financial assets at FVPL	**(801,410)**	–
	(7,810,015)	(561,068)
	(1,632,010)	–
Deferred income tax asset recognized in OCI on retirement benefit obligation	**41,460**	–
Deferred income tax liability recognized in OCI on fair value of foreign equity securities classified as AFS financial assets	**(4,706,254)**	–
	(4,664,794)	–
	(₱6,296,804)	₱–

No deferred income tax assets were recognized for the following deductible temporary differences as it is not probable that sufficient taxable profits will be available to allow the benefit of the deferred income tax assets to be utilized:

	2015	2014
Temporary difference through profit or loss:		
Allowance for impairment losses on receivables and AFS financial assets	**₱171,131,537**	₱140,015,133
Allowance for impairment losses on investment in an associate	**94,830,130**	94,830,130
Retirement benefit obligation	**7,604,813**	6,541,833
Provision for legal obligation	**5,000,000**	5,000,000
NOLCO	–	1,374,420
MCIT	–	132,106
	278,566,480	247,893,622
Temporary difference through OCI on retirement benefit obligation	**2,354,013**	2,276,810
	₱280,920,493	₱250,170,432

The following are the Group's unused NOLCO that can be claimed as deduction from future taxable income:

NOLCO:

Year Incurred	Year of Expiration	NOLCO
2013	2016	₱586,604
2015	2018	372,261
		₱958,865

Movement of the Group's NOLCO is as follows:

	2015	2014
Balance at beginning of year	**₱1,374,419**	₱2,849,682
Addition	**372,261**	–
Application	**(33,797)**	(289,588)
Expiration	**(754,018)**	(1,185,675)
Balance at end of year	**₱958,865**	₱1,374,419

The following are the Group's MCIT that can be claimed as deduction from income tax liabilities:

Year Incurred	Year of Expiration	MCIT
2013	2016	₱42,084
2014	2017	54,405
2015	2018	74,163
		₱170,652

Movement of the Group's MCIT is as follows:

	2015	2014
Balance at beginning of year	**₱132,106**	₱102,612
Addition	**74,163**	54,405
Expiration	**(35,617)**	(24,911)
Balance at end of year	**₱170,652**	₱132,106

17. **Equity**

a. Common Stock

The details of the Group's capital stock (number of shares and amounts) are as follows:

	2015	2014
Common stock - ₱1 par value		
Class A		
Authorized - 600 million shares		
Issued - 292,610,118 shares	**₱292,610,118**	₱292,610,118
Class B		
Authorized - 400 million shares		
Issued - 189,217,535 shares	**189,217,535**	189,217,535
	₱481,827,653	₱481,827,653

Class A and B common stockholders enjoy the same rights and privileges, except that Class A shares may be owned by, transferred to and subscribed only by Filipino citizens or corporations, partnerships and associations organized under the laws of the Philippines, of which 60% of the common stock outstanding is owned by citizens of the Philippines. Class B shares may be issued, transferred or sold to any person, corporation, partnership or association regardless of nationality.

In 1979, the registrant listed with the PSE (or its predecessor, Manila Stock Exchange) its common stock under its previous name, Ultrana Energy and Resource Corporation, where it offered 1,000,000,000 shares to the public at the issue price of ₱0.01 per share.

On July 28, 1997, the SEC approved the increase in the Group's authorized capital stock from 10,000,000,000, divided into 6,000,000,000 Class A common shares with par value of ₱0.01 per share and 4,000,000,000 Class B common shares with par value of ₱0.01 per share to 1,000,000,000 common shares, divided into 600,000,000 Class A common shares with par value of ₱1 per share and 400,000,000 Class B common share with par value of ₱1 per share.

On November 26, 2000, the BOD approved the issuance, out of the authorized common stock, of 192,413,090 shares at ₱1 par value which will be offered through a pre-emptive stock rights issue and detachable stock warrants, as follows: (a) 96,206,545 shares consisting of

58,377,278 Class A shares and 37,829,267 Class B shares, to be offered in two tranches, the First Tranche consisting of 48,103,272 shares of stock and the Second Tranche consisting of 48,103,273 shares of stock, to which each stockholder may subscribe on a pre-emptive rights basis, and (b) the balance of 96,206,545 shares to be offered through detachable stock warrants, which shall entitle each stockholder to subscribe to one share of stock for every one share of stock of the same class that such stockholder subscribe to out of this stock rights issue.

The Group's application to list additional 192,413,090 common shares with a par value of ₱1 per share through pre-emptive rights issue and detachable subscription warrants was approved by the PSE on February 27, 2002 and by the SEC on April 5, 2002.

The exercise periods and expiration dates of the Group's subscription warrants are as follows:

	Number of Shares	Exercise Periods	Expiration Dates
First Tranche:			
Class A common shares	29,188,639	June 4, 2002 to	
Class B common shares	18,914,633	June 3, 2007	June 3, 2007
	48,103,272		
Second Tranche:			
Class A common shares	29,188,639	May 9, 2003 to	
Class B common shares	18,914,634	May 8, 2008	May 8, 2008
	48,103,273		
	96,206,545		

Full payment of each subscription under the First Tranche was made within the offer period approved by the PSE and the SEC, and the full payment of each subscription under the second tranche shall be due and payable one year from the last day of the offer period. With the full subscription of the Pre-Emptive Rights Stock Offering, the Group's outstanding common stock increased to 481,032,728 common shares of stock, consisting of 291,886,391 Class A common shares and 189,146,337 Class B common shares, all with par value of ₱1 per share. With the complete exercise of all Detachable Stock Warrants, the Group will have an outstanding common stock of 577,239,273 shares, consisting of 350,263,669 Class A common shares and 226,975,604 Class B common shares, all with par value of ₱1 per share. However, as of December 31, 2007, 723,727 Class A common stock warrants and 71,198 Class B common stock warrants were exercised and 28,464,912 Class A common stock warrants and 18,843,435 Class B common stock warrants expired. As of December 31, 2008, 29,188,639 Class A common stock warrants and 18,914,634 Class B common stock warrants expired due to non-exercise of stock warrants before expiration date. After the expiration of the said warrants, the Group's outstanding common stock amounted to ₱481,827,653 with additional paid-in capital of ₱144,759,977. There have been no movements since 2008.

The Parent Company has 485, 487 and 488 stockholders as of December 31, 2015, 2014 and 2013, respectively.

b. Treasury Shares

In 2013, PIEI purchased additional shares of the Parent Company. The cost to acquire 441,000 of Class A shares amounted to ₱2.5 million.

In 2015, PIEI purchased additional shares of the Parent Company. The cost to acquire 223,000 of Class A shares amounted to ₱0.7 million.

For consolidation purposes, the costs of these shares are presented under the "Treasury shares" account in the equity section of the consolidated statements of financial position.

As of December 31, 2015 and 2014, the Group's treasury shares are as follows:

	Shares		Amount	
	2015	2014	**2015**	2014
Balance at beginning of year	**97,411,827**	97,411,827	**₱98,942,697**	₱98,942,697
Additions	**223,000**	–	**726,780**	–
Balance at end of year	**97,634,827**	97,411,827	**₱99,669,477**	₱98,942,697

c. Retained Earnings

Retained earnings is restricted to the extent of the acquisition price of the treasury shares amounting to ₱99.7 million and ₱98.9 million as of December 31, 2015 and 2014. Retained earnings is also restricted to the extent of equity in net earnings of the associates not declared as dividends as of reporting date.

On May 7, 2015, the BOD declared regular cash dividend amounting to ₱0.20 per share held payable as follows; ₱0.10 per share or ₱48,182,765 (481,827,653 shares multiplied by ₱0.10 cash dividend per share) to stockholders as of record date of June 3, 2015, payable on or before June 30, 2015; and ₱0.10 per share held or ₱48,182,766 (481,827,653 shares multiplied by ₱0.10 cash dividend per share) to stockholders as of record date of August 3, 2015, payable on or before August 30, 2015. Of the total amount declared, ₱19.4 million pertains to shares held by MCHC and PIEI.

On May 28, 2014, the BOD declared a regular cash dividend amounting to ₱0.20 per share held payable as follows; ₱0.10 per share or ₱48,182,765 (481,827,653 shares multiplied by ₱0.10 cash dividend per share) to stockholders as of record date of June 20, 2014, payable on or before July 16, 2014; and ₱0.10 per share held or ₱48,182,765 (481,827,653 shares multiplied by ₱0.10 cash dividend per share) to stockholders as of record date of July 21, 2014, payable on or before August 11, 2014. Of the total amount declared, ₱19.4 million pertains to shares held by MCHC and PIEI.

On July 24, 2013, the BOD declared a regular cash dividend amounting to ₱0.20 per share held payable as follows; ₱0.10 per share or ₱48,182,765 (481,827,653 shares multiplied by ₱0.10 cash dividend per share) to stockholders as of record date of June 14, 2013, payable on or before July 10, 2013; and ₱0.10 per share held or ₱48,182,766 (481,827,653 shares multiplied by ₱0.10 cash dividend per share) to stockholders as of record date of August 9, 2013, payable on or before September 6, 2013. Of the total amount declared, ₱19.5 million pertains to shares held by MCHC and PIEI.

Dividends payable amounted to ₱3.4 million and ₱2.5 million as of December 31, 2015 and 2014, respectively.

18. Related Party Transactions

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

A summary of outstanding balances and transactions with related parties, net of allowance for impairment loss and presented under "Receivables from related parties" account, are as follows:

			Transactions during the year	Outstanding balance	Terms	Conditions
Associates:						
BPO						
	Rent income	**2015**	**₱1,212,831**	**₱18,338**	30 days; non	Unsecured; no
		2014	₱1,155,077	₱14,686	interest-bearing	impairment
	Payroll services expense	**2015**	**34,540**	**–**	30 days; non	Unsecured; no
		2014	37,145	–	interest-bearing	impairment
	Dividends (see Note 8)	**2015**	**10,510,423**	**10,510,423**	30 days; non	Unsecured; no
		2014	10,510,423	10,510,423	interest-bearing	impairment
PTC						
	Dividends (see Note 8)	**2015**	**57,975,000**	**10,588,500**	30 days; non	Unsecured; no
		2014	45,054,150	42,864,120	interest-bearing	impairment
MUDC						
	Advances	**2015**	**1,400**	**2,111,891**	30 days; non	Unsecured; with
		2014	–	2,119,991	interest-bearing	impairment
Under common control:						
Other related parties						
	Advances	**2015**	**2,834**	**284,643**	30 days; non	Unsecured; with
		2014	12,959	243,958	interest-bearing	impairment
		2015		**₱23,513,795**		
		2014		₱55,753,178		

Movement in the allowance for impairment losses on receivable from related parties are as follows:

	2015	2014
Receivables from related parties - at gross	**₱209,762,033**	₱242,391,063
Less Allowance for impairment loss:		
Balances at beginning of year	**186,637,885**	186,637,885
Write-off	**(389,647)**	–
Balances at end of year	**186,248,238**	186,637,885
	₱23,513,795	₱55,753,178

Allowance for impairment loss is mainly attributable to the advances to MUDC, among others.

Compensation of the key management personnel are as follows:

	2015	2014	2013
Salaries and wages	**₱7,353,369**	₱7,388,106	₱7,003,212
Other benefits	**1,277,283**	1,303,196	1,225,792
	₱8,630,652	₱8,691,302	₱8,229,004

19. Earnings per Share

The following table presents information necessary to compute the basic/dilutive EPS:

	2015	2014	2013
Net income attributable to equity holders of the parent	**₱138,463,644**	₱77,290,274	₱116,865,971
Weighted average number of ordinary shares outstanding for basic and diluted EPS	**384,346,076**	385,315,826	385,315,826
Basic and diluted earnings per share	**₱0.36**	₱0.20	₱0.30

The Group has no potential dilutive instruments issued as of December 31, 2015, 2014 and 2013.

20. Segment Information

The primary purpose of the Parent Company and its subsidiaries is to invest in real and personal properties. The Parent Company operates mainly in one reportable business segment which is investing and one reportable geographical segment which is the Philippines.

21. Commitments and Contingencies

a. The Group leases a portion of its condominium spaces. The Group recognized rental income amounting to ₱12.8 million, ₱4.5 million and ₱3.7 million in 2015, 2014 and 2013, respectively. Future minimum rental income of ₱13.3 million from existing rental agreements will be recognized in 2016. As of December 31, 2015 and 2014, outstanding rent receivable amounted to ₱0.6 million and ₱0.7 million, respectively (see Note 7). The lease agreements have terms of one to two years and can be renewed upon the written agreement of the Group and the lessees. Deposit payable made by the tenants amounting to ₱1.6 million as of December 31, 2015 and 2014 will be returned to the lessees after the lease term (see Note 14).

b. As of December 31, 2015 and 2014, the Group has a provision for legal obligation amounting to ₱5.0 million, for claims arising from lawsuit filed by a third party, which is awaiting decision by the courts. Probable cost has been estimated in consultation with the Group's legal counsel. Management and its legal counsels believe that the Company has substantial legal and factual bases for its position and is of the opinion that losses arising from these legal actions, if any, will not have material adverse impact on the Company's financial position and results of operations.

22. Financial Risk Management Objectives and Policies

Risk Management Structure
The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Group. It has also the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Group's approach to risk issues in order to make relevant decisions.

Financial Risk Management Objectives and Policies
The principal financial instruments of the Group consist of cash and cash equivalents, short-term investments included under "Prepayments and other current assets", financial assets at FVPL,

AFS financial assets, and fixed income deposit included under "Other noncurrent assets" account. The main purpose of these financial instruments is to place excess cash in income-earning investments. The Group has various other financial assets and liabilities such as cash and cash equivalents, receivables, receivables from related parties and accounts payable and accrued expenses, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk (i.e., interest rate risk, foreign currency risk and equity price risk). The Group's management reviews and approves policies for managing each of these risks and they are summarized below. The Group also monitors the market price risk arising from all financial instruments.

The magnitudes of these risks that have arisen over the year are discussed below.

Credit Risk
Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation.

The Group is exposed to credit risk primarily because of its investing and operating activities. The Group is exposed to credit risk arising from the counterparties (i.e., foreign currency denominated debt instruments, short-term investments, fixed income deposit and receivables) to its financial assets.

Credit risk management
In managing credit risk on these investments, capital preservation is paramount. The Group trades only with recognized and creditworthy third parties. For investments in bonds, funds are invested in highly recommended, creditworthy debt instruments that provides satisfactory interest yield and capital appreciation. Investments in equity securities represent investments in companies with good dividend track record, as well as capital appreciation. The investment portfolio mix between debt and equity is reviewed regularly by the Group's President and Treasurer.

With respect to credit risk arising from other financial assets of the Group, which consist of cash and cash equivalents, short-term investments, receivables, receivables from related parties and fixed income deposits, the Group's President and Treasurer monitor these financial assets on an ongoing basis with the result that the Group's exposure to impairment losses is not significant.

Credit risk exposures
At reporting date, the Group's maximum exposure to credit risk is equal to the carrying amount of each class of financial assets recognized in the consolidated statements of financial position. The Group's financial assets are not covered by collateral from counterparties.

Credit risk concentration profile
The Group has no significant concentrations of credit risk.

Credit quality
As of December 31, 2015 and 2014, the credit qualities per class of financial assets are as follows:

2015

	Neither past due nor impaired		Past due but	Individually	
	High Grade	**Standard Grade**	**not impaired**	**impaired**	**Total**
Loans and receivables:					
Cash and cash equivalents*	**₱965,624,140**	**₱–**	**₱–**	**₱–**	**₱965,624,140**
Short-term investments	**11,054,812**	**–**	**–**	**–**	**11,054,812**
Receivables	**8,397,430**	**–**	**–**	**845,378**	**9,242,808**
Receivables from related parties	**21,098,923**	**–**	**2,414,872**	**186,248,238**	**209,762,033**
Financial assets at FVPL	**62,352,318**	**–**	**–**	**–**	**62,352,318**
AFS financial assets	**406,138,176**	**–**	**–**	**3,127,676**	**409,265,852**
	₱1,474,665,799	**₱–**	**₱2,414,872**	**₱190,221,292**	**₱1,667,301,963**

**Excluding cash on hand*

2014

	Neither past due nor impaired		Past due but	Individually	
	High grade	Standard grade	not impaired	impaired	Total
Loans and receivables:					
Cash and cash equivalents*	₱946,832,757	₱–	₱–	₱–	₱946,832,757
Receivables	4,390,561	–	–	845,378	5,235,939
Receivables from related parties	53,868,614	–	1,884,564	186,637,885	242,391,063
Fixed income deposits	750,499	–	–	–	750,499
Financial assets at FVPL	65,604,929	–	–	–	65,604,929
AFS financial assets	372,422,144	–	–	1,000,000	373,422,144
	₱1,443,869,504	₱–	₱1,884,564	₱188,483,263	₱1,634,237,331

**Excluding cash on hand*

High grade financial assets
High grade receivables pertain to receivables from related parties and customers with good payment history. These receivables are considered to be of good quality and expected to be collectible without incurring any credit losses. Other high grade financial assets reflect the investment grade quality of the investments and/or counterparty and realizability is thus assured.

Standard grade financial assets
Receivables from customers that slide beyond the credit terms are classified under standard grade. Other standard grade financial assets are considered moderately realizable. There are no standard grade financial assets as of December 31, 2015 and 2014.

Impairment assessment
The main considerations for impairment assessment include whether any payments are overdue or if there are any known difficulties in the cash flows of the counterparties. The Group determines allowance for each significant receivable on an individual basis. Among the items that the Group considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the receivables. Receivables included in the specific assessment are nonmoving accounts receivable, accounts of defaulted companies and accounts from closed companies.

Liquidity Risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when they are due and this is done by primarily investing in highly liquid investments and maintaining a significant amount of cash and cash equivalents and pre-terminable investments in its portfolio.

The following table summarizes the maturity profile of the Group's financial liabilities as of December 31, 2015 and 2014 based on contractual undiscounted cash flows. The table also analyzes the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

2015

	On demand	Within 1 year	More than 1 year	Total
Financial Assets:				
Loans and receivables				
Cash and cash equivalents	**₱164,395,383**	**₱802,977,068**	**₱–**	**₱967,372,451**
Short-term investments	**–**	**11,201,574**	**–**	**11,201,574**
Receivables	**8,397,430**	**–**	**–**	**8,397,430**
Receivable from related parties	**23,513,795**	**–**	**–**	**23,513,795**
Financial assets at FVPL	**62,352,318**	**–**	**–**	**62,352,318**
AFS financial assets	**432,325,596**	**–**	**–**	**432,325,596**
Total financial assets	**₱690,984,522**	**₱814,178,642**	**₱–**	**₱1,505,163,164**
Financial Liabilities:				
Accounts payable	**₱1,001,888**	**₱–**	**₱–**	**₱1,001,888**
Dividends payable	**3,418,416**	**–**	**–**	**3,418,416**
Deposits payable	**1,584,805**	**–**	**–**	**1,584,805**
Accrued expense	**766,152**	**–**	**–**	**766,152**
Total financial liabilities	**₱6,771,261**	**₱–**	**₱–**	**₱6,771,261**

2014

	On demand	Within 1 year	More than 1 year	Total
Financial Assets:				
Loans and receivables				
Cash and cash equivalents	₱127,723,828	₱819,117,929	₱–	₱946,841,757
Receivables	4,390,561	–	–	4,390,561
Receivable from related parties	53,868,614	1,884,564	–	55,753,178
Fixed income deposit	–	–	750,499	750,499
Financial assets at FVPL	65,604,929	–	–	65,604,929
AFS financial assets	372,422,144	–	–	372,422,144
Total financial assets	₱624,010,076	₱821,002,493	₱750,499	₱1,445,763,068
Financial Liabilities:				
Accounts payable	₱7,890,509	₱–	₱–	₱7,890,509
Dividends payable	2,524,522	–	–	2,524,522
Deposits payable	1,555,859	–	–	1,555,859
Accrued expense	678,391	–	–	678,391
Total financial liabilities	₱12,649,281	₱–	₱–	₱12,649,281

Market Risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group's activities expose it primarily to the financial risks of changes in interest rates, foreign currency exchange rates and equity prices. There has been no change in the Group's exposure to market risks or the manner in which it manages and measures the risk.

a. Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group derives majority of its revenue from interest-bearing placements and bonds. Accordingly, the Group is subject to financial risk arising from changes in interest rates. The Group manages interest rate risk by investing mainly on fixed coupon bonds and other investments. By doing so, the Group is assured of future interest revenues from such investments.

Since the Group invests on fixed coupon interest bonds and other investments, the Group is not exposed significantly to cash flow interest rate risk.

The following table demonstrates management's best estimate of the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before income tax due to changes in fair values of AFS financial assets in debt securities (see Note 9):

	2015	2014
Change in interest rate (percentage)		
+10%	**₱24,631,280**	₱29,904,547
−10%	**(24,631,280)**	(29,904,547)

There is no other impact on equity other than those already affecting the income before income tax in profit or loss.

b. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in foreign currencies.

In the normal course of business, the Group enters into transactions denominated in US dollar and other foreign currencies. As a result, the Group is subject to transaction and translation exposures resulting from currency exchange rate fluctuations. The Group regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the current exchange rates so as to minimize the risks related to these foreign currency denominated assets.

Information on the Group's foreign currency denominated monetary assets and their Philippine peso equivalent as of December 31 are as follows:

		2015			2014		
	Currency	Exchange Rate	Original Currency	Peso Equivalent	Exchange Rate	Original Currency	Peso Equivalent
Cash							
	USD	47.06	5,726,001	₱269,465,607	44.72	3,867,759	₱172,966,182
	HKD	6.09	138,497	843,447	5.75	37,677	216,643
	CNY	–	–	–	7.18	274,363	1,969,926
	SGD	–	–	–	33.70	27,212	917,044
	AUD	–	–	–	36.21	18,750	678,938
	EUR	–	–	–	54.34	10,872	590,784
Receivables							
	USD	47.06	116,008	5,459,336	44.72	1,045,905	46,772,872
	TRY	16.02	20,810	333,376	19.23	20,661	397,311
	BRL	12.12	8,148	98,754	19.72	6,880	135,674
	SGD	–	–	–	33.70	6,604	222,555
	AUD	–	–	–	36.21	1,333	48,268
	EUR	–	–	–	54.34	3,503	190,353
	CNY	–	–	–	7.18	112,053	804,541
Financial assets at FVPL							
	USD	47.06	471,728	22,199,520	44.72	405,177	18,119,515
	HKD	6.09	1,112,260	6,773,663	5.75	608,000	3,496,000
	EUR	51.74	79,710	4,124,195	54.34	91,228	4,957,330
AFS financial assets							
	USD	47.06	5,337,027	251,160,491	44.72	4,924,750	220,234,820
	BRL	12.12	480,675	5,825,781	19.72	496,740	9,795,713
	TRY	16.02	243,612	3,902,664	19.23	298,689	5,743,789
	HKD	–	–	–	5.75	3,765,780	21,653,235
	CNY	–	–	–	7.18	2,973,391	21,348,947
	EUR	–	–	–	54.34	194,933	10,592,659
	SGD	–	–	–	33.70	258,483	8,710,877
	AUD	–	–	–	36.21	102,195	3,700,481
				₱570,186,834			₱554,264,457

The Group has no foreign currency denominated monetary liabilities as of December 31, 2015 and 2014.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates based on past foreign currencies exchange rates and macroeconomic forecasts for 2015, with all other variables held constant, of the Group's 2015 and 2014 income before income tax.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for the following percentage change in foreign currency rates:

2015

		Effect on income before tax	
Original Currency	**Percentage**	**Strengthened**	**Weakened**
US dollar	**5%**	**₱27,414,248**	**(₱27,414,248)**
Hong Kong dollar (HKD)	**5%**	**380,856**	**(380,856)**
Brazil real (BRL)	**5%**	**296,227**	**(296,227)**
Turkish lira (TRY)	**5%**	**211,802**	**(211,802)**
E.M.U. euro (EUR)	**5%**	**206,210**	**(206,210)**

2014

Original Currency	Percentage	Effect on income before tax	
		Strengthened	Weakened
US dollar	5%	₱22,904,669	(₱22,904,669)
Hong Kong dollar (HKD)	5%	1,268,294	(1,268,294)
Chinese yuan (CNY)	5%	1,206,171	(1,206,171)
E.M.U. euro (EUR)	5%	816,556	(816,556)
Brazil real (BRL)	5%	496,569	(496,569)
Singapore dollar (SGD)	5%	492,524	(492,524)
Turkish lira (TRY)	5%	307,055	(307,055)
Australia dollar (AUD)	5%	221,384	(221,384)

There is no other impact on the Group's equity other than those already affecting the profit or loss.

c. 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 the equity indices and the values of individual stocks. The equity price risk exposure arises from the Group's financial assets at FVPL and investments in AFS equity securities. For investments in Philippine equities, majority of funds are invested in equities listed in the PSE.

The Group measures the sensitivity of its equity securities by using PSE, NYSE and HKEx indices fluctuations and its effect to respective share prices.

The following table demonstrates the sensitivity to a reasonably possible change in the equity price based on past price performance and macroeconomic forecast for 2015 and 2014, with all other variables held constant, of the Group's income before income tax and equity:

Effect on income before income tax:

	2015	2014
Financial assets at FVPL:		
Change in stock market index (%)		
+10%	**₱6,235,232**	₱6,560,493
−10%	**(6,235,232)**	(6,560,493)

There is no other impact on the Group's equity other than those already affecting the income before income tax.

Effect on equity:

	2015	2014
Investment in equity securities (AFS):		
Change in club share prices (%)		
+10%	**₱6,468,530**	₱2,627,794
−10%	**(6,468,530)**	(2,627,794)

23. Fair Value of Financial Instruments

Set out below is a comparison, by class, of the carrying amount, and fair value of the Group's financial instrument, other than those with carrying amount that are reasonable approximation of fair values:

	2015		2014	
	Carrying Amount	**Fair Values**	Carrying Amount	Fair Values
Financial Assets				
Current:				
Financial assets at FVPL	**₱62,352,318**	**₱62,352,318**	₱65,604,929	₱65,604,929
AFS financial assets	**4,902,099**	**4,902,099**	8,978,882	8,978,882
Noncurrent:				
AFS financial assets	**306,095,992**	**306,095,992**	316,344,532	316,344,532
	₱373,350,409	**₱373,350,409**	₱390,928,343	₱390,928,343

The Group has determined that the carrying amounts of cash and cash equivalents, short-term investments, receivables, receivables from related parties and accrued expenses and other liabilities and dividends payable, based on their notional amounts, reasonably approximate their fair values because these are short-term in nature.

Fair values of financial assets at FVPL and quoted AFS financial assets are based on price quotations at the reporting date. These financial instruments are classified as Level 1 in the fair value hierarchy.

As of December 31, 2015 and 2014, there were no transfers between Level 1 and Level 2 fair value measurements. Also, there were no transfers into and out of Level 3 fair value measurements.

24. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure, which pertains to its equity, and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The total core capital considered by the Group as of December 31, 2015 and 2014 are as follows:

	2015	2014
Common stock	**₱481,827,653**	₱481,827,653
Additional paid-in capital	**144,759,977**	144,759,977
Retained earnings	**1,238,994,327**	1,177,526,941
Treasury shares	**(99,669,477)**	(98,942,697)
Total core capital	**₱1,765,912,480**	₱1,705,171,874

25. Note to Consolidated Statements of Cash Flows

In 2014, the noncash operating activity of the Group pertain to the reclassification of HTM investments to AFS financial assets presented as noncurrent to both current and noncurrent assets. Noncash investing activity pertains to the unpaid portion of acquisition of investment property amounting to ₱4,790,340 in 2014 which was subsequently paid in 2015.

SGV
Building a better
working world

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ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
F & J Prince Holdings Corporation
5th Floor, Citibank Center
8741 Paseo de Roxas
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of F & J Prince Holdings Corporation and its subsidiaries as at December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015, included in this Form 17-A and have issued our report thereon dated April 11, 2016. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Jhoanna Feliza C. Go
Partner
CPA Certificate No. 0114122
SEC Accreditation No. 1414-A (Group A),
April 8, 2014, valid until April 7, 2017
Tax Identification No. 219-674-288
BIR Accreditation No. 08-001988-103-2014,
March 10, 2014, valid until March 9, 2017
PTR No. 5321642, January 4, 2016, Makati City

April 11, 2016

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
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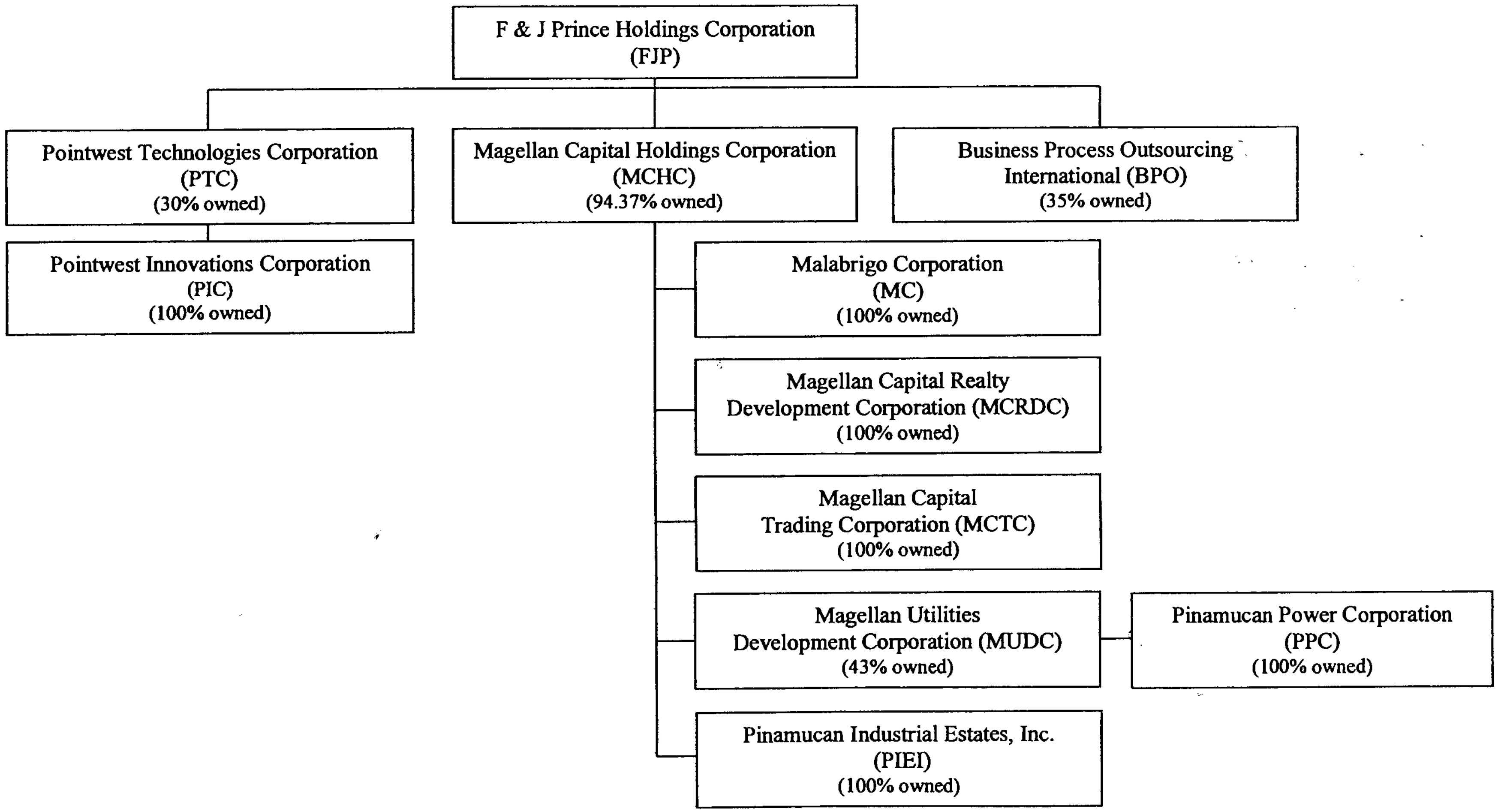
G. Guarantees of Securities of Other Issuers

H. Capital Stock

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
CONGLOMERATE MAP
December 31, 2015



F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATOR

December 31, 2015

	2015	2014
LIQUIDITY ANALYSIS RATIO:		
Current assets	₱1,091,896,490	₱1,096,328,397
Current liabilities	15,565,328	20,388,566
Current Ratio	**70.15**	**53.77**
Current assets less prepayments and other current assets	₱1,075,853,594	₱1,079,684,743
Current liabilities	15,565,328	20,388,566
Quick Ratio	**69.12**	**52.96**
Total assets	₱1,872,435,278	₱1,788,132,798
Total liabilities	32,780,425	30,068,498
Solvency Ratio	**57.12**	**59.47**
FINANCIAL LEVERAGE RATIO:		
Total liabilities	₱32,780,425	₱30,068,498
Total assets	1,872,435,278	1,788,132,798
Debt Ratio	**0.02**	**0.02**
Total liabilities	₱32,780,425	₱30,068,498
Total equity	1,839,654,853	1,758,064,300
Debt-to-Equity Ratio	**0.02**	**0.02**
Interest Coverage	**N/A**	**N/A**
Total assets	₱1,872,435,278	₱1,788,132,798
Total equity	1,839,654,853	1,758,064,300
Asset to Equity Ratio	**1.02**	**1.02**
PROFITABILITY RATIO:		
Gross Profit Margin	**N/A**	**N/A**
Net income	₱139,641,302	₱78,754,371
Revenues and income	183,450,176	117,866,995
Net Profit Margin	**0.76**	**0.67**
Net income	₱139,641,302	₱78,754,371
Total assets	1,872,435,278	1,788,132,798
Return on Assets	**0.07**	**0.04**
Net income	₱139,641,302	₱78,754,371
Total equity	1,839,654,853	1,758,064,300
Return on Equity	**0.08**	**0.04**
Current share price	₱5.705	₱3.030
Earnings per share	0.36	0.20
Price/Earnings Ratio	**15.836**	**15.075**

F & J PRINCE HOLDINGS CORPORATION

SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

December 31, 2015

Unappropriated retained earnings, beginning	₱344,157,387
Adjustment:	
Unrealized foreign exchange gain net of effect on cash and cash equivalents	(733,073)
Retained earnings, as adjusted, beginning	343,424,314
Net income based on the face of the audited financial statements	61,369,832
Less:	
Unrealized foreign exchange gain net of effect on cash and cash equivalents	(194,789)
Net income actual/realized	61,175,043
Less:	
Dividend declaration	(96,365,531)
Unappropriated retained earnings, as adjusted, ending	₱308,233,826

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS
December 31, 2015

[illegible]		[illegible]	[illegible]	[illegible]
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			✓
PFRS 2	Share-based Payment			✓
PFRS 3 (Revised)	Business Combinations			✓
PFRS 4	Insurance Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments (2010 version)	Not Early Adopted		
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities			✓
PFRS 11	Joint Arrangements			✓
	Amendment to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations	Not Early Adopted		
PFRS 12	Disclosure of Interests in Other Entities	✓		
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts	Not Early Adopted		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Disclosure Initiative*	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Balance Sheet Date	✓		

**Standards and interpretations which will become effective subsequent to December 31, 2015.*

[illegible]		[illegible]	[illegible]	[illegible]
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization	Not Early Adopted		
	Amendments to PAS 16: Bearer Plants	Not Early Adopted		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Amended)	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans - Employee Contributions			✓
	Amendments to PAS 19: Regional Market Issue regarding Discount Rate	Not Early Adopted		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
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			✓
	Amendment to PAS 27: Equity Method in Separate Financial Statements	Not Early Adopted		
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendment to PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not Early Adopted		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
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			✓
	Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization	Not Early Adopted		
PAS 39	Financial Instruments: Recognition and Measurement	✓		

**Standards and interpretations which will become effective subsequent to December 31, 2015.*

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
PAS 40	Investment Property	✓		
PAS 41	Agriculture			✓
	Amendment to PAS 41: Bearer Plants	Not Early Adopted		
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 15	Agreements for the Construction of Real Estate	Not Early Adopted		
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			✓
IFRIC 21	Levies			✓
Philippine Interpretations				
SIC-7	Introduction of the Euro			✓

**Standards and interpretations which will become effective subsequent to December 31, 2015.*

[illegible]		[illegible]	[illegible]	[illegible]
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-21	Income Taxes - Recovery of Revalued Non-Depreciable Assets			✓
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			✓

**Standards and interpretations which will become effective subsequent to December 31, 2015.*

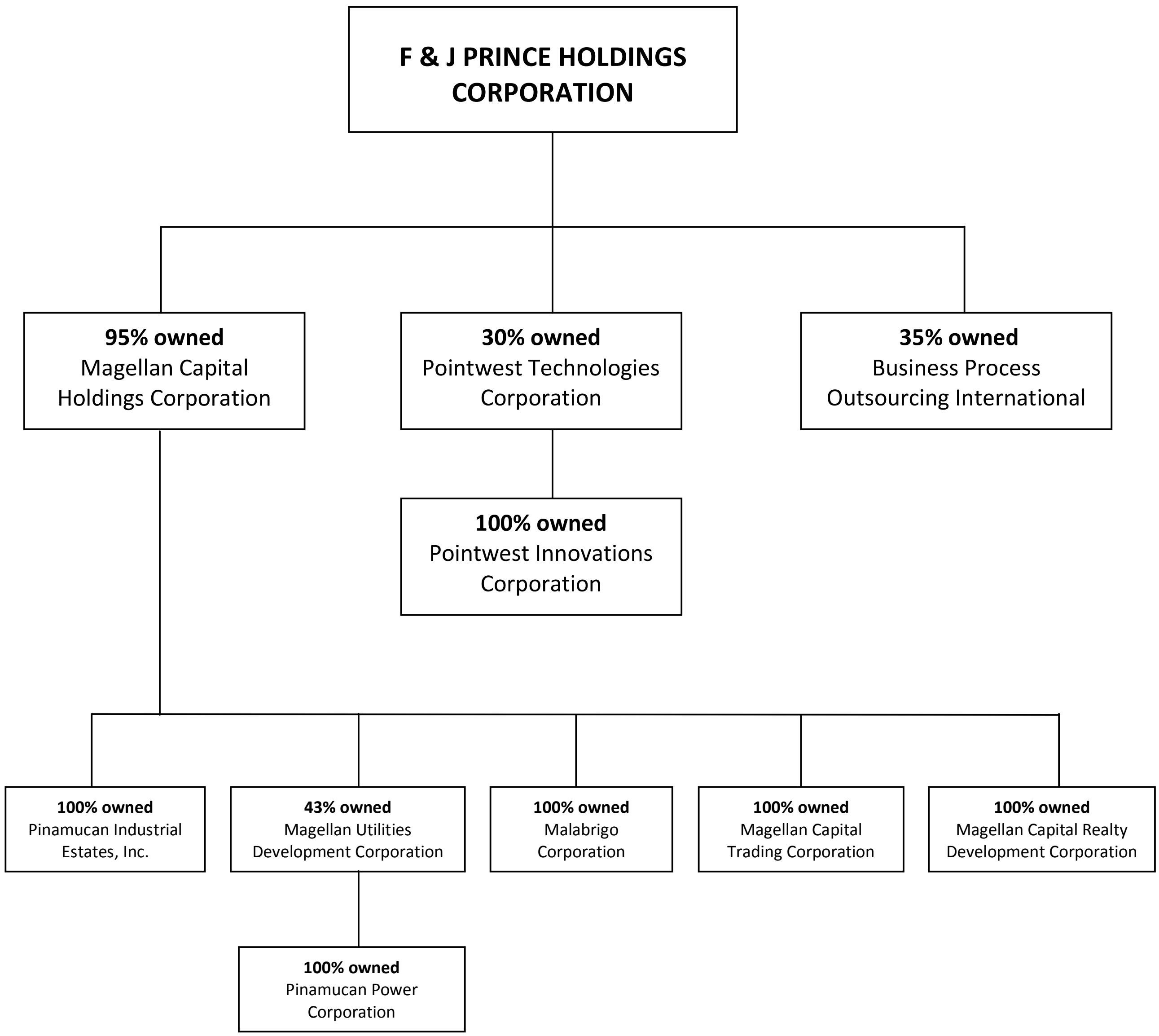
F & J Prince Holdings Corporation

KEY RATIOS

		December 2014	December 2015
LIQUIDITY RATIOS			
Current ratio	Current assets / Current liabilities	71	70
Acid test ratio	Cash + Marketable Securities + Accounts Receivables + Other Liquid Assets / Current liabilities	70	69
SOLVENCY RATIOS			
Debt to equity ratio	Total liabilities / Total equity	.017	.018
Asset to equity ratio	Total assets / Total equity	1.01	1.02
Net debt to equity ratio	Debt-cash & cash equivalents / Total equity	0	0
Gearing ratio	Debt-cash & cash equivalents / Total equity + (Debt – cash & cash equivalents)	0	0
Interest coverage ratio [1]	EBIT / Interest expense	N.A	N.A.
PROFITABILITY RATIOS			
Operating Margin	Operating Profit / Total revenues	71.5%	76%
Return on Equity	Net income after tax / Total equity	4.5%	8%

[1] No interest expense

SCHEDULE OF SUBSIDIARIES AND ASSOCIATES



F & J Prince Holdings Corporation

2016
First Quarter
Unaudited Financial Report

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **31 March 2016**

2. SEC Identification Number **43370** 3. BIR Tax Identification No. **000-829-097**

4. *F & J Prince Holdings Corporation*
   Exact name of registrant as specified in its charter

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

6. Industry Classification Code: [ ] **(SEC Use Only)**

7. **5th Floor, Citibank Center Building**
   8741 Paseo de Roxas, Makati City **1226**
   Address of principal office Postal Code

8. **(632) 892-7133**
   Registrant's telephone number, including area code

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

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

TITLE OF CLASS	NUMBER OF SHARES OF COMMON STOCK OUTSTANDING AND AMOUNT OF DEBT OUTSTANDING
Class "A" Common	292,610,118 Shares
Class "B" Common	189,217,535 Shares

11. Are any or all of the securities listed on the Philippine Stock Exchange?

Yes [✓] No [ ]

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

Philippine Stock Exchange	**Common Shares, Class "A" and "B"**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code (SRC) and RSA Rule 17(2)-(b) thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes [✓] No [ ]

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

Yes [✓] No [ ]

PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The following financial statements, presented in a comparative format, are submitted:

(1) Unaudited Consolidated Interim Balance Sheet as of 31 March 2016 and Audited Consolidated Balance Sheet as of 31 December 2015 as Annex "A";

(2) Unaudited Interim Statement of Income and Retained Earnings for the three (3) month period ending 31 March 2016 and the three (3) month period ending 31 March 2015 as Annex "B";

(3) Unaudited Interim Statement of Changes in Stockholders' Equity for the three (3) months ending 31 March 2016 and 31 March 2015 and Audited Statement of Changes in Stockholders' Equity for the year ending 31 December 2015 as Annex "C";

(4) Unaudited Interim Cash Flow Statement for the three (3) month period ending 31 March 2016 and the three (3) month period ending 31 March 2015 as Annex "D";

(5) Interim Cash Flow for the quarterly periods ending 30 June and 30 September 2015 Audited Cash Flow Statement for the year ended 31 December 2015 as Annex "E";

(6) Consolidated Balance Sheet as of 31 March 2016 and 31 December 2015 with vertical and horizontal percentage analysis as Annex "F".

ITEM 2. MANAGEMENTS DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

(1) Management's Discussion and Analysis

The Registrant's consolidated revenue in 2015 increased by 56% to ₱183.5 million from ₱117.9 million in 2014. Equity in net earnings of associates increased by 45% from ₱72.6 million in 2014 to ₱105.4 million in 2015 as the Registrant's outsourcing affiliates especially Pointwest experienced strong earnings growth as revenues jumped. Interest income increased from ₱ 37.7 million in 2014 to ₱ 39.2 million in 2015 as interest levels have stabilized and started to inch up. A net foreign exchange gain of ₱22.8 million was recorded in 2015 as the Peso declined against foreign currencies which benefitted the foreign exchange denominated bonds and other securities hold by the Registrant and its subsidiary against a foreign exchange loss in 2014. Rent more than doubled from ₱4.5 million in 2014 from ₱12.8 million in 2015 due to escalation of rental rates and the leasing out of additional condominium office units in 2014. Gain on disposal of AFS, HTM and FVPL Financial Assets of ₱1.5 million was recorded in 2015 against ₱0.2 million in 2014. Dividend income decreased from ₱2.3 million in 2014 to ₱1.5 million in 2015.

Total consolidated expenses of the Registrant increased to ₱35.3 million in 2015 compared to ₱34 million in 2014. Fair Value losses of financial assets at FVPL of ₱6.0 million and impairment loss on AFS Financial assets of ₱2.1 million were partly offset by reduction in FX loss and loss on disposal of AFS financial asset.

As a result of the above, total consolidated income before tax in 2015 totalled ₱148.2 million compared to ₱83.9 million in 2014. After provision for income tax, total consolidated net income after tax totalled ₱139.6 million in 2015 compared to ₱78.8 million in 2014 or an increase of 77%.

Net income attributable to non-controlling interest, namely minority shareholder of Magellan Capital Holdings Corporation, totalled ₱1.2 million in 2015 compared to ₱1.5 million in 2014.

The Registrant's financial position is very strong as it has substantial cash resources available to undertake its planned projects. As of December 31, 2015, the Registrant's consolidated cash and cash equivalent totaled over ₱965.6 million which was higher than the level of ₱946.8 million as of December 31, 2014 due to inflow of dividend, rental and interest income. The Registrant and its subsidiary is planning to undertake development of MCHC's land in Fort Bonifacio into an income producing building as well as to acquire income producing properties as well as additional land for development. The Registrant and its subsidiary are debt free with total consolidated liabilities of ₱32.8 million compared to total equity of ₱1.8 billion as of the end of 2015.

The Registrant and its subsidiary and affiliates are substantially debt free except for MUDC which has loans and advances from its principal shareholders. The Registrant and its subsidiaries have more than enough cash resources to meet any expected requirements in the next twelve months. Consolidated cash and cash equivalents at the end of 2015 totalled ₱965 million compared to ₱946.8 million at the end of 2014 while total current assets totalled ₱1.1 billion at year-end 2015 the same level as at year -end 2014. Other than the normal fluctuation of the Peso exchange rate as well as the effect of the normal market fluctuations on the value of stock and bond holdings owned by the Registrant and its subsidiary, the Registrant is not aware of any trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in its liquidity increasing or decreasing in any material way. Likewise, the Registrant does not know of any trends, events or uncertainties that have or that are reasonably expected to have a material favorable or unfavorable impact on the revenues or income from continuing operations.

(a) Operating Results and Financial Condition for the First Quarter of 2016

(i) There are no known trends, demands, events or uncertainties that would have a material effect on the Issuer's liquidity.

(ii) There are no known or anticipated events that would trigger direct or contingent financial obligation that is material to the Company including any default or acceleration of any obligation.

(iii) There are no material off-balance sheet transaction, arrangements, obligations (including contingent obligations) and other relationship of the Company with unconsolidated entities or other persons created during first quarter of 2016 or in prior periods.

(iv) There are no material commitments for capital expenditures, by the Company or its majority owned subsidiary and equity in net earnings of association.

(v) There are no trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable impact on net revenues/income from continuing operations except for possible unrealized or realized foreign exchange gains from the dollar denominated investments of the Company and its majority owned subsidiary and equity in net earnings of associates. These are generally recognized in the year-end Audited Financial Statements except for realized foreign exchange gain which are reported in the period realized.

(vi) The Company did not realize any non-operating income in the first quarter of 2016 or in the first quarter of 2015 aside from unrealized gain on trading securities, gain on disposal of AFS/HTM investments and net unrealized foreign exchange gains.

The following is a detailed discussion of the Registrant's operations and financial condition during the first quarter of 2016 and first quarter of 2015.

Operating Results

Breakdown of Revenue for the Three Month Periods Ending March 31, 2016 and March 31, 2015 with Vertical and Horizontal Percentage Analysis:

(P000)	FIRST QUARTER MARCH 31, 2016	VERTICAL PERCENTAGE ANALYSIS MARCH 31, 2016	FIRST QUARTER MARCH 31, 2016	VERTICAL PERCENTAGE ANALYSIS MARCH 31, 2016	INCREASE (DECREASE) AMOUNT MARCH 31, 2016	INCREASE (DECREASE) PERCENTAGE MARCH 31, 2016
INTEREST INCOME						
From Banks	₱ 3,025	24.5%	₱ 1,496	9.7%	₱ 1,529	102%
From Securities	5,325	43.1%	5,583	36.4%	258	(4.6%)
TOTAL	**8,350**	**67.6%**	**7,079**	**46.1%**	**1,271**	**18.0%**
Dividend Income	31	0.3%	14	0.1%	17	121%
Rent Income	3,385	27.4%	3,352	21.8%	33	1%
Unrealized Gain on Trading Securities	287	2.3%	2,845	18.5%	(2,558)	(90%)
Gains on Disposal of AFS/HTM	-		2,052	13.4%	(2,052)	(100%)
Net Unrealized FX Gain	222	1.8%	-		222	-
Other Income	85	0.6%	-	-	85	-
TOTAL	**₱ 12,362**	**100%**	**₱ 15,346**	**100%**	**₱ (2,984)**	**(19.4%)**

Revenues. Consolidated Revenues, during the 3 month period ended March 31, 2016, totaled ₱12.4 million compared to the ₱15.3 million during the same 3 month period in 2015 or a decrease of 19%. The lower revenue was mainly due to lower unrealized gain on trading securities which dropped from ₱ 2.8 million in the First Quarter of 2015 to ₱0.3 million in the First Quarter of 2016. In addition, there was no gain on disposal of AFS/HTM investment in the First Quarter of 2016 compared to a ₱2.1 million gain in the First Quarter of 2015. This was partly offset by higher interest income which increased from ₱ 7.1 million in the First Quarter of 2015 to ₱ 8.4 million in the First Quarter of 2016.

Expenses. Consolidated General and Administrative Expenses in the first quarter of 2016 totaled ₱6.1 million which was lower than the ₱6.9 million in the first quarter of 2015. Lower net fx loss accounted for most of the decrease.

Operating Income. As a result of the factors discussed above, consolidated operating income in first quarter 2015 totaled ₱ 6.2 million compared to ₱8.4 million net income in the same period of 2015.

Net Income. Net income totaled ₱6.2 million during the first quarter of 2016 compared to net income of ₱8.4 million in the first quarter of 2015. The net income in the first quarter of 2016 attributable to shareholders of the Company totaled ₱5.9 million while ₱325,800 in net income was attributable to minority shareholders in the company's majority owned subsidiary Magellan Capital Holdings Corporation. In the first quarter of 2015, ₱8.0 million net income was attributable to shareholders of the company and ₱368,076 attributable to minority shareholders in the Registrant's subsidiary.

BALANCE SHEET ACCOUNTS

Annex "F" shows the Vertical and Horizontal Percentage Analysis of Balance Sheet Account for March 31, 2016 compared to December 31, 2015.

ASSETS

Current Assets. Consolidated current assets as of March 31, 2016 totaled ₱1,103.9 million compared to ₱1,091.9 million as of December 31, 2015. Most of the increase was due to increase in financial assets at fair value.

Receivables from Related Parties. This account was nil at March 31, 2016, the same level as at year-end 2015.

Investments in Associates. This account which consists of investment in Pointwest Technologies Corporation and BPO International, Inc. remained unchanged from year-end 2015 to March 31, 2016 at ₱202.4 million as equity in net earnings of associates are taken up at year-end.

Available for Sale Investments. This account which consists mostly of corporate bonds decreased to ₱397.3 million as of March 31, 2016 from ₱401.2 million at year-end 2015.

Property And Equipment. This account totaled ₱17.3 million as of March 31, 2016 compared to ₱12.0 million as of December 31, 2015 due to investment in a condominium unit.

Investment in Property. This Account decreased slightly to ₱131.4 million as of March 31, 2016 from ₱132.4 million due to depreciation allowance taken in the first quarter of 2016.

Other Non-Current Assets. This account totaled ₱26.6 million as of March 31, 2016 from ₱ 32.4 at year-end 2015.

Total Assets. As a result of the foregoing, total assets increased slightly to ₱1,878.9 million as of March 31, 2016 from ₱1,872.4 million as of December 31, 2015.

LIABILITIES AND EQUITY

Current Liabilities. Current liabilities was at ₱15.4 million as of March 31, 2016 compared to P15.6 million at year-end 2015 due to lower withholding tax payable.

Non-Current Liabilities. Non-current liabilities which consists mostly of retirement benefits obligation was stable at ₱17.2 million as of March 31, 2016, the same level as at year-end 2015. The accrual of additional retirement benefit obligation is taken up at year-end based on actuarial studies commissioned at that time.

Stockholder's Equity. Total stockholder's equity increased to ₱1,846.4 million as of March 31, 2016 from ₱1,839.7 million at year-end 2015 due to the comprehensive net income of ₱6.7 million generated in the first quarter of 2016. Total equity attributable to stockholders of the company totaled ₱1,773.2 million at March 31, 2016 from ₱1,766.7 million at December 31, 2015 due to the comprehensive income ₱6.4 million attributable to stockholders of the company. Minority interest which represents the share of minority shareholders of Magellan Capital Holdings Corporation was ₱73.1 million at March 31, 2016 compared to ₱72.8 million at December 31, 2015 due to their share of comprehensive income generated in the first quarter of 2016 of ₱0.3 million.

(a) Top Performance Indicators

The top five (5) performance indicators for the Company and its Subsidiary are as follows:

1) Change in revenues
2) Change in net income
3) Earnings per share
4) Current ratio
5) Book Value per share

Change in Revenues. Consolidated revenues in the first quarter of 2016 and 2015 are shown in Annex "B" and presented below in summary form:

(P 000)	1st Quarter-2016	Percentage (%)	1st Quarter-2015	Percentage (%)
Interest Income	₱ 8,351	67.6%	₱ 7,079	46.1%
Lease Rental Income	3,386	27.4%	3,356	21.9%
Dividend Income	31	0.3%	13	0.1%
Unrealized Gain on trading securities	287	2.3%	2,845	18.5%
Gain on Disposal/Redemption of AFS/HTM Investments	-	-	2,052	13.4%
Net Unrealized FX Gain	221	1.8%	-	-
Other Income	86	0.6%	-	-
Total Income	**₱ 12,362**	**100%**	**₱ 15,345**	**100%**

Total revenue decreased in the first quarter of 2016 to ₱12.4 million from ₱15.3 million in the first quarter of 2015. Lower gain on disposal/redemption of AFS/HTM investment and lower unrealized gain on trading securities accounted for most of the decrease.

Change in Net Income. The income statement in the first quarter of 2016 and 2015 are shown in Annex "B" and summarized below:

(P 000)	1st Quarter-2016	Percentage (%)	1st Quarter-2015	Percentage (%)
Revenues	₱ 12,362	100%	₱ 15,345	100%
Expenses	6,121	49.5%	6,937	45.2%
Net Income	6,241	50.5%	8,408	54.8%
Attributable to:				
- Minority Interest	326	2.6%	368	2.3%
- Stockholders of Company	5,915	47.9%	8,040	52.4%

The Registrant realized a net income of ₱6.2 million in the first quarter of 2016 compared to ₱8.4 million in the first quarter of 2015. Net income of ₱5.9 million was attributable to stockholders of the company in the first quarter of 2016 compared to ₱8.0 million in the first quarter of 2015.

Earnings Per Share. The net income per share attributable to shareholders of the Company during the first quarter of 2016 was ₱0.015 per share compared to net income per share of ₱0.0209 in the first quarter of 2015 due to the decrease in net income generated in the first quarter of 2016.

Current Ratio. Current ratio as of March 31, 2016 was 71 X compared to 70 X as of December 31, 2015.

Book Value Per Share. Book value per share as of March 31, 2016 was ₱4.62 per share compared to ₱4.60 as of December 31, 2015.

SIGNATURES

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

Issuer .... *F & J Prince Holdings Corporation* ....

Principal Executive Officer

Signature and Title .... **ROBERT Y. COKENG, President** ....

Date .... **17 May 2016**

Principal Financial/Accounting Officer/Controller

Signature and Title .... **MARK RYAN K. COKENG, Treasurer** ....

Date .... **17 May 2016**

My Docs>F&J>2016 Files>SEC Form 17Q>
1st Quarter>1ST Quarter 31 March 2016

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2016 AND DECEMBER 31, 2015

ANNEX "A"
Page 1

ASSETS		UNAUDITED MARCH 31, 2016		AUDITED DEC. 31,2015
Current Assets				
Cash and cash equivalents	P	966,917,066	P	965,633,140
Financial assets at fair value through profit or loss		72,276,859		62,352,318
Convertible note receivable		0		0
Receivables-net :				
Advances to Officers & Employees		0		0
Interest Receivable		7,918,573		7,568,959
Dividends Receivable		21,098,923		21,098,923
Receivable from related parties		2,521,822		2,414,872
Others		1,558,729		1,673,849
Total Receivables		33,098,047		32,756,603
Allowance for impairment losses		845,378		845,378
Total Receivables-Net		32,252,669		31,911,225
Current portion of HTM investments		0		0
Current portion of AFS financial assets		4,902,099		4,902,099
Prepaid expenses & other current assets:				
Input Tax		15,218,927		14,870,972
Prepaid Income Tax		400,000		400,000
Others		12,020,183		11,826,736
Total Prepaid expenses and other current assets		27,639,110		27,097,708
Total Current Assets	P	1,103,987,803	P	1,091,896,490
Non-current Assets				
Receivables from related parties-net		0		0
Investments in associates		202,417,747		202,417,747
HTM investments-net of current portion		0		0
Available-for-sale (AFS) investments–net of current portion		397,274,986		401,236,077
Investment in property		131,368,130		132,430,015
Property and Equipment				
Building		25,697,907		20,755,943
Building Improvements		8,692,633		8,692,633
Transportation equipment		8,395,222		8,395,222
Furniture and fixtures		3,612,409		2,843,660
Total		46,398,171		40,687,458
Less: Accumulated depreciation		29,087,636		28,659,481
Net Book Value		17,310,535		12,027,977
Total Property and Equipment		17,310,535		12,027,977
Other non-current assets		26,599,771		32,426,972
Total Non-Current Assets		774,971,169		780,538,788
TOTAL ASSETS	P	1,878,958,972	P	1,872,435,278

LIABILITIES & STOCKHOLDERS' EQUITY		UNAUDITED MARCH 31, 2016		AUDITED DEC. 31, 2015
Current Liabilities				
Accounts Payable and accrued expenses				
Accounts payable-trade		0		0
Accounts payable-others		805,441		805,441
Withholding taxes payable		244,121		430,241
SSS Premium Payable		15,521		17,901
HDMF Premium Payable		1,996		2,396
Philhealth Premium Payable		6,350		6,550
Deposit Payable		1,602,324		1,584,805
Output Vat Payable		136,081		121,809
Accrued expenses		963,470		986,258
Total Accounts payable and accrued expenses	P	3,775,304	P	3,955,401
Dividends Payable		3,418,416		3,418,416
Income Tax Payable		3,191,511		3,191,511
Provision for legal obligation		5,000,000		5,000,000
Total Current Liabilities	P	15,385,231	P	15,565,328
Non-Current Liabilities				
Deferred income tax liabilities-net		6,296,804		6,296,804
Payable to related parties		0		0
Retirement benefit obligation)		10,918,293		10,918,293
Total Non-Current Liabilities		17,215,097		17,215,097
Stockholders' Equity				
Capital stock		481,827,653		481,827,653
Additional paid in capital		144,759,977		144,759,977
Treasury shares		(99,669,477)		(99,669,477)
Other Reserves		19,783,902		19,321,108
Actuarial loss on retirement benefit obligation		(2,412,162)		(2,412,162)
Accumulated share in other comprehensive income of associates		(15,961,151)		(15,961,151)
Retained earnings		1,244,909,524		1,238,994,327
Total Equity Attributable to Stockholders of the Company		1,773,238,266		1,766,860,275
Minority Interest		73,120,378		72,794,578
Total Stockholders' Equity		1,846,358,644		1,839,654,853
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	P	1,878,958,972	P	1,872,435,278

See accompanying Notes to Consolidated Financial Statements

Prepared by:

ARSENIO T. LIAO
Accountant

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS PERIOD ENDING MARCH 31, 2016 AND MARCH 31, 2015

		UNAUDITED MARCH 31, 2016		UNAUDITED MARCH 31, 2015
REVENUES				
Interest Income				
From Banks	P	3,025,434	P	1,495,789
From Securities		5,325,338		5,583,545
Total Interest Income		8,350,772		7,079,334
Unrealized gains on trading securities		286,954		2,845,053
Rental Income		3,385,613		3,355,711
Gains on disposal /redemption of AFS/HTM investments		0		2,051,753
Dividend Income		31,024		13,637
Net unrealized foreign exchange gain		221,515		0
Other income		85,811		0
	P	12,361,689	P	15,345,488
EXPENSES				
Net foreign exchange loss		0		997,501
Amortization of unrealized losses on changes in fair value of AFS investments		0		0
Salaries, wages and employees' benefits		2,646,033		2,467,367
Depreciation		1,490,040		1,579,429
Professional fees		371,183		532,823
Condominium dues		400,866		489,855
Repairs and maintenance		0		0
Taxes and licenses		543,446		428,402
Entertainment, amusement and recreation		106,319		76,559
Unrealized loss on financial assets at FVPL		99,027		0
Others		463,778		365,050
		6,120,692		6,936,986
NET INCOME	P	6,240,997	P	8,408,502
NET INCOME ATTRIBUTABLE TO:				
STOCKHOLDERS OF THE COMPANY	P	5,915,197	P	8,040,426
MINORITY INTERESTS		325,800		368,076
EARNINGS PER SHARE	P	0.0150	P	0.0209

See accompanying Notes to Consolidated Financial Statements

Prepared by:

ARSENIO T. LIAO
Accountant

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDING MARCH 31, 2016 AND MARCH 31, 2015

		UNAUDITED MARCH 31, 2016		UNAUDITED MARCH 31, 2015
NET INCOME	P	6,240,997	P	8,408,502
OTHER COMPREHENSIVE INCOME(LOSS)				
Changes in fair value of AFS investments		462,794		(2,569,161)
Amortization of unrealized losses on changes in fair value of AFS investments		-		-
Disposal of AFS investment				
Impairment loss on AFS investments				
Others				
		462,794		(2,569,161)
TOTAL COMPREHENSIVE INCOME(LOSS)	P	6,703,791	P	5,839,341
TOTAL COMPREHENSIVE INCOME(LOSS) ATTRIBUTABLE TO:				
STOCKHOLDERS OF THE COMPANY	P	6,368,601	P	5,547,374
MINORITY INTERESTS		335,190		291,967
	P	6,703,791	P	5,839,341

See accompanying Notes to Consolidated Financial Statements

Prepared by:

ARSENIO T. LIAO
Accountant

ANNEX "C"

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND MARCH 31, 2015
AND THE YEAR ENDED DECEMBER 31, 2015

		UNAUDITED MARCH 31, 2016	UNAUDITED MARCH 31, 2015	AUDITED DEC. 31, 2015
CAPITAL STOCK				
Balance at beginning of year	P	481,827,653P	481,827,653 P	481,827,653
Exercise of stock warrants				
Issuance of additional shares of stock				
Subscription of additional shares of stock				
Balance at end of period		481,827,653	481,827,653	481,827,653
ADDITIONAL PAID-IN CAPITAL		144,759,977	144,759,977	144,759,977
Treasury Shares		(99,669,477)	(98,942,697)	(99,669,477)
Other Reserves		19,783,902	10,020,851	19,321,108
Actuarial loss on retirement benefit obligation		(2,412,162)	(2,376,318)	(2,412,162)
Share in other comprehensive income of associates		(15,961,151)	(26,709,841)	(15,961,151)
SHARE IN REVALUATION INCREMENT ON LAND OWNED BY MCHC's SUBSIDIARIES				
RETAINED EARNINGS				
Balance at beginning of period		1,238,994,327	1,177,526,941	1,177,526,941
Net Income		5,915,197	8,040,430	138,463,644
Dividends declared				(76,996,258)
Balance at end of period		1,244,909,524	1,185,567,371	1,238,994,327
		1,773,238,266	1,694,146,996	1,766,860,275
Minority Interests		73,120,378	69,756,649	72,794,578
TOTAL STOCKHOLDERS' EQUITY	P	1,846,358,644 P	1,763,903,645 P	1,839,654,853

See accompanying Notes to Consolidated Financial Statements

Prepared by:

ARSENIO T. LIAO
Accountant

ANNEX "D"

F & J PRINCE HOLDINGS CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDING MARCH 31, 2016 AND MARCH 31, 2015

		UNAUDITED MARCH 31, 2016		UNAUDITED MARCH 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income	P	5,915,197	P	8,040,430
Adjustments to reconcile net income to net cash provided by operating activities:				
Minority Interest		325,800		368,076
Depreciation and amortization		1,490,040		1,579,429
Amortization of unrealized loss/gain on FV of AFS inv.		462,794		(2,569,161)
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Receivables		(341,444)		(4,065,600)
Prepaid expenses and other current assets		(541,402)		41,150
Increase (decrease) in accounts payable and accrued expenses		(180,097)		(5,018,118)
Net cash provided by operating activities		7,130,888		(1,623,794)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions/disposals of property and equipment		(5,710,713)		0
AFS/HTM investments and financial assets (FVPL)		(5,963,450)		3,181,833
Decrease (increase) in:				
Receivable from related parties		0		(1,200)
Other assets		5,827,201		0
Net cash provided by (used in) investing activities		(5,846,962)		3,180,133
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in:				
Purchase of treasury shares		0		0
Payable to related parties		0		0
Income tax payable		0		0
Net cash provided by (used in) financing activities		0		0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	P	1,283,926	P	1,556,339
CASH AND CASH EQUIVALENTS, BEGINNING		965,633,140		946,841,757
CASH AND CASH EQUIVALENTS, ENDING	P	966,917,066	P	948,398,096

See accompanying Notes to Consolidated Financial Statements

Prepared by:

ARSENIO T. LIAO
Accountant

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 3 MONTHS PERIOD ENDING JUNE 30, 2015 AND SEPTEMBER 30, 2015

		UNAUDITED SEPTEMBER 30, 2015		UNAUDITED JUNE 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	P	80,009,459	P	11,682,836
Adjustments to reconcile net income to net cash provided by operating activities:				
Equity in net earnings in associate		(69,238,377)		
Minority interest		1,862,478		1,170,850
Depreciation and amortization		4,605,455		3,101,587
Unrealized loss/gain on changes in fair value of AFS/FVPL		(454,912)		(474,849)
Amortization of unrealized loss/gain on FV of AFS inv.		-		
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Receivables		49,571,560		51,024,632
Prepaid expenses and other current assets		(95,067)		(22,788)
Increase (decrease) in:				
Accounts payable and accrued expenses		(7,655,431)		(2,641,231)
Net cash provided by operating activities		58,605,165		63,841,037
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions/disposals of property and equipment		0		(5,107)
Investment in property		0		
AFS/HTM/other investments and financial assets (FVPL)		(10,139,205)		(29,556,440)
Decrease (increase) in:				
Receivables from related parties		(1,400)		(1,300)
Other assets				
Net cash provided by (used in) investing activities		(10,140,605)		(29,562,847)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in:				
Cash dividends declared and paid		(77,483,228)		0
Deposit liability		0		0
Dividends payable		(8,226)		(1,260)
Income tax payable		(2,153,252)		(2,153,252)
Net cash provided by (used in) financing activities		(79,644,706)		(2,154,512)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	P	**(31,180,146)**	P	**32,123,678**
CASH AND CASH EQUIVALENTS, BEGINNING		**946,841,757**		**946,841,757**
CASH AND CASH EQUIVALENTS, ENDING	P	**915,661,611**	P	**978,965,435**

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES **ANNEX "E"**
CONSOLIDATED STATEMENT OF CASH FLOWS **Page 2**
FOR THE YEAR ENDING DECEMBER 31, 2015 **Audited**

CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax from continuing operations	P	148,177,630
Income (loss) from discontinued operations		
Adjustments for:		
Net unrealized foreign exchange losses (gains)		(23,362,015)
Fair value losses on financial assets at FVPL		5,996,071
Depreciation		6,108,081
Impairment loss on AFS financial assets		2,127,676
Loss on bank foreclosure		407,475
Gain on disposal of investment in subsidiary		
Dividend income		(1,538,110)
Equity in net losses (earnings) of associates		(105,413,232)
Interest income		((39,171,045)
Loss(gain) on disposal of property and equipment		-
Loss(gain) on disposal of financial assets at FVPL		(617,848)
Loss(gain) on disposal of AFS financial assets		(908,071)
Operating loss before working capital changes		(8,193,388)
Decrease (increase) in:		
Receivables		(348,908)
Receivable from related parties		(36,237)
Prepaid expenses and other current assets		(10,454,054)
Increase (decrease) in accounts payable and accrued expense		(1,965,051)
Increase (decrease) in retirement benefit obligation		1,157,197
Proceeds from disposal of :		
Financial assets at FVPL		2,497,848
AFS financial assets		65,265,170
Additions to:		
Financial assets at FVPL		(4,623,460)
AFS financial assets		(84,646,959)
Net cash flows used in operations		(41,347,842)
Dividends received		102,299,153
Interest received		35,856,108
Income taxes paid		(5,866,059)
Net cash flows from operating activities		90,941,360
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of:		
AFS financial assets		(67,457,497)
Investments in associates		(5,625,000)
Investment in properties		(4,790,340)
Property and equipment		(12,588)
Increase(decrease) in other non-current assets		(6,370,629)
Net cash flows from (used in) investing activities		(16,798,557)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid		(76,102,364)
Purchase of treasury shares		(726,780)
Net cash flows from financing activities		(76,829,144)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(2,686,341)**
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**21,477,724**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**946,841,757**
CASH AND CASH EQUIVALENTS AT END OF YEAR	P	**965,633,140**

F& J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY

"ANNEX F"

CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2016 AND DECEMBER 31, 2015
WITH VERTICAL AND HORIZONTAL PERCENTAGE ANALYSIS

	UNAUDITED3 MARCH 31, 2016	VERTICAL PERCENTAGE ANALYSIS MARCH 31, 2016	AUDITED DEC. 31,2015	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2015	INCREASE (DECREASE) AMOUNT MARCH 31, 2016	INCREASE (DECREASE) PERCENTAGE ANALYSIS MARCH 31, 2016
ASSETS						
Current Assets						
Cash and cash equivalents	966,917,066	51.46%	965,633,140	51.57%	1,283,926	0.13%
Financial assets at fair value through fair value thru profit or loss (FVPL)	72,276,859	3.85%	62,352,318	3.33%	9,924,541	15.92%
Short-term investments	-	-	-	-	--	-
Receivables :						
Advances to Officers & Employees	0	0.00%	0	0.00%	0	0.00%
Interest Receivable	7,918,573	0.42%	7,568,959	0.40%	349,614	4.62%
Dividends Receivable	21,098,923	1.12%	21,098,923	1.13%	0	0.00%
Receivable from related parties	2,521,822	0.13%	2,414,872	0.13%	106,950	4.43%
Others	1,558,729	0.08%	1,673,849	0.09%	(115,120)	-6.88%
Total Receivables	33,098,047	1.75%	32,756,603	1.75%	341,444	1.04%
Allowance for impairment losses	845,378	-0.04%	845,378	-0.05%	0	0.00%
Total Receivables-Net	32,252,669	1.71%	31,911,225	1.70%	341,444	1.07%
Current portion of HTM investments	0	0.00%	0	0.00%	0	0.00%
Current portion of AFS investments	4,902,099	0.26%	4,902,099	0.26%	0	0.00%
Prepaid expenses & other current assets:						
Others	15,218,927	0.81%	1,773,451	0.80%	347,955	2.34%
Input Tax	12,020,183	0.64%	14,470,203	0.63%	193,447	1.64%
Prepaid Income Tax	400,000	0.02%	400,000	0.02%		0.00%
Total Prepaid expenses & other current assets	27,639,110	1.47%	27,097,708	1.45%	541,402	2.00%
Total Current Assets	1,103,987,803	58.75%	1,091,896,490	58.31%	12,091,313	1.11%
Non-current Assets						
Receivables from related parties	0	0.00%	0	0.00%	0	0.00%
Investments in associates	202,417,747	10.77%	202,417,747	10.81%	0	0.00%
HTM investments-net of current portion	0	0	0	0.00%	0	0.00%
Available -for-sale (AFS) investments	397,274,986	21.15%	401,236,077	21.44%	(3,961,091)	-0.99%
Investment in properties	131,368,130	6.99%	132,430,015	7.07%	(1,061,885))	-.0.80%
Property and Equipment						
Building	25,697,907	1.37%	20,755,943	1.11%	4,941,964	23.81%
Building Improvements	8,692,633	0.46%	8,692,633	0.46%	0	0.00%
Transportation equipment	8,395,222	0.45%	8,395,222	0.45%	0	0.00%
Furniture and fixtures	3,612,409	0.19%	2,843,660	0.15%	768,749	27.03%
Total Property and Equipment	49,398,171	2.47%	40,687,458	2.17%	5,710,713	14.04%
Less: accumulated depreciation	29,087,636	-1.55%	26,859,481	-1.53%	428,155	1.49%
Net Book Value	17,310,535	0.92%	12,027,977	0.64%	5,282,558)	43.92%
Total Property and Equipment	17,310,535	0.92%	12,027,977	0.64%	5,282,558)	43.92%
Deferred income tax assets-net	0	0.00%	0	0.00%	0	0.00%
Other Assets – net	26,599,771	1.42%	32,426,972	1.73%	(5,827,201)	-17.97%
Total Non-Current Assets	774,971,169	41.25%	780,538,788	41.69%	(5,567,619)	-0.71%
TOTAL ASSETS	1,878,958,972	100.00%	1,872,435,278	100.00%	6,523,694	0.35%

	UNAUDITED MARCH 31, 2016	VERTICAL PERCENTAGE ANALYSIS MARCH 31, 2016	AUDITED DEC. 31,2015	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2015	INCREASE (DECREASE) AMOUNT MARCH 31, 2016	INCREASE (DECREASE) PERCENTAGE ANALYSIS MARCH 31, 2016
LIABILITIES & STOCKHOLDERS' EQUITY						
Current Liabilities						
Accounts Payable and accrued expenses						
Accounts payable-trade	0	0.00%	0	0.00%	0	0.00%
Accounts payable-others	805,441	0.03%	805,441	0.04%	0	0.00%
Withholding taxes payable	244,121	0.01%	430,241	0.02%	(186,120)	-43.26%
SSS Premium Payable	15,521	0.00%	17,901	0.00%	(2,380)	-13.30%
HDMF Premium Payable	1,996	0.00%	2,396	0.00%	(400)	-16.69%
Philhealth Premium Payable	6,350	0.00%	6,550	0.00%	(200)	-3.05%
Deposit Payable	1,602,324	0.09%	1,584,805	0.09%	17,519	1.11%
Output Vat Payable	136,081	0.01%	121,809	0.01%	14,272	11.72%
Accrued expenses	963,470	0.05%	986,258	0.05%	(22,788)	-2.31%
Total Accounts payable & accrued expenses	3,775,304	0.19%	3,955,401	0.21%	(180,097)	-4.55%
Dividends Payable	3,418,416	0.18%	3,418,416	0.18%	0	0.00%
Income Tax Payable	3,191,511	0.17%	3,191,511	0.17%	0	0.00%
Provision for legal obligation	5,000,000	0.28%	5,000,000	0.27%	0	0.00%
Total Current Liabilities	15,385,231	0.82%	15,565,328	0.83%	(180,097)	-1.16%
Non-Current Liabilities						
Deferred tax liabilities-net	6,296,804	0.34%	6,296,804	0.34%	0	0.00%
Payable to related parties	0	0.00%	0	0.00%	0	0.00%
Retirement benefit obligation	10,918,293	0.59%	10,918,293	0.58%	0	0.00%
Total Non-Current Liabilities	17,215,097	0.93%	17,215,097	0.92%	0	0.00%
Stockholders' Equity						
Capital stock	481,827,653	25.64%	481,827,653	25.73%	0	0.00%
Additional paid in capital	144,759,977	7.69%	144,759,977	7.73%	0	0.00%
Other reserves	19,783,902	1.05%	19,321,108	1.03%	462,794	2.40%
Actuarial loss on retirement obligation	(2,412,162)	-0.13%	(2,412,162)	-0.13%	0)	0.00%
Accumulated share in OCI of associates	(15,961,151)	-0.85%	(15,961,151)	-0.85%	0)	0.00%
Treasury shares	(99,669,477)	-5.30%	(99,669,477)	-5.32%	0)	0.00%
Retained earnings	1,244,909,524	66.26%	1,238,994,327	66.17%	5,915,197	0.48%
Total Equity Attributable to Stock-holders of the Company	1,773,238,266	94.36%	1,766,860,275	94.36%	6,377,991	0.36%
Minority Interest	73,120,378	3.89%	72,794,578	3.89%	325,800	0.45%
Total Stockholders' Equity	1,846,358,644	98.25%	1,839,654,853	98.25%	6,703,791	0.36%
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	1,878,958,972	100.00%	1,872,435,278	100.00%	6,523,694	0.35%

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

F & J Prince Holdings Corporation (the Parent Company) was registered with the Philippine Securities and Exchange Commission (SEC) on February 18, 1971. Its primary purpose is to purchase, subscribe for or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including, but not limited to, land, building, condominium units, shares of stock, bonds, debentures, notes, evidence of indebtedness and other securities, contracts or obligations of any corporation and associations, domestic or foreign. The Parent Company's shares of stock are listed in and traded through the Philippine Stock Exchange (PSE). The principal activities of its subsidiaries are described in Note 2.

The registered office address of the Parent Company is 5th Floor, Citibank Center Building, 8741 Paseo de Roxas corner Villar Street, Salcedo Village, Makati City.

Details on the Parent Company's subsidiaries as of March 31, 2016 and December 31, 2015 are as follows:

	Country of Incorporation	Primary Purpose	Percentage of Ownership
Magellan Capital Holdings Corporation (MCHC)*	Philippines	Holding company	94.37%
Pinamucan Industrial Estates, Inc. (PIEI)	Philippines	Real estate holding and development	100%
Malabrigo Corporation (MC)	Philippines	Mining	100%
Magellan Capital Realty Development Corporation (MCRDC)**	Philippines	Realty	100%
Magellan Capital Trading Corporation (MCTC)**	Philippines	Trading	100%

**Intermediate Parent Company*
***Nonoperational since incorporation.*

2. **Basis of Preparation and Statement of Compliance**

Basis of Preparation
The interim condensed consolidated financial statements of the Group have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss (FVPL) and certain available for sale (AFS) financial assets that have been measured at fair value (see Notes 5 and 8), and are prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. The interim condensed consolidated financial statements are presented in Philippine peso (₱), which is the Parent Company and its subsidiaries' functional currency, and rounded off to the nearest peso, except when otherwise indicated.

The interim condensed consolidated financial statements do not include all information and disclosure required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at March 31, 2016 and for the year ended December 31, 2015.

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3. Summary of Significant Accounting Policies

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2015, except for the following adoption of new and amended Philippine Financial Reporting Standards (PFRS), which are effective as of January 1, 2016:

- PFRS 10, *Consolidated Financial Statements,* and PAS 28, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidated Exceptions* (Amendments)
  These amendments clarify that the exemption in PFRS 10 from presenting consolidated financial statement applies to parent entity that is a subsidiary of an investment entity that measures all of its subsidiaries at fair value and that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. The amendments also allow an investor (that is not an investment entity and has an investment entity associate or joint venture), when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its subsidiaries. These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

- 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. These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (Amendments)
  The 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 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, a 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 to be applied retrospectively, with early adoption permitted. These amendments do not have any impact to the Group.

- PAS 1, *Presentation of Financial Statement - Disclosure Initiative* (Amendments)

The amendments are intended to assist entities in applying judgment when meeting the presentation and disclosure requirements in PFRS. They clarify the following:

- That specific line items in the statement of income and OCI and the statement of financial position may 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 classifies between those items that will or will not be subsequently reclassified to profit or loss.

These amendments do not 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 statements of financial position and present movements in these account balances as separate line items in the statements of profit or loss and other comprehensive income. 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. Since the Group is an existing PFRS preparer, this standard would not apply.

- PAS 16, *Property, Plant and Equipment,* and PAS 41, *Agriculture - 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. These amendments do not expected have any impact to the Group as the Group does not have any bearer plants.

- 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 to be applied prospectively, with early adoption permitted. These amendments do not have any impact to the Group given that the Group has not used a revenue-based method to depreciate its noncurrent assets.

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 do not have a material impact on the Group.

- 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*
  This 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).

4. Cash and Cash Equivalents

	March, 2016	December, 2015
Cash on hand	**₱9,000**	**₱9,000**
Cash with banks	**106,560,518**	**164,386,383**
Short-term placements	**860,347,548**	**801,237,757**
	₱966,917,066	₱965,633,140

Cash with banks earn interest at the respective bank deposit rates. Short-term placements are fixed rate time deposits denominated in United States (US) dollar and Philippine peso, made for varying periods of up to three months or less, depending on the immediate cash requirements of the Group. Interest income earned from these bank deposits and short-term placements amounted to ₱8.4 million and ₱ 15.1 million in March, 2016 and December ,2015, respectively.

5. Financial Assets at FVPL

Financial assets at FVPL consist of listed securities which are traded in the PSE, New York Stock Exchange (NYSE) and Hong Kong Stock Exchange (HKEx). Fair values of listed equity securities are based on quoted market prices in the PSE, NYSE and HKEx.

The rollforward of the Group's investments in financial assets at FVPL is as follows:

	March, 2016	December, 2015
Cost:		
Balances at beginning of year	**₱62,352,318**	₱41,181,502
Additions	-	4,623,460
Disposals	-	(1,590,000)
Balances at end of year	**62,352,318**	44,214,962
Changes in fair value:		
Balances at beginning of year	**18,137,356**	24,423,427
Fair value losses	**(8,212,815)**	(5,996,071)
Disposals		(290,000)
Balances at end of year	**9,924,541**	18,137,356
	₱72,276,859	₱62,352,318

6. Receivables

	March, 2016	December, 2015
Accrued interest	**₱7,918,573**	₱7,568,959
Rent receivable	**181,515**	641,268
Receivable from PDIC	**500,000**	500,000
Others	**877,214**	532,581
	9,477,302	9,242,808
Less allowance for impairment losses	**845,378**	845,378
	₱8,631,924	₱8,397,430

Accrued interest from third parties pertain to interests earned on investments in short-term placements, short-term investments and debt securities classified as AFS financial assets that are expected to be collected within one year.

7. Investments in Associates

	March, 2016	December, 2015
Costs:		
Acquisition costs	**₱186,260,135**	₱186,260,135
Conversion of deposit for stock subscription	**7,500,000**	7,500,000
	193,760,135	193,760,135

Accumulated equity in net earnings and OCI:		
Balances at beginning of year	**(39,018,887)**	(39,018,887)
Share in net income from associates	**105,413,232**	105,413,232
Share in OCI from associates	**10,748,690**	10,748,690
Dividends declared by associates	**(68,485,423)**	(68,485,423)
Balances at end of year	**8,657,612**	8,657,612
Deposit for stock subscription:		
Balances at beginning of year	**1,875,000**	1,875,000
Deposit	**5,625,000**	5,625,000
Conversion of deposit for stock subscription	**(7,500,000)**	(7,500,000)
	₱202,417,747	₱202,417,747

The Group has equity interest and additional deposits for stock subscription to the following associates as of March 31, 2016:

	Country of Incorporation	Percentage of Ownership		Carrying Amount of Investments	
				March, 2016	December, 2015
PTC	Philippines	**30**	30	**₱147,495,526**	₱147,495,526
BPO	Philippines	**35**	35	**54,922,221**	54,922,221
MUDC	Philippines	**43**	43	**-**	-
				₱202,417,747	₱202,417,747

PTC

PTC is a global service company outsourcing information technology services from the Philippines. Among others, it offers software servicing, maintenance, testing and development to various clients, mostly in the US.

a. *Dividends*

The Group's share in the dividends declared by PTC amounted to ₱58 million and ₱45 million in 2015 and 2014, respectively. As of March 31, 2016 and December 31, 2015, the outstanding dividend receivable amounted to ₱10.6 million , respectively.

b. *Deposit for Stock Subscription*

On December 1, 2014, PTC's authorized capital stock was increased from 400 million shares, with par value of ₱1 per share to 500 million shares with the same par value.

In compliance with the minimum subscription requirement for the application of the increase of PTC's capital stock, its stockholders, including the Group, deposited a total amount of ₱6.3 million, representing 25% of the minimum subscription of the capital increase. The Group maintained its percentage ownership over PTC by providing an advance payment amounting to ₱ 1.9 million in 2014.

On August 26, 2015, the Group deposited a total amount of ₱5.6 million, representing the remaining balance for subscription of capital increase.

On September 21, 2015, the SEC has approved PTC's application for increase in authorized capital stock. Accordingly, the deposit for stock subscription amounting to ₱7.5 million was converted to capital stock.

BPO
BPO is a provider of accounting and finance related services such as payroll, internal audit, payables processing and others. It is involved in outsourcing business process services in the Philippines, servicing many of the multinational and large corporations operating in the country.

The Group's share in the dividends declared amounted to ₱10.5 million and ₱10.5 million in 2015 and 2014, respectively. As of March 31, 2016 and December 31,2015, the Group has an outstanding receivable amounting to ₱10.5 million.

MUDC
The Group has a 43% interest in MUDC. As of March 31,2016, MUDC has been nonoperational since its incorporation. However, it has obtained the necessary requirements for the signing of a supply agreement with a public utility firm and a purchase agreement with certain oil companies. As of December 31, 2015 and 2014, MUDC has project development costs of ₱207.1 million. The recoverability of these assets and the ultimate success of MUDC's future operations are dependent upon the signing of these agreements. The foregoing conditions indicate the existence of a material uncertainty which may cast significant doubt on MUDC's ability to continue as a going concern and the recoverability of the Group's significant investment in MUDC.

As of December 31,2015 and 2014, MUDC has incurred significant losses, which resulted in capital deficiency.

Moreover, the Group's share in the losses of MUDC exceeded the carrying amount of its investment. Consequently, the Group has discontinued recognizing its share of further losses in excess of the investment cost of ₱94.9 million as of December 31,2015 and 2014.

Additional losses are provided for by the Group to the extent that it has made payments on behalf of MUDC to satisfy MUDC's obligations that the Group has guaranteed or otherwise committed.

As of December 31,2015 and 2014, the Group has assessed that its advances to MUDC amounting to ₱127.7 million are impaired since management believes that it will no longer recover from such advances.

8. AFS Financial Assets

	March, 2016	December, 2015
Debt securities	**₱246,312,795**	₱246,312,795
Equity securities - at fair value, net of allowance for impairment loss of ₱3.1 million and ₱1.0 million as of March 31, 2016 and 2015 respectively	**60,724,205**	64,685,296
Equity securities - at cost	**95,140,085**	95,140,085
	₱402,177,085	₱406,138,176
Less: current portion	**4,902,099**	4,902,099
	₱397,274,986	₱401,236,077

Movements in AFS financial assets are as follows:

	March, 2016	December, 2015
Balance at the beginning of the year	**₱406,138,176**	₱372,422,144
Additions		84,646,959
Disposals		(65,979,989)
Changes in fair market value:		
Profit or loss	**(3,961,091)**	8,213,435
Other comprehensive income		8,963,303
Provision for impairment loss		(2,127,676)
Balances at end of year	**₱402,177,085**	₱406,138,176

Investments in debt securities are denominated in various foreign currencies and are stated at fair value based on quoted prices. Changes in market values are included in the consolidated statement of comprehensive income. The debt securities bear fixed interest rates ranging from 4.34% to 10.65% in March 31, 2016 and December 31, 2015, respectively. Maturity dates of the investments range from October 17,2016 to January 31,2023. Interests on investments are received and settled semi-annually in its denominated currency.

Investments in equity securities carried at fair value consist of proprietary club shares, perpetual bonds and investments in quoted shares of stock which the Group has neither control nor significant influence.The fair market values of these listed shares are determined by reference to published quotations in an active market as of March 31, 2016 and December 31,2015.

Investments in equity securities carried at cost consist of unquoted shares and investments in the shares of stock which the Group has neither control nor significant influence.

Movements in the net unrealized valuation gains on AFS financial assets under OCI are as follow:

	March, 2016	December, 2015
Balances at beginning of year	**₱22,079,028**	₱13,115,725
Changes in fair value of AFS financial assets, net tax effect of ____	**(4,116,216)**	8,458,517
Impairment loss on AFS financial assets recognized in profit or loss	**2,127,676**	2,127,676
Disposals of AFS financial assets	**(306,586)**	(1,622,890)
Reclassification of HTM investments to AFS investments	**-**	-
Amortization of net unrealized valuation gains on AFS financial assets reclassified to HTM investments	**-**	-
Balances at end of year	**₱19,783,902**	₱22,079,028

Details of the allowance for impairment losses are as follows:

	March, 2016	December, 2015
Balances at beginning of year	**₱1,000,000**	₱1,000,000
Provision	**2,127,676**	2,127,676
Balances at end of year	**₱3,127,676**	₱3,127,676

On April 4, 2014, the Group sold more than an insignificant portion of its HTM investments before maturity. The Group subsequently reclassified its HTM investments to AFS financial assets.

Interest earned on debt securities classified as AFS financial assets amounted to ₱ 5.3 million and ₱ 24.1 million in March, 2016 and December, 2015 respectively, presented as "Interest income" in profit or loss.

Dividend income earned on equity securities classified as AFS financial assets amounted to ₱.030 million and ₱0.7 million in March, 2016 and December, 2015, respectively.

9. HTM Investments

On April 4, 2014, the Group sold HTM investments with a carrying value of ₱17.8 million resulting to a gain from disposal amounting to ₱0.2 million. Consequently, the remaining portfolio of HTM investments with a carrying amount of ₱213.9 million was reclassified to AFS financial assets and was remeasured at fair value. The fair value gain from remeasurement amounting to ₱4.5 million was recognized in OCI .

10. Property and Equipment

March, 2016

	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total
Costs:					
Balances at beginning of year	**₱20,755,943**	**8,692,633**	**8,395,222**	**2,843,660**	**40,687,458**
Additions	**4,941,964**	**-**	**-**	**768,749**	**5,710,713**
Balances at end of year	**₱25,697,907**	**8,692,633**	**8,395,222**	**3,612,409**	**46,398,171**
Accumulated depreciation:					
Balances at beginning of year	**12,661,440**	**8,165,998**	**5,105,651**	**2,726,392**	**28,659,481**
Depreciation	**207,557**	**35,668**	**165,244**	**19,686**	**428,155**
Balances at end of year	**12,868,997**	**8,201,666**	**5,270,895**	**2,746,078**	**29,087,636**
Net book values	**₱12,828,910**	**₱490,967**	**₱3,124,327**	**₱866,331**	**₱17,310,535**

December, 2015

	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total
Costs:					
Balances at beginning of year	₱20,755,943	₱8,692,633	₱8,395,222	₱2,831,072	₱40,674,870
Additions	-	-	-	12,588	12,588
Balances at end of year	₱20,755,943	8,692,633	8,395,222	2,843,660	40,687,458
Accumulated depreciation:					
Balances at beginning of year	11,831,202	7,870,994	4,444,676	2,652,079	26,798,951
Depreciation	830,238	295,004	660,975	74,313	1,860,530
Balances at end of year	12,661,440	8,165,998	5,105,651	2,726,392	28,659,481
Net book values	₱8,094,503	₱526,635	₱3,289,571	₱117,268	₱12,027,977

During the first quarter of 2016, the company acquired a condominium unit from Antel Holdings.

11. Investment Properties

March, 2016

	Land	Condominium	Total
Costs:			
Balances at beginning and end of year	**₱46,319,625**	**₱106,188,952**	**₱152,508,577**
Accumulated depreciation:			
Balances at beginning of year	**-**	**20,078,562**	**20,078,562**
Depreciation for the quarter	**-**	**1,061,885**	**1,061,885**
Balances at end of year/quarter	**-**	**21,140,447**	**21,140,447**
Net book values	**₱46,319,625**	**₱85,048,505**	**₱131,368,130**

December, 2015

	Land	Condominium	Total
Costs:			
Balances at beginning of year	₱46,319,625	₱106,188,952	₱152,508,577
Additions			
Balances at end of year			
Accumulated depreciation:			
Balances at beginning of year	**-**	**15,831,011**	**15,831,011**
Depreciation	**-**	**4,247,551**	**4,247,551**
Balances at end of year	**-**	**20,078,562**	**20,078,562**
Net book values	₱46,319,625	₱86,110,390	₱132,430,015

12. Other Noncurrent Assets

	March, 2016	December, 2015
Deposit on contracts	**₱25,815,639**	₱31,642,840
Deposits	**784,132**	784,132
Fixed income deposit	**-**	-
	₱26,599,771	₱32,426,972

13. Accounts Payable and Accrued Expenses

	March, 2016	December, 2015
Customer deposits	**₱1,602,324**	₱1,584,805
Accounts payable	**805,441**	1,001,888
Accrued professional fees	**751,509**	766,152
Government payables	**596,030**	602,556
	₱3,755,304	₱3,955,401

Accounts payable are generally non-interest bearing payables to third party contractors.

Customer deposits pertain to deposits made by tenants for the lease of an insignificant portion of the Parent Company's condominium spaces and will be refunded to the lessee after the lease term.

14. Income Taxes

The Group's provision for income tax in 2015, 2014 and 2013_are as follows:

	2015	2014	2013
Current:			
RCIT	₱4,051,089	₱2,353,362	₱5,583,353
Final tax on interest income	**2,766,639**	2,708,642	4,530,001
MCIT	**74,163**	54,405	42,084
Stock transfer tax on disposal of FVPL	**12,427**	-	-
	6,904,318	5,116,409	10,155,438
Deferred	**1,632,010**	-	-
	₱8,536,328	₱5,116,409	₱10,155,438

15. **Equity**

a. Common Stock

The details of the Group's capital stock (number of shares and amounts) are as follows:

	March, 2016	December, 2015
Common stock - ₱1 par value		
Class A		
Authorized - 600 million shares		
Issued -292,610,118 shares	**₱292,610,118**	₱292,610,118
Class B		
Authorized - 400 million shares		
Issued – 189,217,535 shares	**189,217,535**	189,217,535
	₱481,827,653	₱481,827,653

Class A and B common stockholders enjoy the same rights and privileges, except that Class A shares may be owned by, transferred to and subscribed only by Filipino citizens or corporations, partnerships and associations organized under the laws of the Philippines, of which 60% of the common stock outstanding is owned by citizens of the Philippines. Class B shares may be issued, transferred or sold to any person, corporation, partnership or association regardless of nationality.

In 1979, the registrant listed with the PSE (or its predecessor, Manila Stock Exchange) its common stock under its previous name, Ultrana Energy and Resource Corporation, where it offered 1,000,000,000 shares to the public at the issue price of ₱0.01 per share.

On July 28, 1997, the SEC approved the increase in the Group's authorized capital stock from 10,000,000,000, divided into 6,000,000,000 Class A common shares with par value of ₱0.01 per share and 4,000,000,000 Class B common shares with par value of ₱0.01 per share to 1,000,000,000 common shares, divided into 600,000,000 Class A common shares with par value of ₱1 per share and 400,000,000 Class B common share with par value of ₱1 per share.

On November 26, 2000, the BOD approved the issuance, out of the authorized common stock, of 192,413,090 shares at ₱1 par value which will be offered through a pre-emptive stock rights issue and detachable stock warrants, as follows: (a) 96,206,545 shares consisting of 58,377,278 Class A shares and 37,829,267 Class B shares, to be offered in two tranches, the First Tranche consisting of 48,103,272 shares of stock and the Second Tranche consisting of 48,103,273 shares of stock, to which each stockholder may subscribe on a pre-emptive rights basis, and (b) the balance of 96,206,545 shares to be offered through detachable stock warrants, which shall entitle each stockholder to subscribe to one share of stock for every one share of stock of the same class that such stockholder subscribe to out of this stock rights issue.

The Group's application to list additional 192,413,090 common shares with a par value of ₱1 per share through pre-emptive rights issue and detachable subscription warrants was approved by the PSE on February 27, 2002 and by the SEC on April 5, 2002.

The exercise periods and expiration dates of the Group's subscription warrants are as follows:

	Number of Shares	Exercise Periods	Expiration Dates
First Tranche:			
Class A common shares	29,188,639	June 4, 2002 to	
Class B common shares	18,914,633	June 3, 2007	June 3, 2007
	48,103,272		
Second Tranche:			
Class A common shares	29,188,639	May 9, 2003 to	
Class B common shares	18,914,634	May 8, 2008	May 8, 2008
	48,103,273		
	96,206,545		

Full payment of each subscription under the First Tranche was made within the offer period approved by the PSE and the SEC, and the full payment of each subscription under the second tranche shall be due and payable one year from the last day of the offer period. With the full subscription of the Pre-Emptive Rights Stock Offering, the Group's outstanding common stock increased to 481,032,728 common shares of stock, consisting of 291,886,391 Class A common shares and 189,146,337 Class B common shares, all with par value of ₱1 per share.
With the complete exercise of all Detachable Stock Warrants, the Group will have an outstanding common stock of 577,239,273 shares, consisting of 350,263,669 Class A common shares and 226,975,604 Class B common shares, all with par value of ₱1 per share. However, as of December 31, 2007, 723,727 Class A common stock warrants and 71,198 Class B common stock warrants were exercised and 28,464,912 Class A common stock warrants and 18,843,435 Class B common stock warrants expired. As of December 31, 2008, 29,188,639 Class A common stock warrants and 18,914,634 Class B common stock warrants expired due to non-exercise of stock warrants before expiration date. After the expiration of the said warrants, the Group's outstanding common stock amounted to ₱481,827,653 with additional paid-in capital of ₱ 144,759,977. There have been no movements since 2008.

The Parent Company has 485 stockholders as of March 31, 2016 and December 31,2015 respectively.

b. Treasury Shares

For consolidation purposes, the costs of these shares are presented under the "Treasury shares" account in the equity section of the interim condensed consolidated statements of financial position.

As of March 31, 2016 and December 31,2015, the Group's treasury shares are as follows:

	Shares		Amount	
	March, 2016	December, 2015	**March, 2016**	December, 2015
Balance at beginning of year	**97,634,827**	97,411,827	**₱99,669,477**	₱98,942,697
Additions		223,000		726,780
Balance at end of year	**97,634,827**	97,634,827	**₱99,669,477**	₱99,669,477

c. Retained Earnings

Retained earnings is restricted to the extent of the acquisition price of the treasury shares amounting to ₱99.7 million and ₱ 98.9 million as of December 31,2015 and 2014. Retained earnings is also restricted to the extent of equity in net earnings of the associates not declared as dividends as of reporting date.

Dividends payable amounted to ₱3.4 million as of March 31,2016 and December 31,2015, respectively.

16. Related Party Transactions

Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

A summary of outstanding balances and transactions with related parties, net of allowance for impairment loss and presented under "Receivables from related parties" account, are as follows:

		Transactions during the year	Outstanding balance	Terms	Conditions
BPO- Rental income	**March, 2016**	**420,119**	**18,338**	30 days, non-	Unsecured; no
	December,2015	1,212,831	18,338	interest bearing	impairment
Payroll services	**March, 2016**	**34,540**	-	30 days, non-	Unsecured; no
	December,2015	-	-	interest bearing	impairment
Dividends	**March, 2016**	**10,510,423**	**10,510,423**	30 days, non-	Unsecured; no
	December,2015	10,510,423	10,510,423	interest bearing	impairment
PTC-Dividends	**March, 2016**	**10,588,500**	**10,588,500**	30 days, non-	Unsecured; no
	December,2015	59,975,000	10,588,500	interest bearing	impairment
MUDC-Advances	**March, 2016**	**59,750**	**2,071,641**	30 days, non-	Unsecured; no
	December,2015	1,400	2,111,891	interest bearing	impairment
Under common control:					
Other related parties					
Advances	**March, 2016**	**1,800**	**431,843**	30 days, non-	Unsecured; no
	December,2015	2,834	284,643	interest bearing	impairment
	March, 2016		**23,620,745**		
	December,2015		23,513,795		

Movement in the allowance for impairment losses on receivable from related parties are as follows:

	March, 2016	December, 2015
Receivables from related parties - at gross	**₱209,868,983**	₱209,762,033
LessAllowance for impairment loss:		
Balances at beginning of year	**186,248,238**	186,637,885
Write-off	-	(389,647)
Balances at end of year	**186,248,238**	186,248,238
	₱23,620,745	₱23,513,795

Allowance for impairment loss is mainly attributable to the advances to MUDC, among others.

17. Earnings per Share

The following table presents information necessary to compute the basic/dilutive EPS:

	March, 2016	December, 2015
Net income attributable to equity holders of the parent	**₱5,915,197**	₱138,463,644
Weighted average number of ordinary shares outstanding for basic and diluted EPS	**384,346,076**	384,346,076
Basic and diluted earnings per share	**₱0.015**	₱0.36

The Group has no potential dilutive instruments issued as of March 31,2016 and December 31, 2015.

18. Segment Information

The primary purpose of the Parent Company and its subsidiaries is to invest in real and personal properties. The Parent Company operates mainly in one reportable business segment which is investing and one reportable geographical segment which is the Philippines.

19. Commitments and Contingencies

a. The Group leases a portion of its condominium spaces. The Group recognized rental income amounting to ₱3.4 million and ₱12.8 million in March,2016 and December, 2015,respectively. As of March 31, 2016 and December 31,2015, outstanding rent receivable amounted to ₱.02 million and ₱.06 million, respectively .The lease agreements have terms of one to two years and can be renewed upon the written agreement of the Group and the lessees. Deposit payable made by the tenants amounting to ₱1.6 million as of March 31, 2016 and December 31,2015, respectively, will be returned to the lessees after the lease term .

b. As of March 31, 2016 and December 31,2015, the Group has a provision for legal obligation amounting to ₱5.0 million, for claims arising from lawsuit filed by a third party, which is awaiting decision by the courts. Probable cost has been estimated in consultation with the Group's legal counsel. Management and its legal counsels believe that the Company has substantial legal and factual bases for its position and is of the opinion that losses arising from these legal actions, if any, will not have material adverse impact on the Company's financial position and results of operations.

20. Fair Value of Financial Instruments

Set out below is a comparison, by class, of the carrying amount, and fair value of the Group's financial instrument, other than those with carrying amount that are reasonable approximation of fair values:

	March, 2016		December, 2015	
	Carrying Amount	**Fair Values**	Carrying Amount	Fair Values
Financial Assets				
Current:				
Financial assets at FVPL	**₱72,276,859**	**₱72,276,859**	₱62,352,318	₱62,352,318
AFS financial assets	**4,902,099**	**4,902,099**	4,902,099	4,902,099
Noncurrent:				
AFS financial assets	**302,134,901**	**302,134,901**	306,095,992	306,095,992
	₱379,313,859	**₱379,313,859**	₱373,350,409	₱373,350,409

The Group has determined that the carrying amounts of cash and cash equivalents, short-term investments, receivables, receivables from related parties and accrued expenses and other liabilities and dividends payable, based on their notional amounts, reasonably approximate their fair values because these are short-term in nature.

Fair values of financial assets at FVPL and quoted AFS financial assets are based on price quotations at the reporting date. These financial instruments are classified as Level 1 in the fair value hierarchy.

As of March 31, 2016 and December 31, 2015, there were no transfers between Level 1 and Level 2 fair value measurements. Also, there were no transfers into and out of Level 3 fair value measurements.

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
AGING OF ACCOUNTS RECEIVABLE
AS OF MARCH 31, 2016

Name	Beginning Balance	Additions	Deductions		Current 30 days	60 days or over	Over 120 days	Ending Balance
			Amount Collected	Amount Written-Off				
Magellan Capital Realty Development Corp.	19,419	1,310				1,310	19,419	20,729
Magellan Capital Corporation	309,650	800				800	309,650	310,450
Magellan Capital Trading Corporation	20,419	1,310				1,310	20,419	21,729
Magellan Utilities Development Corp.	21,569						21,569	21,569
Business Process Outsourcing International	10,528,761	420,119	420,119				10,528,761	10,528,761
Pinamucan Power Corporation	2,676	500				500	2,676	3,176
Pointwest Technologies Corporation	10,588,500						10,588,500	10,588,500
Philippine Deposit Insurance Corporation	500,000						500,000	500,000
Others	224,708	500				500	224,708	225,208
	22,215,702	424,539	420,119			4,420	22,215,702	22,220,122

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **FRANCIS L. CHUA**, Filipino, of legal age and with office address at 1409 Alvarado Extension corner Mayhaligue Street, Tondo, Manila, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am an independent director of F & J Prince Holdings Corporation.

2. I am affiliated with the following Companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Sunny Multi Products and Land Management, Inc.	General Manager	Up to present
Midori Carpet	General Manager	Up to present
Sunflare Horizon International, Inc.	Corporate Secretary	Up to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of F & J Prince 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 my duties and responsibilities as independent director under the Securities Regulation Code.

5. I shall inform the Corporate Secretary of F & J Prince 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 the City of Manila.

FRANCIS L. CHUA
Affiant

SUBSCRIBED AND SWORN to before me this JUN 06 2016 day of June 2015 at the City of Manila, affiant exhibiting to me his Driver's License No. N09-72-037070 expiring August 21, 2017.

ATTY. JOSELYN BONNIE V. VALEROS
NOTARY PUBLIC, ROLL NO. 54515
PTR No. [illegible] Manila
NOTARY PUBLIC
IBP Life No. 723963 Issued on: Aug. 21, 2007
Commission No. 2016-099 Issued on: April 06, 2016, Manila
Office Add: Imperial Bayfront Tower, 1642 A. Mabini, Manila
MCLE NO. IV-0017429 ISSUED ON APRIL 16, 2013
TIN No.: 215-945-713-000

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Series of 2016

My Docs>F&J>2015 Files>SEC Form 20-IS
Certification of Independent Directors>FLChua

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **ROBERT Y. YNSON**, Filipino, of legal age and with office address at Phesco House, 491-495 Quezon Avenue, Quezon City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am an independent director of F & J Prince Holdings Corporation.

2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Phesco, Incorporated	President	Up to present
Super Industrial Corporation	Chairman of the Board	Up to present
INA VEIT Systems Technologies, Inc.	President	Up to present
Hooverdale Industrial Corporation	President	Up to present
Philippine Japan Economic Cooperation Committee	Director	February 2010 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of F & J Prince 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 my duties and responsibilities as independent director under the Securities Regulation Code.

5. I shall inform the corporate secretary of F & J Prince Holdings Corporation of any changes in the abovementioned information within five (5) days form its occurrence.

Done this 27 day of MAY 2016 2016 at ~~Manila~~ QUEZON CITY.

ROBERT Y. YNSON
Affiant

27 MAY 2016

SUBSCRIBED AND SWORN to before me this ___ day of ________ 2016 at ~~Manila~~ QUEZON CITY, affiant exhibiting to me his Community Tax Certificate No. 00104779, issued on 3.08.2016 at Q.C.

ATTY. FLORIMOND C. ROUS
NOTARY PUBLIC
Until DECEMBER 31, 2016
PTR No. 2323784 / 01-13-16 / Q.C.
IBP LIFETIME NO. 00315
ROLL No. 25769 / TIN. 142-154-936
MCLE 5 Comp-0001559; 1-22-2014
Adm. No. NP-308 / RTC-QC / 2015-2016

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Certification of Independent Directors>RYYnson

F & J Prince Holdings Corporation

Memorandum: CORPORATE ACTIONS TAKEN FOR 2015

DATE	ACTION TAKEN
April 10, 2015 **(Special Board Meeting)**	Authority for the President to approve the Audited Financial Statements for the year ending 2014 and to approve its release by the Company's external auditor, SGV & Co., pursuant to the reportorial requirements of the BIR and SEC.
April 30, 2015 **(Regular Board Meeting)**	Authority for the President to set the date of the Annual Stockholders' Meeting.
May 7, 2015 **(Regular Board Meeting)**	1. Setting of Annual Stockholders' Meeting to July 28, 2015. 2. Out of the Corporation's unrestricted retained earnings, the Company declared a cash dividends of a total of Twenty Centavos (₱0.20) per share, payable as follows: (i) Ten (₱0.10) Centavos per share, to stockholders of record as of 3 June 2015 (the "Record Date"), payable on or before 30 June 2015; and (ii) Ten (₱0.10) Centavos per share, to stockholders of record as of 3 August 2015 (the "Record Date"), payable on or before 30 August 2015.

July 28, 2015 (Organizational Meeting of the Board of Directors)	Election of Corporate Officers & members of the Audit Committee, Nomination Committee and Compensation Committee.
October 14, 2015 (Special Board Meeting)	1. Authority to participate in the Initial Public Offering of Shares of Pointwest Technologies Corporation; 2. Authority to invest to the issue of Series C Preferred Shares in Aslan Pharmaceuticals Limited.

DIRECTORY/BANKERS

EXECUTIVE OFFICES:
5th Floor, Citibank Center
8741 Paseo de Roxas, Makati City 1226
Tel. Nos.: 8927133 • 8927137 • 8929443

LEGAL COUNSEL:
ATTY. FINA C. TANTUICO
5th Floor, Citibank Center
8741 Paseo de Roxas, Makati City

AUDITORS:
SYCIP GORRES VELAYO & CO.
Certified Public Accountants
6760 Ayala Avenue, Makati City

TRANSFER AGENT:
RCBC STOCK TRANSFER
Ground Floor, West Wing
Grepalife Building
Sen. Gil Puyat Avenue, Makati City

LISTED AT:
THE PHILIPPINE STOCK EXCHANGE, INC.
- PSE Center, Tektite Towers
  Julia Vargas Avenue
  Ortigas Center, Pasig City
- PSE Plaza, Ayala Triangle
  Ayala Avenue, Makati City

BANKERS:

BANK OF SINGAPORE
22nd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

BANK OF THE PHILIPPINE ISLANDS
Ortigas Branch
Benpres Building, Ortigas Center
Pasig City

CHINA BANKING CORPORATION
Balintawak-Boni Branch
Balintawak, Quezon City

BDO PRIVATE BANK
Mezzanine Floor, BDO Executive Tower
8751 Paseo de Roxas, Makati City

SECURITY BANK
Greenhills Branch
37 Greenhills Mansions, Anapolis Street,
Greenhills, San Juan City

METROPOLITAN BANK & TRUST CO.
Meralco Branch
Ground Floor, Ortigas Building
Ortigas Avenue, Pasig City

PHILIPPINE BANK OF COMMUNICATIONS
Meralco Avenue Branch
Ground Floor, Horizon Condominium
Meralco Avenue, Pasig City

ANNUAL REPORT ON SEC FORM 17-A

The corporation undertakes to provide without charge to the shareholders or to each person solicited, on the written request of any such person, a copy of the Annual Report on SEC Form 17-A. Said written request, may be directed to:

ATTY. FINA C. TANTUICO
Corporate Secretary
F&J Prince Holdings Corporation
5th Floor, Citibank Center
8741 Paseo de Roxas, Makati City