

COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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

Atty. Fina Bernadette D.C. Tantuico

Contact Person

8927133 • 8927137

Company Telephone Numbers

1	2		3	1
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Month Day

Fiscal Year

0	4		1	2
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Month Day

Annual Meeting

SEC FORM 17-Q (As of March 31, 2018)

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.1(1) (A) (ii) THEREUNDER

Form Type

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Number of Stockholders

Total Amount of Borrowings

Domestic	Foreign

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File Number

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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 2018**

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 2018 and Audited Consolidated Balance Sheet as of 31 December 2017 as Annex "A";
- (2) Unaudited Interim Statement of Income and Retained Earnings for the three (3) month period ending 31 March 2018 and the three (3) month period ending 31 March 2017 as Annex "B";
- (3) Unaudited Interim Statement of Changes in Stockholders' Equity for the three (3) months ending 31 March 2018 and 31 March 2017 and Audited Statement of Changes in Stockholders' Equity for the year ending 31 December 2017 as Annex "C";
- (4) Unaudited Interim Cash Flow Statement for the three (3) month period ending 31 March 2018 and the three (3) month period ending 31 March 2017 as Annex "D";
- (5) Interim Cash Flow for the quarterly periods ending 30 June 2017 and 30 September 2017 Audited Cash Flow Statement for the year ended 31 December 2017 as Annex "E";
- (6) Consolidated Balance Sheet as of 31 March 2018 and 31 December 2017 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 2017 decreased to ₱130.8 million from ₱177.3 million in 2016. Equity in net earnings of associates decreased from ₱72.9 million in 2016 to ₱40.9 million in 2017 as Pointwest experienced lower earnings as operating margins dropped at some major accounts. Interest income slightly decreased from ₱40.1 million in 2016 to ₱37.4 million in 2017 as interest levels have stabilized. A net foreign exchange gain of ₱7.9 million was recorded in 2017 as the Peso continued to decline against foreign currencies which benefitted the foreign exchange denominated bonds and other securities held by the Registrant and its subsidiary. Rent increased from ₱14.0 million in 2016 to ₱20.8 million in 2017 due to escalation of rental rates and the leasing out of additional condominium office units acquired in 2016. Gain on disposal of AFS, HTM and FVPL Financial Assets of ₱3.8 million was recorded in 2017 against ₱5.4 million in 2016. Dividend income increased from ₱1.9 million in 2016 to ₱2.4 million in 2017.

Total consolidated expenses of the Registrant increased to ₱40.0 million in 2017 compared to ₱33.2 million in 2016 due to higher depreciation allowance from the increased property investment and due to higher taxes and licenses related to the acquisition of additional investment property..

As a result of the above, total consolidated income before tax in 2017 totaled ₱90.8 million compared to ₱144.1 million in 2016. After provision for income tax, total consolidated net income after tax totaled ₱79.4 million in 2017 compared to ₱136.5 million in 2016.

Net income attributable to non-controlling interest, namely minority shareholders of Magellan Capital Holdings Corporation, totaled ₱1.7 million in 2017 compared to ₱2.6 million in 2016.

The Registrant's financial position is very strong as it has substantial cash resources available to undertake its planned projects. As of December 31, 2017, the Registrant's consolidated cash and cash equivalent totaled over ₱753.6 million which was lower than the level of ₱954.6 million as of December 31, 2016 due to additional investment in properties and additional investment in financial assets. The Registrant and its subsidiary is planning to undertake development of MCHC's land in Fort Bonifacio into an office building as well as to acquire income producing properties as well as additional land for development. The Registrant and its subsidiary are substantially

debt free with total consolidated liabilities of ₱56.4 million at year-end 2017 compared to ₱35.1 million at year-end 2016. Total equity amounted to ₱2.0 billion as of the end of 2017 compared to ₱1.9 billion at year-end 2016.

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 2017 totaled ₱753.6 million compared to ₱954.6 million at the end of 2016 while total current assets totalled ₱986.4 million at year-end 2017 compared to ₱1.2 billion at year-end 2016. 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 2018

- (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 2018 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 unrealized gains on trading securities 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 2018 or in the first quarter of 2017 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 2018 and first quarter of 2017.

Operating Results

Breakdown of Revenue for the Three Month Periods Ending March 31, 2018 and March 31, 2017 with Vertical and Horizontal Percentage Analysis:

(P000)	FIRST QUARTER	VERTICAL PERCENTAGE ANALYSIS	FIRST QUARTER	VERTICAL PERCENTAGE ANALYSIS	INCREASE (DECREASE) AMOUNT	INCREASE (DECREASE) PERCENTAGE
	MARCH 31, 2018	MARCH 31, 2018	MARCH 31, 2017	MARCH 31, 2017	MARCH 31, 2018	MARCH 31, 2018
INTEREST INCOME						
From Banks	P 2,217	10.5%	P 2,900	13.7%	P (683)	23.6%
From Securities	5,379	25.5%	5,135	24.3%	236	4.6%
TOTAL	7,596	36.0%	8,035	38%	(439)	5.5%
Dividend Income	197	0.9%	63	0.3%	134	112%
Rent Income	5,777	27.4%	5,334	25.3%	443	8.3%
Unrealized Gain on Trading Securities	7,051	33.5%	4,739	22.4%	2,312	48.8%
Gains on Disposal of AFS/HTM	-	-	2,362	11.2%	(2,362)	100.0%
Net Unrealized FX Gain	435	2.1%	93	0.4%	342	267%
Other Income	-	-	486	2.3%	(486)	100%
TOTAL	P 21,056	100%	P 21,112	100%	P (56)	0.3%

Revenues. Consolidated Revenues, during the 3 month period ended March 31, 2018, totaled P21.1 million level with the P21.1 million during the same 3 month period in 2017. The lower interest and other income and lower gain on disposal of AFS/HTM investments were offset by higher unrealized gain on trading securities, higher rental income and higher unrealized FX gain.

Expenses. Consolidated General and Administrative Expenses in the first quarter of 2018 totaled P11.6 million which was higher than the P9.0 million in the first quarter of 2017. Higher taxes and licenses accounted for part of the increase which was due to taxes paid related to acquisition of additional property for investment. In addition, depreciation increased due to higher level of investment property.

Operating Income. As a result of the factors discussed above, consolidated operating income in first quarter 2018 totaled ₱9.5 million compared to ₱12.0 million net income in the same period of 2017.

Net Income. Net income totaled ₱9.5 million during the first quarter of 2018 compared to net income of ₱12.0 million in the first quarter of 2017. The net income in the first quarter of 2018 attributable to shareholders of the Company totaled ₱9.0 million while ₱467,225 in net income was attributable to minority shareholders in the company's majority owned subsidiary Magellan Capital Holdings Corporation. In the first quarter of 2017, ₱11.4 million net income was attributable to shareholders of the company and ₱599,542 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, 2018 compared to December 31, 2017.

ASSETS

Current Assets. Consolidated current assets as of March 31, 2018 totaled ₱868.7 million compared to ₱986.4 million as of December 31, 2017. Most of the decrease was due to decrease in cash and cash equivalents as cash was used to purchase additional investment property.

Receivables from Related Parties. This account was nil at March 31, 2018, the same level as at year-end 2017.

Investments in Associates. This account which consists of investment in Pointwest Technologies Corporation and BPO International, Inc. remained unchanged from year-end 2017 to March 31, 2018 at ₱320.3 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 ₱464.8 million as of March 31, 2018 from ₱480.6 million at year-end 2017.

Property And Equipment. This account totaled ₱10.5 million as of March 31, 2018 compared to ₱11.0 million as of December 31, 2017 due to allowance for depreciation.

Investment in Property. This Account increased sharply to ₱406.3 million as of March 31, 2018 from ₱228.9 million due to additional investment in property.

Other Non-Current Assets. This account totaled ₱1.5 million as of March 31, 2018 from ₱38.6 at year-end 2017 as partial payment for investment property was reclassified to the investment property accounts when the Deed of Sale was executed.

Total Assets. As a result of the foregoing, total assets increased slightly to ₱2,071.9 million as of March 31, 2018 from ₱2,065.7 million as of December 31, 2017.

LIABILITIES AND EQUITY

Current Liabilities. Current liabilities was at ₱28.0 million as of March 31, 2018 compared to ₱30.5 million at year-end 2017 due to lower dividends payable.

Non-Current Liabilities. Non-current liabilities which consists mostly of retirement benefit obligation and deferred income tax liabilities was stable at ₱25.9 million as of March 31, 2018, the same level as at year-end 2017. 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 ₱2,018.1 million as of March 31, 2018 from ₱2,009.3 million at year-end 2017 due to the comprehensive net income of ₱10.2 million generated in the first quarter of 2018. Total equity attributable to stockholders of the company totaled ₱1,943.6 million at March 31, 2018 from ₱1,935.3 million at December 31, 2017 due to the comprehensive net income of ₱9.7 million attributable to stockholders of the company. Minority interest which represents the share of minority shareholders of Magellan Capital Holdings Corporation was ₱74.5 million at March 31, 2018 compared to ₱74.0 million at December 31, 2017 due to their share of comprehensive income generated in the first quarter of 2018 of ₱0.5 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 2018 and 2017 are shown in Annex “B” and presented below in summary form:

(P 000)	1 st Quarter-2018	Percentage (%)	1 st Quarter-2017	Percentage (%)
Interest Income	₱ 7,595	36.0%	₱ 8,035	38.1%
Lease Rental Income	5,777	27.4%	5,334	25.3%
Dividend Income	197	0.9%	63	0.3%
Unrealized Gain on trading securities	7,051	33.5%	4,739	22.4%
Gain on Disposal/Redemption of AFS/HTM Investments	-	-	2,362	11.2%
Net Unrealized FX Gain	435	2.1%	93	0.4%
Other Income	-	-	486	2.3%
Total Income	₱ 21,056	100%	₱ 21,112	100%

Total revenue in the first quarter of 2018 was ₱21.1 million the same level as in the first quarter of 2017. Higher unrealized gain on trading securities and higher rental income and higher unrealized FX gain offset lower gain on disposal of AFS/HTM investments and lower interest and other income.

Change in Net Income. The income statement in the first quarter of 2018 and 2017 are shown in Annex “B” and summarized below:

(P 000)	1 st Quarter-2018	Percentage (%)	1 st Quarter-2017	Percentage (%)
Revenues	₱ 21,056	100%	₱ 21,112	100%
Expenses	11,550	54.9%	9,085	43.0%
Net Income	9,506	45.1%	12,027	57%
Attributable to:				
- Minority Interest	467	2.2%	600	2.8%
- Stockholders of Company	9,039	42.9%	11,427	54.1%

The Registrant realized a net income of ₱9.5 million in the first quarter of 2018 compared to ₱12.0 million in the first quarter of 2017 due mainly to higher expenses as a result of higher taxes related to acquisition of investment property and higher depreciation. Net income of ₱9.0 million was attributable to stockholders of the company in the first quarter of 2018 compared to ₱11.4million in the first quarter of 2017.

Earnings Per Share. The net income per share attributable to shareholders of the Company during the first quarter of 2018 was ₱0.0236 per share compared to net income per share of ₱0.03 in the first quarter of 2017 due to the lower net income generated in the first quarter of 2018.

Current Ratio. Current ratio as of March 31, 2018 was 31 X compared to 32.3 X as of December 31, 2017.

Book Value Per Share. Book value per share as of March 31, 2018 was ₱5.06 per share compared to ₱5.04 as of December 31, 2017.

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.

F & J Prince Holdings Corporation

Issuer

Principal Executive Officer



Signature and Title **ROBERT Y. COKENG, President**

Date **17 May 2018**

Principal Financial/Accounting Officer/Controller



MARK RYAN K. COKENG, Treasurer

Signature and Title.....

Date **17 May 2018**

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2018 AND DECEMBER 31, 2017

ANNEX "A"
Page 1

ASSETS	UNAUDITED MARCH 31, 2018	AUDITED DEC. 31,2017
<i>Current Assets</i>		
Cash and cash equivalents	P 595,744,016	P 753,565,434
Financial assets at fair value through profit or loss	177,824,452	152,717,699
Convertible note receivable	0	0
Receivables-net :		
Advances to Officers & Employees	0	0
Interest Receivable	8,033,753	6,656,595
Dividends Receivable	10,529,924	13,154,914
Receivable from related parties	458,194	305,755
Others	830,305	1,588,738
Total Receivables	19,852,176	21,706,002
Allowance for impairment losses	961,368	961,368
Total Receivables-Net	18,890,808	20,744,634
Current portion of HTM investments	0	0
Current portion of AFS financial assets	40,784,002	40,784,002
Prepaid expenses & other current assets:		
Input Tax	34,657,514	18,073,997
Prepaid Income Tax	0	0
Others	758,207	544,933
Total Prepaid expenses and other current assets	35,415,721	18,618,930
Total Current Assets	P 868,658,999	P 986,430,699
<i>Non-current Assets</i>		
Receivables from related parties-net	0	0
Investments in associates	320,213,481	320,213,481
HTM investments-net of current portion	0	0
Available-for-sale (AFS) investments-net of current portion	464,829,869	480,567,606
Investment in property	406,257,547	228,932,135
Property and Equipment		
Building	20,755,943	20,755,943
Building Improvements	9,022,991	9,022,991
Transportation equipment	10,263,079	10,263,079
Furniture and fixtures	2,863,302	2,863,302
Total	42,905,315	42,905,315
Less: Accumulated depreciation	32,392,058	31,948,197
Net Book Value	10,513,257	10,957,118
Total Property and Equipment	10,513,257	10,957,118
Other non-current assets	1,465,634	38,570,310
Total Non-Current Assets	1,203,279,788	1,079,240,650
TOTAL ASSETS	P 2,071,938,787	P 2,065,671,349

LIABILITIES & STOCKHOLDERS' EQUITY	UNAUDITED MARCH 31, 2018	AUDITED DEC. 31, 2017
<i>Current Liabilities</i>		
Accounts Payable and accrued expenses		
Accounts payable-trade	0	0
Accounts payable-others	2,433,900	3,138,353
Withholding taxes payable	219,970	462,056
SSS Premium Payable	13,597	14,792
HDMF Premium Payable	1,896	1,896
Philhealth Premium Payable	8,490	6,575
Deposit Payable	5,819,095	5,420,699
Output Vat Payable	619,008	637,394
Accrued expenses	1,845,738	1,321,832
Total Accounts payable and accrued expenses	P 10,961,694	P 11,003,597
Dividends Payable	4,073,710	6,636,554
Income Tax Payable	7,962,979	7,875,136
Provision for legal obligation	5,000,000	5,000,000
Total Current Liabilities	P 27,998,383	P 30,515,287
<i>Non-Current Liabilities</i>		
Deferred income tax liabilities-net	13,798,478	13,798,478
Payable to related parties	0	0
Retirement benefit obligation)	12,075,212	12,075,212
Total Non-Current Liabilities	25,873,690	25,873,690
<i>Stockholders' Equity</i>		
Capital stock	481,827,653	481,827,653
Additional paid in capital	144,759,977	144,759,977
Treasury shares	(100,946,956)	(100,946,956)
Other Reserves	62,344,469	63,066,458
Actuarial loss on retirement benefit obligation	(792,683)	(792,683)
Accumulated share in other comprehensive income of associates	50,375,587	50,375,587
Retained earnings	1,306,043,897	1,297,004,791
Total Equity Attributable to Stockholders of the Company	1,943,611,944	1,935,294,827
Minority Interest	74,454,770	73,987,545
Total Stockholders' Equity	2,018,066,714	2,009,282,372
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	P 2,071,938,787	P 2,065,671,349

See accompanying Notes to Consolidated Financial Statements

Prepared by:

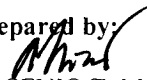

ARSENIO T. LIAO

Accountant

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS PERIOD ENDING MARCH 31, 2018 AND MARCH 31, 2017

	UNAUDITED MARCH 31, 2018	UNAUDITED MARCH 31, 2017
REVENUES		
Interest Income		
From Banks	P 2,216,680	P 2,899,994
From Securities	5,378,840	5,135,340
Total Interest Income	7,595,520	8,035,334
Unrealized gains on trading securities	7,050,750	4,738,641
Rental Income	5,777,695	5,333,904
Gains on disposal /redemption of AFS/HTM investments	0	2,362,190
Dividend Income	197,464	62,686
Net unrealized foreign exchange gain	434,547	92,962
Other income	0	486,313
	P 21,055,976	P 21,112,030
EXPENSES		
Net foreign exchange loss	0	300,770
Amortization of unrealized losses on changes in fair value of AFS investments	0	0
Salaries, wages and employees' benefits	2,826,903	2,573,116
Depreciation	2,609,023	1,767,288
Professional fees	786,794	270,255
Condominium dues	788,052	731,971
Repairs and maintenance	0	0
Taxes and licenses	3,453,241	2,549,928
Entertainment, amusement and recreation	85,716	18,180
Realized loss on redemption of bonds	133,232	0
Others	866,683	873,963
	11,549,644	9,085,471
NET INCOME	P 9,506,332	P 12,026,559
NET INCOME ATTRIBUTABLE TO:		
STOCKHOLDERS OF THE COMPANY	P 9,039,107	P 11,427,017
MINORITY INTERESTS	467,225	599,542
EARNINGS PER SHARE	P 0.0236	P 0.0300

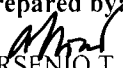
See accompanying Notes to Consolidated Financial Statements

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, 2018 AND MARCH 31, 2017

	UNAUDITED MARCH 31, 2018	UNAUDITED MARCH 31, 2017
NET INCOME	P 9,506,332	P 12,026,559
OTHER COMPREHENSIVE INCOME(LOSS)		
Changes in fair value of AFS investments	721,989	(1,596,386)
Amortization of unrealized losses on changes in fair value of AFS investments	-	-
Disposal of AFS investment		
Impairment loss on AFS investments		
Others		
	721,989	(1,596,386)
TOTAL COMPREHENSIVE INCOME(LOSS)	P 10,228,321	P 10,430,173
TOTAL COMPREHENSIVE INCOME(LOSS) ATTRIBUTABLE TO:		
STOCKHOLDERS OF THE COMPANY	P 9,716,905	P 9,908,664
MINORITY INTERESTS	511,416	521,509
	P 10,228,321	P 10,430,173

See accompanying Notes to Consolidated Financial Statements


Prepared by:

 ARSENIO T. LIAO
 Accountant

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND MARCH 31, 2017
AND THE YEAR ENDED DECEMBER 31, 2017**

	UNAUDITED MARCH 31, 2018	UNAUDITED MARCH 31, 2017	AUDITED DEC. 31, 2017
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			
Treasury Shares	(100,946,956)	(99,669,477)	(100,946,956)
Other Reserves	62,344,469	17,090,116	63,066,458
Actuarial loss on retirement benefit obligation	(792,683)	(1,152,586)	(792,683)
Share in other comprehensive income of associates	50,375,587	24,861,485	50,375,587
SHARE IN REVALUATION INCREMENT ON LAND OWNED BY MCHC's SUBSIDIARIES			
RETAINED EARNINGS			
Balance at beginning of period	1,297,004,791	1,296,094,095	1,296,094,095
Net Income	9,039,106	11,427,017	77,729,401
Dividends declared			(76,818,705)
Balance at end of period	1,306,043,897	1,307,521,112	1,297,004,791
	1,943,611,944	1,875,238,280	1,935,294,827
Minority Interests	74,454,770	73,810,512	73,987,545
TOTAL STOCKHOLDERS' EQUITY	P 2,018,066,714 P	1,949,048,792 P	2,009,282,372

See accompanying Notes to Consolidated Financial Statements

Prepared by:


ARSENIO T. LIAO
Accountant

F & J PRINCE HOLDINGS CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDING MARCH 31, 2018 AND MARCH 31, 2017

	UNAUDITED MARCH 31, 2018	UNAUDITED MARCH 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	P 9,039,106	P 11,427,017
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority Interest	467,225	599,542
Depreciation and amortization	2,609,025	1,767,288
Amortization of unrealized loss/gain on FV of AFS inv.	(721,989)	(1,596,386)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	1,853,826	(954,113)
Prepaid expenses and other current assets	(16,796,791)	319,701
Increase (decrease) in accounts payable and accrued expenses	(41,903)	125,527
<i>Net cash provided by operating activities</i>	<u>(3,591,501)</u>	<u>11,688,576</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions/disposals of property and equipment	0	(10,892)
AFS/HTM investments and financial assets (FVPL)	(9,369,016)	(33,045,656)
Decrease (increase) in:		
Investment in property	(179,490,576)	(78,206,168)
Other assets	37,104,676	23,461,852
<i>Net cash provided by (used in) investing activities</i>	<u>(151,754,916)</u>	<u>(87,800,864)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in:		
Dividends payable	(2,562,844)	(536,550)
Payable to related parties	0	0
Income tax payable	87,843	120,000
<i>Net cash provided by (used in) financing activities</i>	<u>(2,475,001)</u>	<u>(416,550)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	P (157,821,418)	P (76,528,838)
CASH AND CASH EQUIVALENTS, BEGINNING	753,565,434	954,570,050
CASH AND CASH EQUIVALENTS, ENDING	P 595,744,016	P 878,041,212

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 QUARTERS ENDING JUNE 30, 2017 AND SEPTEMBER 30, 2017

	UNAUDITED SEPTEMBER 30, 2017	UNAUDITED JUNE 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	P 156,908,692	P 122,048,419
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in net earnings in associate	(21,159,358)	
Minority interest	5,659,049	4,516,473
Depreciation and amortization	5,355,215	3,537,219
Unrealized loss/gain on changes in fair value of AFS/FVPL	(4,030,090)	(4,030,090)
Amortization of unrealized loss/gain on FV of AFS inv.	-	
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	11,074,708	9,405,528
Prepaid expenses and other current assets	(5,184,140)	(4,040,233)
Increase (decrease) in:		
Accounts payable and accrued expenses	5,980,974	700,527
Net cash provided by operating activities	154,605,050	132,137,843
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions/disposals of property and equipment	(2,188,659)	(75,481)
Investment in property	(78,206,168)	(78,206,168)
AFS/HTM/other investments and financial assets (FVPL)	(174,050,048)	(138,017,160)
Decrease (increase) in:		
Receivables from related parties	0	0
Other assets	(44,025,644)	(13,627,844)
Net cash provided by (used in) investing activities	(298,470,519)	(229,926,653)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in:		
Cash dividends declared and paid	(48,182,765)	0
Deposit liability	0	0
Dividends payable	(2,696,814)	(2,696,814)
Income tax payable	(5,358,282)	(5,358,282)
Net cash provided by (used in) financing activities	(56,237,861)	(8,055,096)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	P (200,103,330)	P (105,843,906)
CASH AND CASH EQUIVALENTS, BEGINNING	954,570,050	954,570,050
CASH AND CASH EQUIVALENTS, ENDING	P 754,466,720	P 848,726,144

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING DECEMBER 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES

ANNEX "E"
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Audited

Income (loss) before income tax from continuing operations	P	90,777,926
Adjustments for:		
Net unrealized foreign exchange losses (gains)		(3,494,399)
Fair value losses on financial assets at FVPL		(17,421,323)
Depreciation		10,324,446
Impairment loss on receivables and due from related parties		104,000
Gain on disposal of AFS financial assets and financial assets at FVPL		(3,515,634)
Interest income		(37,412,772)
Dividend income		(2,424,550)
Equity in net losses (earnings) of associates		(40,864,501)
Operating loss before working capital changes		(3,926,807)
Decrease (increase) in:		
Receivables		(1,104,874)
Receivable from related parties		118,394
Prepaid expenses and other current assets		(3,089,771)
Increase (decrease) in accounts payable and accrued expense		5,580,937
Increase (decrease) in retirement benefit obligation		1,291,246
Proceeds from disposal of:		
Financial assets at FVPL		13,030,049
AFS financial assets		160,993,084
Additions to:		
Financial assets at FVPL		(63,978,749)
AFS financial assets		(214,648,554)
Net cash flows used in operations		(105,735,045)
Dividends received		51,604,155
Interest received		39,450,508
Income taxes paid		(10,924,819)
Net cash flows from operating activities		(25,605,201)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase(decrease) in other non-current assets		(13,642,824)
Increase(decrease) in property and equipment		(2,146,428)
Increase(decrease) in investment in properties		(79,051,821)
Net cash flows from (used in) investing activities		(94,841,073)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid		(76,188,717)
Dividends to non-controlling interest		(4,454,183)
Acquisition of treasury shares		(1,277,479)
Net cash flows from financing activities		(81,920,379)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(202,366,653)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		1,362,037
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		954,570,050
CASH AND CASH EQUIVALENTS AT END OF YEAR	P	753,565,434

F& J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2018 AND DECEMBER 31, 2017
WITH VERTICAL AND HORIZONTAL PERCENTAGE ANALYSIS

"ANNEX F"

Page 1

	UNAUDITED3 MARCH 31, 2018	VERTICAL PERCENTAGE ANALYSIS MARCH 31, 2018	AUDITED DEC. 31, 2017	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2017	INCREASE (DECREASE) AMOUNT MARCH 31, 2018	INCREASE (DECREASE) PERCENTAGE ANALYSIS MARCH 31, 2018
ASSETS						
Current Assets						
Cash and cash equivalents	595,744,016	28.75%	753,565,434	36.48%	(157,821,418)	-20.94%
Financial assets at fair value through fair value thru profit or loss (FVPL)	177,824,452	8.58%	152,717,699	7.39%	25,106,753	16.44%
Short-term investments	-	-	-	-	--	-
Receivables :						
Advances to Officers & Employees	0	0.00%	0	0.00%	0	0.00%
Interest Receivable	8,033,753	0.39%	6,656,595	0.32%	1,377,158	20.68%
Dividends Receivable	10,529,924	0.51%	13,154,914	0.64%	(2,624,990)	-19.95%
Receivable from related parties	458,194	0.02%	305,755	0.01%	152,439	49.86%
Others	830,305	0.04%	1,588,738	0.08%	(758,433)	-47.74%
Total Receivables	19,852,176	0.96%	21,706,002	1.05%	(1,853,826)	-8.54%
Allowance for impairment losses	961,368	-0.05%	961,368	-0.05%	0	0.00%
Total Receivables-Net	18,890,808	0.91%	20,744,634	1.00%	(1,853,826)	-8.94%
Current portion of HTM investments	0	0.00%	0	0.00%	0	0.00%
Current portion of AFS investments	40,784,002	1.97%	40,784,002	1.97%	0	0.00%
Prepaid expenses & other current assets:						
Others	758,207	0.04%	544,933	0.03%	213,274	39.14%
Input Tax	34,657,514	1.67%	18,073,997	0.87%	16,583,517	91.75%
Prepaid Income Tax	0	0.00%	0	0.00%	0	0.00%
Total Prepaid expenses & other current assets	35,415,721	1.71%	18,618,930	0.90%	16,796,791	90.21%
Total Current Assets	868,658,999	41.92%	986,430,699	47.74%	(117,771,700)	-11.94%
Non-current Assets						
Receivables from related parties	0	0.00%	0	0.00%	0	0.00%
Investments in associates	320,213,481	15.45%	320,213,481	15.50%	0	0.00%
HTM investments-net of current portion	0	0	0	0.00%	0	0.00%
Available -for-sale (AFS) investments	464,829,869	22.43%	480,567,606	23.27%	(15,737,737)	-3.27%
Investment in properties	406,257,547	19.61%	228,932,135	11.08%	177,325,412	77.46%
Property and Equipment						
Building	20,755,943	1.00%	20,755,943	1.00%	0	0.00%
Building Improvements	9,022,991	0.44%	9,022,991	0.44%	0	0.00%
Transportation equipment	10,263,079	0.50%	10,263,079	0.50%	0	0.00%
Furniture and fixtures	2,863,302	0.14%	2,863,302	0.14%	0	0.00%
Total Property and Equipment	42,905,315	2.08%	42,905,315	2.08%	0	0.00%
Less: accumulated depreciation	32,392,058	-1.56%	31,948,197	-1.55%	443,861	1.39%
Net Book Value	10,513,257	0.52%	10,957,118	0.53%	(443,861)	-4.05%
Total Property and Equipment	10,513,257	0.52%	10,957,118	0.53%	(443,861)	-4.05%
Deferred income tax assets-net	0	0.00%	0	0.00%	0	0.00%
Other Assets - net	1,465,634	0.07%	38,570,310	1.88%	(37,104,676)	-96.20%
Total Non-Current Assets	1,203,279,788	58.08%	1,079,240,650	52.26%	124,039,138	11.49%
TOTAL ASSETS	2,071,938,787	100.00%	2,065,671,349	100.00%	6,267,438	0.30%

	UNAUDITED MARCH 31, 2018	VERTICAL PERCENTAGE ANALYSIS MARCH 31, 2018	AUDITED DEC. 31, 2017	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2017	INCREASE (DECREASE) AMOUNT MARCH 31, 2018	INCREASE (DECREASE) PERCENTAGE ANALYSIS MARCH 31, 2018
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	2,433,900	0.11%	3,138,353	0.15%	(704,453)	-22.45%
Withholding taxes payable	219,970	0.01%	462,056	0.02%	(242,086)	-52.39%
SSS Premium Payable	13,597	0.00%	14,792	0.00%	(1,195)	-8.08%
HDMF Premium Payable	1,896	0.00%	1,896	0.00%	0	0.00%
Philhealth Premium Payable	8,490	0.00%	6,575	0.00%	1,915	29.13%
Deposit Payable	5,819,095	0.28%	5,420,699	0.27%	398,396	7.35%
Output Vat Payable	619,008	0.03%	637,394	0.03%	(18,386)	-2.88%
Accrued expenses	1,845,738	0.09%	1,321,832	0.06%	523,906	39.63%
Total Accounts payable & accrued expenses	10,961,694	0.52%	11,003,597	0.53%	(41,903)	-0.38%
Dividends Payable	4,073,710	0.20%	6,636,554	0.33%	(2,562,844)	-38.62%
Income Tax Payable	7,962,979	0.38%	7,875,136	0.38%	87,843	1.12%
Provision for legal obligation	5,000,000	0.25%	5,000,000	0.24%	0	0.00%
Total Current Liabilities	27,998,383	1.35%	30,515,287	1.48%	(2,516,904)	-8.25%
Non-Current Liabilities						
Deferred tax liabilities-net	13,798,478	0.67%	13,798,478	0.67%	0	0.00%
Payable to related parties	0	0.00%	0	0.00%	0	0.00%
Retirement benefit obligation	12,075,212	0.59%	12,075,212	0.58%	0	0.00%
Total Non-Current Liabilities	25,873,690	1.26%	25,873,690	1.25%	0	0.00%
Stockholders' Equity						
Capital stock	481,827,653	23.25%	481,827,653	23.33%	0	0.00%
Additional paid in capital	144,759,977	6.99%	144,759,977	7.01%	0	0.00%
Other reserves	62,344,469	3.01%	63,066,458	3.05%	(721,989)	-1.14%
Actuarial loss on retirement obligation	(792,683)	-0.04%	(792,683)	-0.04%	0	0.00%
Accumulated share in OCI of associates	50,375,587	2.43%	50,375,587	2.44%	0	0.00%
Treasury shares	(100,946,956)	-4.87%	(100,946,956)	-4.89%	0	0.00%
Retained earnings	1,306,043,897	63.03%	1,297,004,791	62.79%	9,039,106	0.70%
Total Equity Attributable to Stockholders of the Company	1,943,611,944	93.80%	1,935,294,827	93.69%	8,317,117	0.43%
Minority Interest	74,454,770	3.59%	73,987,545	3.58%	467,225	0.63%
Total Stockholders' Equity	2,018,066,714	97.39%	2,009,282,372	97.27%	8,784,342	0.44%
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	2,071,938,787	100.00%	2,065,671,349	100.00%	6,267,438	0.30%

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 term for which the Parent Company is to exist is 50 years from and after the date of incorporation.

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, 8741 Paseo de Roxas, Makati City.

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

Basis of Preparation

The interim condensed consolidated financial statements have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss and certain available for sale 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 Group's functional currency, and rounded off to the nearest peso, except when otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2017.

Statement of Compliance

The interim condensed consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

Basis of Consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as of March 31, 2018 and December 31, 2017.

Details on the subsidiaries as of March 31, 2018 and December 31, 2017 are as follows:

	Primary Purpose	Percentage of Ownership
Magellan Capital Holdings Corporation (MCHC)*	Holding company	94.37%
Pinamucan Industrial Estates, Inc. (PIEI)	Real estate holding and development	100%
Malabrigo Corporation (MC)	Mining	100%
Magellan Capital Realty Development Corporation (MCRDC)**	Realty	100%
Magellan Capital Trading Corporation (MCTC)**	Trading	100%

*Intermediate parent company

**Non-operational since incorporation.

The principal place of business and country of incorporation of the subsidiaries are in the Philippines.

3. Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2017, except for the adoption of the new standards effective as of January 1, 2018. Adoption of these pronouncements did not have any significant impact on the Group's financial position or performance, unless otherwise indicated.

- Amendments to PFRS 2, *Share-based Payment, Classification and Measurement of Share-based Payment Transactions*

The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and if other criteria are met. Early application of the amendments is permitted.

Adoption of these amendments did not have significant impact on the Group's interim condensed consolidated financial statements.

- PFRS 9, *Financial Instruments*

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.

The adoption of PFRS 9 has an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but has no significant impact on the classification and measurement of the Group's financial liabilities.

- Amendments to PFRS 4, *Insurance Contracts*, *Applying PFRS 9 with PFRS 4*
The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the new insurance contracts standard. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying PFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after January 1, 2018. An entity may elect the overlay approach when it first applies PFRS 9 and apply that approach retrospectively to financial assets designated on transition to PFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying PFRS 9.

These amendments are not applicable to the Group since it has no activities that are predominantly connected with insurance or issue insurance contracts.

- PFRS 15, *Revenue from Contracts with Customers*
PFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under PFRS 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 PFRS 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 PFRSs. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted. The Group plans to adopt the new standard on the required effective date using the modified retrospective method.

The requirements of PFRS 15 have no significant impact on the Group's financial position, performance and disclosures.

- Amendments to PAS 28, *Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014–2016 Cycle)*
The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. The amendments should be applied retrospectively, with earlier application permitted.

Adoption of these amendments did not have any impact on the Group's interim condensed consolidated financial statements.

- Amendments to PAS 40, *Investment Property, Transfers of Investment Property*

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight.

The amendments do not have significant impact on the Group's interim condensed consolidated financial statements upon their adoption since the Group's current practice is in line with the clarifications issued.

- *Philippine Interpretation IFRIC 22, Foreign Currency Transactions and Advance Consideration*

The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a nonmonetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

Adoption of these amendments did not have significant impact on the Group's interim condensed consolidated financial statements.

The Group has not early adopted any other standards, interpretations or amendments that has been issued but is not yet effective.

4. Cash and Cash Equivalents

	March, 2018	December, 2017
Cash on hand and with banks	₱84,191,671	₱33,551,881
Short-term placements	511,552,345	720,013,553
	₱595,744,016	₱753,565,434

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 ₱2.2 million and ₱14.9 million in March, 2018, and December, 2017, 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, 2018	December, 2017
Cost:		
Balances at beginning of year	₱108,758,965	₱54,186,953
Additions	19,263,439	63,978,749
Disposals		(9,406,737)
Balances at end of year	128,022,404	108,758,965
Changes in fair value:		
Balances at beginning of year	43,958,734	28,838,801
Fair value gains	5,843,314	17,421,323
Disposals		(2,301,390)
Balances at end of year	49,802,048	43,958,734
	₱177,824,452	₱152,717,699

6. Receivables

	March 2018	December, 2017
Accrued interest	₱8,033,753	₱6,656,595
Rent receivable (see Note 21)	336,405	613,138
Others	493,900	975,600
	8,864,058	8,245,333
Less allowance for impairment losses	961,368	961,368
	₱7,902,690	₱7,283,965

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, 2018	December, 2017
Acquisition costs	₱288,590,264	₱288,590,264
Accumulated equity in net earnings and OCI:		
Balances at beginning of year	101,388,416	101,388,416
Share in net income of associates	40,864,501	40,864,501
Share in OCI of associates	25,827,365	25,827,365
Dividends declared by associates	(41,313,673)	(41,313,673)
Cumulative translation adjustment	(313,263)	(313,263)
	126,453,346	126,453,346
Accumulated allowance for impairment loss	(94,830,129)	(94,830,129)
	₱320,213,481	₱320,213,481

The Group has equity interest in the following associates as of December 31:

	Country of Incorporation	Percentage of Ownership	Carrying Amount of Investments	
			March, 2018	December, 2017
PTC	Philippines	30%	₱264,622,380	₱264,622,380
BPO	Philippines	35%	55,591,101	55,591,101
MUDC	Philippines	43%	–	–
			₱320,213,481	₱320,213,481

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.

Dividends

On February 14, 2017, PTC declared cash dividends amounting to \$2.1 million or \$0.0015 per share of the outstanding stocks as of record date January 31, 2017. Dividends shall be payable before June 30, 2017. Dividend income amounted to ₱30.8 million in 2017.

The Group's share in the dividends declared amounted to nil and ₱30.8 million in March, 2018, and December, 2017, respectively.

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.

Dividends

On December 12, 2017, BPO declared cash dividend amounting to ₱30.0 million or ₱107.00 per share of the outstanding stocks as of record date December 12, 2017. Dividends shall be payable on or before June 30, 2018. Dividend income which is outstanding as of December 31, 2017 amounted to ₱10.5 million. A total of ₱2.6 million has been collected with an outstanding balance of ₱10.5 as of March 30, 2018.

The Group's share in the dividends declared amounted to ₱10.5 million in March, 2018, and December, 2017, respectively.

MUDC

The Group has a 43% interest in MUDC. As of March 31, 2017, MUDC has been non-operational 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 March 31, 2018 and December 31, 2017, 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 March 31, 2018 and December 31, 2017, MUDC has incurred significant losses, which resulted in capital deficiency amounting to ₱257.2 million.

The Group has investment in MUDC amounting to ₱94.8 million as of March 31, 2018 and December 31, 2017 and advances to MUDC amounting to ₱127.6 million as of March 31, 2018 and December 31, 2017. The Group has assessed that its investment in MUDC amounting to ₱94.8 million as of March 31, 2018 and December 31, 2017 and its advances to MUDC amounting to ₱125.1 million as of March 31, 2018 and December 31, 2017 are impaired since management believes that it will no longer recover from such investment and advances. Management is not required to infuse more capital to MUDC and that losses are limited to the invested additional advances as of March 31, 2018.

8. AFS Financial Assets

	March, 2018	December, 2017
Quoted:		
Debt securities	₱303,511,950	₱319,606,666
Equity securities - at fair value, net of allowance for impairment loss of ₱3.1 million	134,043,796	155,414,557
Unquoted/quoted equity securities	68,058,125	46,330,385
	505,613,871	521,351,608
Less current portion	40,784,002	40,784,002
	₱464,829,869	₱480,567,606

Movements in AFS financial assets are as follows:

	March, 2018	December, 2017
Balances at beginning of year	₱521,351,608	₱401,874,992
Additions	222,000	214,648,554
Changes recognized in profit or loss		15,704,866
Movements in net unrealized valuation gains	(566,891)	47,922,567
Disposals	(15,392,846)	(158,799,371)
Balances at end of year	₱505,613,871	₱521,351,608

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 2.71% to 13.63% in March, 2018 and December, 2017. Maturity dates of the investments range from 2017 to 2024. Interests on investments are received and settled semi-annually in its denominated currency.

Investments in equity securities carried at fair value consist of 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, 2018 and December 31, 2017.

Investments in equity securities consist of unquoted shares and investments in the shares of stock which the Group has neither control nor significant influence. These investments are unlisted shares of stocks that do not have market values and have no other reliable sources of their fair values. These shares of stocks are stated at cost and subjected to impairment testing annually.

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

	March 2018	December, 2017
Balances at beginning of year	₱71,224,828	₱23,302,261
Changes in fair value of AFS financial assets	(701,867)	54,335,503
Disposals of AFS financial assets	(20,122)	(6,412,936)
Balances at end of year	₱70,502,839	₱71,224,828

Allowance for impairment losses on AFS financial assets in equity instruments amounted to ₱ 3.1 million as of March 31, 2018 and December 31, 2017.

Net unrealized valuation gains on AFS financial assets attributable to equity holders of the Parent Company amounted to ₱62.3 million and ₱63.1 million as of March 31, 2018 and December 31, 2017, respectively.

Interest earned on debt securities classified as AFS financial assets amounted to ₱5.4 million and ₱22.0 million in March, 2018, and December, 2017 respectively, presented as “Interest income” in profit or loss.

Dividend income earned on equity securities classified as AFS financial assets amounted to ₱.2 million in March, 2018 and ₱1.0 million in December, 2017.

The Group disposed certain AFS financial assets and recognized gains from disposal amounting to ₱.7 million and ₱2.2 million in March, 2018, and December, 2017, 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.

In 2017, all HTM investments of the Group were sold resulting to gain on disposal of HTM investments amounting to ₱0.2 million recognized in profit or loss.

Interest income on these HTM investments amounted to nil and ₱0.5 million in March, 2018, and December, 2017 respectively, presented as “Interest income” in profit or loss.

10. Property and Equipment

	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	March, 2018 Total
Cost:					
Balances at beginning of year	₱20,755,943	₱9,022,991	₱10,263,079	₱2,863,302	₱42,905,315
Additions					
Balances at end of year	₱20,755,943	₱9,022,991	₱10,263,079	₱2,863,302	₱42,905,315
Accumulated depreciation:					
Balances at beginning of year	14,321,915	8,316,732	6,489,859	2,819,691	31,948,197
Depreciation	207,559	17,637	211,940	6,725	443,861
Balances at end of year	14,529,474	8,334,369	6,701,799	2,826,416	32,392,058
Net book values	6,226,469	688,622	3,561,280	36,886	10,513,257

	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	December 2017 Total
Cost:					
Balances at beginning of year	₱20,755,943	₱8,764,062	₱8,395,222	₱2,843,660	₱40,758,887
Additions	–	258,929	1,867,857	19,642	2,146,428
Balances at end of year	20,755,943	9,022,991	10,263,079	2,863,302	42,905,315
Accumulated depreciation:					
Balances at beginning of year	13,491,678	8,246,185	5,766,624	2,786,862	30,291,349
Depreciation	830,237	70,547	723,235	32,829	1,656,848
Balances at end of year	14,321,915	8,316,732	6,489,859	2,819,691	31,948,197
Net book values	₱6,434,028	₱706,259	₱3,773,220	₱43,611	₱10,957,118

Cost of fully depreciated property and equipment that are still in use amounted to ₱15.3 million in March, 2018 and December, 2017.

11. Investment Properties

	Land	Condominium	March 2018 Total
Cost:			
Balances at beginning of year	₱46,319,625	₱215,815,621	₱262,135,246
Additions		179,490,575	179,490,575
Balances at end of year	₱46,319,625	₱395,306,196	₱441,625,821
Accumulated depreciation:			
Balances at beginning of year	–	33,203,111	33,203,111
Depreciation		2,165,163	2,165,163
Balances at end of year		35,368,274	35,368,274
Net book values	₱46,319,625	₱359,937,922	₱406,257,547

	Land	Condominium	December 2017 Total
Cost:			
Balances at beginning and end of year	₱46,319,625	₱136,763,800	₱183,083,425
Reclassifications (see Note 13)	–	79,051,821	79,051,821
79,051, Balances at end of year	46,319,625	215,815,621	262,135,246
Accumulated depreciation:			
Balances at beginning of year	–	24,535,513	24,535,513
Depreciation	–	8,667,598	8,667,598
Balances at end of year	–	33,203,111	33,203,111
Net book values	₱46,319,625	₱182,612,510	₱228,932,135

Condominium units are being leased to third parties and other related parties as office space. The investment properties generated revenue amounting to ₱6 million, and ₱20.8 million in March, 2018, and December, 2017 respectively.

The assessed fair value of the investment properties amounted to ₱512.2 million as of March 31, 2018 and December, 2017. The fair values of the investment properties are based on valuations performed by an accredited independent valuer. The valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Group used the Sales Comparison Approach in determining the fair value of the investment properties. This is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison.

The appraiser gathers data on actual sales and/or listings, offers, and renewal options, and identifies the similarities and differences in the data, ranks the data according to their relevance, adjusts the sales prices of the comparable to account for the dissimilarities with the unit being appraised, and forms a conclusion as to the most reasonable and probable market value of the subject property.

The elements of comparison include location, physical characteristics, available utilities, zoning, and highest and best use. The most variable elements of comparison are the site's physical characteristics, which include its size and shape, frontage, topography and location.

The fair value is estimated under Level 3 inputs. The significant unobservable inputs to valuation of investment properties ranges from ₱70,000 - ₱380,000 per square meter.

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Rent income arising from operating lease on investment properties amounted to ₱6 million and ₱20.8 million in March 2018, and December 2017, respectively. Direct operating expenses arising from investment properties that generated rent income include depreciation and condominium dues which amounted to ₱3 million and ₱11.0 million in March, 2018, and December, 2017 respectively.

12. Other Noncurrent Assets

	March, 2018	December, 2017
Deposit on contracts	₱722,054	₱37,811,750
Deposits	743,580	758,560
	₱1,465,634	₱38,570,310

As of March 31, 2018 and December, 2017, deposits on contracts pertain to down payments for the acquisition of condominium units available for turnover in 2018 and 2017, respectively.

13. Accounts Payable and Accrued Expenses

	March, 2018	December, 2017
Deposits payable	₱5,819,095	₱5,420,699
Accounts payable	2,417,744	3,122,197
Accrued professional fees	1,845,738	1,321,832
Government payables	879,117	1,138,869
	₱10,961,694	₱11,003,597

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

Accounts payable are generally noninterest-bearing payables to third party contractors with a credit term of 30 days.

14. Income Taxes

The Group's provision for current income tax in 2017, 2016, and 2015 are as follows:

	2017	2016	2015
RCIT	₱10,788,556	₱7,213,243	₱4,051,089
Final tax on interest income	2,609,051	2,987,702	2,766,639
MCIT	–	–	74,163
Stock transaction tax (STT) on disposal of financial assets at FVPL	–	–	12,427
	₱13,397,607	₱10,200,945	₱6,904,318

15. Equity**a. Common Stock**

In accordance with SRC Rule 68, as Amended (2011), Annex 68-D, below is a summary of the Group's track record of registration of securities.

	Number of shares registered	Issue/offer price	Date of approval
Common shares	1,000,000,000	₱0.01	December 8, 1982
Common shares	9,000,000,000	₱0.01	July 28, 1997

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

	March, 2018	December 31, 2017
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

	Number of Shares	Exercise Periods	Expiration Dates
	48,103,272		
(Forward)			
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 478 and 474 stockholders as of March 31, 2018, and December 31, 2017, respectively.

b. Treasury Shares

The Group's treasury shares pertains to shares of the Parent Company acquired or held by its subsidiaries. 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. 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.

In 2017, PIEI purchased 239,560 additional shares of the Parent Company with a total cost of ₱1.3 million. These are composed of 159,260 Class A shares and 80,300 Class B shares, costing ₱0.9 million and ₱0.4 million, respectively.

As of March 31, 2018 and December 31, 2017, the Group's treasury shares are as follows:

	Shares		Amount	
	March, 2018	December, 2017	March, 2018	December, 2017
Balance at beginning of year	97,634,827	97,634,827	₱99,669,477	₱99,669,477
Additions	239,560	239,560	1,277,479	1,277,479
Balance at end of year	97,874,387	97,874,387	₱100,946,956	₱100,946,956

c. Retained Earnings

Retained earnings is restricted to the extent of the acquisition price of the treasury shares amounting to ₱100.9 million as of March 31, 2018 and December 31, 2017, respectively. Retained earnings is also restricted to the extent of equity in net earnings of the associates not declared as dividends as of reporting date.

The balance of retained earnings includes the accumulated equity in net earnings of the subsidiaries and associates amounting to ₱918.7 million and ₱886.2 million as at March 31, 2018 and December 31, 2017, respectively. Such amounts are not available for distribution until such time that the Parent Company receives the dividends from the subsidiaries and associates.

Dividends payable amounted to ₱4.1 million and ₱6.6 million as of March 31, 2018 and December 31, 2017, 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 “Due from related parties” account, are as follows:

		Transactions during the year	Outstanding balances	Terms	Conditions
<i>Associates:</i>					
BPO					
Rent income	March, 2018	₱	₱154,561	30 days;	Unsecured;
	December 2017	1,212,831	18,338	noninterest-bearing	Unimpaired
			–		
Payroll services expense	March, 2018			30 days;	Unsecured;
	December 2017	51,195	–	noninterest-bearing	Unimpaired
Dividends (see Note 8)	March, 2018		10,529,924	30 days;	Unsecured;
	December 2017	10,499,923	13,154,914	noninterest-bearing	Unimpaired
PTC					
Dividends (see Note 8)	March, 2018			30 days;	Unsecured;
	December 2017	30,813,750	–	noninterest-bearing	Unimpaired
MUDC					
Advances	March, 2018	16,216	16,216	30 days;	Unsecured;
	December 2017	53,600	–	noninterest-bearing	Impaired
<i>Under common control:</i>					
Other related parties					
Advances	March, 2018		287,417	30 days;	Unsecured;
	December 2017	1,175	287,417	noninterest-bearing	Impaired
	2017		₱10,988,118		
	2016		13,460,669		

The related party transactions are settled in cash.

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

	March, 2018	December, 2017
Due from related parties - at gross	₱199,785,642	₱202,258,193
Less Allowance for impairment loss:		
Balances at beginning of year	188,797,524	188,797,524
Provision		-
Balances at end of year	188,797,524	188,797,524
	₱10,988,118	₱13,460,669

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

17. Earnings per Share

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

	March, 2018	December, 2017
Net income attributable to equity holders of the parent	₱9,039,107	₱77,729,401
Weighted average number of ordinary shares outstanding for basic and diluted EPS	384,060,813	384,060,813
Basic and diluted earnings per share	₱0.0236	₱0.20

The Group has no potential dilutive instruments issued as of March 31, 2018 and December 31, 2017.

18. Segment Information

The primary purpose of the Group is to invest in real and personal properties. The Group 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 ₱6 million, and ₱20.8 million in March, 2018, and December, 2017, respectively. Future minimum rental income of ₱13.5 million from existing rental agreements will be recognized in 2018 and 2019. 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 ₱5.8 million and ₱5.4 million as of March 31, 2018 and December 31, 2017, respectively, will be returned to the lessees after the lease term (see Note 12).
- b. As of March 31, 2018 and December 31, 2017, the Group recognized 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 Group'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, 2018		December, 2017	
	Carrying Amount	Fair Values	Carrying Amount	Fair Values
Financial Assets				
Current:				
Financial assets at FVPL	₱177,824,452	₱177,824,452	₱152,717,699	₱152,717,699
AFS financial assets	40,784,002	40,784,002	40,784,002	40,784,002
Noncurrent:				
AFS financial assets	464,829,869	464,829,869	480,567,606	480,567,606
	₱683,438,323	₱683,438,323	₱674,069,307	₱674,069,307

The Group has determined that the carrying amounts of cash and cash equivalents, receivables, due from related parties, 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, 2018 and December 31, 2017, 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.

21. Changes in Liabilities Arising from Financing Activities

The following shows the changes in the Group's liabilities arising from its financing activities for the three months period January 1 to March 31, 2018:

	As at December 31, 2017	Cash flows	Dividend declaration	As at March 31, 2018
Dividends payable (Note 15)	₱6,636,554			₱4,073,710

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
AGING OF ACCOUNTS RECEIVABLE
AS OF MARCH 31, 2018

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.	33,067						33,067	33,067
Magellan Capital Corporation	310,880						310,880	310,880
Magellan Capital Trading Corporation	34,067						34,067	34,067
Magellan Utilities Development Corp.	0							0
Business Process Outsourcing International	13,173,252		2,624,990				10,548,262	10,548,262
Pinamucan Power Corporation	4,221						4,221	4,221
Pointwest Technologies Corporation	0							0
Philippine Deposit Insurance Corporation	500,000		500,000					0
Others	200						200	200
	14,055,687		3,124,990				10,930,697	10,930,697