

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 **30 June 2017**
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 30 June 2017 and Audited Consolidated Balance Sheet as of 31 December 2016 as Annex “A”;
- (2) Unaudited Consolidated Interim Statement of Income and Summary of General and Administrative Expenses for the six (6) month period ending 30 June 2017 and the six (6) month period ending 30 June 2016 as Annex “B”;
- (3) Unaudited Consolidated Interim Statement of Income and Summary of General and Administrative Expense for the three (3) month period from April 01 – June 30, 2017 and for the three (3) month period from April 01 – June 30, 2016 as Annex “C”;
- (4) Unaudited Consolidated Interim Statement of Changes in Stockholders’ Equity for the six (6) month periods ending 30 June 2017 and 30 June 2016 and Audited Consolidated Statement of Changes in Stockholders’ Equity for the year ending 31 December 2016 as Annex “D”;
- (5) Unaudited Consolidated Interim Cash Flow Statement for the six (6) month period ending 30 June 2017 and the six (6) month period ending 30 June 2016 as Annex “E”;
- (6) Interim Consolidated Cash Flow Statement for the three (3) month periods ending 30 June 2017 and 30 June 2016 as Annex “F”; and
- (7) Consolidated Balance Sheet as of 30 June 2017 and December 31, 2016 with vertical and horizontal percentage analysis as Annex “G”.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

(1) Management's Discussion and Analysis

The Registrant's consolidated revenue in 2016 decreased by 3.4% to ₱177.3 million from ₱183.5 million in 2015. Equity in net earnings of associates decreased by 30% from ₱105.4 million in 2015 to ₱72.9 million in 2016 as Pointwest experienced lower earnings as operating margins dropped at some major accounts. Interest income slightly increased from ₱39.2 million in 2015 to ₱40 million in 2016 as interest levels have stabilized. A net foreign exchange gain of ₱36.6 million was recorded in 2016 as the Peso continues to decline against foreign currencies which benefitted the foreign exchange denominated bonds and other securities hold by the Registrant and its subsidiary. Rent increased from ₱12.8 million in 2015 to ₱14.0 million in 2016 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 ₱5.4 million was recorded in 2016 against ₱1.5 million in 2015. Dividend income increased from ₱1.5 million in 2015 to ₱1.9 million in 2016.

Total consolidated expenses of the Registrant decreased to ₱33.3 million in 2016 compared to ₱35.3 million in 2015.

As a result of the above, total consolidated income before tax in 2016 totaled ₱144.1 million compared to ₱148.2 million in 2015. After provision for income tax, total consolidated net income after tax totaled ₱136.5 million in 2016 compared to ₱139.6 million in 2015 or a decrease of 2%.

Net income attributable to non-controlling interest, namely minority shareholders of Magellan Capital Holdings Corporation, totalled ₱2.6 million in 2016 compared to ₱1.2 million in 2015.

The Registrant's financial position is very strong as it has substantial cash resources available to undertake its planned projects. As of December 31, 2016, the Registrant's consolidated cash and cash equivalent totaled over ₱954.6 million which was lower than the level of ₱965.6 million as of December 31, 2015 due to additional investment in properties. 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 ₱35.1 million compared to ₱32.8 million in 2015 total equity amounted to ₱1.9 billion as of the end of 2016 compared to ₱1.8 billion in 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 2016 totalled ₱954.6 million compared to ₱965.6 million at the end of 2015 while total current assets totalled ₱1.2 billion at year-end 2016 compared to ₱1.1 billion at year-end 2015. 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.

Operating Results and Financial Condition for the Second Quarter of 2017

- (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 second quarter of 2017 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 second quarter of 2017 or in the second quarter of 2016 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 second quarter of 2017 and second quarter of 2016.

Operating Results

Breakdown of Revenue for the Three Month Periods Ending June 30, 2017 and June 30, 2016 with Vertical and Horizontal Percentage Analysis is shown below:

(P000)	Second Quarter 2017	Vertical Percentage Analysis	Second Quarter 2016	Vertical Percentage Analysis	Increase (Decrease) Amount	Increase (Decrease) Percentage
INTEREST INCOME						
From Banks	₱ 3,176	2.6%	₱ 3,658	20.4%	(482)	(13.2%)
From Securities	6,177	5.0%	5,722	32.0%	455	8.0%
TOTAL	₱ 9,353	7.6%	₱ 9,380	52.4%	(27)	0.3%
UNREALIZED GAIN ON TRADING SECURITIES	101,221	81.7%	2,752	15.4%	98,469	3,578%
REALIZED GAIN ON REDEMPTION OF AFS/HTM INVESTMENTS	3,116	2.5%	795	4.4%	2,321	292%
DIVIDEND INCOME	937	0.8%	986	5.5%	(49)	(5.0%)
RENT INCOME	5,790	4.7%	3,402	19.0%	2,388	70%
GAINS ON SALE OF FVPL	1,991	1.6%	-	-	1,991	-
REALIZED FX GAIN	1,297	1.0%	573	3.2%	724	126%
OTHER INCOME	122	0.1%	-	-	122	-
TOTAL	₱ 123,830	100.00%	₱ 17,889	100%	105,941	592%

Revenues. Consolidated revenues, during the 3 month period ended June 30, 2017 increased by 592% to ₱123.8 million compared to ₱17.9 million during the same 3 month period in 2016. The higher revenue was due mainly to unrealized gain from trading securities which totaled ₱101.2 million in the second quarter of 2017 compared to ₱2.8 million in the second quarter of 2016 as a result of the listing in the Taipei Exchange of Aslan Pharmaceutical, a biotech company in which the Registrant and its indirect subsidiary, Pinamucan Industrial Estates, Inc. had invested in during the last three years. Realized gain on redemption of AFS/HTM investments of ₱3.1 million in the second quarter of 2017 versus ₱0.8 in the second quarter of 2016 also contributed to the higher revenue. Rental income also increased by 70% from ₱3.4 million in the second quarter of 2016 to ₱5.8 million in the second quarter of 2017 due to additional investment in rental property.

Expenses. Consolidated expenses in the second quarter of 2017 totaled ₱9.3 million compared to ₱7.1 million in the second quarter of 2016. As shown in Annex C, most of the increase was accounted for by higher taxes and licenses due to purchase of additional investment property and due to higher professional fees representing mostly legal expenses on cases brought by the Registrant's subsidiary Magellan Capital Holdings Corporation (MCHC) against the perpetrators of the land grabbing attempt on the MCHC's property in BGC.

Operating Income. Due to the factors discussed above, consolidated operating income in the second quarter of 2017 totaled ₱114.5 million compared to ₱10.8 million in the second quarter of 2016.

Net Income. Net income totaled ₱114.5 million during the second quarter of 2017 compared to ₱10.8 million in the second quarter of 2016. Net income in the second quarter of 2017 attributable to shareholders of the company totaled ₱108.8 million while ₱5.7 million was attributable to minority shareholders in the company's 94% owned subsidiary Magellan Capital Holdings Corporation (MCHC). In the second quarter of 2016, ₱10.3 million in net income was attributable to stockholders of the company while ₱0.5 million was attributable to minority stockholders in MCHC.

BALANCE SHEET ACCOUNTS

Annex “F” shows the Vertical and Horizontal Percentage Analysis of Balance Sheet Account for June 30, 2017 compared to December 31, 2016.

Assets

Current Assets. Consolidated current assets as of June 30, 2017 totaled P1,187.2 million compared to P1,149.5 million as of December 31, 2016. Most of the increase was due to the higher financial assets at Fair Value through profit or loss and cash equivalents which increased from P83 million as of December 31, 2016 to P278 million as of June 30, 2017 due to the listing of Aslan shares. This was partly offset by a drop in cash and cash equivalents as cash was used to buy additional income producing property. In addition, receivables also dropped from P29.7 million at December 31, 2016 to P20.2 million at June 30, 2017 due to collection of dividend receivables.

Receivables from Related Parties. This account stayed at nil at the end of June 30, 2017 the same level as at the end of 2016 as Magellan Capital Holdings Corporation has stopped making shareholders advances to Magellan Utilities Development Corporation.

Investments in Associates. This account which consists of investment in Pointwest Technologies Corporation and BPO International, Inc. remained at the same level at year-end 2016 and at June 30, 2017 at P295.1 million as equity in net earnings of associates are not taken up until year end.

Available for Sale Investments. This account which consists mostly of medium term bonds decreased from P335.1 million at year-end 2016 to P324.3 million at June 30, 2017 due to maturity and redemption of bond investment held by the Registrant and its subsidiaries.

Property and Equipment. This account totaled P9.7 million as of June 30, 2017 compared to P10.5 million as of December 31, 2016 due to additional depreciation allowance taken in the first half of 2017.

Investment in Property. This Account totaled P234.3 million at June 30, 2017 compared to P158.5 million at year end 2016 due to additional investment in income producing property by the Registrant’s subsidiary , MCHC.

Other Non-Current Assets. This account totaled ₱38.5 million as of June 30, 2017, lower than the ₱24.9 million as of December 31, 2016 due to deposit on the purchase of additional property.

Total Assets. As a result of the foregoing, total assets increased to ₱2,088.9 million as of June 30, 2017 from ₱1,973.8 million as of December 31, 2016.

Liabilities and Equity

Current Liabilities. Current liabilities decreased to ₱13.7 million as of June 30, 2017 from ₱21.1 million as of December 31, 2016 due mainly to reduction in income tax payable which were paid in April 2017 and lower dividends payable.

Non-Current Liabilities. Non-current liabilities which consists mostly of retirement benefit obligation was stable at ₱14.0 million as of June 30, 2017, the same level as at year-end 2016.

Stockholder's Equity. Total stockholder's equity increased to ₱2,061.2 million as of June 30, 2017 from ₱1,938.6 million at year-end 2016 due to the net income of ₱126.6 million generated in the first half of 2017. Total equity attributable to stockholders of the company totaled ₱1,983.4 million at June 30, 2017 from ₱1,865.4 million at December 31, 2016 due to the net income of ₱122.0 million attributable to stockholders of the company in the first half of 2017. Minority interest which represents the share of minority shareholders of Magellan Capital Holdings Corporation was ₱77.7 million at June 30, 2017 compared to ₱73.2 million at year-end 2016.

(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 second quarter of 2017 and 2016 are shown in Annex “C” and presented below in summary form:

(P 000)	2 nd Quarter 2017	Percentage (%)	2 nd Quarter 2016	Percentage (%)
Interest Income	P 9,353	7.6%	P 9,380	52.4%
Lease Rental Income	5,790	4.7%	3,402	19.0%
Dividend Income	937	0.8%	986	5.5%
Unrealized Gain on Trading Securities	101,221	81.7%	2,753	15.4%
Gain on Disposal of AFS/ HTM Investments	3,116	2.5%	795	4.4%
Realized Gain on FVPL	1,991	1.6%	-	-
Realized FX Gain	1,297	1.0%	573	3.2%
Other Income	122	0.1%	-	-
Total Income	P 123,830	100.00%	P 17,889	100%

Total revenue increased by 592% in the second quarter of 2017 to P123.8 million compared to P17.9 million in the second quarter of 2016. This was due mainly to unrealized gain on trading securities as a result of unrealized gain on stock investment in Aslan Pharmaceuticals by the Registrant and its subsidiary which were listed on the Taipei Exchange in June 2017.

Change in Net Income. The income statement in the second quarter of 2017 and 2016 are shown in Annex “C” and summarized below:

(P 000)	2 nd Quarter 2017	Percentage (%)	2 nd Quarter 2016	Percentage (%)
Revenues	P 123,830	100.0%	P 17,889	100.0%
Expenses	9,292	7.5%	7,062	39.5%
Net Income	114,538	92.5%	10,827	60.5%
Attributable to:				
- Minority Interest	5,727	4.6%	541	3.0%
- Stockholders of Company	P 108,811	87.9%	P 10,286	57.5%

The company realized a net income of P108.8 million attributable to stockholders of the company in the second quarter of 2017, compared to a net income of P10.3 million attributable to stockholders of the company in the second quarter of 2016 due to the factors discussed in the preceding pages.

Earnings per Share. The income per share attributable to shareholders of the Company during the second quarter of 2017 was ₱0.32 per share compared to earnings per share of ₱0.027 in the second quarter of 2016.

Current Ratio. Current ratio as of June 30, 2017 was 86.4 X compared to 54.5 X as of December 31, 2016. Increase in financial assets at FVPL and decrease in current liability accounted for the improvement in the current ratio.

Book Value Per Share. Book value per share as of June 30, 2017 was ₱5.16 per share compared to ₱4.86 per share as of December 31, 2016 due mainly to the net income attributable to stockholders of the company realized in the first half of 2017.

PART II

OTHER INFORMATION

1. Regular Board Meeting of the Corporation held on April 18, 2017

The Board approved and adopted the following resolutions:

1. Audited Financial Statements

“RESOLVED, that the President, Mr. Robert Y. Cokeng, be as he is hereby authorized to approve the audited Financial Statements for year ending 2016 and to approve its release by the Company’s External Auditor, SGV & Co., pursuant to the reportorial requirements of the BIR and the SEC.”

Pursuant to the aforesaid authority, the Corporation’s President, Mr. Robert Y. Cokeng approved the Audited Financial Statements on 24 April 2017, and authorized its release by the Company’s External Auditor SGV & Co.

2. Annual Stockholders' Meeting

"RESOLVED, that the President, Mr. Robert Y. Cokeng, be, as he is hereby authorized to set the date of the Annual Stockholders' Meeting for the year 2017".


On May 22, 2017, pursuant to the delegated authority given by the Board of Directors of the Corporation, for the President to set the date of the 2017 Annual Stockholders Meeting, the **Annual Stockholders Meeting of the Corporation will be held on 31 July 2017 (Monday)** at 2:30 p.m. at the Function Room 7, Top of the Citi, 34th Floor, Citibank Tower, 8741 Paseo de Roxas, Makati, City;

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 August 2017**

Principal Financial/Accounting Officer/Controller

Signature and Title 

MARK RYAN K. COKENG, Treasurer

Date **17 August 2017**

F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2017 AND DECEMBER 31, 2016


ANNEX "A"
Page 1

	UNAUDITED JUNE 30, 2017	AUDITED DEC. 31, 2016
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	P 848,726,144	P 954,570,050
Financial assets at fair value through profit or loss	278,113,840	83,025,754
Convertible note receivable	0	0
Receivables-net :		
Advances to Officers & Employees	0	0
Interest Receivable	6,752,846	7,626,291
Dividends Receivable	12,270,881	21,020,846
Receivable from related parties	358,580	424,149
Others	1,731,356	1,447,905
Total Receivables	21,113,663	30,519,191
Allowance for impairment losses	857,369	857,369
Total Receivables-Net	20,256,294	29,661,822
Current portion of HTM investments	0	0
Current portion of AFS financial assets	20,552,306	66,753,263
Prepaid expenses & other current assets:		
Input Tax	18,181,574	14,709,226
Prepaid Income Tax	523,188	0
Others	864,630	819,933
Total Prepaid expenses and other current assets	19,569,392	15,529,159
Total Current Assets	P 1,187,217,976	P 1,149,540,048
<i>Non-current Assets</i>		
Receivables from related parties-net	0	0
Investments in associates	295,148,551	295,148,551
HTM investments-net of current portion	0	0
Available-for-sale (AFS) investments-net of current portion	324,251,761	335,121,729
Investment in property	234,018,817	158,547,912
Property and Equipment		
Building	20,755,943	20,755,943
Building Improvements	8,764,062	8,764,062
Transportation equipment	8,395,222	8,395,222
Furniture and fixtures	2,919,141	2,843,660
Total	40,834,368	40,758,887
Less: Accumulated depreciation	31,093,307	30,291,349
Net Book Value	9,741,061	10,467,538
Total Property and Equipment	9,741,061	10,467,538
Other non-current assets	38,555,330	24,927,486
Total Non-Current Assets	901,715,520	824,213,216
TOTAL ASSETS	P 2,088,933,496	P 1,973,753,264

LIABILITIES & STOCKHOLDERS' EQUITY	UNAUDITED JUNE 30, 2017	AUDITED DEC. 31, 2016
<i>Current Liabilities</i>		
Accounts Payable and accrued expenses		
Accounts payable-trade	0	0
Accounts payable-others	737,411	1,474,677
Withholding taxes payable	238,475	442,248
SSS Premium Payable	14,421	16,692
HDMF Premium Payable	2,496	2,096
Philhealth Premium Payable	6,650	6,750
Deposit Payable	3,576,862	1,507,524
Output Vat Payable	274,122	369,943
Accrued expenses	533,558	863,538
Total Accounts payable and accrued expenses	P 5,383,995	P 4,683,468
Dividends Payable	3,309,752	6,006,566
Income Tax Payable	44,066	5,402,348
Provision for legal obligation	5,000,000	5,000,000
Total Current Liabilities	P 13,737,813	P 21,092,382
<i>Non-Current Liabilities</i>		
Deferred income tax liabilities-net	2,736,531	2,736,531
Payable to related parties	0	0
Retirement benefit obligation)	11,305,731	11,305,731
Total Non-Current Liabilities	14,042,262	14,042,262
<i>Stockholders' Equity</i>		
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	14,656,412	18,686,502
Actuarial loss on retirement benefit obligation	(1,152,586)	(1,152,586)
Accumulated share in other comprehensive income of associates	24,861,485	24,861,485
Retained earnings	1,418,142,514	1,296,094,095
Total Equity Attributable to Stockholders of the Company	1,983,425,978	1,865,407,649
Minority Interest	77,727,443	73,210,971
Total Stockholders' Equity	2,061,153,421	1,938,618,620
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	P 2,088,933,496	P 1,973,753,264

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 SIX MONTHS PERIOD ENDING JUNE 30, 2017 AND JUNE 30, 2016

	UNAUDITED JUNE 30, 2017	UNAUDITED JUNE 30, 2016
REVENUES		
Interest Income		
From Banks	P 6,076,600	P 6,683,886
From Securities	11,312,135	11,046,888
Total Interest Income	17,388,735	17,730,774
Unrealized gains on trading securities	105,959,923	3,039,656
Rental Income	11,123,841	6,787,647
Gains on disposal /redemption of AFS/HTM investments	5,058,700	794,720
Dividend Income	1,000,173	1,017,146
Realized forex gain	1,390,365	794,642
Realized gain on sale of FVPL	2,477,677	0
Other income	542,398	85,811
	P 144,941,812	P 30,250,396
EXPENSES		
Net foreign exchange loss	300,770	0
Amortization of unrealized losses on changes in fair value of AFS investments	0	0
Salaries, wages and employees' benefits	5,162,312	5,358,859
Depreciation	3,537,219	2,980,080
Professional fees	1,735,585	909,550
Condominium dues	1,455,215	792,253
Repairs and maintenance	0	159,194
Taxes and licenses	4,523,180	1,252,049
Entertainment, amusement and recreation	67,832	219,825
Unrealized loss on financial assets at FVPL	0	196,286
Others	1,594,807	1,314,109
	18,376,920	13,182,205
NET INCOME	P 126,564,892	P 17,068,191
NET INCOME ATTRIBUTABLE TO:		
STOCKHOLDERS OF THE COMPANY	P 122,048,419	P 16,327,963
MINORITY INTERESTS	4,516,473	740,228
EARNINGS PER SHARE	P 0.320	P 0.0420

See accompanying Notes to Consolidated Financial Statements

Prepared by:



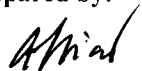
ARSENIO T. LIAO
Accountant

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDING JUNE 30, 2017 AND JUNE 30, 2016**

	UNAUDITED JUNE 30, 2017	UNAUDITED JUNE 30, 2016
NET INCOME	P 126,564,892	P 17,068,191
OTHER COMPREHENSIVE INCOME(LOSS)		
Changes in fair value of AFS investments	(4,030,090)	79,774
Amortization of unrealized losses on changes in fair value of AFS investments	-	-
Disposal of AFS investment		
Impairment loss on AFS investments		
Others		
	(4,030,090)	79,774
TOTAL COMPREHENSIVE INCOME(LOSS)	P 122,534,802	P 17,147,965
TOTAL COMPREHENSIVE INCOME(LOSS)		
ATTRIBUTABLE TO:		
STOCKHOLDERS OF THE COMPANY	P 116,408,062	P 16,290,567
MINORITY INTERESTS	6,126,740	857,398
	P 122,534,802	P 17,147,965

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 APRIL 1-JUNE 30, 2017 AND APRIL 1-JUNE 30, 2016

	UNAUDITED APRIL 1- JUNE 30, 2017	UNAUDITED APRIL 1- JUNE 30, 2016
REVENUES		
Interest Income		
From Banks	P 3,176,607	P 3,658,452
From Securities	6,176,795	5,721,549
Total Interest Income	9,353,402	9,380,001
Unrealized gains on trading securities	101,221,282	2,752,702
Rental Income	5,789,937	3,402,034
Gains on disposal /redemption of AFS/HTM investments	3,116,783	794,720
Dividend Income	937,487	986,122
Realized forex gain	1,297,403	573,127
Realized gain on sale of FVPL	1,991,364	0
Other income	122,124	0
	P 123,829,782	P 17,888,706
EXPENSES		
Net foreign exchange loss	0	0
Amortization of unrealized losses on changes in fair value of AFS investments	0	0
Salaries, wages and employees' benefits	2,589,195	2,712,824
Depreciation	1,769,930	1,490,040
Professional fees	1,465,330	538,367
Condominium dues	723,244	391,387
Repairs and maintenance	0	0
Taxes and licenses	1,973,252	708,603
Entertainment, amusement and recreation	49,652	113,506
Unrealized loss on financial assets at FVPL	0	99,259
Others	720,846	1,009,527
	9,291,449	7,061,513
NET INCOME	P 114,538,333	P 10,827,193
NET INCOME ATTRIBUTABLE TO:		
STOCKHOLDERS OF THE COMPANY	P 108,811,416	P 10,285,833
MINORITY INTERESTS	5,726,917	541,360
EARNINGS PER SHARE	P 0.283	P 0.0270

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 APRIL 1-JUNE 30,2017 AND APRIL 1-JUNE 30,2016**

	UNAUDITED APRIL 1- JUNE 30,2017	UNAUDITED APRIL 1-JUNE 30,2016
NET INCOME	P 114,538,333	P 10,827,193
OTHER COMPREHENSIVE INCOME(LOSS)		
Changes in fair value of AFS investments	(2,433,704)	(383,020)
Amortization of unrealized losses on changes in fair value of AFS investments	-	-
Disposal of AFS investment		
Impairment loss on AFS investments		
Others		
	(2,433,704)	(383,020)
TOTAL COMPREHENSIVE INCOME(LOSS)	P 112,104,629	P 10,444,173
TOTAL COMPREHENSIVE INCOME(LOSS)		
ATTRIBUTABLE TO:		
STOCKHOLDERS OF THE COMPANY	P 106,499,398	P 9,921,964
MINORITY INTERESTS	5,605,231	522,209
	P 112,104,629	P 10,444,173

See accompanying Notes to Consolidated Financial Statements

Prepared by:



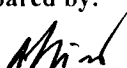
ARSENIO T. LIAO
Accountant

**F & J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND JUNE 30, 2016
AND THE YEAR ENDED DECEMBER 31, 2016**

	UNAUDITED JUNE 30, 2017	UNAUDITED JUNE 30, 2016	AUDITED DEC. 31, 2016
CAPITAL STOCK			
Balance at beginning of year	481,827,653 P	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	(99,669,477)	(99,669,477)	(99,669,477)
Other Reserves	14,656,412	19,400,882	18,686,502
Actuarial loss on retirement benefit obligation	(1,152,586)	(2,412,162)	(1,152,586)
Share in other comprehensive income of associates	24,861,485	(15,961,151)	24,861,485
SHARE IN REVALUATION INCREMENT ON LAND OWNED BY MCHC's SUBSIDIARIES			
RETAINED EARNINGS			
Balance at beginning of period	1,296,094,095	1,238,994,327	1,238,994,327
Net Income	122,048,419	16,327,963	133,940,563
Dividends declared			(76,840,795)
Balance at end of period	1,418,142,514	1,255,322,290	1,296,094,095
	1,983,425,978	1,783,268,012	1,865,407,649
Minority Interests	77,727,443	73,534,806	73,210,971
TOTAL STOCKHOLDERS' EQUITY	2,061,153,421 P	1,856,802,818 P	1,938,618,620

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 SIX MONTHS PERIOD ENDING JUNE 30, 2017 AND JUNE 30, 2016

	UNAUDITED JUNE 30, 2017	UNAUDITED JUNE 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	P 122,048,419	P 16,327,963
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority Interest	4,516,473	740,228
Depreciation and amortization	3,537,219	2,980,080
Amortization of unrealized loss/gain on FV of AFS inv.	(4,030,090)	79,774
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	9,405,528	21,427,124
Prepaid expenses and other current assets	(4,040,233)	1,646,385
Increase (decrease) in accounts payable and accrued expenses	700,527	(878,935)
<i>Net cash provided by operating activities</i>	<u>132,137,843</u>	<u>42,322,619</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions/disposals of property and equipment	(75,481)	(5,710,713)
AFS/HTM investments and financial assets (FVPL)	(138,017,160)	(20,900,260)
Investment in property	(78,206,168)	
Decrease (increase) in:		
Receivable from related parties	0	0
Other assets	(13,627,844)	5,802,201
<i>Net cash provided by (used in) investing activities</i>	<u>(229,926,653)</u>	<u>(20,808,772)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in:		
Dividends payable	(2,696,814)	0
Payable to related parties	0	0
Income tax payable	(5,358,282)	(2,927,784)
<i>Net cash provided by (used in) financing activities</i>	<u>(8,055,096)</u>	<u>(2,927,784)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	P (105,843,906)	P 18,586,063
CASH AND CASH EQUIVALENTS, BEGINNING	954,570,050	965,633,140
CASH AND CASH EQUIVALENTS, ENDING	P 848,726,144	P 984,219,203

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 APRIL 1-JUNE 30, 2017 AND APRIL 1-JUNE 30, 2016

	UNAUDITED APRIL 1- JUNE 30,2017	UNAUDITED APRIL 1- JUNE 30,2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	P 108,811,416	P 10,285,833
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in net earnings in associate		
Minority interest	5,726,917	541,360
Depreciation and amortization	1,769,930	1,490,040
Unrealized loss/gain on changes in fair value of AFS/FVPL	(2,433,704)	(383,020)
Amortization of unrealized loss/gain on FV of AFS inv.	-	-
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	10,359,641	21,768,568
Prepaid expenses and other current assets	(4,359,934)	2,187,787
Increase (decrease) in:		
Accounts payable and accrued expenses	575,001	(698,838)
Net cash provided by operating activities	120,449,267	35,191,730
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions/disposals of property and equipment	(64,589)	0
Investment in property	0	0
AFS/HTM/other investments and financial assets (FVPL)	(104,971,504)	(14,936,809)
Decrease (increase) in:		
Receivables from related parties	0	0
Other assets	(37,089,696)	(25,000)
Net cash provided by (used in) investing activities	(142,125,789)	(14,961,809)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in:		
Cash dividends declared and paid	0	0
Deposit liability	0	0
Dividends payable	(2,160,264)	0
Income tax payable	(5,478,282)	(2,927,784)
Net cash provided by (used in) financing activities	(7,638,546)	(2,927,784)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	P (29,315,068)	P 17,302,137
CASH AND CASH EQUIVALENTS, BEGINNING	878,041,212	966,917,066
CASH AND CASH EQUIVALENTS, ENDING	P 848,726,144	P 984,219,203

F& J PRINCE HOLDINGS CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2017 AND DECEMBER 31, 2016
WITH VERTICAL AND HORIZONTAL PERCENTAGE ANALYSIS

"ANNEX G"

Page 1

	UNAUDITED3 JUNE 30, 2017	VERTICAL PERCENTAGE ANALYSIS JUNE 30, 2017	AUDITED DEC. 31,2016	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2016	INCREASE (DECREASE) AMOUNT JUNE30, 2017	INCREASE (DECREASE) PERCENTAGE ANALYSIS JUNE 30, 2017
ASSETS						
Current Assets						
Cash and cash equivalents	848,726,144	40.63%	954,570,050	48.35%	(105,843,906)	-11.09%
Financial assets at fair value through fair value thru profit or loss (FVPL)	278,113,840	13.31%	83,025,754	4.21%	195,088,086	234.97%
Short-term investments	-	-	-	-	-	-
Receivables :						
Advances to Officers & Employees	0	0.00%	0	0.00%	0	0.00%
Interest Receivable	6,752,846	0.32%	7,626,291	0.39%	(873,445)	-11.45%
Dividends Receivable	12,270,881	0.59%	21,020,846	1.07%	(8,749,965)	-41.63%
Receivable from related parties	358,580	0.02%	424,149	0.02%	(65,569)	-15.46%
Others	1,731,356	0.08%	1,447,905	0.07%	283,451	19.58%
Total Receivables	21,113,663	1.01%	30,519,191	1.55%	(9,405,528)	-30.82%
Allowance for impairment losses	857,369	-0.04%	857,369	-0.04%	0	0.00%
Total Receivables-Net	20,256,294	0.97%	29,661,822	1.51%	(9,405,528)	-31.71%
Current portion of HTM investments	0	0.00%	0	0.00%	0	0.00%
Current portion of AFS investments	20,552,306	0.98%	66,753,263	3.38%	(46,200,957)	-69.21%
Prepaid expenses & other current assets:						
Others	864,630	0.04%	819,933	0.04%	44,697	5.45%
Input Tax	18,181,574	0.87%	14,709,226	0.75%	3,472,348	23.61%
Prepaid Income Tax	523,188	0.03%	0	0.00%	523,188	0.00%
Total Prepaid expenses & other current assets	19,569,392	0.94%	15,529,159	0.79%	4,040,233	26.02%
Total Current Assets	1,187,217,976	56.83%	1,149,540,048	58.24%	37,677,928	3.28%
Non-current Assets						
Receivables from related parties	0	0.00%	0	0.00%	0	0.00%
Investments in associates	295,148,551	14.13%	295,148,551	14.95%	0	0.00%
HTM investments-net of current portion	0	0	0	0.00%	0	0.00%
Available -for-sale (AFS) investments	324,251,761	15.53%	335,121,729	16.99%	(10,869,968)	-3.24%
Investment in properties	234,018,817	11.20%	158,547,912	8.03%	75,470,905	47.60%
Property and Equipment						
Building	20,755,943	0.99%	20,755,943	1.05%	0	0.00%
Building Improvements	8,764,062	0.42%	8,764,062	0.44%	0	0.00%
Transportation equipment	8,395,222	0.40%	8,395,222	0.43%	0	0.00%
Furniture and fixtures	2,919,141	0.14%	2,843,660	0.14%	75,481	2.65%
Total Property and Equipment	40,834,368	1.95%	40,758,887	2.06%	75,481	0.19%
Less: accumulated depreciation	31,093,307	-1.49%	30,291,349	-1.53%	801,958	2.65%
Net Book Value	9,741,061	0.46%	10,467,538	0.53%	(726,477)	-6.94%
Total Property and Equipment	9,741,061	0.46%	10,467,538	0.53%	(726,477)	-6.94%
Deferred income tax assets-net	0	0.00%	0	0.00%	0	0.00%
Other Assets – net	38,555,330	1.85%	24,927,486	1.26%	13,627,844	54.67%
Total Non-Current Assets	901,715,520	43.17%	824,213,216	41.76%	77,502,304	9.40%
TOTAL ASSETS	2,088,933,496	100.00%	1,973,753,264	100.00%	115,180,232	5.84%

	UNAUDITED JUNE 30, 2017	VERTICAL PERCENTAGE ANALYSIS JUNE 30, 2017	AUDITED DEC. 31, 2016	VERTICAL PERCENTAGE ANALYSIS DEC. 31, 2016	INCREASE (DECREASE) AMOUNT JUNE 30, 2017	INCREASE (DECREASE) PERCENTAGE ANALYSIS JUNE 30, 2017
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	737,411	0.03%	1,474,677	0.08%	(737,266)	50.00%
Withholding taxes payable	238,475	0.01%	442,248	0.02%	(203,773)	-46.08%
SSS Premium Payable	14,421	0.00%	16,692	0.00%	(2,271)	-13.61%
HDMF Premium Payable	2,496	0.00%	2,096	0.00%	400	19.08%
Philhealth Premium Payable	6,650	0.00%	6,750	0.00%	(100)	-1.48%
Deposit Payable	3,576,862	0.17%	1,507,524	0.08%	2,069,338	137.27%
Output Vat Payable	274,122	0.01%	369,943	0.02%	(95,821)	-25.90%
Accrued expenses	533,558	0.03%	863,538	0.04%	(329,980)	-38.21%
Total Accounts payable & accrued expenses	5,383,995	0.25%	4,683,468	0.24%	700,527	14.96%
Dividends Payable	3,309,752	0.16%	6,006,566	0.31%	(2,696,814)	-44.90%
Income Tax Payable	44,066	0.00%	5,402,348	0.27%	(5,358,282)	-99.18%
Provision for legal obligation	5,000,000	0.25%	5,000,000	0.25%	0	0.00%
Total Current Liabilities	13,737,813	0.66%	21,092,382	1.07%	(7,354,569)	-34.87%
Non-Current Liabilities						
Deferred tax liabilities-net	2,736,531	0.13%	2,736,531	0.14%	0	0.00%
Payable to related parties	0	0.00%	0	0.00%	0	0.00%
Retirement benefit obligation	11,305,731	0.55%	11,305,731	0.57%	0	0.00%
Total Non-Current Liabilities	14,042,262	0.68%	14,042,262	0.71%	0	0.00%
Stockholders' Equity						
Capital stock	481,827,653	23.07%	481,827,653	24.41%	0	0.00%
Additional paid in capital	144,759,977	6.93%	144,759,977	7.33%	0	0.00%
Other reserves	14,656,412	0.70%	18,686,502	0.95%	(4,030,090)	-21.57%
Actuarial loss on retirement obligation	(1,152,586)	-0.06%	(1,152,586)	-0.06%	0	0.00%
Accumulated share in OCI of associates	24,861,485	1.19%	24,861,485	1.26%	0	0.00%
Treasury shares	(99,669,477)	-4.77%	(99,669,477)	-5.05%	0	0.00%
Retained earnings	1,418,142,514	67.88%	1,296,094,095	65.68%	122,048,419	9.42%
Total Equity Attributable to Stockholders of the Company	1,983,425,978	94.94%	1,865,407,649	94.52%	118,018,329	6.33%
Minority Interest	77,727,443	3.72%	73,210,971	3.70%	4,516,472	6.17%
Total Stockholders' Equity	2,061,153,421	98.66%	1,938,618,620	98.22%	122,534,801	6.32%
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	2,088,933,496	100.00%	1,973,753,264	100.00%	115,180,232	5.84%

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 June 30, 2017 and December 31, 2016 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 June 30, 2017 and for the year ended December 31, 2016.

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, 2016, 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

	June , 2017	December, 2016
Cash on hand	₱9,000	₱9,000
Cash with banks	152,422,302	207,464,275
Short-term placements	696,294,842	747,096,775
	₱848,726,144	₱954,570,050

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 ₱6.1 million and ₱ 17.7 million in June, 2017 and December ,2016, 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:

	June, 2017	December, 2016
Cost:		
Balances at beginning of year	₱83,025,754	₱44,214,962
Additions	69,436,952	14,309,326
Disposals	(12,975,451)	(4,337,335)
Balances at end of year	₱139,487,255	54,186,953
Changes in fair value:		
Balances at beginning of year	28,838,801	18,137,356
Fair value losses/gains	107,052,762	9,980,598
Disposals	2,735,022	720,847
Balances at end of year	138,626,585	28,838,801
	₱278,113,840	₱83,025,754

6. Receivables

	June, 2017	December, 2016
Accrued interest	₱6,752,846	₱7,626,291
Rent receivable	811,104	533,447
Others	920,252	914,458
	8,484,202	9,074,196
Less allowance for impairment losses	857,369	857,369
	₱7,626,833	₱8,216,827

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

	June, 2017	December, 2016
Costs:		
Acquisition costs	₱288,590,264	₱288,590,264
Conversion of deposit for stock subscription	-	-
	288,590,264	288,590,264

Accumulated equity in net earnings and OCI:		
Balances at beginning of year	8,657,612	8,657,612
Share in net income from associates	72,929,014	72,929,014
Share in OCI from associates	40,822,636	40,822,636
Dividends declared by associates	(21,020,846)	(21,020,846)
Balances at end of year	101,388,416	101,388,416
Deposit for stock subscription:		
Balances at beginning of year	-	-
Deposit	-	-
Conversion of deposit for stock subscription	-	-
Accumulated allowance for impairment loss	(94,830,129)	(94,830,129)
	₱295,148,551	₱295,148,551

The Group has equity interest and additional deposits for stock subscription to the following associates as of June 30, 2017:

	Country of Incorporation	Percentage of Ownership		Carrying Amount of Investments	
				June, 2017	December, 2016
PTC	Philippines	30	30	₱ 243,795,499	₱ 243,795,499
BPO	Philippines	35	35	51,353,052	51,353,052
MUDC	Philippines	43	43	-	-
				₱295,148,551	₱295,148,551

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 nil, ₱59.6 million and ₱45.1 million in 2016, 2015 and 2014, respectively.

Deposit for Stock Subscription

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.

On December 12, 2016, BPO declared cash dividend amounting to ₱60.1 million or ₱77.00 per share of the outstanding stocks as of record date December 12, 2016. Dividends shall be payable on or before June 30, 2017.

The share in the dividends which is outstanding as of December 31, 2016 amounted to ₱21.0 million.

MUDC

The Group has a 43% interest in MUDC. As of June 30, 2017, 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, 2016 and 2015, 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, 2016 and 2015, 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 ₱94.8 million as of December 31, 2016 and 2015.

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, 2016 and 2015, 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

	June, 2017	December, 2016
Debt securities	₱274,485,471	₱274,485,471
Equity securities - at fair value, net of allowance for impairment loss of ₱3.1 million as of June 30, 2017 and 2016 respectively	37,854,285	94,925,210
Equity securities - at cost	32,464,311	32,464,311
	₱344,804,067	₱401,874,992
Less: current portion	20,552,306	66,753,263
	₱324,251,761	₱335,121,729

Movements in AFS financial assets are as follows:

	June, 2017	December, 2016
Balance at the beginning of the year	₱401,874,992	₱406,138,176
Additions	154,431,238	70,379,312
Disposals	(207,472,073)	(89,292,071)
Changes in fair market value:		
Profit or loss	(4,030,090)	13,426,342
Other comprehensive income		1,223,233
Balances at end of year	₱344,804,067	₱401,874,992

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 13.63% as of June 30, 2017 and December 31, 2016, respectively. 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 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 June 30, 2017 and December 31, 2016.

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:

	June, 2017	December, 2016
Balances at beginning of year	₱23,302,261	₱22,079,028
Changes in fair value of AFS financial assets	-	5,515,323
Impairment loss on AFS financial assets recognized in profit or loss	-	-
Disposals of AFS financial assets	(3,657,530)	(4,292,090)
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	₱19,644,731	₱23,302,261

Details of the allowance for impairment losses are as follows:

	June, 2017	December, 2016
Balances at beginning of year	₱3,127,676	₱3,127,676
Provision	-	-
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 ₱ 11.3 million and ₱ 23.0 million in June, 2017 and December, 2016 respectively, presented as “Interest income” in profit or loss.

Dividend income earned on equity securities classified as AFS financial assets amounted to ₱1.0 million and ₱0.7 million in June, 2017 and December, 2016, 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

June, 2017

	Condominium	Condominium Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total
Costs:					
Balances at beginning of year	₱20,755,943	8,764,062	8,395,222	2,843,660	40,758,887
Additions	-	-	-	75,481	75,481
Balances at end of year	₱20,755,943	8,764,062	8,395,222	2,919,141	40,834,368
Accumulated depreciation:					
Balances at beginning of year	13,491,678	8,246,185	5,766,624	2,786,862	30,291,349
Depreciation	415,116	35,278	330,486	21,078	801,958
Balances at end of year	13,906,794	8,281,463	6,097,110	2,807,940	31,093,307
Net book values	₱6,849,149	₱482,599	₱2,298,112	₱111,201	₱9,741,061

December, 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	-	71,429	-	-	71,429
Balances at end of year	₱20,755,943	8,764,062	8,395,222	2,843,660	40,758,887
Accumulated depreciation:					
Balances at beginning of year	12,661,440	8,165,998	5,105,651	2,726,392	28,659,481
Depreciation	830,238	80,187	660,973	60,470	1,631,868
Balances at end of year	13,491,678	8,246,185	5,766,624	2,786,862	30,291,349
Net book values	₱7,264,265	₱517,877	₱2,628,598	₱56,798	₱10,467,538

During the first quarter of 2016, the company acquired a condominium unit from Antel Holdings.

11. Investment Properties

June, 2017

	Land	Condominium	Total
Costs:			
Balances at beginning and end of year	₱46,319,625	₱136,763,800	₱183,083,425
Additions for the quarter	-	78,206,168	78,206,168
Balances at beginning and end of year/quarter	-	₱214,969,968	₱261,289,593
Accumulated depreciation:			
Balances at beginning of year	-	24,535,513	24,535,513
Depreciation for the quarter	-	2,735,263	2,735,263
Balances at end of year/quarter	-	27,270,776	27,270,776
Net book values	₱46,319,625	₱187,699,192	₱234,018,817

December, 2016

	Land	Condominium	Total
Costs:			
Balances at beginning of year and end of year	₱46,319,625	₱136,763,800	₱183,083,425
Accumulated depreciation:			
Balances at beginning of year	-	20,078,562	20,078,562
Depreciation	-	4,456,951	4,456,951
Balances at end of year	-	24,535,513	24,535,513
Net book values	₱46,319,625	₱112,228,287	₱158,547,912

12. Other Noncurrent Assets

	June, 2017	December, 2016
Deposit on contracts	₱37,811,751	₱24,183,905
Deposits	743,579	743,581
Fixed income deposit	-	-
	₱38,555,330	₱24,927,486

13. Accounts Payable and Accrued Expenses

	June, 2017	December, 2016
Customer deposits	₱3,456,861	₱1,507,524
Accounts payable	1,114,406	1,451,973
Accrued professional fees	60,908	863,538
Government payables	751,820	860,433
	₱5,383,995	₱4,683,468

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 2016, 2015 and 2014 are as follows:

	2016	2015	2014
Current:			
RCIT	₱7,213,243	₱4,051,089	₱2,353,362
Final tax on interest income	2,987,702	2,766,639	2,708,642
MCIT	-	74,163	54,405
Stock transfer tax on disposal of FVPL	-	12,427	-
	₱10,200,945	₱6,904,318	₱5,116,409

15. Equity

a. Common Stock

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

	June, 2017	December, 2016
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 Resources 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
	<u>48,103,272</u>		
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
	<u>48,103,273</u>		
	<u>96,206,545</u>		

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 483, 458 and 487 stockholders as of 2016, 2015 and 2014 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 June 30, 2017 and December 31, 2016, the Group's treasury shares are as follows:

	Shares		Amount	
	June, 2017	December, 2016	June, 2017	December, 2016
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 as of December 31, 2016 and 2015. 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 ₱3.3 million as of June 30, 2017 and ₱6.0 million as of December 31, 2016, 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	June, 2017	640,548	18,338	30 days, non-	Unsecured; no
	December, 2016	1,212,831	137,907	interest bearing	Impairment
Payroll services	June, 2017	35,285	-	30 days, non-	Unsecured; no
	December, 2016	51,195	-	interest bearing	Impairment
Dividends	June, 2017	12,270,881	12,270,881	30 days, non-	Unsecured; no
	December, 2016	21,020,846	21,020,846	interest bearing	Impairment
PTC-Dividends	June, 2017	-	-	30 days, non-	Unsecured; no
	December, 2016	-	-	interest bearing	Impairment
MUDC-Advances	June, 2017	53,500	500	30 days, non-	Unsecured; no
	December, 2016	-	-	interest bearing	Impairment
Under common control:					
Other related parties					
Advances	June, 2017	20,966	339,742	30 days, non-	Unsecured; no
	December, 2016	1,599	286,242	interest bearing	Impairment
		June, 2017	12,629,461		
		December, 2016	21,444,995		

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

	June, 2017	December, 2016
Receivables from related parties - at gross	₱210,242,519	₱210,242,519
Less Allowance for impairment loss:		
Balances at beginning of year	188,797,524	186,248,238
Provision	8,815,534	2,549,286
Balances at end of year	197,613,058	188,797,524
	₱12,629,461	₱21,444,995

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:

	June, 2017	December, 2016
Net income attributable to equity holders of the parent	₱122,048,419	₱133,940,563
Weighted average number of ordinary shares outstanding for basic and diluted EPS	384,192,826	384,192,826
Basic and diluted earnings per share	₱0.32	₱0.35

The Group has no potential dilutive instruments issued as of June 30, 2017 and December 31, 2016.

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 ₱11.1 million and ₱14.0 million in June, 2017 and December, 2016, respectively. As of June 30, 2017 and December 31, 2016, outstanding rent receivable amounted to ₱.08 million and ₱.05 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 ₱3.6 million as of June 30, 2017 and ₱1.5 million as of December 31, 2016, respectively, will be returned to the lessees after the lease term.
- b. As of June 30, 2017 and December 31, 2016, 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:

	June, 2017		December, 2016	
	Carrying Amount	Fair Values	Carrying Amount	Fair Values
Financial Assets				
Current:				
Financial assets at FVPL	₱278,113,840	₱278,113,840	₱83,025,754	₱83,025,754
AFS financial assets	20,552,306	20,552,306	66,753,263	66,753,263
Noncurrent:				
AFS financial assets	306,949,782	306,949,782	240,196,519	240,196,519

June, 2017		December, 2016	
Carrying Amount	Fair Values	Carrying Amount	Fair Values
₱605,615,928	₱605,615,928	₱389,975,536	₱389,975,536

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 June 30, 2017 and December 31, 2016, 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 JUNE 30, 2017**

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.	26,658	6,129				5,629	27,158	32,787
Magellan Capital Corporation	281,072						281,072	281,072
Magellan Capital Trading Corporation	27,658	6,129				5,629	28,158	33,787
Magellan Utilities Development Corp.	0							0
Business Process Outsourcing International	21,158,753	717,414	9,586,948			12,270,881	18,338	12,289,219
Pinamucan Power Corporation	3,325	500					3,825	3,825
Pointwest Technologies Corporation	0							0
Philippine Deposit Insurance Corporation	500,000	500,000					1,000,000	1,000,000
Others	200						200	200
	21,997,666	1,230,172	9,586,948			12,282,139	1,358,751	13,640,890