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

   Sep 30, 2015

2. SEC Identification Number

   10020

3. BIR Tax Identification No.

   000-596-509

4. Exact name of issuer as specified in its charter

   MJC INVESTMENTS CORPORATION DOING BUSINESS UNDER THE NAME AND STYLE OF WINFORD LEISURE AND ENTERTAIN

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

   PHILIPPINES

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

   WINFORD HOTEL AND CASINO MJC DRIVE, STA. CRUZ, MANILA
   Postal Code
   1014

8. Issuer's telephone number, including area code

   +632 632 7373

9. Former name or former address, and former fiscal year, if changed since last report

   MJC INVESTMENTS CORPORATION, 12TH FLOOR STRATA 100 BLDG., F. ORTIGAS JR. ROAD, ORTIGAS CENTER, PASIG CITY

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON	3,174,405,821

11. Are any or all of registrant's securities listed on a Stock Exchange?

    ☑ Yes ☐ No

    If yes, state the name of such stock exchange and the classes of securities listed therein:

    PHILIPPINE STOCK EXCHANGE

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

☑ Yes ☐ No

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

☑ Yes ☐ No

MJC Investments Corporation
MJIC

PSE Disclosure Form 17-2 - Quarterly Report
References: SRC Rule 17 and
Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Sep 30, 2015
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Sep 30, 2015	Dec 31, 2014
Current Assets	1,020,903,677	745,912,332
Total Assets	3,403,991,831	2,492,588,611
Current Liabilities	234,822,146	209,900,893
Total Liabilities	409,822,146	209,906,893
Retained Earnings/(Deficit)	-141,496,418	-112,383,887
Stockholders' Equity	2,994,169,685	2,282,681,718

Stockholders' Equity - Parent	-	-
Book Value per Share	0.94	0.91

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Operating Revenue	-	-	-	-
Other Revenue	567,893	2,577,479	4,157,170	8,569,448
Gross Revenue	567,893	2,577,479	4,157,170	8,569,448
Operating Expense	9,435,142	7,888,315	29,069,383	21,154,751
Other Expense	-	-	-	-
Gross Expense	9,435,142	7,888,315	29,069,383	21,154,751
Net Income/(Loss) Before Tax	-8,867,249	-5,310,836	-24,912,213	-12,585,303
Income Tax Expense	113,503	515,496	831,358	1,713,890
Net Income/(Loss) After Tax	-8,980,751	-5,826,332	-25,743,571	-14,299,193
Net Income Attributable to Parent Equity Holder	-	-	-	-
Earnings/(Loss) Per Share (Basic)	0	0	0	0
Earnings/(Loss) Per Share (Diluted)	0	0	0	0

Other Relevant Information
-

Filed on behalf by:

Name	Lemuel Santos
Designation	Corporate Information Officer

111132015001687

SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.	0000010020
Company Name	MJC INVESTMENTS CORPORATION DOING BUSINESS UNDER THE NAME AND STYLE OF WINOFRD LEISURE AND ENTERTAIN
Industry Classification	Real Estate Activities
Company Type	Stock Corporation

Document Information

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Department	CFD
Remarks	

COVER SHEET

10020
S.E.C. Registration Number

MJC INVESTMENTS CORPORATION
DOING BUSINESS UNDER THE NAME
AND STYLE OF WINFORD LEISURE
(Company's Full Name)

12TH FLOOR STRATA 100 BLDG.
F. ORTIGAS JR. ROAD
ORTIGAS CENTER, PASIG CITY
(Business Address : No. Street City / Town / Province)

ATTY. LEMUEL M. SANTOS	632-7373
Contact Person	Company's Telephone Number

QUARTERLY REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2015

12	31	17-Q	06	29
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

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 **September 30, 2015**

2. Commission identification number **10020** 3. BIR Tax Identification No. **000-596-509**

4. Exact name of issuer as specified in its charter **MJC INVESTMENTS CORPORATION**

5. **Philippines**
Province, Country or other jurisdiction of incorporation or organization

6. **Holding Company**
Industry Classification Code:

7. **12/F Strata 100 Building**
F. Ortigas Jr. Road (formerly "Emerald Avenue")
Ortigas Center, Pasig City
Address of principal office

1605
Postal Code

8. **632-7373**
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 Each Class	Number of Shares of Common Stock Outstanding
Common	**3,174,405,821**

11. Are any or all of the securities listed on a Stock Exchange?

Yes [X] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange, Inc. **Common shares**

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 and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [X] No [ ]

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

Yes [X] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements

- Please see attached -

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Total current assets as of September 30, 2015, amounted to **₱1,020.90** Million showing an increase of **₱274.99** Million or **36.87%** as compared to the December 31, 2014 balance of **₱745.91** Million. The significant increase on advances to contractors and suppliers pertain to down payments made by the company, which are liquidated through progress billings.

Total non-current assets as of September 30, 2015, increased to **₱2,383.09** Million from the balance of **₱1,746.67** Million as of December 31, 2014, with an increase of **₱636.42** or**36.44%.** The increase is primarily due to the project related expenditures categorized under the property, plant and equipment (PPE) account.

Accrued expenses and other liabilities as of September 30, 2015, amounted to **₱234.82** Million showing an increase of **₱24.92** Million or **11.87%,** compared to the December 31, 2014 balance of **₱209.90** Million. The increase is mainly due to retention monies and reversal of unclaimed checks, payable to contractors and suppliers.

For the nine-month period ending September 30, 2015, the Company's revenue amounted to **₱4.16** Million. There is a decrease of **₱4.41** Million or **(51.46%)** compared to the income for the same period in 2014 amounting to **₱8.57**Million. Revenues for the periods are merely attributable to the interest earned on the short term investments.

Costs and expenses for the nine-month period ended September 30, 2015and for the same period in 2014 amounted to **₱29.07** Million and **₱21.15** Million respectively with an increase of **₱7.92**.million. Provisions for final taxes as of September 2015 and September 2014 were **₱.83** million and **₱.1.71** million respectively.

Other expense is an aggregate amount of expenditures such as sponsorship, contribution to charity, medical mission, out of pocket expenses of external auditor and stock transfer agent and other miscellaneous payments.

Net loss amounted to **₱25.74** Million for the nine-month period ending September 30, 2015. There is an increase of **₱11.44** Million from the net loss of **₱14.30** Million for the same period in 2014.This is reasonable considering that the Company is under Pre-Operating stage and not yet deriving any revenue from the project.

The following are the comparative key performance indicators of the Company and the manner of its computation as of the period ended September 30, 2015and 2014:

Indicators	Manner of Computation	As of the Period Ended September 30, 2015	September 30, 2014
Current Ratio	Current Assets / Current Liabilities	**4.35:1**	9.52:1
Debt Equity Ratio	Total Liabilities / Total Equities	**0.14:1**	0.05:1
Asset Liability Ratio	Total Assets / Total Liabilities	**8.31:1**	21.51:1
Return on Assets	Net Income(Loss) / Total Assets	**(0.76%)**	(0.60%)
Basic Earnings (Loss) Per Share	Net Loss / Ave.Outstanding Common shares	**(₱0.009)**	(₱0.006)

Current ratio is considered as a measure of the Company's liquidity or its ability to meet maturing obligations. As of September 30, 2015, the current ratio decreased to **4.35** compared to **9.52** as of September 30, 2014. The outstanding payables in 2015 generally consist of project related expenditures. The Company has **₱4.35** current assets to support a ₱1.00 current liability. The company has a current ratio of **2.33** in September 2013.

The debt to equity ratio measures the riskiness of the Company's capital structure in terms of relationship between the funds supplied by the creditors (debt) and investors (equity). As of September 30, 2015, the debt to equity ratio had increased to **0.14** from **0.05** as of September 30, 2014.The effect of low debt to equity ratio indicated lower risk, as debt holders have less claims on the company's assets. In September 2013, the debt to equity ratio was **0.20**.

The asset-liability ratio, exhibits the relationship of the total assets of the Company with its total liabilities. As of September 30, 2015, the ratio decreased to **8.31** from **21.95** on September 30, 2014. The significant decrease in ratio is due to the recognition of deposit for future stock subscription, as a liability. In September 2015, the result indicated that for every ₱1.00 of liability, the Company has **₱8.31** of assets. The asset liability ratio in September 2013 is **5.95**.

Return on Assets is computed by dividing the net income over total assets. This allows the company to see how much the income is, per peso asset. As of September 30, 2015, the ratio changed to **(0.76%)** from **(0.60%)** during the same period in 2014. The ratio in September 2013 is **(1.80%).** This profitability ratio is not yet feasible to the Company since it is under the pre-operating stage and has no internally generated revenue.

As of September 30, 2015, the Company's loss per share is **(₱0.009)** from **(₱0.006)** as of the same period in 2014. In September 2013 the Company incurred a **(₱0.019)** loss per share.

There are significant commitments on capital expenditures, specifically for the on-going development project on its property located in Sta. Cruz, Manila. Construction of the hotel and entertainment complex is in full swing and the Company has embarked on the soft opening of the hotel and casino by December 2015.

There are no known events or uncertainties that will have a material impact on liquidity.

There are no material-off balance sheet transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

PART II—OTHER INFORMATION

There are no material information which had not been previously disclosed under SEC Form 17-C.

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.

MJC INVESTMENTS CORPORATION
Issuer

Date: November 11, 2015

JOSE ALVARO D. RUBIO
Treasurer

LEMUEL M. SANTOS
Corporate Information Officer

MJC INVESTMENTS CORPORATION
BALANCE SHEETS

	September 30, 2015	December 31, 2014
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash in banks (Note 6)	43,950,106	290,984,133
Receivables (Note 7)	111,884,358	114,844,671
Advances to contractors and suppliers (Note 9)	582,156,721	145,694,020
Prepayments	8,110,489	1,230,890
Input value added tax (VAT) (Note 8)	274,802,003	193,158,618
Total Current Assets	1,020,903,677	745,912,332
Noncurrent Assets		
Property and equipment (Note 9)	2,371,977,156	1,733,107,032
Deferred Input VAT (Note 8)	11,110,998	13,569,247
Total Noncurrent Assets	2,383,088,154	1,746,676,279
TOTAL ASSETS	3,403,991,831	2,492,588,611

LIABILITIES AND EQUITY		
Current Liabilities		
Accrued expenses and other current liabilities (Note 10)	234,822,146	209,900,893
Deposit for future stock subscription (Note 10)	175,000,000	-
Income tax payable	-	6,000
Total Liabilities	409,822,146	209,906,893
Equity		
Capital stock (Note 14)	3,135,666,103	2,395,065,605
Deficit	(141,496,418)	(112,383,887)
Total Equity	2,994,169,685	2,282,681,718
TOTAL LIABILITIES AND EQUITY	3,403,991,831	2,492,588,611

MJC INVESTMENTS CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED SEPTEMBER 30, 2015 and 2014
(Unaudited)

	2015	2014
INVESTMENT GAINS (LOSSES)		
Gains (losses) on fair value changes of held for trading investments	-	-
	-	-
EXPENSES		
Salaries and Wages	21,963,433	13,085,547
Filing and listing fees	260,010	282,050
Meetings and conferences	229,680	2,583,781
Transportation and Travel	66,983	2,439,586
Professional Fees	1,698,784	1,009,750
Director's fees (Note 13)	449,000	707,000
Rental Expense	2,669,916	216,250
Representation	1,830	13,136
Supplies	121,070	69,843
Utilities	301,772	73,247
Taxes and Licenses	27,384	25,362
Depreciation (Note 9)	484,598	344,545
Others	794,924	304,655
	29,069,383	21,154,751
OTHER INCOME (CHARGES)		
Interest income (Note 11)	4,157,170	8,569,448
	4,157,170	8,569,448
INCOME (LOSS) BEFORE INCOME TAX	(24,912,213)	(12,585,303)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 12)	831,358	1,713,890
NET INCOME (LOSS)	(25,743,571)	(14,299,193)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	(25,743,571)	(14,299,193)
Basic/Diluted Losses Per Share (Note 15)	(₱ 0.009)	(₱ 0.006)

MJC INVESTMENTS CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTERS ENDED SEPTEMBER 30, 2015 and 2014
(Unaudited)

	2015	2014
INVESTMENT GAINS (LOSSES)		
Gains (losses) on fair value changes of held for trading investments	-	-
	-	-
EXPENSES		
Salaries and Wages	8,188,269	5,171,356
Filing and listing fees	510	17,000
Meetings and conferences	77,758	904,483
Transportation and Travel	14,584	863,803
Professional Fees	428,088	487,950
Director's fees (Note 13)	(9,750)	-
Rental Expense	363,245	163,125
Representation	-	13,136
Supplies	28,796	27,937
Utilities	131,555	39,597
Taxes and Licenses	1,005	1,710
Depreciation (Note 9)	165,548	132,969
Others	45,533	65,250
	9,435,142	7,888,315
OTHER INCOME (CHARGES)		
Interest income (Note 11)	567,893	2,577,479
	567,893	2,577,479
INCOME (LOSS) BEFORE INCOME TAX	(8,867,249)	(5,310,836)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 12)	113,503	515,496
NET INCOME (LOSS)	(8,980,751)	(5,826,332)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	(8,980,751)	(5,826,332)
Basic/Diluted Losses Per Share (Note 15)	(₱ 0.003)	(₱ 0.002)

MJC INVESTMENTS CORPORATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED SEPTEMBER 30, 2015, AND 2014

	Capital Stock					
	Subscribed	Subscription Receivables	Net	Additional	Deficit	Total
BALANCES AT DECEMBER 31, 2013*	**2,500,614,159**	**(105,548,554)**	**2,395,065,605**	-	**(88,164,854)**	**2,306,900,751**
Total comprehensive loss for the year	-	-	-	-	(24,219,033)	(24,219,033)
BALANCES AT DECEMBER 31, 2014*	**2,500,614,159**	**(105,548,554)**	**2,395,065,605**	-	**(112,383,887)**	**2,282,681,718**
Additional Subscription**	673,791,662	-	673,791,662	-	-	673,791,662
Transaction cost on Stock issuance**	-	-	-	-	(3,368,958)	(3,368,958)
Collection of subscription receivables		66,808,835	66,808,835	-	-	66,808,835
Total comprehensive loss for the period**	-	-	-	-	(25,743,571)	(25,743,571)
BALANCES AT SEPTEMBER 30, 2015**	**3,174,405,821**	**(38,739,719)**	**3,135,666,102**	-	**(141,496,418)**	**2,994,169,685**

BALANCES AT DECEMBER 31, 2012*	**237,902,978**	**(71,681,877)**	**166,221,101**	-	**(47,938,131)**	**118,282,970**
Collection of subscription receivables	-	39,786,281	39,786,281	-	-	39,786,281
Subscription of Capital Stock	2,262,711,181	(73,652,958)	2,189,058,223	-	-	2,189,058,223
Transaction cost on issuance of Capital Stock	-	-	-	-	(8,309,555)	(8,309,555)
Total comprehensive loss for the year	-	-	-	-	(31,917,168)	(31,917,168)
BALANCES AT DECEMBER 31, 2013*	**2,500,614,159**	**(105,548,554)**	**2,395,065,605**	-	**(88,164,854)**	**2,306,900,751**
Total comprehensive loss for the period**	-	-	-	-	(14,299,193)	(14,299,193)
BALANCES AT SEPTEMBER 30, 2014**	**2,500,614,159**	**(105,548,554)**	**2,395,065,605**	-	**(102,464,047)**	**2,292,601,558**

* Audited
** Unaudited

MJC INVESTMENTS CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED SEPTEMBER 30, 2015 and 2014
(Unaudited)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	(24,912,213)	(12,585,303)
Adjustments for:		
Interest income (Note 11)	(4,157,170)	(8,569,448)
Depreciation (Note 9)	484,598	344,545
Operating loss before working capital changes	(28,584,785)	(20,810,206)
Decrease (increase) in:		
Advances to Contractors and suppliers	(436,462,701)	-
Receivables	2,960,313	(17,857,349)
Input value added tax		
Current	(81,643,385)	(57,721,035)
Deferred	2,458,249	
Prepayments	(6,879,599)	(194,000)
Increase (Decrease) in accrued expenses and other liabilities	24,921,253	26,103,077
Net cash generated from (used in) operations	(523,230,656)	(70,479,513)
Income taxes paid, including creditable withholding and final taxes	(837,358)	(1,719,890)
Net cash flows provided by (used in) operating activities	(524,068,014)	(72,199,403)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment (Note 9)	(639,354,722)	(515,062,078)
Interest received	4,157,170	8,569,448
Net cash flows provided by (used in) investing activities	(635,197,552)	(506,492,630)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from subscription of capital stock	673,791,662	-
Collection of subscription receivable	66,808,835	-
Deposit for future stock subscription	175,000,000	-
Transaction cost for issuance of capital stock	(3,368,958)	-
Net cash flows provided by (used in) financing activities	912,231,539	-
NET DECREASE IN CASH	(247,034,027)	(578,692,034)
CASH AT BEGINNING OF YEAR	290,984,133	1,214,469,681
CASH AND CASH EQUIVALENTS AT END OF THE PERIODS	43,950,106	635,777,647

MJC INVESTMENTS CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE QUARTERS ENDED SEPTEMBER 30, 2015 and 2014
(Unaudited)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	(8,867,249)	(5,310,836)
Adjustments for:		
Interest income (Note 11)	(567,893)	(2,577,479)
Depreciation (Note 9)	165,548	132,969
Operating loss before working capital changes	(9,269,594)	(7,755,346)
Decrease (increase) in:		
Advances to Contractors and suppliers	(305,384,687)	-
Receivables	(195,319)	(6,903,917)
Input value added tax		
Current	(28,887,467)	(26,402,780)
Deferred	(2,364,746)	
Prepayments	(7,154,192)	(180,000)
Increase (decrease) in accrued expenses and other liabilities	33,418,104	46,489,183
Net cash generated from (used in) operations	(319,837,900)	5,247,141
Income taxes paid, including creditable withholding and final taxes	(113,503)	(515,496)
Net cash flows provided by (used in) operating activities	(319,951,403)	4,731,645
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment (Note9)	(308,913,668)	(268,149,774)
Interest received	567,893	2,577,479
Net cash flows provided by (used in) investing activities	(308,345,775)	(265,572,295)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from subscription of capital stock	-	-
Collection of subscription receivable	66,808,835	-
Deposit for future stock subscription	175,000,000	-
Transaction cost for issuance of capital stock	-	-
Net cash flows provided by (used in) financing activities	241,808,835	-
NET DECREASE IN CASH	(386,488,343)	(260,840,650)
CASH AT BEGINNING OF QUARTER	430,438,449	896,618,297
CASH AND CASH EQUIVALENTS AT END OF THE QUARTERS	43,950,106	635,777,647

MJC INVESTMENTS CORPORATION
AGING SCHEDULE OF RECEIVABLES
AS OF SEPTEMBER 30, 2015
(Unaudited)

Particulars	Current	1-30 days	31-60 days	61-120 days	121-180 days	181-360 days	Over 1 Year	Total
Receivables from SPPC						300,000	111,088,919	111,388,919
Advances to Employees	495,439							495,439
Total	**495,439**	**-**	**-**	**-**	**-**	**300,000**	**111,088,919**	**111,884,358**

MJC INVESTMENTS CORPORATION
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

MJC Investments Corporation (the "Company"), was incorporated on July 15, 1955 as Palawan Consolidated Mining Company, Inc. On November 11, 1955, the Company was listed in the Philippine Stock Exchange (PSE). The following are the series of changes in corporate name and their effective dates of change as approved by the Philippine Securities and Exchange Commission (SEC):

Date	Corporate Name
February 12, 1997	Ebecom Holdings Inc.
September 25, 2003	Aries Prime Resources, Inc.
September 30, 2008	MJCI Investments, Inc.
October 15, 2009	MJC Investments Corporation

In 2005, the SEC approved the extension of the Company's corporate life for another fifty years starting July 2005.

On January 19, 2010, the SEC approved the amendment of the Company's primary purpose from engaging in mining operation to that of an investment holding company, which is to acquire by purchase, lease or otherwise, lands or interest in lands and realty, and to own, hold, improve or develop said land or real estate so acquired, and to build or cause to be built on any lands owned, held, occupied or acquired, buildings, facilities, and other structures with their appurtenances, for residential, commercial, mixed-use, leisure, gaming, amusement and entertainment purposes.

The registered office address of the Company is 12th Floor, Strata 100 Building, F. Ortigas Jr. Road, Ortigas Center, Pasig City.

2. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies and Disclosures

Basis of Preparation

The financial statements of the Company have been prepared using the historical cost basis. The financial statements are presented in Philippine Peso (Peso,P), the Company's functional currency, and rounded off to the nearest Peso, except when otherwise indicated.

Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

3. Summary of Significant Changes in Accounting Policies and Disclosures

New and amended standards and interpretation

The Company applied for the first time certain standards and interpretation, which are effective for annual periods beginning on or after January 1, 2014. Except when otherwise indicated, these standards and interpretation have no impact on the Company's financial position, performance and/or disclosures:

- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments)
  These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and are applied retrospectively.

- PAS 36, *Impairment of Assets - Recoverable Amount Disclosures for Nonfinancial Assets* (Amendments)
  These amendments remove the unintended consequences of PFRS 13, *Fair Value Measurement*, on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period.

- PAS 39, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting* (Amendments)
  These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required.

- Investment Entities (Amendments to PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities* and PAS 27, *Separate Financial Statements*)
  These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss (FVPL). The amendments must be applied retrospectively, subject to certain transition relief.

- Philippine Interpretation of IFRIC 21, *Levies*
  Philippine Interpretation of IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for this interpretation.

- Annual Improvements to PFRSs (2010 - 2012 cycle)
  In the 2010 – 2012 annual improvements cycle, seven amendments to six standards were issued, which included an amendment to PFRS 13, Fair Value Measurement. The amendment to PFRS 13 is effective immediately and it clarifies that short – term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment has no impact on the Company.

- Annual Improvements to PFRSs (2011 - 2013 cycle)
  In the 2011 - 2013 annual improvements cycle, four amendments to four standards were issued, which included an amendment to PFRS 1, First-time Adoption to Philippine Financial Reporting Standards – First –time Adoption of PFRS. The amendment to PFRS 1 is effective immediately. It and it clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment has no impact on the Company as it is not a first time PFRS adopter.

<u>Standards Issued but not yet Effective</u>
The Company will adopt the following new and amended standards and interpretations when these become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended standards and interpretations to have significant impact on the financial statements.

Effective in 2015

PAS 19 (Amendments), *Employee Benefits - Defined Benefit Plans: Employee Contributions* (effective for annual periods beginning on or after January 1, 2015 and are applied retrospectively) PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.

Annual Improvements to PFRSs (2010-2012 Cycle) (effective for annual periods beginning on or after January 1, 2015)

These annual improvements include:

- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*
  The amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.

- PAS 24, *Related Party Disclosures - Key Management Personnel*
  The amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

- PFRS 2, *Share-based Payment - Definition of Vesting Condition*
  This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

  - A performance condition must contain a service condition.
  - A performance target must be met while the counterparty is rendering service.
  - A performance target may relate to the operations or activities of an entity, or to those of another entity in the same company.
  - A performance condition may be a market or non-market condition.
  - If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

- PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*
  The amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at FVPL whether or not it falls within the scope of PAS 39, *Financial Instruments: Recognition and Measurement.*

- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
  The amendments are applied retrospectively and clarify that:

  - An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.

- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

Annual Improvements to PFRSs (2011-2013 Cycle) (effective for annual periods beginning on or after January 1, 2015)

These annual improvements include:

- PAS 40, *Investment Property*
  The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*
  The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:

  - Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
  - This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

- PFRS 13, *Fair Value Measurement - Portfolio Exception*
  The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39.

Effective in 2016

- PAS 16, *Property, Plant and Equipment* and PAS 38, *Intangible Assets* (Amendments) - *Clarification of Acceptable Methods of Depreciation and Amortization* (effective for annual periods beginning on or after January 1, 2016 and are applied prospectively)
  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.
- PAS 16, *Property, Plant and Equipment* and PAS 41, *Agriculture* (Amendments) - *Bearer Plants* (effective for annual periods beginning on or after January 1, 2016 and are applied retrospectively)
  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.

- PAS 27 (Amendments), *Separate Financial Statements - Equity Method in Separate Financial Statements* (effective for annual periods beginning on or after January 1, 2016 and are applied retrospectively)
  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.

- PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective for annual periods beginning on or after January 1, 2016 and are applied retrospectively)
  These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

- PFRS 11 (Amendments), *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (effective for annual periods beginning on or after January 1, 2016 and are applied prospectively)
  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 must 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.

Annual Improvements to PFRSs (2012-2014 Cycle) (effective for annual periods beginning on or after January 1, 2016)

These annual improvements include:

- 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.

- PFRS 5, *Noncurrent 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.

Effective in 2018

- PFRS 9, *Financial Instruments* (effective for annual periods beginning on or after January 1, 2018 and are applied retrospectively)
  In July 2014, the final version of PFRS 9, *Financial Instruments*, was issued. 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.

  The adoption of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Company's financial liabilities. The Company is currently assessing the impact of adopting this standard.

Interpretation whose effective date was deferred

- Philippine Interpretation of IFRIC 15, *Agreements for the Construction of Real Estate*
  This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The Philippine SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

Standard issued by the IASB but not yet been adopted by the FRSC

- IFRIC 15, *Revenue from Contracts with Customers*
  IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted.

  The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

4. Summary of Significant Accounting and Financial Reporting Policies

Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets and financial liabilities, except for financial instruments measured at fair value through profit or loss (FVPL). Fair value is determined by reference to the transaction price or other market prices. If such market prices are not readily determinable, the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rates of interest for similar instruments with similar maturities.

The Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument.

All regular way purchases and sales of financial assets are recognized on the trade date, i.e., the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets are classified into the following categories:
a. Financial assets at FVPL
b. Loans and receivables
c. Held-to-maturity (HTM) investments
d. Available-for-sale (AFS) financial assets

Financial liabilities, on the other hand, are classified into the following categories:
a. Financial liabilities at FVPL
b. Other financial liabilities

As of September 30, 2015and December 31, 2014, the Company has no financial assets or financial liabilities at FVPL, HTM investments and AFS financial assets.

The Company determines the classification at initial recognition and, where allowed and appropriate, re-evaluates this classification at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. Loans and receivables are carried at cost or amortized cost in the statement of financial position.

Amortization is determined using the effective interest rate (EIR) method. Loans and receivables are included in current assets if maturity is within 12 months from the reporting date. Otherwise, these are classified as noncurrent assets.

Included in this category are the Company's cash and cash equivalents and receivables as of September 30, 2015and December 31, 2014.

Other financial liabilities

This category pertains to financial liabilities that are not held for trading or not designated at FVPL upon the inception of the liability. These include liabilities arising from operations (e.g., payables and accruals) or borrowings (e.g., loans and obligations arising from finance lease). The liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the EIR method of amortization (or accretion) for any related premium (or discount) and any directly attributable transaction costs.

Included in this category are the Company's accounts payable and other current liabilities as of September 30, 2015and December 31, 2014.

Derecognition of Financial Assets and Financial Liabilities

Financial assets

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

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

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.
Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

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

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Impairment of Financial Assets
The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost
The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Objective evidence includes observable data that comes to the attention of the Company about loss events such as, but not limited to, significant financial difficulty of the counterparty, a breach of contract, such as a default or delinquency in interest or principal payments, probability that the borrower will enter bankruptcy or other financial reorganization. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in the group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in the collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original EIR (i.e., the EIR computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of loss is recognized in the statements of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in statements of comprehensive income. Interest income continues to be accrued on the reduced carrying amount based on the original EIR of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Company. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment losses account. If a future write-off is later recovered, the recovery is recognized in the statements of comprehensive income. Any subsequent reversal of an impairment loss is recognized in the statements of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortized cost at reversal date.

Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

Advances to Contractors and Suppliers
Advances to contractors and suppliers represent cash advanced to contractors and suppliers which are liquidated through progress billings.

Input VAT
Input VAT is recognized when the Company purchases goods or services from a VAT-registered supplier or vendor. This account is offset against any output VAT previously recognized.

Property and Equipment
Property and equipment, except land, is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment in value. Land is stated at cost less impairment in value.

The initial cost of an asset comprise its purchase price, any related capitalizable borrowing costs and other directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance costs, are normally charged to income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation commences when an asset is in its location and condition capable of being operated in the manner intended by management and ceases at the earlier of the date the assets are held for sale and the date the assets are derecognized. Depreciation of property and equipment is computed in a straight line basis over the estimated useful life of each property and equipment as follows:

Office Equipment	5 years
Transportation Equipment	5 years
Furniture and Fixtures	5 years
Computer Software and Hardware	3 years
Health and Safety Equipment	3 years

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

When assets are sold or retired, their costs and accumulated depreciation, and any accumulated impairment in value are eliminated from the accounts. Any gain or loss resulting from their disposal is included in the statements of comprehensive income.

Construction in progress represents structures under construction and is stated at cost. This includes cost of construction and other direct cost. Construction in progress is not depreciated until such time the relevant assets are completed and are available for use.

Impairment of Nonfinancial Assets
The Company assesses at each reporting date whether there is an indication that its property and equipment may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are

recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

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

Capital Stock
Capital stock represents the portion of the paid in capital representing the total par value of the shares issued. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Deficit
Deficit represents the cumulative balance of net income or loss, dividend distributions, prior period adjustments and effects of changes in accounting policy.

Basic/Diluted Losses Per Share
Basic losses per share (EPS) is computed by dividing net loss attributable to equity holders of the Company for the year by the weighted average number of common shares outstanding during the year after giving retroactive effect to stock dividends declared and stock rights exercised during the year, if any. The Company currently does not have potential dilutive common shares.

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

Interest income
Revenue is recognized as the interest accrues taking into account the effective yield on the asset.

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

Expenses
Expenses are recognized in the statements of comprehensive income at the date they are incurred.

Income Taxes

Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax
Deferred tax is recognized using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluations. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the year when the assets are realized or the liabilities are settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Provisions
Provisions are recognized when: (1) the Company has a present obligation (legal or constructive) as a result of a past event; (2) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (3) a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. When the Company expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain and its amount is estimable.

Contingencies
Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

Segment Reporting
The Company has only one reportable segment and is presented in Note 17 to the financial statements.

Events After the Reporting Date

Events after the reporting date, that provide additional information about the financial position at the reporting date (adjusting events), if any, are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to the financial statements when material.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used are based on management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from the estimates and assumptions used. The effects of any change in estimates or assumptions are reflected in the financial statements when these become reasonably determinable.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on amounts recognized in the financial statements.

Determination of functional currency

The Company's functional currency was determined to be the Peso. It is the currency of the primary economic environment in which the Company operates.

Classification of financial instruments

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

Recognition of deferred tax assets

The Company makes an estimate of its future taxable income and reviews the carrying amount of the deferred tax assets at each reporting date. The carrying amount is reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of September 30, 2015and December 31,2014 , no deferred tax assets on the Company's unused NOLCO and excess MCIT were recognized as management believes that the Company may not have sufficient future taxable income against which the excess MCIT and unused NOLCO may be applied (see Note 12).

Estimates and Assumptions

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

Estimation of allowance for doubtful accounts
The allowance for doubtful accounts relating to receivables is estimated based on two methods. The amounts calculated using each of these methods, are combined to determine the total allowance to be provided. First, specific accounts are evaluated based on information that certain customers may be unable to meet their financial obligations. In these cases, judgment is used based on the best available facts and circumstances, including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors, to record specific reserves against amounts due to reduce receivable amounts expected to be collected. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated. Second, a collective assessment of historical collection, write-off, experience and customer payment terms is made.

The amount and timing of recorded expenses for any period could therefore differ based on the judgments or estimates made. An increase in the Company's allowance for doubtful accounts will increase its recorded operating expenses and decrease its current assets.

The carrying values of receivables as of September 30, 2015and December 31, 2014 are disclosed in Note 7 to the financial statements. No provision for doubtful accounts was recognized in 2015 and 2014.

Estimation of the useful lives of property and equipment
The useful lives of each of the Company's property and equipment are estimated based on the period over which the assets are expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of each asset are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. It is possible however, that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses brought about by the changes in the factors mentioned above. A reduction in the estimated useful lives of any property and equipment would increase the recorded operating expenses and decrease noncurrent assets. There were no changes in the estimated useful lives of the property and equipment as of September 30, 2015and 2014.

As of September 30, 2015and December 31, 2014, the carrying value of property and equipment are disclosed in Note 9 to the financial statements.

Impairment of nonfinancial assets
The Company assesses at each reporting date whether there is any indication that property and equipment may be impaired. If such indication exists, the entity shall estimate the recoverable amount of the asset, which is the higher of an asset's or CGU's fair value, less costs to sell and its value-in-use.

No impairment loss was recognized in September 2015, and December 2014 for advances to contractors and suppliers, input VAT and property and equipment. Based on management's assessment, there are no indications of impairment on the Company's nonfinancial assets.

Recoverability of input VAT
The Company assesses the recoverability of input VAT based on the estimated sale of services subject to VAT. Management has assessed that the recognized input VAT as of September 30, 2015 and December 31, 2014 are recoverable and are disclosed in Note 8 to the financial statements.

Provisions
The Company provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provision is based on known information at the reporting

date, net of any estimated amount that may be reimbursed to the Company. No provisions were recognized as of September 30, 2015and December 31, 2014.

6. Cash and Cash Equivalents

This account consists of:

	2015	2014
Cash on hand	**₱50,000**	₱50,000
Cash in banks	**37,355,092**	115,625,883
Cash equivalents	**6,545,014**	175,308,250
	₱43,950,106	₱,290,984,133

Cash in banks generally earn interest at the respective bank deposit rates. Cash equivalents are short-term deposits made for varying periods of up to three months and earn interest at the respective short-term deposit rates.
Interest income earned from bank deposits and time deposits aggregated to ₱4.16 million in September 2015 and ₱8.57 million in September 2014 (see Note 11).

7. Receivables

This account consists of:

	2015	2014
Advances to related parties (see Note 13)	**₱111,388,919**	₱114,786,033
Advances to employees	**495,439**	14,077
Interest receivable	-	44,561
	₱111,884,358	₱114,844,671

Interest receivable consists of accrued interest income from time deposit.

8. Input VAT

This account consists of:

	2015	2014
Current	**₱274,802,003**	₱193,158,618
Deferred:		
Construction in progress	**11,034,888**	13,484,492
Others	**76,110**	84,755
	11,110,998	13,569,247
	₱285,913,001	₱206,727,865

9. Property and Equipment

	2015							
	Land	**Furniture and Fixtures**	**Computer Software and Hardware**	**Office Equipment**	**Transportation Equipment**	**Health and Safety Equipment**	**Construction in Progress**	**Total**
Cost								
Balance at beginning of year	₱600,800,000	₱98,137	₱695,664	₱76,643	₱1,625,893	₱11,607	₱1,130,323,472	₱1,733,631,416
Additions	–	108,563	116,072	33,355	–	11,607	639,085,125	639,354,722
Balance at end of year	600,800,000	206,700	811,736	109,998	1,625,893	23,214	1,769,408,597	2,372,986,138
Accumulated depreciation								
Balance at beginning of year	–	15,163	181,773	12,269	315,179	–	–	524,384
Additions	–	30,325	193,261	15,388	243,883	1,741	–	484,598
Balance at end of year	–	45,488	375,034	27,657	559,062	1,741	–	1,008,982
Net book value	₱600,800,000	₱161,212	₱436,702	₱82,341	₱1,066,831	₱21,473	₱1,769,408,597	₱2,371,977,156

	2014							
	Land	Furniture and Fixtures	Computer Software and Hardware	Office Equipment	Transportation Equipment	Health and Safety Equipment	Construction in Progress	Total
Cost								
Balance at beginning of year	₱600,800,000	₱14,866	₱185,643	₱36,464	₱1,625,893	₱–	₱239,268,202	₱841,931,068
Additions	–	83,271	510,021	40,179	–	11,607	891,055,270	891,700,348
Balance at end of year	600,800,000	98,137	695,664	76,643	1,625,893	11,607	1,130,323,472	1,733,631,416
Accumulated depreciation								
Balance at beginning of year	–	1,987	29,394	3,637	–	–	–	35,018
Additions	–	13,176	152,379	8,632	315,179	–	–	489,366
Balance at end of year	–	15,163	181,773	12,269	315,179	–	–	524,384
Net book value	₱600,800,000	₱82,974	₱513,891	₱64,374	₱1,310,714	₱11,607	₱1,130,323,472	₱1,733,107,032

Construction in progress pertains mainly to a development project in Manila (see Note 10).

The Company made advances to contractors and suppliers amounting to ₱582.16 million and ₱145.7 million as of September 30, 2015and December 31, 2014, respectively.

10. Accounts Payable and Other Current Liabilities

This account consists of:

	2015	2014
Accrued expenses	**₱4,744,409**	₱77,463,103
Accounts payable	**121,442,731**	73,014,660
Retention payable	**103,038,412**	54,970,705
Advances from an affiliate (see Note 13)	**2,779,799**	2,779,799
Withholding taxes payable	**2,718,163**	1,547,618
Accrued employee benefit	**55,688**	52,642
Other liabilities	**42,944**	72,366
	₱234,822,146	₱209,900,893

As of September 30, 2015, accrued expenses pertain to the employees' 13^{th} month pay and the monetary value of unutilized leave credits.

Accounts payable of the Company mainly pertains to unclaimed checks by contractors and suppliers for the construction cost incurred for the development project in Manila (see Note 9).

Retention payable represents the portion of construction billings which will be paid upon satisfaction by the contractors of the conditions specified in the contracts or until defects have been corrected.

Deposit for future stock subscription

On September 18, 2015 the company received deposits from the existing strategic investors the amount of **₱175,000,000** for future stock subscription.

11. Interest Income

Interest income related to:

	Sept. 2015	Sept. 2014
Cash and cash equivalents (see Note 6)	**₱4,157,170**	₱8,569,448
	₱4,157,170	₱8,569,448

12. Income Taxes

The provision for income tax consists of the following:

	Sept. 2015	Sept. 2014
Current:		
Final	**₱831,358**	₱1,713,890
MCIT	-	-
	₱831,358	₱1,713,890

There were no deferred tax liabilities as of September 30, 2015and 2014.

No deferred tax assets were recognized on the following carryforward benefits of unused NOLCO and excess MCIT as of September 30, 2015 December 31, 2014 and 2013 as management believes that the Company may not have sufficient future taxable income against which the excess MCIT and unused NOLCO may be applied:

The details of NOLCO and excess of MCIT over RCIT are as follows:

NOLCO

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Available Until
2012	39,774,256	₱–	₱–	39,774,256	2015
2013	40,141,400	–	–	40,141,400	2016
2014	–	32,053,407	–	32,053,407	2017
	₱79,915,656	₱32,053,407	₱–	₱111,969,063	

MCIT

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Available Until
2012	3,500	₱–	₱–	3,500	2015
2013	6,000	–	–	6,000	2016
2014	–	6,000	–	6,000	2017
	₱9,500	₱6,000	₱–	₱15,500	

As of September 30, 2015, the company incurred a NOLCO of **₱29,067,553** and there was no MCIT.

13. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Transactions with Related Parties

In the ordinary course of business, the Company has significant transactions with related parties as follows:

			2015		2014			
Entity	Relationship	Nature	Amount	Receivable/ (Payable)	Amount	Receivable/ (Payable)	Terms	Condition
Sierra Prime Properties Corporation (SPPC)	Affiliate	Cash advances	₱2,695,475	₱2,304,525	₱–	₱5,000,000	1 year, 6% per annum, Interest bearing	Unsecured, unguaranteed
		Sale of assets and liabiliti es (see Note 16)	₱–	108,389,153	₱–	108,389,153	Non-interest bearing	Unsecured, unguaranteed
		Interest on Cash Advances	–	600,000	₱–	600,000	Non-interest bearing	Unsecured, unguaranteed
		Other advances	₱–	₱95,240	₱–	₱95,240	Non-interest bearing	Unsecured, unguaranteed
Manila Jockey Club, Inc. (MJCI)	Stockholder	Other advances	₱701,640	₱—	₱–	701,640	Non-interest bearing	Unsecured, unguaranteed
		Advances (see Note 10)	₱–	(2,779,799)	₱–	(2,779,799)	Non-interest bearing; due and demandable	Unsecured, unguaranteed
		Subscription of common shares (see Note 14)	₱42,808,835	₱—	₱–	42,808,835	Non-interest bearing; payable upon call	Unsecured, unguaranteed
MJC Forex Corporation (MFC)	Affiliate	Dollar purchases	₱7,563,446	₱—	₱10,118,008	–	On demand; non-interest bearing	Unsecured, no Impairment

Sierra Prime Properties Corporation (SPPC)

In 2011, the Company extended an interest-bearing advances amounting to ₱5.0 million to SPPC for a period of one year with interest rate of 6% per annum. Noninterest-bearing receivable and interest receivable from SPPC amounting t ₱108.2 million and ₱0.2 million, respectively, pertains to the transfer of a group of assets and liabilities as part of the Memorandum of Agreement (MOA) signed July 24, 2008 in 2012 (see Note 16).

MJC Forex Corporation

The Company purchased dollars as payment to international service providers of design and consultancy related to the development project in Manila.

Key Management Personnel

Compensation of the executive officers of the Company as of September 30, 2015 and of the same period in 2014 amounted to ₱14.66 million and ₱8.85 million respectively. The Corporation has no standard arrangement with regard to the remuneration of its directors. As of September 30, 2015 and the same period in 2014, the BOD received directors' fees aggregating to ₱0.45 million and ₱0.71 million respectively.

14. Equity

The Company was listed with the PSE on November 11, 1955. As of September 30, 2015, the Company has an aggregate of 2,295,173,150 shares listed with the PSE and has a total of 444 shareholders on record.

Capital Stock

The capital stock as of September 30, 2015and December 31,2014 consist of:

	2015		2014	
	Number of shares	**Amount**	Number of shares	Amount
Common shares - ₱1 par value				
Authorized - 5,000,000,000 shares in 2015 and 2014				
Issued and outstanding (held by 444 and 452 equity holders in 2015 and 2014, respectively)	**3,090,752,863**	**₱3,090,752,863**	2,309,601,064	₱2,309,601,064
Subscribed	**83,652,958**	**83,652,958**	191,013,095	191,013,095
Subscriptions receivable	**–**	**(38,739,719)**	–	(105,548,554)
	3,174,405,821	**₱3,135,666,102**	2,500,614,159	₱2,395,065,605

On January 23, 2009, MJCI executed a subscription agreement to subscribe to 107,360,137 shares out of the unissued portion of the authorized capital stock of the Company at the subscription price of ₱1.0 per share. The subscription was made pursuant to the Memorandum of Agreement ("MOA") dated July 24, 2008 between the Company and MJCI. On July 07, 2015, the remaining subscription receivable has been fully paid up.

On March 23, 2010, existing shareholders of the Company subscribed to 24,182,704 shares pursuant to the MOA which gives all existing shareholders an option to subscribe to additional shares equivalent to the number of shares held by them. As of September 30, 2015, said subscription has a remaining subscription receivable amounting to ₱7.5 million

On January 16, 2013, the Company issued 600,800,000 common shares of stock in favor of MJCI taken from the authorized capital stock pursuant to a property-for-share swap transaction under the MOA.

On January 17, 2013, the Company received from a group of strategic investors the amount of ₱450.0 million representing full payment of subscriptions to 450,000,000 shares which were taken from the unsubscribed portion of the authorized capital stock at a subscription price of ₱1.0 per share. Also on the same day, the Company received from a group of non-related strategic investors, the amount of ₱73,500,000, representing full payment of subscriptions to 73,500,000 shares of stock taken from the Company's authorized capital stock.

On July 24, 2013, additional existing shareholders of the Company exercised their option to subscribe to 73,898,168 common shares pursuant to the MOA. As of September 30, 2015, said subscription has a remaining subscription receivable amounting to ₱31.2 million.

On October 3, 2013, the group of strategic investors subscribed to additional 875,000,000 shares at the subscription price of ₱1.0 per share which subscription were paid in full. Also on the same date, the group of non-related strategic investors subscribed to 189,513,013 common shares at a subscription price of ₱1.0 per share which shares, were also paid in full.

On January 14, 2015, the Company received from the group of strategic investors the amount of ₱673.8 million representing full payment of subscriptions to 673,791,662 shares at a subscription price of ₱1.0 per share.

As of September 30, 2015, the Company has an aggregate of 3,174,405,821 subscribed shares and has a total shareholder of 444 on record.

15. Basic/Diluted Losses Per Share

	2015	2014
Loss for the year	**(₱25,743,571)**	(₱14,299,193)
Divided by weighted average number of outstanding common shares	**3,005,957,906**	2,411,904,741
Basic/diluted losses per share	**(₱0.009)**	(₱0.006)

The Company has no potential dilutive common shares as of September 30, 2015 and September 30, 2014. Therefore, the basic and diluted losses per share are the same as of those dates.

16. Property for Share Swap

Following the incorporation of SPPC in 2010, and board approval in 2012,the Company transferred to SPPC on August 6, 2012 the assets and liabilities enumerated below for a total consideration of ₱108.4 million, by virtue of the MOA dated July 24, 2008 (see Note 13).

	Agreed Amounts
Assets	
Held for trading investments[a]	₱63,640,124
Investment property	37,679,140
Receivables	25,266,055
Input VAT	58,675
	126,643,994
Liabilities	
Accounts payable	5,195,242
Due from related parties	13,059,599
	18,254,841
	₱108,389,153

[a] In 2012, gain on fair value changes, prior to transfer in accordance with the MOA, amounted to ₱27.6 million.

On October 2 9, 2012, MJCI transferred 7,510 square meters of the Sta. Cruz property in exchange for 600.8 million common shares of the Company. The property transferred has a fair value of ₱600.8 million or ₱80,000 per square meter. The transaction is considered as a tax-free exchange under BIR certification in accordance with National Internal Revenue Code Section 40 (c) (2).
In accordance with the BIR certification, the property for share exchange is not subject to income tax, capital gains tax, expanded withholding tax and donor's tax. The transaction, however, is subject to VAT and documentary stamp tax. The input VAT related to the land acquired amounted to ₱72.1 million is presented as part of "Input VAT" classified as current assets in the statement of financial position while the documentary stamp tax amounting to ₱3.0 million was charged against "Additional paid-in capital" and "Retained earnings" amounting to ₱2.5 million and ₱0.5 million, respectively, in the statements of changes in equity.

17. Operating Segment Information

The Company has only one operating segment. Management monitors the operating results of its operating segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net income or loss and is measured consistently with the total comprehensive income in the financial statements.

The Company's asset-producing revenues are located in the Philippines (i.e., one geographical location). Therefore, geographical segment information is no longer presented.

Segment Revenue and Expenses
The segment results for the periods ended September 30, 2015and of the same period in 2014 are as follows:

	2015	2014
Segment revenue	**₱4,157,170**	₱8,569,448
Costs and expenses	**29,069,383**	21,154,751
Loss before income tax	**(24,912,213)**	(12,585,303)
Provision for income tax	**831,358**	1,713,890
Net loss	**(₱25,743,571)**	(₱14,299,193)

Segment Assets and Liabilities and Other Information
The segment assets, liabilities and capital expenditures for September 30, 2015 ended December 31, 2014 are as follows:

	2015	2014
Assets	**₱3,403,991,831**	₱2,492,588,611
Liabilities	**409,822,146**	209,906,893
Capital expenditures	**2,994,169,685**	2,282,681,718
Interest income	**4,157,170**	10,178,114
Depreciation	**484,598**	489,366

18. Fair Value Measurement

The carrying values of cash and cash equivalents, receivables, accounts payable and other current liabilities approximates their fair values due to short-term nature of the transaction.

There were no financial instruments carried at fair value as of September 30, 2015 and December 31, 2014.

19. Financial Risk Management Objectives and Policies

The Company's financial instruments comprise cash and cash equivalents, receivables and accounts payable and other liabilities. The main purpose of these financial instruments is to finance the Company's operations. The main risks arising from the use of these financial instruments include credit risk and liquidity risk. The Company's BOD reviews and approves the policies for managing these risks and these are summarized below.

Credit Risk

Credit risk arises because the counterparty may fail to discharge its contractual obligations. The Company transacts only with related parties and with recognized and creditworthy third parties. Receivable balances are monitored on an ongoing basis. Further, management intensifies its collection efforts to collect from defaulting third parties.

The Company's policy is to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk. There are no significant concentrations of credit risk in the Company.
With respect to credit risk arising from other financial assets of the Company, which comprise cash and cash equivalents and receivables, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying value of these instruments.

The table below shows the maximum exposure to credit risk of the Company as of September 30, 2015 and December 31, 2014:

	2015	2014
Loans and receivables:		
Cash and cash equivalents*	**₱43,900,106**	₱290,934,133
Receivables	**111,884,358**	114,844,671
	₱155,784,464	₱405,778,804

**Excluding cash on hand amounting to ₱50,000.*

As of September 30, 2015 and December 31,2014, the following tables provide credit information and maximum exposure of the Company's financial assets:

	2015		
	Standard Grade	**Past Due but not Impaired**	**Total**
Loans and receivables:			
Cash and cash equivalents*	**₱43,900,106**	**₱–**	**₱43,900,106**
Receivables	**111,884,358**	**–**	**111,884,358**
	₱155,784,464	**₱–**	**₱155,784,464**

**Excluding cash on hand amounting to ₱50,000.*

	2014		
	Standard Grade	Past Due but not Impaired	Total
Loans and receivables:			
Cash and cash equivalents*	₱290,934,133	₱–	₱290,934,133
Receivables	114,844,671	–	114,844,671
	₱405,778,804	₱–	₱405,778,804

**Excluding cash on hand amounting to ₱50,000.*

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents
These are considered standard grade based on the nature of the counterparty (e.g., highly reputable banks, among others). Cash in banks are limited to highly reputable banks duly authorized by the BOD.

Receivables
Standard grade receivables pertain to receivables from an affiliate, officers and employees and other counterparties, that have no history of significant default or delinquency in collections.

Liquidity Risk
Liquidity risk is defined as the risk that the Company would not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain a balance between continuity of funding and flexibility by regularly evaluating its projected and actual cash flows and through the use of bank loans and extension of suppliers' credit terms. The Company maximizes the net cash inflows from operations to finance its working capital requirements.

The tables below summarize the maturity profile of the Company's financial liabilities as of September 30, 2015 based on contractual undiscounted payments (principal and interest).

	2015			
	Due and Demandable	**> 1 month**	**> 3 months but < 1 year**	**Total**
Accounts payable and other current liabilities*	**₱2,779,799**	**₱229,324,184**	**₱–**	**₱232,103,983**

**Amounts are exclusive of nonfinancial liabilities amounting to ₱2,718,163 as of September 30, 2015.*

	2014			
	Due and Demandable	> 1 month	> 3 months but < 1 year	Total
Accounts payable and other current liabilities*	₱2,779,799	₱205,573,476	₱–	₱208,353,275

**Amounts are exclusive of nonfinancial liabilities amounting to ₱1,547,618 as of December 31, 2014*

The following tables show the profile of financial assets used by the Company to manage its liquidity risk:

	2015			
	Due and Demandable	**> 1 month**	**> 3 months but < 1 year**	**Total**
Loans and receivables:				
Cash and cash equivalents*	₱43,900,106	₱–	₱–	₱43,900,106
Receivables	111,884,358	–	–	111,884,358
Total	₱155,784,464	₱–	₱–	₱155,784,464

**Excluding cash on hand amounting to ₱50,000 in 2015.*

	2014			
	Due and Demandable	> 1 month	> 3 months but < 1 year	Total
Loans and receivables:				
Cash and cash equivalents*	₱290,934,133	₱–	₱–	₱290,934,133
Receivables	114,844,671	–	–	114,844,671
Total	₱405,778,804	₱–	₱–	₱405,778,804

**Excluding cash on hand amounting to ₱50,000 in 2014.*

20. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize stockholders' value.

The Company considers its total equity amounting to ₱3 billion and ₱2.3 billion as its capital as of September 30, 2015and December 31, 2014 respectively.

The Company maintains a capital base to cover risks inherent in the business. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payments to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

21. Other Matters

On March 18, 2010, the Company was granted a permit to operate by PAGCOR for the establishment, maintenance and operation of a casino, PAGCOR San Lazaro, within the San Lazaro Tourism and Business Park (SLTBP) in Sta. Cruz, Manila. The permit shall be for a period of ten years, to commence on the date of actual operation of PAGCOR San Lazaro.

A hotel and entertainment complex is now being built at the 7,500 square meter lot of the Company within the SLTBP in Sta. Cruz, Manila. The 20-storey hotel will have 128 internationally designed hotel rooms, a 5,000 square meter space for leisure and entertainment, a grand ballroom which can accommodate 1,000 guests and 900 parking slots. The complex is named Winford Hotel and Casino.

On February 10, 2015, the registration as an Ecozone Tourist Enterprise for the development and operation of tourist, leisure and entertainment facilities was already approved by Philippine Economic Zone Authority (PEZA). The project shall be entitled only to tax and duty-free importation and zero-VAT rating on local purchases of capital equipment.