

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 20-IS

### INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b) OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter

MJC INVESTMENTS CORPORATION

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

Philippines

4. SEC Identification Number

10020

5. BIR Tax Identification Code

000-596-509

6. Address of principal office

Winford Hotel and Casino, MJC Drive, Sta. Cruz, Manila

Postal Code

1014

7. Registrant's telephone number, including area code

(02) 632-7373

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

29 June 2016, 2:00 PM; Winford Hotel and Casino

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

Jun 8, 2016

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor

NA

Address and Telephone No.

NA

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

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

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*

## MJC Investments Corporation

### MJIC

**PSE Disclosure Form 17-5 - Information Statement for Annual or  
Special Stockholders' Meeting**  
*References: SRC Rule 20 and  
Section 17.10 of the Revised Disclosure Rules*

<b>Date of Stockholders' Meeting</b>	Jun 29, 2016
<b>Type (Annual or Special)</b>	Annual
<b>Time</b>	2:00 PM
<b>Venue</b>	Winford Hotel and Casino
<b>Record Date</b>	May 11, 2016

**Inclusive Dates of Closing of Stock Transfer Books**

<b>Start Date</b>	N/A
<b>End date</b>	N/A

**Other Relevant Information**

Attached is the Preliminary Information Statement of MJC Investments Corporation, received by the Security and Exchange Commission.

**Filed on behalf by:**

<b>Name</b>	Lemuel Santos
<b>Designation</b>	Corporate Information Officer

COVER SHEET

1 0 0 2 0

S.E.C. Registration Number

M J C I N V E S T M E N T S C O R P O R A T I O N
D O I N G B U S I N E S S U N D E R T H E N A M E
A N D S T Y L E O F W I N F O R D L E I S U R E
A N D E N T E R T A I N M E N T C O M P L E X A N D
W I N F O R D H O T E L A N D C A S I N O

( Company's Full Name )

W I N F O R D H O T E L A N D C A S I N O , M J C
D R I V E , S T A . C R U Z , M A N I L A

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

ATTY. LEMUEL M. SANTOS

Contact Person

632-7373

Company's Telephone Number

PRELIMINARY INFORMATION STATEMENT 2016

1 2 3 1
Month Day
Fiscal Year

2 0 - 1 5
FORM TYPE

0 6 2 9
Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

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 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE



1. Check the appropriate box:

- Preliminary Information Statement
- Definitive Information Statement

2. Name of Registrant as specified in its charter

**MJC INVESTMENTS CORPORATION DOING BUSINESS UNDER THE NAME AND STYLE OF WINFORD LEISURE AND ENTERTAINMENT COMPLEX AND WINFORD HOTEL AND CASINO**

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

**Philippines**

4. SEC Identification Number 10020

5. BIR Tax Identification No 000-596-509

6. **Winford Hotel and Casino, MJC Drive, Sta. Cruz, Manila**

Address

1014

Postal Code

7. (02) 632-7373

Registrant's telephone number, including area code

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

**29 June 2016, 2:00 PM; Winford Hotel & Casino**

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

In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor: N/A

Address and Telephone No. : N/A

10. Securities registered

Title of Each Class	Number of Shares of Common Stock Outstanding
<b>Common</b>	<b>3,174,405,821</b>

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

Yes  No

# MJC INVESTMENTS CORPORATION

## INFORMATION STATEMENT

This Information Statement is dated 13 May 2016 and is being furnished to stockholders of **MJC Investments Corporation** (the "Company"), at least fifteen (15) business days prior to the Annual Stockholders' Meeting on 29 June 2016.

### WE ARE NOT ASKING FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY

#### A. GENERAL INFORMATION

1. Date, time and place of meeting of security holders.

Date	:	29 June 2016 ( <i>Wednesday</i> )
Time	:	2:00 PM
Place	:	Winford Hotel and Casino
Record Date	:	11 May 2016

The corporate mailing address of the registrant is at Winford Hotel & Casino, MJC Drive, Sta. Cruz, Manila

The approximate date on which the Information Statement will be sent to security holders is on 8 June 2016.

2. Dissenters' Right of Appraisal

The Corporation Code provides that a stockholder has the right to dissent and demand payment of the fair value of his shares in case of any amendment of the Articles of Incorporation which has the effect of changing or restricting the rights of any stockholders or class of shares or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the terms of corporate existence or in case of sale, lease, exchange, transfer, mortgage or other disposition of all or substantially all of the corporate property and assets or and in case of merger or consolidation. The appraisal right may be exercised by any stockholders who shall have voted against the proposed corporate action by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair market value of shares.

There are no matters to be taken up in the meeting that may give rise to the exercise of the right of appraisal.

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

- a. No director or officer, nominee for election as a director or an associate of any them has substantial interest in any matter to be acted upon, other than election to office.
- b. No director has informed the registrant in writing that he intends to oppose any action to be taken at the meeting.

#### B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Holders Thereof

a. Number of shares outstanding as of 11 May 2016:

Common 3,174,405,821

Each security holder shall be entitled to as many number of votes as the number of shares held.

b. Record date: 11 May 2016

c. Cumulative Voting Rights

Each security holder is entitled to cumulative voting rights.

Article XVIII of the By-laws of the registrant provides that:

“At all corporate meetings, each stockholder, either in person or by proxy, shall be entitled to as many votes as he owns shares of stock. xxx”

On the other hand, Section 24 of the Corporation Code of the Philippines allows cumulative voting in the election of directors and thus provides:

“Sec. 24. *Election of directors or trustees.* – xxx In stock corporations, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing, at the time fixed in the by-laws, in his own name on the stock books of the corporation, or where the by-laws are silent, at the time of the election; and said stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, That the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected: xxx”

d. Security Ownership of Certain Beneficial Owners and Management

(1) Stockholders Owning at Least 5% of the Outstanding Capital Stock as of 11 May 2016:

<u>Title of Class</u>	<u>Name, Address of Record Owner and Relationship with Issuer</u>	<u>Name of Beneficial Owner and Relationship with Record Owner</u>	<u>Citizenship</u>	<u>Number of Shares Held</u>	<u>Percent of Class</u>
Common	PCD Nominee Corporation G/F Makati Stock Exchange Bldg6767 Ayala Avenue, Makati City	N/A	Filipino	1,406,043,797	44.29%

*\*The authority to direct the voting of the shares held by this corporation is lodged with its Board of Directors which appoints the proxy. The particular proxy will, however, be known only at the time that the appropriate proxy instrument is submitted.*

(2) Security Ownership of Management as of 11 May 2016:

<u>Title of Class</u>	<u>Name of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Citizenship</u>	<u>Percent of Class</u>
Common	ALFONSO R. REYNO, JR.	26,320,408	Filipino	0.83%
Common	TEIK SENG CHEAH	Qualifying Share	Malaysia	0.00%
Common	JOSE ALVARO D. RUBIO	Qualifying Share	Filipino	0.00%
Common	ALFONSO V.G. REYNO III	Qualifying Share	Filipino	0.00%
Common	JOHN ANTHONY B. ESPIRITU	Qualifying Share	Filipino	0.00%
Common	GABRIEL A. DEE	Qualifying Share	Filipino	0.00%
Common	BERNADETTE V. QUIROZ	Qualifying Share	Filipino	0.00%
Common	DENNIS RYAN C. UY	Qualifying Share	Filipino	0.00%
Common	VICTOR P. LAZATIN	Qualifying Share	Filipino	0.00%
Common	LAURITO E. SERRANO	Qualifying Share	Filipino	0.00%
Common	CHERRYLYN G. PRADO-CAOILE	Qualifying Share	Filipino	0.00%
Common	FERDINAND A. DOMINGO	240,022	Filipino	0.00%
Common	All Officers and Directors	None		0.00%
		26,560,430		0.83%

(3) Voting Trust Holders of 5% or More

The Corporation is not aware of any person who holds any of its securities under a voting trust or similar agreement.

(4) Changes in Control

The Corporation is not aware of any arrangement which may result in the change in its control.

(5) Directors and Executive Officers (as of 11 May 2016)

**ALFONSO R. REYNO, JR.**

Filipino, born on 8 July 1944. He graduated from the University of the Philippines in 1965 with a degree of Bachelor of Arts, Political Science and finished his Bachelor of Laws degree in the same school in 1969. He formerly occupied the following government positions: Deputy Minister of Defense (1984-1986), Member of the Batasang Pambansa (1984-1986), Vice Governor of Cagayan (1980-1984), and Member of the Board of Trustees of the Cagayan State University (1979-1986). He is affiliated with and occupies the following positions in various institutions, during the last five (5) years, viz: Chairman and CEO, Manila Jockey Club, Inc. (March 1, 1997 to present), Chairman and President, Arco Management & Development Corporation, Arco Equities, Inc., Arco Ventures, Inc. (1995 to present), Bonaventure Development Corporation (1983 to present); Managing Partner, Reyno Tiu Domingo & Santos Law Offices (1976 to present). He resides at No. 4 Pili Road, South Forbes Park, Makati City.

**TEIK SENG CHEAH**

Malaysian, born on 9 December 1953 at Pulau Pinang. He graduated from the University of Manchester in the United Kingdom and is a Fellow of Chartered Accountants in England and Wales. He is the founding and managing partner of Aktis Singapore, an



independent director of Malayan Banking Berhad, providing supervisory oversight to May Bank Investment Bank and Maybank Venture, of which he is the Chairman. He began in the civil service in the Ministry of Finance in Malaysia and has since worked in Kuala Lumpur, Singapore, London and Hong Kong with various commercial and investment banks. He worked as Managing Director of Paribas and BNP Paribas in Hong Kong. Over the past fourteen (14) years, Mr. Cheah has been involved in advisory as well as origination and distribution of capital market transactions in various Asian markets, having held senior management positions at the most prestigious investment banks including UBS Hong Kong and Singapore, Goldman Sachs Hong Kong, Merrill Lynch Hong Kong and Chase Manhattan Bank.

#### **JOSE ALVARO D. RUBIO**

Filipino, born on 19 February 1953. Mr. Rubio was the Senior Vice President at Philippine National Bank ("PNB") and has over thirty five (35) years of banking industry experience, including various positions in international banking, remittance, budgeting, corporate planning, controllership, systems design/improvement, branch banking, audit and lending operations including the head of the corporate banking group at PNB, overseeing the financing activities for major corporate accounts in areas including real estate, construction, telecommunications, power and energy, manufacturing, hotels, tourism and services. He was a former member and Director of the Bank Administration Institute of the Philippines, an association of local and foreign banks. Mr. Rubio graduated from University of the East with a degree of Bachelor of Science in Business Administration Major in Accounting (Cum Laude) and is a Certified Public Accountant.

#### **ALFONSO VICTORIO G. REYNO III**

Filipino, born on 7 March 1970 and a lawyer by profession. He is affiliated with and occupies the following positions in various institutions in the last five (5) years, viz: President and COO, Manila Jockey Club, Inc., President, Arco Ventures, Inc. (1995 to Present), Director, Arco Management & Development Corporation, Bonaventure Development Corporation, Arco Equities, Inc., Junior Associate, ACCRA Law Offices (1997-1999), Junior Partner, Reyno Tiu Domingo & Santos Law Offices (1999 to present). He is currently a Director of the Philippine Bar Association.

#### **GABRIEL A. DEE**

Filipino, born on 5 July 1964. He graduated from the University of the Philippines in 1984 with a degree of Bachelor of Arts major in History and finished his Bachelor of Laws in the same school in 1988. He finished his MBA Units in Ateneo De Manila Graduate School of Business in 1992. He is affiliated with and occupies the following positions in various institutions in the last five (5) years, viz: Senior Partner, Picazo Buyco Tan Fider & Santos Law Offices (2006 to present), Junior Partner, Picazo Buyco Tan Fider & Santos Law Offices (1994 to 2006), Senior Associate, Bautista Picazo Buyco Tan & Fider Law Offices (1992 to 1994), Junior Associate, Bautista Picazo Buyco Tan & Fider Law Offices (1988 to 1992) and Research Assistant, University of the Philippines, College of Law (1998).

#### **VICTOR P. LAZATIN**

Filipino, born on 16 August 1947. He graduated from University of the Philippines with a degree of AB Economics in 1967 and finished his Bachelor of Laws degree in the same school in 1971 (Cum Laude). He obtained a Masters of Law from University of Michigan in 1974. He resides at 237 West Batangas St., Ayala Alabang, Muntinlupa City. In the last five (5) years or more, he is affiliated with and occupied the following positions in various institutions, viz: Director, ACCRA Investment Corporation (1980-2008), Corporate Secretary/Director, Wide Wide World Express (1995-2008), Corporate Secretary, Oribanex Holdings (1996-2008), Chairman, Timog Silangan Development Corp. (1976-2008), President, Devinelle Provident lands, Inc. (1995-2008), President, Banana d' Or (2001-

2008), President, Brodhas Realty Inc. (2000-2008), Senior Partner, Angara Abello Concepcion Regala & Cruz Law Offices (2002 to present). He was elected as Independent Director of MJIC on 6 February 2009.

#### **LAURITO E. SERRANO**

Filipino, born on 3 August 1960. He is a Certified Public Accountant with a Master of Business Administration degree from the Harvard Graduate School of Business. He currently serves as an Independent Director and Chairman of the Audit and Risk Management Committee of Atlas Consolidated Mining and Development Corporation. He is also a director of the Philippine Veterans Bank and a member of its Corporate Governance and Audit Committees; an independent director of the APC Group, Inc.; and a director of MRT Development Corporation, among others. Mr. Serrano is also a former partner of the Corporate Finance Consulting Group of SGV & Co.

#### **BERNADETTE V. QUIROZ**

Filipino, born on 3 November 1981. Ms. Quiroz obtained her Juris Doctor from the Ateneo de Manila University in 2007. Upon admission to the Philippine Bar in 2008, she worked for Baniqued & Baniqued, Attorneys-at-Law until 2013. She has been a Certified Public Accountant since 2002, receiving her degree in Bachelor of Science in Accountancy from the University of Santo Tomas in the same year, and has worked as an auditor for SGV & Co. shortly before attending law school.

#### **CHERRYLYN G. PRADO-CAOILE**

Filipino, born on 10 November 1974. She graduated from De La Salle University in 1994 with a degree of Bachelor of Science in Commerce major in Legal Management. She finished her Juris Doctor at the Ateneo de Manila College of Law in 1998. She is a Junior Partner in Picazo Buyco Tan Fider & Santos Law Offices (2009 to present). She was an Assistant Professor at the De La Salle University – College of Business and Economics from 2003 to 2006.

#### **JOHN ANTHONY B. ESPIRITU**

Filipino, born on 12 July 1963. He graduated from University of Michigan, Ann Arbor, Michigan, United States with a degree of Bachelor of Business Administration in May 1985. He also obtained from said university his master's degree in Business Administration in May 1990. He occupied and is currently holding the following positions in the last five (5) year: President/Director of EBE Land, Inc. (January 1997 to present); Chairman /Publisher of the Philippine News, San Francisco, California (November 2004 to present); Director of Asia-Pacific Medical Corp of Saipan, Northern Marianas Islands (June 1998 to present). He resides at Penthouse B, Ritz Towers, Ayala Avenue, Makati City.

#### **DENNIS RYAN C. UY**

Filipino, born on 19 May 1978. Mr. Uy is an experienced industrial engineer who obtained his bachelor's degree from the Mapua Institute of Technology in 1999. The last fourteen (14) years of his career was spent in the areas of systems improvement and automation, investment planning, asset management, and cost engineering across various multinational firms. He holds a Master of Business Administration degree from the Ateneo de Manila University.

#### **FERDINAND A. DOMINGO**

Filipino, born on 22 June 1952. He graduated from the University of the Philippines in 1972 with a degree of Bachelor of Arts and Political Science and finished his Bachelor of Laws degree in the same school in 1977. In the last five (5) years or more he is affiliated

with and occupies the following positions in various institutions, viz: Senior Partner, Reyno Tiu Domingo & Santos Law Offices (1 September 1991 to present); Corporate Secretary and General Counsel, Manila Jockey Club, Inc. (up to present); Corporate Secretary and General Counsel, MJC Investments Corporation (up to present); President, Aries Prime Resources, Inc., (10 July 2003 to 2009); Director, United Overseas Bank (May 2001 to July 2002); Corporate Secretary, Westmont Bank (17 May 2000 to 16 January 2004); Director, PNB Holdings Ltd. and PNB Hongkong Branch (1998 to February 2000); Bank Attorney, Philippine National Bank (1978-1984); Corporate Secretary, Philippine Racing Club, Inc. (1994-1997); Legal Counsel and Corporate Secretary, National Steel Corporation (3 May 1995 to March 1997). He resides at No. 14 Lopez Jaena Street, Ayala Heights, Quezon City.

### **LEMUEL M. SANTOS**

Filipino, born on 3 April 1951. He graduated from the University of the Philippines in 1973 with a degree of Bachelor of Arts in Political Science and finished his Bachelor of Laws degree in the same school in 1977. In the last five (5) years or more, he is affiliated with and occupies the following positions in various institutions, viz: Partner, Reyno, Tiu, Domingo & Santos Law Offices (1991 up to present); Assistant Corporate Secretary, Manila Jockey Club, Inc. (up to present); Corporate Information and Compliance Officer, MJC Investments Corporation (up to present). He resides at 84 D. Tuason Street, B.F. Homes, Parañaque, 1718 Metro Manila.

### **INDEPENDENT DIRECTORS**

Directors Victor P. Lazatin and Laurito E. Serrano are the independent directors of the Company.

Under SRC Rule 38, as adopted in the By-Laws of the Corporation as amended on 21 April 2004, the following rules shall apply in the Nomination and Election of Independent Directors:

- i. Nomination shall be conducted by the Nomination Committee.
- ii. The Nomination Committee shall pre-screen the qualifications and prepare a final list of all candidates.
- iii. After the nomination, the Nomination Committee shall prepare a Final List of Candidates.
- iv. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the stockholders' meeting.
- v. The conduct of election of independent directors shall be made in accordance with the standard election procedure of the Corporation.
- vi. Specific slots for independent directors shall not be filled up by unqualified nominees.
- vii. In case of failure of election for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

### **DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER (AS OF 11 MAY 2016)**

Position	Name	Citizenship	Age	Term of Office	Period Served
Chairman, CEO & President	Alfonso R. Reyno, Jr.	Filipino	71	7	2009-2016
Vice Chairman	Teik Seng Cheah	Malaysian	62	2	2014-2016
Director, Treasurer & Chief Finance Officer	Jose Alvaro D. Rubio	Filipino	63	2	2014-2016
Director & Vice President	Alfonso Victorio G. Reyno III	Filipino	46	7	2009-2016
Director	Gabriel A. Dee	Filipino	51	3	2013-2016
Director	Victor P. Lazatin	Filipino	68	7	2009-2016
(Independent) Director	Laurito E. Serrano	Filipino	55	2	2014-2016
(Independent) Director	Bernadette V. Quiroz	Filipino	34	2	2014-2016
Director	Cherrylyn G. Prado-Caoile	Filipino	41	3	2013-2016
Director	John Anthony B. Espiritu	Filipino	52	4	2012-2016
Director	Dennis Ryan C. Uy	Filipino	37	2	2014-2016
Corporate Secretary & General Counsel	Ferdinand A. Domingo	Filipino	63	2	2014-2016
Corporate Information & Compliance Officer	Lemuel M. Santos	Filipino	65	2	2014-2016

(a) Significant Employees

The Corporation has no other employees aside from the corporate officers. Hence, there are no other persons, executive or otherwise, who are expected to make a significant contribution to the business of the Company.

(b) Family Relationships.

Alfonso Victorio G. Reyno III is the son of Alfonso R. Reyno, Jr.

There are no other family relationships between directors and executive officers other than the ones above.

(c) Involvement in Certain Legal Proceedings (as of 11 May 2016)

None of the directors are involved in any bankruptcy petition, or was convicted by final judgment of any criminal offense, or subject to any order, judgment or decree or has violated a Securities or Commodities Law.

(d) Certain Relationship and Related Transactions

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

In the normal course of business, the Company has transactions and account balances with related parties as follows:

Entity	Relationship	Nature	2016		2015		Terms	Condition
			Amount	Receivable/ (Payable)	Amount	Receivable/ (Payable)		

Entity	Relationship	Nature	2016		2015		Terms	Condition
			Amount	Receivable/ (Payable)	Amount	Receivable/ (Payable)		
Sierra Prime Properties Corporation (SPPC)	Affiliate	Cash advances	P-	P5,000,000	P-	P5,000,000	1 year, 6% per annum, interest bearing	Unsecured, unguaranteed
		Sale of assets and liabilities (see Note 16)	P-	108,389,153	P-	108,389,153	Non-interest bearing	Unsecured, unguaranteed
		Interest on Cash Advances	-	600,000	P-	600,000	Non-interest bearing	Unsecured, unguaranteed
		Other advances	P-	P95,240	P-	P95,240	Non-interest bearing	Unsecured, unguaranteed
Manila Jockey Club, Inc. (MJCI)	Stockholder	Other advances	-	-	-	-	Non-interest bearing	Unsecured, unguaranteed
		Advances (see Note 10)	P-	(2,779,799)	P-	(2,779,799)	Non-interest bearing; due and demandable	Unsecured, unguaranteed
		Subscription of common shares (see Note 14)	-	42,808,835	P-	42,808,835	Non-interest bearing; payable upon call	Unsecured, unguaranteed
MJC Forex Corporation (MFC)	Affiliate	Dollar purchases	-	-	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 P5.0 million to SPPC for a period of one year with interest rate of 6% per annum. Interest income recognized in 2014, 2013 and 2012 amounted to P0.3 million, P0.3 million and P0.2 million, respectively. Noninterest-bearing receivable and interest receivable from SPPC amounting to P108.2 million and P0.2 million, respectively, pertains to the transfer of a group of assets and liabilities as part of the Memorandum of Agreement (MOA) signed 24 July 2008 in 2012.

#### *MJC Forex Corporation*

The Company purchases 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 personnel of the Company as of 31 March 2016 and of the same period in 2015 amounted to P3.5 million and P4.7 Million respectively. The Corporation has no standard arrangement with regard to the remuneration of its directors. The directors' fees in March 2016 is nil while in 2014 as well as in March 2015.

#### INDEPENDENT PUBLIC ACCOUNTANTS

- The principal accountant for the fiscal year ended 31 December 2015 is Sycip Gorres Velayo & Co. ("SGV") with address at 6760 Ayala Avenue, Makati City.
- The representatives of SGV are expected to be present at the meeting and will have the opportunity to make a statement, if they desire to do so, and to respond to appropriate questions.

- c. There are no disagreements with the accountants on accounting principles or practices, financial disclosures or other related matters.
- d. Pursuant to SRC Rule 68, Paragraph 68, paragraph 3 (b) (c), all corporations covered under the Code of Corporate Governance, who had engaged their respective external auditors for a consecutive period of five (5) years or more, shall change said external auditors or engagement partners.

The Corporation has engaged the current independent public accountant for the last five (5) fiscal years and is now in the process of evaluating the need to change or replace its external auditor, but should the Corporation decide to retain SGV, it will definitely replace its engagement partners, as already confirmed/mentioned in the Audit Committee meeting held on 11 April 2016.

The Audit Committee is composed of Laurito E. Serrano as Chairman, Victor P. Lazatin, Jose Alvaro D. Rubio, Bernadette V. Quiroz and John Anthony B. Espiritu as members.

### **III. OTHER MATTERS**

#### Action with Respect to Reports and Other Proposed Action

The Minutes of the Annual Stockholders' Meeting held on 29 June 2015 will be submitted for the approval of the security holders. The minutes reflect the approval of the following matters by the stockholders:

- I. Approval of the minutes of the Annual Stockholders' meeting held on 29 June 2015.
- II. Report of the Management
- III. Ratification of all Acts of the Board of Directors and Management, including the Approval by the Board of the Additional Equity Investments of the Strategic Investors headed by Mr. Teik Seng Cheah in the amount of Six Hundred Seventy Three Million Seven Hundred Ninety One Thousand Six Hundred Sixty Two Pesos (P673,791,662.00)
- IV. Election of the Members of the Board of Directors
- V. Appointment of the External Auditor

#### **MATTERS NOT REQUIRED TO BE SUBMITTED**

The approval and ratification of all the acts of the Board of Directors for the period from 29 June 2015 to 28 June 2016.

As a matter of corporate policy, Management seeks the approval and ratification by the Stockholders of all acts, contracts, investments and resolutions of the Board of Directors and Management since 29 June 2015, or the last Annual Meeting. These are reflected in the minutes of meetings of the Board of Directors, the regular reports and disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange, the 2015 Annual Report and the report of the Chairman and President.

The acts of the Board of Directors and Management pertain primarily to acts in the normal course of business and compliance with and submission of all regulatory requirements, reports and financial statements, audited and unaudited from period to period.

Any negative vote with respect to the above matter would not affect the validity of the acts, contracts, investments and resolutions considering that Management has sufficient delegated powers to do the same.

## **NOMINATION AND VOTING PROCEDURES:**

### **A. Nomination Procedure**

- (1) The Nomination Committee shall promulgate the guidelines or criteria to govern the conduct of the nomination. The same shall be properly disclosed in the company's information or statement or such other reports required to be submitted to the Securities and Exchange Commission.
- (2) All nominations for regular and independent directors shall be signed by the nominating stockholders, who must be of good standing, together with the acceptance and conformity by the would-be nominees. The nominations should specify whether the nomination is for regular or independent director.
- (3) All nominations must be submitted to the Nomination Committee at least five (5) days before the stockholders' meeting to enable the Nomination Committee to effectively pass upon the qualifications of all nominees for regular and independent directors.
- (4) After screening the qualifications of all nominees, the Nomination Committee shall prepare a Final List of Candidates of both regular and independent directors five (5) days before the stockholders' meeting. Both Lists shall contain all the information about all the nominees for regular director and independent director, as required by under the Securities Regulation Code ("SRC") and its Implementing Rules and Regulations, which list shall be made available to the SEC and to the stockholders through the filing and distribution of the Information Statement.
- (5) Only nominees whose names appear on the Final List of Candidates for regular and independent directors shall be eligible for election as Regular and Independent Directors. No other nominations for both regular and independent director shall be entertained after the Final List of Candidates shall have been prepared by the Nomination Committee. No further nominations for regular and independent director shall be entertained or allowed on the floor during the actual annual/special stockholders' meeting.
- (6) Except as those required under the SRC and subject to pertinent existing laws, rules and regulations of the SEC, the conduct of the election of regular and independent directors shall be made in accordance with these rules of procedure.
- (7) The Company shall elect at least two (2) independent directors. It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing at least two (2) independent directors. He shall ensure that at least two (2) independent directors are elected during the stockholders' meeting.

### **B. Vote Requirement**

1. For Election of Directors

The aforementioned action will require that the majority of the shares of the Company's common stock are present and represented and entitled to vote at the Annual Meeting.

Voting is executed through balloting or by other means approved by the stockholders.

Pursuant to Section 24 of the Corporation Code, candidates receiving the highest number of votes shall be declared elected.

2. Ratification of all Acts of Management and the Board of Directors for the period of 29 June 2015 to 28 June 2016.

The affirmative vote of the majority votes cast by the stockholders is sufficient for ratification.

Election is executed through balloting or by other means approved by the stockholders.

3. Appointment of the External Auditor.

The affirmative vote of the majority votes cast by the stockholders is sufficient for ratification.

Election is executed through balloting or by other means approved by the stockholders.

## Article XVII

### Voting

"At all corporate meetings, each stockholder, either in person or by proxy, shall be entitled to as many votes as he owns shares of stock. xxx"

Canvassing of ballot and counting of votes shall be done by the Office of the Corporate Secretary.

#### a. Procedure on Voting and Vote Requirement

The voting on the matter of approval by the stockholders will be done through ballots which shall be collected and counted by the Corporate Secretary.

### C. Procedure For Election of Regular and Independent Directors

1. There shall be two (2) rounds of voting. The first round shall be the election of the nine (9) regular directors, and the second round shall be the election of the two (2) independent directors. This is to ensure that the independent directors are duly elected by the stockholders as required by the SRC.
2. Voting is by viva voce or by acclamation. However, the election must be by ballot if requested by any stockholder.
3. Every stockholder has the right to cumulative voting.



**SIGNATURES**

After reasonable inquiry and to the best of our knowledge and belief, we certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig on 12 MAY 2016.


Registrant : **MJC INVESTMENTS CORPORATION**  
Date : 12 MAY 2016

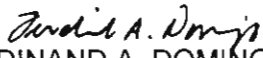
By:

  
ALFONSO R. REYNO, JR.  
*Chairman of the Board & President*

  
ALFONSO VICTORIO G. REYNO III  
*Vice-President*

  
JOSE ALVARO D. RUBIO  
*Chief Finance Officer*

  
GLENN P. LAGUNDINO  
*Finance Assistant Manager*

  
FERDINAND A. DOMINGO  
*Corporate Secretary*

SUBSCRIBED AND SWORN TO before me this day of 12 MAY 2016 at Pasig City, affiants exhibiting to me their ID Nos., as follows:

<u>Names</u>	<u>ID Nos.</u>	<u>Date/Place Issued</u>
Alfonso R. Reyno, Jr.	TIN No. 114-555-166	Manila, Philippines
Alfonso Victorio G. Reyno III	TIN No. 903-359-248	Manila, Philippines
Ferdinand A. Domingo	TIN No. 145-006-236	Manila, Philippines
Jose Alvaro D. Rubio	TIN No. 109-945-552	Manila, Philippines
Glenn P. Lagundino	TIN No. 415-213-384	Manila, Philippines

Doc. No. 88 ;  
Page No. 19 ;  
Book No. IV ;  
Series of 2016.

ATTY. GHIÑO PAOLO Z. ROXAS  
NOTARY PUBLIC  
~~APPOINTMENT NO. M-142 (2015-2016)~~  
Until December 31, 2016  
PTR No. 1418810/01-07-16/PASIG CITY  
IBP No. 1022669/01-07-16/MAKATI CITY  
CITIES OF PASIG, TAGUIG, SAN JUAN AND PATEROS  
Roll of Attorney No. 57018

## REPORT REQUIRED UNDER SRC RULE 20

### MANAGEMENT REPORT

#### A. Audited Consolidated Financial Statements

The audited financial statements of the registrant as of 31 December 2015 and interim unaudited financial statements as of 31 March 2016 are attached herewith.

#### B. Changes in and Disagreements with Accountants on Accounting and Financing Disclosures

No disagreements with the independent public accountant.

#### C. Management Discussion and Analysis or Plan of Operation

Total current assets as of 31 March 2016, amounted to **P1,223.52** Million showing an increase of **P988.80** Million or **80.82%** as compared to the 31 December 2015 balance of **P2,212.33** Million. The increase is primarily due to the cash proceeds from the subscriptions of capital stocks.

Total non-current assets as of 31 March 2016, increased to **P4,732.37** Million from the balance of **P3,854.33** Million as of 31 December 2015, with an increase of **P878.04** Million or **2.28%**. The increase is due to the project-related expenditures classified under the property, plant and equipment.

Accrued expenses and other liabilities as of 31 March 2016, amounted to **P589.77** Million showing a decrease of **P35.46** Million or **(0.06%)**, compared to the 31 December 2015 balance of **P625.23** Million. The decrease is mainly due to the settlements of construction cost incurred for the development project in Manila.

For the three-month period ending 31 March 2016, the Company's revenues amounted to **P11,905** Million. There is an increase of **P11,905** Million or **(27.27%)** compared to the income for the same period in 2015. Revenues for the 1<sup>st</sup> quarter of 2016 are merely attributable to 40% PAGCOR revenue share, food and beverage sales, and interest earned on short-term investments.

Costs and expenses inclusive of provision for final tax for the three-month period ended 31 March 2016 and for the same period in 2015 amounted to **P48.86** and **P8.65** Million respectively. Professional Fees and Utilities Expenses indicate the large percentage of the expenses for the 1<sup>st</sup> quarter of 2016, while Salaries and Wages for 2015.

Net loss amounted to **P36.55** Million for the three-month period ending 31 March 2015. There is an increase of **P29.57** Million from the net loss of **P6.98** Million for the same period in 2015.

This is understandable considering that the Company is under Pre-Operating stage.

The following are the comparative key performance indicators of the Company and the manner of its computation as of the period ended 31 March 2016 and 2015:

Indicators	Manner of Computation	As of the Period Ended	
		Mar 31, 2015	Mar 31, 2014
Current Ratio	<u>Current Assets</u>	2.07:1	8.13:1

#### Current Liabilities

Debt Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Total Equities}}$	1.03:1	0.05:1
Asset Liability Ratio	$\frac{\text{Total Assets}}{\text{Total Liabilities}}$	1.97:1	20.90:1

Current ratio is regarded as a measure of the Company's liquidity or its ability to meet maturing obligations. As of 31 March 2016, the current ratio decreased to **2.07** compared to **8.13** as of 31 March 2015. The outstanding payable in 2016 mostly consists of project-related expenditures. The Company has **P2.07** current assets to support a **P1.00** current liability.

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 31 March 2016, the debt to equity ratio has increased to **1.03** from **0.05** from 31 March 2015. The effect of high debt to equity ratio indicates higher risk, as debt holders may have higher claims on the Company's assets.

The asset-liability ratio, exhibits the relationship of the total assets of the Company with its total liabilities. As of 31 March 31, 2016, the ratio decreased to **1.97** from **20.90** on 31 March 2015. The result indicates that for every **P1.00** of liability, the Company has **P1.97** of assets.

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.

There are substantial commitments on capital expenditures, specifically for the on-going construction of the hotel and entertainment project on its property located in Sta. Cruz, Manila.

#### D. External Audit Fees and Services

The Company expects to pay its external auditor, Sycip, Gorres, Velayo & Co. ("SGV") an aggregate amount of P550,000.00 as professional fees for the audit of its annual financial statements for the year ended 31 December 2015. There was an increase in the audit fee due to increased volume of transactions as we are in the final stage of the developing a hotel-entertainment casino. Also, SGV is tasked to review the operational procedures for gaming operations, which the Audit Committee approved. No other fees were paid to said team of auditors for other services.

The engagement of an external auditor as well as the type of services to be rendered to the Company is being evaluated by the Audit Committee and recommended to the Board. Likewise, the payment of audit fees is being evaluated by the same Committee prior to remittance. Lastly, the Audit Committee approves the audited financial statements and recommends its approval to the Board of Directors.

#### E. General Nature and Scope of Business

The Corporation was formed in 1955 to engage in mining business. However, the Corporation stopped its mining operations and eventually changed its primary purpose form

mining to that of an investments holding company (approved by the SEC on February 12, 1997).

As provided for in its Amended Articles of Incorporation, the Corporation is formed primarily "to acquire by purchase, lease, or otherwise, lands or interest in lands and realty, and to own, hold, improve, develop said land or lands 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, and to rebuild, enlarge, alter, improve, or remodel any building or other structures now or hereafter erected on any lands or real estate so owned, held, or occupied, and to manage and by the corporation."

#### F. Market Price and Dividends

- The principal market of the common equity of the Company is the Philippine Stock Exchange. Provided below is a table indicating the high and low sales price of the common equity of the Company for 2014 to 2016.

		<u>2014</u>			
		<u>1<sup>st</sup> Quarter</u>	<u>2<sup>nd</sup> Quarter</u>	<u>3<sup>rd</sup> Quarter</u>	<u>4<sup>th</sup> Quarter</u>
		Price	Price	Price	Price
HIGH		3.55	4.00	3.50	3.80
LOW		3.10	3.16	3.16	3.16
		<u>2015</u>			
		<u>1<sup>st</sup> Quarter</u>	<u>2<sup>nd</sup> Quarter</u>	<u>3<sup>rd</sup> Quarter</u>	<u>4<sup>th</sup> Quarter</u>
		Price	Price	Price	Price
HIGH		3.98	4.20	4.25	3.79
LOW		3.15	1.99	2.10	2.80
		<u>2016</u>			
		<u>1<sup>st</sup> Quarter</u>	<u>2<sup>nd</sup> Quarter</u>	<u>3<sup>rd</sup> Quarter</u>	<u>4<sup>th</sup> Quarter</u>
		Price	Price	Price	Price
HIGH		4.57	3.32	--	--
LOW		3.00	3.32	--	--

The price per share is 3.50 as of 31 December 2015.

- There are Four Hundred Forty Four (444) holders of common equity of the Corporation as of 11 May 2016. The Company has no other class of shares.
- Top Twenty Stockholders as of Record Date of 11 May 2016.

<u>No.</u>	<u>Stockholders</u>	<u>No. of Shares</u>	<u>%</u>	<u>Title of Class</u>
1.	PCD NOMINEE CORPORATION	1,406,030,397	44.29%	Common
2.	ONE WISTERIA LOOP HOLDINGS, INC.	145,000,000	4.56%	Common
3.	ORCHARDSTAR HOLDINGS, INC.	140,000,000	4.41%	Common
4.	PURPLE CASSADY HOLDINGS, INC.	140,000,000	4.41%	Common
5.	FLYING HERON HOLDINGS, INC.	140,000,000	4.41%	Common
6.	EAST BONHAM HOLDINGS, INC.	140,000,000	4.41%	Common
7.	CHERRY GROVE HOLDINGS, INC.	140,000,000	4.41%	Common
8.	BELLTOWER LAKES HOLDINGS, INC.	140,000,000	4.41%	Common
9.	BRANFORD RIDGE HOLDINGS, INC.	140,000,000	4.41%	Common
10.	MULBERRY ORCHID HOLDINGS, INC.	140,000,000	4.41%	Common
11.	EVERDEEN SANDS HOLDINGS, INC.	122,300,000	3.85%	Common

12. BELGRAVE SQUARE HOLDINGS, INC.	122,300,000	3.85%	Common
13. SAVILE ROW HOLDINGS, INC.	122,300,000	3.85%	Common
14. FAIRBROOKS HOLDINGS, INC.	122,300,000	3.85%	Common
15. MONTBRECIA PLACE HOLDINGS, INC.	122,300,000	3.85%	Common
16. PEPPERBERRY VISTA HOLDINGS, INC.	122,291,662	3.85%	Common
17. ARIES PRIME GLOBAL HOLDINGS	112,388,152	3.54%	Common
18. ALFONSO R. REYNO, JR.	26,320,408	0.82%	Common
19. MA. LOURDES CORONADO	26,026,424	0.82%	Common
20. STEPHANIE TERESA MAGSARILI	13,170,000	0.41%	Common

No cash dividends were declared for the two (2) most recent fiscal years. The lack of sufficient retained earnings limits the ability of the Company to declare and pay dividends.

#### 4. Recent Sales of Unregistered Securities or Exempt Securities, including Recent Issuance of Securities Constituting an Exempt Transaction

There are no new sales of unregistered or exempt securities during the two (2) most recent fiscal years.

### Discussion on Compliance with Leading Practices on Corporate Governance

The Company, through its Compliance Officer, established an evaluation system to measure or determine the level of compliance of the Board of Directors and management with the Manual. The Compliance Officer monitors this through a regular checklist system after interview and consultation with all parties concerned.

In compliance with SEC Memorandum Circular No. 20, series of 2013, Director Alfonso Victorio G. Reyno III and Atty. Lemuel M. Santos, Corporate Information and Compliance Officer, attended a Corporate Governance seminar at the Grand Ballroom of InterContinental Manila dated 15 October 2015. On 23 November 2015, Director Jose Alvaro D. Rubio, Angelica T. Vega, then Financial Comptroller of the Company, and Independent Director Laurito E. Serrano attended the seminar held at the Garden Room 2 of Marriott Hotel Manila. Directors Alfonso R. Reyno, Jr., Teik Seng Cheah, Ferdinand A. Domingo, Gabriel A. Dee, Bernadette V. Quiroz, Dennis Ryan C. Uy, Cherrylyn Prado-Caoile, John Anthony B. Espiritu, and Victor P. Lazation attended a Corporate Governance seminar at the Makati Golf Club dated 10 December 2015. The Company also updated its Manual on Corporate Governance in compliance with SEC Memorandum Circular No. 9, series of 2014, submitted and approved last 2014.

For the past three (3) years or from 2014 to 2016, there was no deviation from the Company's Manual on Corporate Governance. The Board of Directors supports strict adherence to the same by continuously strengthening the Internal Audit Department, which is now immediately under the control and supervision of the Board of Directors through its Audit Committee. Thus, the recommendation of the Board of Directors as directly issued to the aforesaid department, and at the same time, any findings of the Internal Audit Department are directly relayed to the Board of Directors.

### G. UNDERTAKING TO PROVIDE AMENDED ANNUAL REPORT

The registrant undertakes to provide each stockholder without charge with a copy of its Amended Annual Report (SEC Form 17-A) upon written request to the registrant addressed to:

**The Corporate Secretary**  
12/F Strata 100 Building  
F. Ortigas Jr. Road, Ortigas Center  
Pasig City

**MJC INVESTMENTS CORPORATION  
BALANCE SHEETS**

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash in Bank (Note 5)	275,581,261.00	1,240,357,420
Receivables	111,924,556.00	111,935,123
Inventories	54,549,496.00	44,744,841
Advances to Contractors and suppliers	423,626,811.00	481,736,341
Input value added tax (VAT)	344,862,684.00	320,420,400
Prepayments	12,978,169.00	13,132,989
Total Current Assets	1,223,522,977.00	2,212,327,114
<b>Noncurrent Assets</b>		
Property and Equipment	4,655,743,209.00	3,816,228,041
Deferred Input VAT	76,631,047.00	38,100,275
Total Noncurrent Assets	4,732,374,256.00	3,854,328,316
TOTAL ASSETS	5,955,897,233.00	6,066,655,430
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accrued expenses and other current liabilities	589,763,649.00	625,226,804
Income tax payable	3,318.00	3,318
Total Current Liabilities	589,766,967.00	625,230,122
<b>Noncurrent Liabilities</b>		
Loans Payable	2,436,701,860.00	2,475,451,860
Total Liabilities	3,026,468,827.00	3,100,681,982
<b>Equity</b>		
Capital stock	3,135,666,102.00	3,135,666,102
Deficit	(206,237,696.00)	(169,692,654)
Total Equity	2,929,428,406.00	2,965,973,448
TOTAL LIABILITIES AND EQUITY	5,955,897,233.00	6,066,655,430

**MJC INVESTMENTS CORPORATION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIODS ENDED MARCH 31, 2016 and 2015**  
(Unaudited)

	2016	2015
<b>GAMING REVENUE - 40% PAGCOR SHARE</b>	11,837,913	-
<b>F&amp;B REVENUE</b>	66,962	-
<b>INVESTMENT GAINS (LOSSES)</b>		
Gain on sale of held for trading investments	-	-
<b>TOTAL OPERATING REVENUE</b>	<b>11,904,875</b>	
<b>COST OF SALES</b>		
Food	671,593	-
Beverage	1,028,815	-
	<b>1,700,408</b>	
<b>EXPENSES</b>		
Salaries and Wages	2,705,979	6,646,999
Filing and Listing Fees	806,311	254,450
Meetings and Conferences	447,716	22,397
Travel and Transportation	444,608	17,387
Professional Fees	12,675,461	565,668
Directors Fees	-	-
Rental Expense	751,364	342,697
Representation	-	-
Supplies	3,598,090	15,501
Utilities	13,240,005	68,462
Taxes and Licenses	2,770,939	5,066
Depreciation Expense	4,475,828	153,617
Others	5,242,310	555,118
	<b>47,158,611</b>	<b>8,647,362</b>
<b>OTHER INCOME (CHARGES)</b>		
Interest Income	511,272	2,078,763
		<b>2,078,763</b>
<b>INCOME/ (LOSS) BEFORE INCOME TAX</b>	<b>(36,442,872)</b>	<b>(6,568,599)</b>
PROVISION FOR (BENEFIT FROM) INCOME TAX	102,170	415,753
<b>NET INCOME/ (LOSS)</b>	<b>(36,545,042)</b>	<b>(6,984,352)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		-
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>(36,545,042)</b>	<b>(6,984,352)</b>
Basic/Diluted Losses Per Share	<b>(P0.012)</b>	<b>(P0.003)</b>

**MJC INVESTMENTS CORPORATION**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTERS ENDED MARCH 31, 2016 and 2015**  
**(Unaudited)**

	Capital Stock					Total
	Subscribed	Subscription	Net	Additional	Deficit	
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
Collection of subscription receivable		66,808,835	66,808,835			66,808,835
Transaction cost on Stock issuance*			-		(3,368,958)	(3,368,958)
Total Comprehensive loss for the year	-	-	-	-	(53,939,809)	(53,939,809)
BALANCES AT DECEMBER 31, 2015*	3,174,405,821	(38,739,719)	3,135,666,102	-	(169,692,654)	2,965,973,448
Total Comprehensive loss for the quarter**			-		(36,545,042)	(36,545,042)
BALANCES AT MARCH 31, 2016**	3,174,405,821	(38,739,719)	3,135,666,102	-	(206,237,696)	2,929,428,406
<hr/>						
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)
Total Comprehensive loss for the quarter*					(6,984,351)	(6,984,351)
BALANCES AT MARCH 31, 2015*	3,174,405,821	(105,548,554)	3,068,857,267	-	(122,737,196)	2,946,120,071

\* Audited

\*\* Unaudited



**MJC INVESTMENTS CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIODS ENDED MARCH 31, 2016 AND 2015**  
**(UNAUDITED)**

	<b>MARCH 2016</b>	<b>MARCH 2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income(Loss) before Income Tax	(36,442,872.00)	(6,568,598.00)
Adjustment for:		
Interest Income	(511,272.00)	(2,078,763.00)
Depreciation	4,475,828.00	153,617.00
Operating loss before working capital changes	(32,478,316.00)	(8,493,744.00)
Decrease (Increase) in:		
Advances to Contractors and Suppliers	58,109,530.00	(79,210,754.00)
Receivables	10,566.00	560,156.00
Input Value added tax		
Current	(24,442,284.00)	(34,378,003.00)
Deferred	(38,530,772.00)	6,427,960.00
Inventories	(9,804,655.00)	
Prepayments	154,820.00	(100,548.00)
Accrued expenses and other liabilities	(35,463,154.00)	(61,882,387.00)
Net cash generated from (used in) operations	(82,444,265.00)	(177,077,320.00)
Income taxes paid, including creditable withholding and final taxes	(102,170.00)	(415,753.00)
Net cash flows provided by (used in) operating activities	<b>(82,546,435.00)</b>	<b>(177,493,073.00)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of property and equipment (Note9)	(843,990,996.00)	(150,316,606.00)
Interest Received	511,272.00	2,078,763.00
Net cash flows provided by (used in) investing activities	<b>(843,479,724.00)</b>	<b>(148,237,843.00)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from subscription of capital stock	-	673,791,662.00
Payment of interest on Loans	(38,750,000.00)	
Transaction cost for issuance of capital stock	-	(3,368,958.00)
Net cash flows provided by (used in) financing activities	<b>(38,750,000.00)</b>	<b>670,422,704.00</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(964,776,159.00)</b>	<b>344,691,788.00</b>
<b>CASH AT BEGINNING OF THE YEAR</b>	<b>1,240,357,420.00</b>	<b>290,984,133.00</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIODS</b>	<b>275,581,261.00</b>	<b>635,675,921.00</b>

MJC INVESTMENTS CORPORATION  
 AGING SCHEDULES OF RECEIVABLES  
 AS OF MARCH 31, 2016  
 (UNAUDITED)

PARTICULARS	CURRENT	1-30 DAYS	31-60 DAYS	61-120 DAYS	121-180 DAYS	181-360 DAYS	OVER ONE YEAR	TOTAL
Receivables from SPPC					225,000.00		111,379,802.90	111,604,802.90
Advances to Employees						186,042.32	144,276.48	330,318.80
<b>TOTAL</b>	-	-	-	-	225,000.00	186,042.32	111,524,079.38	111,935,121.70

## CERTIFICATION OF INDEPENDENT DIRECTORS

I, **VICTOR P. LAZATIN**, Filipino, of legal age and with business address at 26<sup>th</sup> Floor, Accralaw Tower, Crescent Park West, Fort Bonifacio, Taguig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of MJC Investments Corporation ("MJIC").
2. I am affiliated with the following companies:

Company	Position/Relationship	Period of Service
Angara Abello Concepcion Regala and Cruz Law Offices	Of-Counsel	2012 to present
Angara Abello Concepcion Regala and Cruz Law Offices	Senior Partner	1992 to 2012


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of MIC as provided for in Section 38 of the Securities Regulation Code and its Implementation Rules and Regulations.
4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
5. I shall inform the Corporate Secretary of MJIC of any changes in the abovementioned within five (5) days from its occurrence.

DONE this 11 MAY 2016 day of May 2016 at Pasig City.

  
**VICTOR P. LAZATIN**  
Affiant

SUBSCRIBED AND SWORN to before me this day of 11 MAY 2016 at Pasig City, affiant personally appeared before me and exhibited to me his Tax Identification No. 125-673-098 issued in the Philippines.

Doc. No. 148 ;  
Page No. 31 ;  
Book No. II ;  
Series of 2016.

  
**MING-JINGIS ROMERO**  
NOTARY PUBLIC  
APPOINTMENT NO. 153 (2016-2017)  
UNTIL DECEMBER 31, 2017  
PTR NO. 1418807/01-07-16/PASIG CITY  
IBP NO. 1022670/01-07-16/QUEZON CITY  
CITIES OF PASIG, SAN JUAN AND PATEROS  
ROLL OF ATTORNEY NO. 60827

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **LAURITO E. SERRANO**, Filipino, of legal age and a resident of 4205C Madras St., Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I was re-elected as an independent director of **MJC INVESTMENTS CORPORATION (MIC)** during the Annual Shareholders' Meeting of MIC on 29 June 2015.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service/ Affiliation Period
Philippine Veterans Bank	Director	Since June 2012
Atlas Consolidated Mining and Development Corporation	Independent Director	Since August 2012
APC Group, Inc.	Independent Director	Since June 2013
MRT Dev. Corporation	Director	Since July 2013
Travellers International Hotel Group Inc.	Independent Director	Since November 2013
Pacific Online Systems Inc.	Independent Director	Since May 2014
Alsons Prime Investments Corporation	Director	Since July 2015
Sagittarius Mines, Inc.	Director	Since August 2015
Indophil Resources Phils Inc.	Director	Since April 2016

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

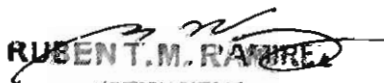
Done, this on MAY 11 2016 in PASAY CITY

  
**LAURITO E. SERRANO**  
 Affiant

MAY 11 2016

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ in MAKATI CITY affiant personally appeared before me and exhibited to me his Driver's License No. N05-79-030116 valid until 03 August 2016.

Doc. No. 9;  
 Page No. 5;  
 Book No. 225  
 Series of 2016.

  
**RUBEN T. M. RAMIREZ**  
 NOTARY PUBLIC  
 UNTIL DEC 31, 2016  
 IBP No. 100157110Y2016

TEL NO. 28997700 / FAX NO. 40006326 / 6/19/10  
 PTR NO. MKT. 5322 / 04/18 MAKATI CITY



12F Strata 100 Bldg., F. Ortigas Jr. Road, Ortigas Center, Pasig City  
Tel. No. 632-7373/Fax No. 631-2846

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The management of MJC Investments Corporation Doing business under the name and style of Winford Leisure And Entertainment Complex and Winford Hotel and Casino is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2015 and 2014 in accordance with the prescribed reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

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

Signature:

Printed Name of the Chairman of the Board /  
CEO:

ALFONSO R. REYNO JR.

Signature:

Printed Name of Chief Financial Officer:

JOSE ALVARO D. RUBIO

Signed this 15 day of April, 2016

APR 15 2016

Subscribed and Sworn to before me this \_\_\_\_\_  
Affiant exhibit to me his/her CTC No. \_\_\_\_\_  
dated on / at \_\_\_\_\_

421  
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H.

NOTARY ATTESTATION  
SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_  
dated on / at \_\_\_\_\_

## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
MJC INVESTMENTS CORPORATION  
Doing business under the name and style of Winford Leisure And Entertainment Complex and  
Winford Hotel and Casino  
(Formerly MJC Investments Corporation)  
Winford Hotel and Casino,  
MJC Drive, Sta. Cruz, Manila

### Report on the Financial Statements

We have audited the accompanying financial statements of MJC INVESTMENTS CORPORATION Doing business under the name and style of Winford Leisure And Entertainment Complex and Winford Hotel and Casino (Formerly MJC Investments Corporation), which comprise the statements of financial position as at December 31, 2015 and 2014, and the statements of comprehensive loss, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditors' Responsibility*

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

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

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



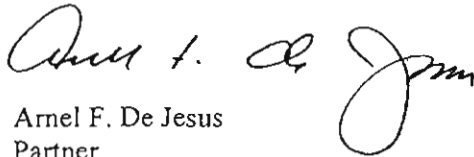
*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of MJC INVESTMENTS CORPORATION Doing business under the name and style of Winford Leisure And Entertainment Complex and Winford Hotel and Casino (Formerly MJC Investments Corporation) as at December 31, 2015 and 2014, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2015 in accordance with Philippine Financial Reporting Standards.

**Report on the Supplementary Information Required Under Revenue Regulations 15-2010**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 24 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and are not a required part of the basic financial statements. Such information are the responsibility of the management of MJC INVESTMENTS CORPORATION Doing business under the name and style of Winford Leisure And Entertainment Complex and Winford Hotel and Casino (Formerly MJC Investments Corporation). The information have been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the information are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Arnel F. De Jesus  
Partner

CPA Certificate No. 43285

SEC Accreditation No. 0075-AR-3 (Group A),  
February 14, 2013, valid until April 30, 2016

Tax Identification No. 152-884-385

BIR Accreditation No. 08-001998-15-2015,  
June 26, 2015, valid until June 25, 2018

PTR No. 5321627, January 4, 2016, Makati City

April 11, 2016

**MJC INVESTMENTS CORPORATION**

Doing business under the name and style of Winford Leisure And Entertainment Complex and Winford Hotel and Casino  
(Formerly MJC Investments Corporation)

**STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2015	2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 6)	P1,240,357,420	P290,984,133
Receivables (Note 7)	111,935,123	114,844,671
Inventories	44,744,841	-
Advances to contractors and suppliers (Note 8)	481,736,341	145,694,020
Input value added tax (VAT) (Note 9)	320,420,400	193,158,618
Prepayments (Note 12)	13,132,989	1,230,890
<b>Total Current Assets</b>	<b>2,212,327,114</b>	<b>745,912,332</b>
<b>Noncurrent Assets</b>		
Property and equipment (Note 10)	3,816,228,041	1,733,107,032
Deferred input VAT (Note 9)	38,100,275	13,569,247
<b>Total Noncurrent Assets</b>	<b>3,854,328,316</b>	<b>1,746,676,279</b>
<b>Total Assets</b>	<b>P6,066,655,430</b>	<b>P2,492,588,611</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other current liabilities (Note 11)	P625,226,804	P209,900,893
Income tax payable	3,318	6,000
<b>Total Current Liabilities</b>	<b>625,230,122</b>	<b>209,906,893</b>
<b>Noncurrent Liabilities</b>		
Loans payable (Note 12)	2,475,451,860	-
<b>Total Liabilities</b>	<b>3,100,681,982</b>	<b>209,906,893</b>
<b>Equity</b>		
Capital stock (Note 18)	3,135,666,102	2,395,065,605
Deficit	(169,692,654)	(112,383,887)
<b>Total Equity</b>	<b>2,965,973,448</b>	<b>2,282,681,718</b>
<b>Total Liabilities and Equity</b>	<b>P6,066,655,430</b>	<b>P2,492,588,611</b>



See accompanying Notes to Financial Statements.





**MJC INVESTMENTS CORPORATION**  
**Doing business under the name and style of Winford Leisure And Entertainment**  
**Complex and Winford Hotel and Casino**  
**(Formerly MJC Investments Corporation)**

**STATEMENTS OF COMPREHENSIVE LOSS**

	Years Ended December 31		
	2015	2014	2013
<b>REVENUE</b>			
Interest income (Note 13)	₱4,793,659	₱10,178,114	₱10,917,012
<b>EXPENSES</b>			
Salaries and wages	23,221,601	17,449,825	19,102,206
Interest expense (Note 12)	14,499,279	-	-
Professional fees	6,763,212	1,671,000	2,720,838
Utilities	5,191,770	577,211	282,239
Rent (Note 15)	3,492,288	1,448,736	861,021
Depreciation (Note 10)	650,533	489,366	35,018
Meetings and conferences	563,400	3,195,012	4,221,677
Directors' fees (Note 17)	449,000	707,000	843,500
Transportation and travel	353,881	3,020,204	4,148,333
Filing and listing fees	260,010	2,473,898	7,547,960
Taxes and licenses	236,442	46,705	40,526
Supplies	152,906	110,363	65,389
Representation	106,830	62,117	263,403
Others	1,864,173	1,164,087	572,693
	57,805,325	32,415,524	40,704,803
<b>LOSS BEFORE INCOME TAX</b>	53,011,666	22,237,410	29,787,791
<b>PROVISION FOR INCOME TAX (Note 14)</b>	928,143	1,981,623	2,129,377
<b>NET LOSS</b>	53,939,809	24,219,033	31,917,168
<b>OTHER COMPREHENSIVE INCOME</b>	-	-	-
<b>TOTAL COMPREHENSIVE LOSS</b>	₱53,939,809	₱24,219,033	₱31,917,168
<b>Basic/Diluted Losses Per Share (Note 19)</b>	₱0.02	₱0.01	₱0.02

See accompanying Notes to Financial Statements.

**MJC INVESTMENTS CORPORATION**

Doing business under the name and style of Winford Leisure And Entertainment Complex and Winford Hotel and Casino  
(Formerly MJC Investments Corporation)

**STATEMENTS OF CHANGES IN EQUITY**

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

	Capital Stock (Note 18)		Net	Deficit	Total
	Subscribed and Issued	Subscription receivables			
<b>BALANCES AT</b>					
<b>DECEMBER 31, 2014</b>	<b>₱2,500,614,159</b>	<b>(₱105,548,554)</b>	<b>₱2,395,065,605</b>	<b>(₱112,383,887)</b>	<b>₱2,282,681,718</b>
Subscription of capital stock	673,791,662	-	673,791,662	-	673,791,662
Collection of subscriptions receivable	-	66,808,835	66,808,835	-	66,808,835
Transaction costs on issuance of capital stock (Note 18)	-	-	-	(3,368,958)	(3,368,958)
Total comprehensive loss for the year	-	-	-	(53,939,809)	(53,939,809)
<b>BALANCES AT</b>					
<b>DECEMBER 31, 2015</b>	<b>₱3,174,405,821</b>	<b>(₱38,739,719)</b>	<b>₱3,135,666,102</b>	<b>(₱169,692,654)</b>	<b>₱2,965,973,448</b>
<b>BALANCES AT</b>					
<b>DECEMBER 31, 2013</b>	<b>₱2,500,614,159</b>	<b>(₱105,548,554)</b>	<b>₱2,395,065,605</b>	<b>(₱88,164,854)</b>	<b>₱2,306,900,751</b>
Total comprehensive loss for the year	-	-	-	(24,219,033)	(24,219,033)
<b>BALANCES AT</b>					
<b>DECEMBER 31, 2014</b>	<b>₱2,500,614,159</b>	<b>(₱105,548,554)</b>	<b>₱2,395,065,605</b>	<b>(₱112,383,887)</b>	<b>₱2,282,681,718</b>
<b>BALANCES AT</b>					
<b>DECEMBER 31, 2012</b>	<b>₱237,902,978</b>	<b>(₱71,681,877)</b>	<b>₱166,221,101</b>	<b>(₱47,938,131)</b>	<b>₱118,282,970</b>
Subscription of capital stock	2,262,711,181	(73,652,958)	2,189,058,223	-	2,189,058,223
Collection of subscriptions receivable	-	39,786,281	39,786,281	-	39,786,281
Transaction costs on issuance of capital stock	-	-	-	(8,309,555)	(8,309,555)
Total comprehensive loss for the year	-	-	-	(31,917,168)	(31,917,168)
<b>BALANCES AT</b>					
<b>DECEMBER 31, 2013</b>	<b>₱2,500,614,159</b>	<b>(₱105,548,554)</b>	<b>₱2,395,065,605</b>	<b>(₱88,164,854)</b>	<b>₱2,306,900,751</b>

See accompanying Notes to Financial Statements.

**MJC INVESTMENTS CORPORATION**  
**Doing business under the name and style of Winford Leisure And Entertainment**  
**Complex and Winford Hotel and Casino**  
**(Formerly MJC Investments Corporation)**

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**STATEMENTS OF CASH FLOWS**

	Years Ended December 31		
	2015	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax	(P53,011,666)	(P22,237,410)	(P29,787,791)
Adjustments for:			
Interest expense (Note 12)	14,499,279	-	-
Interest income (Note 13)	(4,793,659)	(10,178,114)	(10,917,012)
Depreciation (Note 10)	650,533	489,366	35,018
Operating loss before working capital changes	(42,655,513)	(31,926,158)	(40,669,785)
Decrease (increase) in:			
Advances to contractors and suppliers	(336,042,321)	(37,372,062)	-
Inventories	(44,744,841)	-	-
Receivables	2,855,871	(515,717)	(108,821,958)
Input VAT :			
Current	(127,261,782)	(90,328,403)	(28,699,820)
Deferred	(24,531,028)	(6,646,272)	(6,922,975)
Prepayments	(6,902,099)	(330,800)	(900,090)
Increase in accounts payable and other current liabilities	399,961,326	124,733,509	69,407,765
Net cash used in operations	(179,320,387)	(42,385,903)	(116,606,863)
Income taxes paid	(930,825)	(1,981,623)	(2,126,877)
Net cash flows used in operating activities	(180,251,212)	(44,367,526)	(118,733,740)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property and equipment (Note 10)	(2,083,771,542)	(891,700,348)	(231,254,282)
Interest received	4,847,336	10,747,698	10,002,867
Net cash flows used in investing activities	(2,078,924,206)	(880,952,650)	(221,251,415)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from availment of loans (Note 12)	2,470,000,000	-	-
Proceeds from subscription of capital stock (Note 18)	673,791,662	-	1,513,158,223
Collection of subscriptions receivable (Note 18)	66,808,835	-	39,786,281
Transaction costs on issuance of capital stock (Note 18)	(3,368,958)	-	(8,309,555)
Advances received from a related party (Note 17)	1,317,166	1,834,628	927,861
Net cash flows provided by financing activities	3,208,548,705	1,834,628	1,545,562,810
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>949,373,287</b>	<b>(923,485,548)</b>	<b>1,205,577,655</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>290,984,133</b>	<b>1,214,469,681</b>	<b>8,892,026</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)</b>	<b>P1,240,357,420</b>	<b>P290,984,133</b>	<b>P1,214,469,681</b>

*See accompanying Notes to Financial Statements.*

**MJC INVESTMENTS CORPORATION**  
**Doing business under the name and style of Winford Leisure And Entertainment**  
**Complex and Winford Hotel and Casino**  
**(Formerly MJC Investments Corporation)**

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**NOTES TO FINANCIAL STATEMENTS**

**1. Corporate Information**

MJC INVESTMENTS CORPORATION Doing business under the name and style of Winford Leisure And Entertainment Complex and Winford Hotel and Casino (Formerly 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
June 29, 2015	MJC INVESTMENTS CORPORATION Doing business under the name and style of Winford Leisure and Entertainment Complex and Winford Hotel and Casino

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.

On March 18, 2010, the Company was granted a permit to operate by Philippine Amusement and Gaming Corporation (PAGCOR) for the establishment, maintenance and operation of a casino, PAGCOR San Lazaro, within the San Lazaro Tourism and Business Park 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. On January 6, 2016, the Company held the ceremonial opening of the ground floor gaming and entertainment of Winford Hotel located within the San Lazaro Tourism and Business Park in Sta. Cruz, Manila. The Company expects full commercial operation of the Winford Hotel on the second quarter of 2016.

The registered office address of the Company is Winford Hotel and Casino, MJC Drive, Sta. Cruz, Manila.

**Authorization for the Issuance of Financial Statements**

The financial statements of the Company were approved and authorized for issue by the Board of Directors (BOD) pursuant to a Board Resolution on April 11, 2016.

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## 2. Basis of Preparation and Statement of Compliance

### Basis of Preparation

The financial statements of the Company are prepared using the historical cost basis. The financial statements are presented in Philippine Peso (Peso), which is the Company's functional and presentation currency. All amounts are 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).

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## 3. Summary of Significant Changes in Accounting Policies and Disclosures

### New and Amended Standards and Interpretations

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2015. The adoption of these amendments did not have any significant impact on the financial statements.

- Amendments to Philippine Accounting Standards (PAS) 19, *Defined Benefit Plans: Employee Contributions*

### Annual Improvements to PFRSs 2010 – 2012 Cycle

- PFRS 2, *Share-based Payment* – Definition of Vesting Condition
- PFRS 3, *Business Combinations* – Accounting for Contingent Consideration in a Business Combination
- PFRS 8, *Operating Segments* – Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets
- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets* – Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization
- PAS 24, *Related Party Disclosures* – Key Management Personnel

### Annual Improvements to PFRSs 2011 – 2013 Cycle

- PFRS 3, *Business Combinations* – Scope Exceptions for Joint Arrangements
- PFRS 13, *Fair Value Measurement* – Portfolio Exception
- PAS 40, *Investment Property*

### Future Changes in Accounting Policies

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. The Company intends to adopt these standards when they become effective. Adoption of these standards and interpretations are not expected to have any significant impact on the financial statements of the Company.

No definite adoption date prescribed by the Securities and Exchange Commission (SEC) and Financial Reporting Standard Council (FRSC).

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*





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 reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

#### Cash and Cash Equivalents

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

#### Financial Instruments

##### *Initial Recognition and Measurement*

Financial instruments are recognized initially at fair value, adjusted for directly attributable transaction costs in the case of financial instruments not at Fair Value through Profit or Loss (FVPL). The Company recognizes a financial instrument in the statements 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, which is 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 marketplace.

##### *Categories*

At initial recognition, the Company classifies its financial instruments in the following categories: financial assets and liabilities at FVPL, held-to-maturity investments, available-for-sale financial assets, loans and receivables and other financial liabilities. The classification depends on the purpose for which the financial assets were acquired or the financial liabilities were incurred; definitions of financial asset, financial liability and equity instrument; and whether they are quoted in an active market. Financial liabilities are classified as liabilities or equity in accordance with the substance of the contractual arrangement. At every reporting date, where allowed and appropriate, the designation of financial instruments is reevaluated.

As of December 31, 2015 and 2014, the Company's financial instruments are composed of loans and receivables and other financial liabilities (see Note 22).

##### *Loans and Receivables*

This category is the most relevant to the Company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the



effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statements of income. The losses arising from impairment are recognized in the statements of income in interest income or other operating expenses for receivables. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statements of income. Loans and receivables are composed of cash and cash equivalents (excluding cash on hand) and receivables.

#### *Other Financial Liabilities*

##### *Initial Recognition and Measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Company's other financial liabilities include accounts payable and other current liabilities and loans payable.

##### *Subsequent Measurement*

The measurement of financial liabilities depends on their classification, as described below:

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by PAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statements of income. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PAS 39 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

b) Loans and borrowings

This is the category relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest expense in the statements of income.

### *Offsetting*

A financial asset and a financial liability are offset and the net amount is reported in the Company's statements 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 agreement, and the related assets and liabilities are presented gross in the Company's statements of financial position.

### *Impairment of Financial Assets*

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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

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

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in the profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the 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 account. If a write-off is later recovered, the recovery is credited to interest income in the profit or loss.

### *Derecognition*

#### *a. Financial Assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

*b. Financial Liabilities*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of an original liability and a recognition of a new liability. The difference in the respective carrying amounts is recognized in the profit or loss.

Inventories

Inventories are valued at the lower of cost and net realizable value. These include playing cards and gaming chips and dice of the Winford Hotel and Casino.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Advances to contractors and suppliers

Advances to contractors and suppliers are noninterest-bearing down payments which are recouped by the contractors and suppliers every progress billing payment depending on the percentage of completion.

Prepayments

Prepayments include expenses already paid but not yet incurred and from which future economic benefits are expected to flow to the Company within twelve months from the reporting date. These are measured at cost less impairment loss, if any.

Input VAT

Input VAT pertains to the current VAT portion of the progress billing of the Company's acquisition for the construction of Winford Hotel and Casino in Sta. Cruz, Manila.

Deferred Input VAT

Deferred Input VAT pertains to the VAT related to the retention payable.

Property and Equipment

Property and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and amortization and any accumulated impairment in value.

The initial costs of property and equipment consist of their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use. Expenditures incurred after the property and equipment have been put into operation, such as repair and maintenance costs, are normally recognized in profit or loss in the year 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 additional costs of property and equipment. When each major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement, if the recognition criteria are satisfied.

Depreciation and amortization commence once the assets are available for use, and are provided on all property and equipment at rates calculated to write off the costs, less estimated residual value based on prices prevailing at the reporting date, of the assets evenly over their expected useful lives as follows:

<u>Category</u>	<u>Years</u>
Furniture and fixtures	5 years
Computer software and hardware	3 years
Office equipment	5 years
Transportation equipment	5 years
Health and safety equipment	3 years
Gaming equipment	5 years
Operating equipment	2 years

Depreciation and amortization cease at the earlier of the date when the assets are classified as investment property and the date the assets are derecognized.

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

When an asset is retired or otherwise disposed of, the cost and the accumulated depreciation or amortization, and any impairment in value, are removed from the accounts and any resulting gain or loss is reflected in the profit or loss.

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.

#### Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that nonfinancial assets composed of prepayments and 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 the asset's or Cash Generating Unit's (CGU) 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 pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss, if any, is recognized in profit or loss in an expense category consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that the previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation or 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.

#### Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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 only when the reimbursement is virtually certain and its amount is estimable. The expense relating to any provision is recognized in profit or loss, net of any reimbursement.

#### Equity

##### *Capital Stock*

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

##### *Deficit*

Deficit represents the cumulative balance of net losses, dividend distribution, if any, and effects of changes in accounting policy.

#### 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 reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company has concluded that it is the principal in all of its revenue arrangements.

*Interest Income*

Interest income is recognized as it accrues, taking into account the effective yield on the asset.

Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if the right is not explicitly specified in the arrangement.

A reassessment is made after inception of the lease only if one of the following applies:

- a) there is a change in contractual terms, other than a renewal or extension of the arrangement;
- b) a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
- c) there is a change in the determination of whether fulfillment is dependent on a specific asset; or
- d) there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

*Operating Leases - the Company as Lessee*

Operating leases represent those leases under which substantially all the risks and rewards of ownership of the leased assets remain with the lessors. Lease payments under operating lease arrangements are recognized in profit or loss on a straight-line basis over the lease term.

Foreign Currencies

Transactions in foreign currencies are initially recorded by the Company at the spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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 have been enacted or substantially enacted at the reporting date.

*Deferred Tax*

Deferred tax is provided, using the 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. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which all or part of the deductible temporary differences 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 income or loss.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that they are no longer probable that sufficient future taxable profits will be available to allow all or part of them 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 profits will allow all or part of them to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on the tax rates and tax laws that have been enacted or substantially 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 deferred taxes relate to the same entity and the same taxation authority.

#### Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed in the notes to financial statements 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 in the notes to financial statements when an inflow of economic benefits is probable.

#### Events after the Reporting Date

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

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## 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.

*Operating lease commitments - the Company as Lessee*

The Company has entered into a lease agreement for the lease of office and parking lots where it has determined that the risks and rewards related to the leased assets are retained by the lessor since there will be no transfer of ownership of the leased properties to the Company. As such, the lease agreement was accounted for as an operating lease.

*Recognition of deferred tax assets*

The Company makes an estimate and judgment 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 December 31, 2015 and 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 14).

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 is 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 reevaluated 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 value of receivables as of December 31, 2015 and 2014 are disclosed in Note 7 to the financial statements. No provision for doubtful accounts was recognized in 2015, 2014 and 2013.

*Estimation of net realizable value of inventories*

The Company carries inventories at net realizable value when such value is lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes.

There were no write-downs made for inventory in 2015 and 2014. The cost and carrying amounts of inventories as of December 31, 2015 and 2014 amounted to ₱44.7 million and nil, respectively.

*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 in 2015 and 2014.

There were no changes in the useful lives of property and equipment in 2015 and 2014. The carrying value of property and equipment as of December 31, 2015 and 2014 are disclosed in Note 10 to the financial statements.

*Impairment of nonfinancial assets*

The Company assesses at each reporting date whether there is any indication that prepayments, except input VAT, and 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 2015, 2014 and 2013 for prepayments 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 December 31, 2015 and 2014 are recoverable and are disclosed in Note 9 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 in 2015, 2014 and 2013.

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## 6. Cash and Cash Equivalents

This account consists of:

	2015	2014
Cash on hand	<b>₱50,000</b>	₱50,000
Cash in banks	<b>1,233,742,556</b>	115,625,883
Cash equivalents	<b>6,564,864</b>	175,308,250
	<b>₱1,240,357,420</b>	₱290,984,133

Cash in banks generally earns 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 ₱4.6 million in 2015, ₱9.9 million in 2014 and ₱10.6 million in 2013 (see Note 13).

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7. **Receivables**

This account consists of:

	2015	2014
Advances to related parties (see Note 17)	₱111,554,802	₱114,786,033
Advances to employees	330,321	14,077
Others	50,000	44,561
	<b>₱111,935,123</b>	<b>₱114,844,671</b>

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8. **Advances to Contractors and Suppliers**

The Company made advances to contractors and suppliers amounting to ₱481.7 million and ₱145.7 million as of December 31, 2015 and 2014, respectively. These are noninterest-bearing down payments which are applied against future progress billings by the contractors and suppliers.

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9. **Input VAT**

This account consists of:

	2015	2014
Input VAT	₱320,420,400	₱193,158,618
Deferred input VAT	38,100,275	13,569,247
	<b>₱358,520,675</b>	<b>₱206,727,865</b>

Input VAT pertains mainly to the Company's purchases related to the construction of Winford Hotel building, while deferred input VAT pertains to the VAT related to the retention payable.

10. Property and Equipment

	2015										Total	
	Land	Furniture and Fixtures	Computer Software and Hardware	Office Equipment	Transportation Equipment	Health and Safety Equipment	Gaming Equipment	Operating Equipment	Construction in Progress			
<b>Cost</b>												
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	-	2,457,165	111,098,935	1,456,308	-	75,270,717	203,095,681	21,531,337	1,668,861,399		2,083,771,542	
Balance at end of year	600,800,000	2,555,302	111,794,599	1,532,951	1,625,893	75,282,324	203,095,681	21,531,337	2,799,184,871		3,817,402,958	
<b>Accumulated depreciation</b>												
Balance at beginning of year	-	15,163	181,773	12,269	315,179	-	-	-	-	-	524,384	
Additions	-	40,659	260,906	20,888	325,178	2,902	-	-	-	-	650,553	
Balance at end of year	-	55,822	442,679	33,157	640,357	2,902	-	-	-	-	1,174,917	
Net book value	₱600,800,000	₱2,499,480	₱111,351,920	₱1,499,794	₱985,536	₱75,279,422	₱203,095,681	₱21,531,337	₱2,799,184,871		₱3,816,228,041	

	2014										Total
	Land	Furniture and Fixtures	Computer Software and Hardware	Office Equipment	Transportation Equipment	Health and Safety Equipment	Gaming Equipment	Operating Equipment	Construction in Progress		
<b>Cost</b>											
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
<b>Accumulated depreciation</b>											
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 the construction of the Winford Hotel building in San Lazaro Tourism and Business Park in Sta. Cruz, Manila.

Land with a carrying value of ₱600.8 million and construction in progress amounting to ₱2.8 billion as of December 31, 2015 were pledged as collateral for the loan facility (see Note 12).



loans or advances from its shareholders, affiliates, subsidiaries or related entities when the Company is in default.

### 13. Interest Income

Interest income related to:

	2015	2014	2013
Cash and cash equivalents (see Note 6)	₱4,627,775	₱9,878,114	₱10,617,012
Advances from related parties (see Note 17)	165,884	300,000	300,000
	<u>₱4,793,659</u>	<u>₱10,178,114</u>	<u>₱10,917,012</u>

### 14. Income Taxes

The provision for income tax consists of the following:

	2015	2014	2013
Current:			
Final	₱924,825	₱1,975,623	₱2,123,377
MCIT	3,318	6,000	6,000
	<u>₱928,143</u>	<u>₱1,981,623</u>	<u>₱2,129,377</u>

There were no deferred tax liabilities as of December 31, 2015 and 2014.

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

	2015	2014
NOLCO	₱129,727,418	₱111,969,063
Excess of MCIT over RCIT	15,318	15,500

As of December 31, 2015, 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
2015	-	57,532,611	-	57,532,611	2018
	<u>₱111,969,063</u>	<u>₱57,532,611</u>	<u>₱39,774,256</u>	<u>₱129,727,418</u>	

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
2015	-	3,318	-	3,318	2018
	<u>₱15,500</u>	<u>₱3,318</u>	<u>₱3,500</u>	<u>₱15,318</u>	

The reconciliation of the benefit from income tax based on the accounting income and the actual provision for income tax for years ended December 31 are as follows:

	2015	2014	2013
Benefit from income tax based on accounting income before income tax	(₱15,903,500)	(₱6,671,223)	(₱8,936,337)
Additions to (reductions in) income tax resulting from tax effects of:			
Unrecognized deferred tax assets	17,263,101	9,622,022	12,048,420
Interest income subjected to final tax	(463,507)	(987,811)	(1,061,726)
Nondeductible expenses and others	32,049	18,635	79,020
Provision for income tax	<u>₱928,143</u>	<u>₱1,981,623</u>	<u>₱2,129,377</u>

### 15. Lease Agreements

On July 15, 2014, the Company (the lessee) entered into a lease agreement with EEG Development Corporation (the lessor) to lease a property located at 1774 Consuelo Street, Sta. Cruz, Manila consisting a floor area of 225 square meters for the purposes of the mockup of Winford Hotel and Casino project. The lease term is for a period of two (2) years commencing July 15, 2014 and expiring on July 14, 2016 renewable under such terms and conditions mutually agreed upon by the parties. The monthly rate for rental amounted to ₱45,000 subject to withholding tax which is payable every 15<sup>th</sup> day of each calendar month.

On September 3, 2014, the Company (the lessee) also entered into a lease agreement with Carosal Development Corporation (the lessor) to lease Unit E, 17<sup>th</sup> Floor, Strata 100 Bldg., F Ortigas Jr. Road, Ortigas Center, Pasig City with an area of 120 square meters.

The lease term is for a period of one (1) year commencing September 3, 2014 and expires on September 2, 2015 renewable under the terms and conditions as the parties may hereafter agree upon. The monthly rate for rental amounted to ₱45,600 exclusive of VAT and association dues. The Company extended the lease term until November 2, 2015 and was not further renewed.

The estimated future minimum lease payments for the above agreements are as follows:

	2015	2014
Within one year	₱304,750	₱920,550
After one year but not more than five years	-	292,500
	<u>₱304,750</u>	<u>₱1,213,050</u>

Rent expense amounted to ₱3.5 million and ₱1.4 million in 2015 and 2014, respectively.

## 16. PEZA Registration

On February 10, 2015, the registration as an Ecozone Tourism Enterprise for the development and operation of tourist, leisure and entertainment facilities is approved by Philippine Economic Zone Authority (PEZA).

As provided in its Registration Agreement dated February 24, 2015, the Company shall be entitled only to tax and duty-free importation and zero-VAT rating on local purchases of capital equipment in accordance with PEZA Board Resolution No. 12-610 dated November 13, 2012, except for casino operations and other gaming/gambling operations, if any subject to all evaluation and/or processing requirements and procedures prescribed under PEZA Rules and Regulations, pertinent circulars and directives.

## 17. 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:

Entity	Relationship	Nature	2015		2014		Terms	Condition
			Amount	Receivable (Payable)	Amount	Receivable (Payable)		
Manila Jockey Club, Inc (MJCI)	Stockholder	Proceeds from subscription <sup>(i)</sup> (see Note 18)	₱42,808,835	₱-	₱-	₱42,808,835	Noninterest-bearing; payable upon call	Unsecured, unguaranteed
		Advances <sup>(i)</sup>	1,317,166	(4,096,965)	1,834,628	(2,779,799)	Noninterest-bearing; due and demandable	Unsecured, unguaranteed
		Other advances <sup>(i)</sup>	701,640	-	701,640	701,640	Noninterest-bearing	Unsecured, unguaranteed
MJC Forex Corporation (MFC)	Affiliate	Dollar purchases <sup>(ii)</sup>	₱9,786,050	₱-	₱10,118,008	₱-	-	Unsecured, no impairment
Sierra Prime Properties Corporation (SPPC)	Affiliate	Cash advances <sup>(iii)</sup>	2,695,475	2,304,525	-	5,000,000	1 year, 6% per annum, interest bearing	Unsecured, unguaranteed
		Interest Income <sup>(iii)</sup>	165,884	765,884	300,000	600,000	Noninterest-bearing	Unsecured, unguaranteed
		Sale of assets and liabilities <sup>(iii)</sup>	-	108,389,153	-	108,389,153	Noninterest-bearing	Unsecured, unguaranteed
		Other advances	-	95,240	-	95,240	Noninterest-bearing	Unsecured, unguaranteed
			<b>₱107,457,837</b>			<b>₱154,815,069</b>		

<sup>(i)</sup> The Company obtains advances for expenses such as office rental, utilities and other allowances of the Company's employees. Subscribed shares of the Company amounting to ₱42.8 million were paid in full as of December 31, 2015.

<sup>(ii)</sup> The Company purchases dollars as payment to international service providers of design and consultancy related to the development project in Sta. Cruz, Manila (see Note 10).

<sup>(iii)</sup> In 2011, the Company extended an interest-bearing advances amounting to ₱5.0 million to SPPC with interest rate of 6% per annum. Interest income recognized in 2015, 2014 and 2013 amounted to ₱0.2 million, ₱0.3 million and ₱0.3 million, respectively (see Note 13).

<sup>(iv)</sup> Noninterest-bearing receivable from SPPC amounting to ₱108.4 million pertains to the transfer of a group of assets and liabilities as part of the Memorandum of Agreement (MOA) signed July 24, 2008.

#### Key Management Personnel

Compensation of key management personnel of the Company amounted to ₱11.6 million, ₱7.7 million and ₱7.1 million in 2015, 2014 and 2013, respectively. The Company has no standard arrangement with regard to the remuneration of its directors. In 2015, 2014 and 2013, the BOD received directors' fees aggregating ₱0.4 million, ₱0.7 million and ₱0.8 million, respectively.

### 18. Equity

#### Capital Stock

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

	2015		2014	
	Number of shares	Amount	Number of shares	Amount
Common shares – ₱1 par value				
Authorized – 5,000,000,00 shares				
Subscribed shares	2,500,614,159	₱2,500,614,159	2,309,601,064	₱2,309,601,064
Additional subscription during the year	673,791,662	673,791,662	191,013,095	191,013,095
Subscriptions receivable	-	(38,739,719)	-	(105,548,554)
Total subscribed and paid-in capital (held by 444 and 452 equity holders in 2015 and 2014, respectively)	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. In 2013, MJCI has paid ₱64.6 million representing the initial and partial payments of 60.13% of the subscription price. The remaining balance of ₱42.8 million was paid by MJCI on July 14, 2015.

In 2010 and 2013, the Company received series of additional subscription aggregating 83,652,958 shares from shareholders in which ₱20.9 million were paid up. In 2015, ₱24.0 million of the subscription receivable was paid by the shareholder while the remaining balance amounts to ₱38.7 million.

On January 14, 2015, the Company received from a group of strategic investors the amount of ₱673.8 million, representing full payment of the subscription of 673,791,662 shares to be taken from the unsubscribed portion of the authorized capital stock at a subscription price of ₱1.0 per share. The related documentary stamp tax on the issuance of capital stock amounting to ₱3.4 million was charged to "Deficit" in the statements of changes in equity.



## 19. Basic/Diluted Losses Per Share

	2015	2014	2013
Net loss for the year	₱53,939,809	₱24,219,033	₱31,917,168
Divided by weighted average number of outstanding common shares	3,146,331,168	2,500,614,159	1,565,430,468
Basic/diluted losses per share	₱0.02	₱0.01	₱0.02

The Company has no potential dilutive common shares as of December 31, 2015, 2014 and 2013. Therefore, the basic and diluted losses per share are the same as of those dates.

## 20. 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 loss on 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 years ended December 31, 2015 and 2014 are as follows:

	2015	2014
Segment revenue	₱4,793,659	₱10,178,114
Expenses	(57,805,325)	(32,415,524)
Loss before income tax	(53,011,666)	(22,237,410)
Provision for income tax	(928,143)	(1,981,623)
Net loss	(₱53,939,809)	(₱24,219,033)

### Segment Assets and Liabilities and Other Information

The segment assets, liabilities and capital expenditures as of and for the years ended December 31, 2015 and 2014 are as follows:

	2015	2014
Assets	₱6,066,655,430	₱2,492,588,611
Liabilities	3,100,681,982	209,906,893
Capital expenditures	2,083,771,542	891,700,348
Interest income	4,793,659	10,178,114
Depreciation	650,533	489,366

## 21. Fair Value Measurement

The carrying values of cash and cash equivalents, receivables, accounts payable and other current liabilities approximate their fair values due to the short-term nature of these accounts. The estimated fair value of loans payable approximates the carrying amount as of reporting date.

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

## 22. Financial Risk Management Objectives and Policies

The Company's financial instruments comprise cash and cash equivalents, receivables, accounts payable and other liabilities and loans payable. 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. As a matter of policy, the Company limits its maximum exposure to credit risk to the amount of carrying value of the instruments. 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 table below shows the maximum exposure to credit risk of the Company as at December 31, 2015 and 2014.

	2015	2014
Loans and receivables:		
Cash and cash equivalents*	₱1,240,307,420	₱290,934,133
Receivables	111,935,123	114,844,671
	<b>₱1,352,242,543</b>	<b>₱405,778,804</b>

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

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

### *Cash and cash equivalents*

As of December 31, 2015, cash and cash equivalents (except cash on hand) are maintained in 4 highly reputable universal banks with a minimum deposit of ₱0.5 million, which comprises approximately 99% (2014: 75%) of the total cash and cash equivalents.

### *Receivables*

As at December 31, 2015, receivables pertain to advances to related parties, employees and other counterparties that have no history of default or delinquency in collection. Receivable to related parties approximate 99% of the outstanding receivable.

### 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 at December 31, 2015 and 2014 based on contractual undiscounted payments (principal and interest).

	2015			Total
	Due and Demandable	Less than 1 year	1 year or above	
Loans payable	P-	₱134,689,955	₱3,039,172,980	₱3,173,862,935
Accounts payable and other current liabilities*	4,096,965	615,006,772	-	619,103,737
	₱4,096,965	₱749,696,727	₱3,039,172,980	₱3,792,966,672

\*Excluding withholding taxes payable amounting to ₱6,123,067.

	2014			Total
	Due and Demandable	Less than 1 year	1 year or above	
Accounts payable and other current liabilities*	₱2,779,799	₱205,573,476	P-	₱208,353,275

\*Excluding withholding taxes payable amounting to ₱1,547,618.

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

	2015			Total
	Due and Demandable	Less than 1 year	1 year or above	
Loans and receivables:				
Cash and cash equivalents*	₱1,240,307,420	P-	P-	₱1,240,307,420
Receivables	111,935,123	-	-	111,935,123
	₱1,352,242,543	P-	P-	₱1,352,242,543

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

	2014			Total
	Due and Demandable	Less than 1 year	1 year or above	
Loans and receivables:				
Cash and cash equivalents*	₱290,934,133	P-	P-	₱290,934,133
Receivables	114,844,671	-	-	114,844,671
	₱405,778,804	P-	P-	₱405,778,804

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

## 23. 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 ₱3.0 billion and ₱2.3 billion as its capital as of December 31, 2015 and 2014.

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.

The Company's loan is subject to a covenant that the ratio of its Debt (defined as "total liabilities") to Net Worth (defined as "total stockholder's equity") should not exceed 2.0x.

Debt to equity ratio of Company as of December 31, 2015 and 2014 is as follows:

	2015	2014
Total Liabilities	₱3,100,681,982	₱209,906,893
Total Equity	2,965,973,448	2,282,681,718
Debt to equity ratio	1.05	0.09

As of December 31, 2015, the Company complies with the covenant.

#### 24. Supplementary Information Required Under Revenue Regulations (RR) 15-2010

On November 25, 2010, the Bureau of Internal Revenue issued RR 15-2010 to amend certain provisions of RR 21-2002 prescribing the matter of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements accompanying the tax returns. It requires the disclosure of taxes, duties and licenses paid or accrued during the year.

The Company also reported and/or paid the following types of taxes for the year ended December 31, 2015.

- a. The Company has no sales/receipts in 2015 that are subject to VAT.
- b. The following table shows the sources of input VAT claimed:

Balance at beginning of the year	₱193,158,618
Purchases of:	
Goods other than for resale	21,604,532
Services lodged under other accounts	105,657,250
Balance at end of the year	₱320,420,400

- c. Other taxes and licenses

These include all other taxes, national and local, including real estate taxes, licenses and permit fees included under the 'Taxes and licenses' account under the 'Expenses' section in the Company's statements of comprehensive loss. Details consist of the following:

Kind of Tax	Official Receipt Number	Amount
Building permit	BFP-9514-09	₱209,059
Business permit	0434113/6222196	16,956
Documentary stamp tax	Various	6,856
Local government tax	Various	1,056
Community tax certificate	CCC201300272889	660
Others	Various	1,855
Total		₱236,442

The Company did not have any importations or purchases of any products subject to excise tax. Details of the Company's withholding taxes in 2015 are as follows:

Expanded withholding taxes	₱32,872,873
Withholding taxes on compensation	6,320,107
Total	₱39,192,980

Tax Assessments or Tax Cases

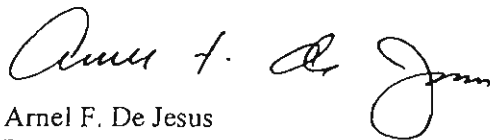
The Company is currently not involved in any tax cases, preliminary investigations, litigations and/or prosecution in courts outside of BIR.

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors  
MJC INVESTMENTS CORPORATION  
Doing business under the name and style of Winford Leisure And Entertainment Complex and  
Winford Hotel and Casino  
(Formerly MJC Investments Corporation)  
Winford Hotel and Casino  
MJC Drive, Sta. Cruz, Manila

We have audited in accordance with Philippine Standards on Auditing, the accompanying financial statements of MJC INVESTMENTS CORPORATION Doing business under the name and style of Winford Leisure And Entertainment Complex and Winford Hotel and Casino (Formerly MJC Investments Corporation) as at December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015 included in this Form 17-A and have issued our report thereon dated April 11, 2016. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to Financial Statements and Supplementary Schedules are the responsibility of the management of MJC INVESTMENTS CORPORATION Doing business under the name and style of Winford Leisure And Entertainment Complex and Winford Hotel and Casino (Formerly MJC Investments Corporation). These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Arnel F. De Jesus  
Partner  
CPA Certificate No. 43285  
SEC Accreditation No. 0075-AR-3 (Group A),  
February 14, 2013, valid until April 30, 2016  
Tax Identification No. 152-884-385  
BIR Accreditation No. 08-001998-15-2015,  
June 26, 2015, valid until June 25, 2018  
PTR No. 5321627, January 4, 2016, Makati City

April 11, 2016



MJC INVESTMENTS CORPORATION

SCHEDULE A: FINANCIAL ASSETS

December 31, 2015

Financial Assets	Name of Issuing entity and association of each	Number of shares or principal amount of bonds and notes	Amount shown in the Balance Sheet	Valued based on market quotation at balance sheet date	Income Received and Accrued
Cash and cash equivalents	N/A	N/A	1,240,307,420	N/A	N/A
Receivables	N/A	N/A	111,935,123	N/A	N/A
<b>TOTAL</b>			<b>1,352,242,543</b>		

**MJC INVESTMENTS CORPORATION**  
**SCHEDULE B: AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES**  
**AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)**

December 31, 2015

Name and designation of Debtor	Balance at beginning of period	Additions	Deductions		Current	Not Current	Balance at End of period
			Amounts Collected	Amounts Written Off			
Sierra Prime Properties Corporation	114,084,393	165,884	2,695,475	N/A	111,554,802	N/A	111,554,802
Manila Jockey Club, Inc.	701,640	-	701,640	N/A	-	N/A	-
Advances to Employee	14,077	316,244	-	N/A	330,321	N/A	330,321
MFC Forex Corporation (MFC)	-	9,786,050	9,786,050	N/A	-	N/A	-
<b>TOTAL</b>	<b>114,800,110</b>	<b>10,268,178</b>	<b>13,183,165</b>	<b>-</b>	<b>111,885,123</b>	<b>-</b>	<b>111,885,123</b>



MJC INVESTMENTS CORPORATION

SCHEDULE C: AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION OF FS

December 31, 2015

Name and Designation of Debtor	Balance at the Beginning of Period	Additions	Deductions		Current	Not Current	Balance at End of period
			Amounts Collected	Amounts Written Off Others			

**NOT APPLICABLE**

MJC INVESTMENTS CORPORATION  
 SCHEDULE D: INTANGIBLE ASSETS (OTHER ASSETS)  
 December 31, 2015

Description	Beginning Balance	Additions at Cost	Charged to Costs and Expenses	Charged to Other Accounts	Other Changes		Ending Balance
					Additions	(Deductions)	
<b>NOT APPLICABLE</b>							

MJC INVESTMENTS CORPORATION

SCHEDULE E: LONG TERM DEBT

December 31, 2015

Title of Issue and Type of Obligation	Amount authorized by Indenture	Amount shown under caption "Current Portion of Long term Debt" in related Balance Sheet	Amount shown under caption "Long Term Debt" in Related Balance Sheet
Bank Loan	N/A	N/A	2,475,451,860
<b>TOTAL</b>			<b>2,475,451,860</b>

MJC INVESTMENTS CORPORATION  
SCHEDULE F: INDEBTEDNESS TO RELATED PARTIES  
(LONG TERM LOANS FROM RELATED COMPANIES)

December 31, 2015

Name of Related Party	Balance at beginning of period	Balance at End of Period
-----------------------	--------------------------------	--------------------------

**NOT APPLICABLE**

**MJC INVESTMENTS CORPORATION**  
**SCHEDULE G: GUARANTEES OF SECURITIES OF OTHER ISSUERS**

December 31, 2015

Name of issuing entity issuing guaranteed by the company for which this statement is filed	Title of Issue of each class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which this Statement is Filed	Nature of Guarantee
<b>NOT APPLICABLE</b>				

**MJC INVESTMENTS CORPORATION**  
**SCHEDULE H: CAPITAL STOCK**

December 31, 2015

Title of Issue	No. of Shares Authorized	No. of shares issued and outstanding and shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by affiliates	Directors, Officers and Employees	Others
Common Stock	5,000,000,000	3,174,405,821	N/A	N/A	26,560,440	N/A
<b>TOTAL</b>	<b>5,000,000,000</b>	<b>3,174,405,821</b>			<b>26,560,440</b>	

MJC INVESTMENTS CORPORATION

SCHEDULE I: AMOUNTS PAYABLE TO RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION OF FS

December 31, 2015

Name of Creditor	Designation of Creditor	Balance at the Beginning of Period	Additions	Deductions		Current	Not Current	Balance at End of period
				Amounts Paid	Others			

**NOT APPLICABLE**

MJC INVESTMENTS CORPORATION

SCHEDULE J: PARENT COMPANY RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

December 31, 2015

AMOUNT

Unappropriated Parent Company  
Retained Earnings, Beg

Reconciliation:

Add (Less):

Unrealized Foreign Exchange Loss-Net

Deferred Tax Assets

Mark-to-Market Gain on Derivatives

Parent Company Net Income actually earned/realized during the  
period

Less:

Non-actual/unrealized income net of tax

Unrealized Actuarial Gain

Mark-to-market gain on derivatives

Parent Company Net Income actually earned/realized during the  
period

Add (Less):

Dividend declaration during the period

Appropriation of Retained Earnings

Issuance of Treasury Shares

Unappropriated Parent Company  
Retained Earnings, as adjusted, End

NOT APPLICABLE



MJC INVESTMENTS CORPORATION  
 SCHEDULE K: MAP OF AFFILIATES

December 31, 2015

Manila Jockey Club, Inc. (MJCI)  
 Publicly Listed Company

Subsidiaries	
SLLP Holdings, Inc. (SLLPHI) Holding Company 100%	San Lazaro Resources and Development Corporation (SLRDC) Holding Company 100%
Biohitech Philippines, Inc. (BIOHITECH) Waste Treatment Systems 50%	New Victor Technology, Limited (NVTL) Gaming 100%
MJC Forex Corporation (MFC) Currency Exchange 100%	Gametime Sports and Technologies, Inc. Technological Services 100%
Manilacockers Club, Inc. Cockfighting business 100%	

Associates	
MJC Investments Corporation (MIC) Publicly Listed Company 22.31%	TechSystems, Inc. (TECHSYSTEMS) SMS and Online Betting 33%

Jointly Controlled Entities	
San Lazaro BPO Complex Joint Venture (SLBPO) Leasing 30% interest	Gamespan, Inc. (GI) Technological Services 50% interest