



108222019001169



## SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines  
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

### Barcode Page

The following document has been received:

**Receiving Officer/Encoder** : Mark Jason L. Orcine - COS

**Receiving Branch** : SEC Head Office

**Receipt Date and Time** : August 22, 2019 11:01:11 AM

**Received From** : Head Office

Company Representative

---

Doc Source

Company Information

---

SEC Registration No. PW00000225  
Company Name GLOBALPORT 900, INC.  
Industry Classification Water Transport  
Company Type Stock Corporation

### Document Information

---

Document ID 108222019001169  
Document Type 17-A (FORM 11-A:AANU)  
Document Code 17-A  
Period Covered December 31, 2015  
No. of Days Late 0  
Department CFD  
Remarks CONSOLIDATED FS-C



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SECTION 141  
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended December 31, 2015
2. SEC Identification Number PW-225
3. BIR Tax Identification No. 000-477-902
4. Exact name of issuer as specified in its charter GLOBALPORT 900, INC.
5. **Metro Manila, Philippines**  
Province, Country or other jurisdiction of  
incorporation or organization
6. \_\_\_\_\_ (SEC Use Only)  
Industry Classification Code:
7. **Unit 2701 One Corporate Centre, Meralco Ave. cor.  
Julia Vargas Ave. Ortigas Center, Pasig City**  
Address of principal office 1605  
Postal Code
8. (632) 6378851  
Issuer's telephone number, including area code
9. N/A  
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code, or Section 4 and 8 of the Revised Securities Act.

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock</u>
	<u>Outstanding</u>
Common Shares	2,324,798,500

11. Are any or all of these securities listed on the Philippine Stock Exchange  
Yes  No
12. Check whether the registrant:
  - a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code and paragraph (2)(a) Rule 17, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);  
Yes  No
  - b) has been subject to such filing requirements for the past 90 days.  
Yes  No
13. Aggregate market value of voting stock held by non-affiliates.

The aggregate market value of Globalport 900, Inc. voting stocks held by non-affiliates is 233,179,700, for market price P7.30 per share on 16 May 2014. The Corporation's trading has been suspended since May 2014.

## TABLE OF CONTENTS

<b>PART I</b>	<b>BUSINESS AND GENERAL INFORMATION</b>	<b>Page No.</b>
Item 1	Business	1
Item 2	Properties	3
Item 3	Legal Proceedings	3
Item 4	Submission of Matters to a Vote of Security Holders	3
<b>PART II</b>	<b>OPERATIONAL AND FINANCIAL INFORMATION</b>	
Item 5	Market for Registrant's Common Equity and Related Stockholders Matters	3
Item 6	Management Discussion and Analysis or Plan of Operation	4
Item 7	Financial Statements	6
Item 8	Information on Independent Accountant and Other Related Matters	6
<b>PART III</b>	<b>CONTROL AND COMPENSATION INFORMATION</b>	
Item 9	Directors and Executive Officers	7
Item 10	Executive Compensation	10
Item 11	Security of Ownership of Certain Beneficial Owners and Management	11
Item 12	Certain Relationship and Related Transactions	12
<b>PART IV-</b>	<b>CORPORATE GOVERNANCE</b>	
Item 13	Corporate Governance	12
<b>PART V</b>	<b>EXHIBITS AND SCHEDULES</b>	
Item 14	Exhibits and Reports in SEC Form 17-C	13
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES		14-18
SIGNATURES		

## PART I - BUSINESS AND GENERAL INFORMATION

### Item 1. Business

**Business Development.** Globalport 900, Inc. (the "Corporation") was incorporated on 1 May 1933 to Metropolitan Insurance Company to engage in the insurance business and was listed on 9 June 1948.

On February 15 1999, the Board of Directors of the Corporation approve the (a) change in the corporate name from Metropolitan Insurance Company to MIC Holdings; (b) change in the primary purpose from insurance to that of a holding company; and (c) removal of pre-emptive rights, which changes were approved by the Securities and Exchange Commission ("SEC") on 7 July 1999. Consequently, the Insurance Commission cancelled the license of the Corporation to transact any insurance business effective 21 July 1999.

On 4 August 2011, Sultan 900 Capital Inc. ("Sultan 900") acquired 516,217 shares representing 95.22% of the total issued and outstanding capital stock of the Corporation.

On 28 September 2011, the stockholders and the Board of Directors of the Corporation approve (a) the increase in the Corporation's authorized capital stock from P100,000,000 to P2,100,000,000; (b) implementation of the 2008 stockholder resolution changing the par value of the Corporation's shares from P100.00 to P1.00 per share; (c) increase in the number of directors from seven (7) to nine (9), which changes were approved by the SEC on 12 October 2011.

On 25 November 2011, Board of Directors of the Corporation approved (a) change in corporate name from MIC Holdings Corporation to Globalport 900, Inc; (b) change in the primary purpose to "To own, invest, manage, operate, maintain and develop port facilities, including other maritime activities supportive of port operations and shipping and to establish or acquire subsidiaries and affiliates within and outside the Philippines for the same purposes herein set fort including those incidental thereto and to guarantee obligations of these subsidiaries and affiliates and those of any entity in which the Corporation has lawful interest;" and (c) addition of "to promote, establish, operate, manage, hold, own or invest in any and all kinds if business enterprise or property, or assist or participate in the organization, merger or consolidation thereof and in connection with such activities to subscribe, to purchase or otherwise acquire shares of stock or other evidence of equity participation in any business enterprise or to purchase or otherwise acquire all or part of the asset franchise, concession, licenses or goodwill of any firm or establishment and assume or otherwise provide for the settlement of its obligation and liabilities without acting as stock broker or dealer in securities" as of the Corporation's secondary purposes, which changes were approved by the SEC on 7 December 2011.

The stockholders, in the annual stockholders' meeting held on 7 June 2012, and the Board of Directors, in its special meeting held on 4 May 2012, approved the (a) increase in the Corporation's authorized capital stock from P2,100,000,000 to P3,000,000,000; (b) deletion of Article II of the Corporation's by-laws pertaining to the investment of the Corporation of its capital in accordance with the Insurance Code; and (c) amendment of Article III Section 3 pertaining to the notices being sent within five days to make the provision confirm with the requirements of the Securities Regulation Code and its IRR, which changes were approved by the SEC on 29 November 2012.

**Business of Issuer.** As a consequence of the change in the corporate name and primary purpose of the Corporation and as of 31 December 2011, it has explored possibilities of investing in companies engaged in the ports industry.

On 4 April 2012, the Corporation has bought 100% of Platinum Dredging Inc. a domestic corporation engaged in the construction and dredging businesses related to ports as well as 96.32% of Harbour Centre Port Holdings, Inc. a domestic holding company which owns 68.112% of Harbour Centre Port Terminal Inc.

The Corporation continues to look for other business ventures in port management, development and operations.

**Production.** As a primarily port company, the Corporation is mainly a services-oriented company on port related operations which provides service as its main product such as but not limited to port management and cargo handling.

**Products/Sales/Competition.** The plans for production and/or sales are being prepared and implemented. Moreover, the Corporation has minimal competition, as it has the most area to accommodate bulk and break-bulk cargoes in Manila.

**Transactions with and/or dependence on related parties.** The information required is disclosed in the notes of the Corporation's Audited Financial Statements.

**Patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements.** The corporation does not possess any patents, trademarks, copyrights, franchises, concessions, and royalty agreements.

**Governmental regulations.** The corporation will comply with the governmental regulations and seek approval from government agencies. Effect of existing governmental regulations are mainly corresponding costs of compliance to the Corporation, which can be taken up as expense or capital asset under generally accepted accounting principles. The effect on the Corporation of any probable government regulation could not be determined until specific provisions are known.

**Research and Development.** As of the date of this report, the Corporation is in studying the possibilities of expanding its investments in other ports and its related businesses within the country.

**Employees.** The Corporation had (3) employees but intended to hire its required manpower requirement as the operations of the business improves.

**Major Risk/s.** While the Corporation is still in the process of evaluating viable port management/operation opportunities, the management has started to scan the events and trends in the ports industry in order to identify and assess risks that may affect the Corporation in the future. It also tries to access possible internal risks and weaknesses in its future operations and develop the necessary management strategies to combat these risks or minimize its possible effect to the Corporation. The major risks the corporation anticipates are as follows:

- a. **Economic and Political Considerations.** The Corporation will be influenced by the general political and economic situation of the Philippines Any political and/or economic instability in the future may have a negative effect on the ports industry.
- b. **Development risk.** Future port management and operation shall be based on the results of a pre-feasibility study to be conducted by the Corporation. The study shall use estimates of expected or anticipated project economic returns based on assumptions such as volume of each potential port acquisition and anticipated capital expenditures and cash operating costs.

Actual cash operating costs, production and economic returns may differ significantly from the Corporation's projections due to numerous uncertainties inherent to any development and construction of mining projects. To address this particular risk, the Corporation will hire consultants in the mining industry to do a due diligence and feasibility study.

- c. **Liquidity and capital resource requirements.** Any future project capital expenditures and funding requirement shall be sourced prior to any acquisition. The Corporation shall undertake measures to raise funds through internally generated funds and debt such as but not limited to private placements and borrowings from financial instruments.

## Item 2. Properties

The Corporation's properties and equipment include those of the subsidiaries to the extent of its equity therein amounting to P 99,486 as of December 31, 2015. See Note 8 of the Audited Consolidated Financial Statements for more details.

## Item 3. Legal Proceedings

There are no pending legal proceedings involving the Corporation.

## Item 4. Submission of Matters to a Vote of Security Holders

Except for the matters taken during the annual stockholders' meeting held on June 7, 2012, no matter was submitted to a vote of security holders during the period covered by this report.

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

### Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

**Market Information.** Prior to the acquisition by Sultan 900 of 95.22% of the total issued and outstanding capital stock of the Corporation, the shares of the Corporation have not been actively trading since 31 December 1995, and its last trading was on 27 November 1998 where the trading price was P103.00 per share. Sultan 900 bought 516,217 shares from Ventcap, Inc. at the price of P339.00 per share. The corporation's price per share in 2015 is as follows:

	High	Low
1st Quarter	7.30	7.30
2nd Quarter	7.30	7.30
3rd Quarter	7.30	7.30
4th Quarter	7.30	7.30

The closing price of the Corporation's common shares on December 31, 2015 is P7.30.

The Corporation's public float is 10.82% as of December 31, 2015.

**Holders.** The corporation's capital stock consists of unclassified common shares. As of December 31, 2015, 94.15% is owned by Filipinos while 5.85% is owned by other nationalities.

There are fifty-two (52) stockholders as of December 31, 2015 and the common shares outstanding is 2,324,798,500 (net of treasury shares of 201,500) while the listed shares are 54,212,200.

The top twenty Stockholders as of December 31, 2015 are as follows:

<u>Shareholder's Name</u>	<u>Nationality</u>	<u>No. of Shares</u>	<u>Percentage</u>
Sultan 900 Capital, Inc.	FIL	1,922,868,800	89.180
Aspac Logistics & Trading Pty Ltd	BVI/Foreign	126,000,000	5.840
Sherwin Mendiola	Fil	35,700,000	1.660
Emilio Tiu	Fil	34,755,000	1.610
Chris Ryan Cruz	Fil	20,580,000	0.950
Fausto Tiu	Fil	13,755,000	0.640
PCD Nominee Corporation	Fil	1,762,500	0.090
Antonio T. Deblois	Fil	211,800	0.010
Albert Awad	American	75,700	0.001
Juanita E. Vda De Cacho	Fil	49,900	0.001
PCD Nominee Corp.	Foreign	44,500	0.001
Nieves C. Santos Reyes	Fil	43,300	0.001
Paz G. Vda De Cacho	Fil	36,300	0.001
Jose Luis Abad	Fil	34,700	0.001
Juanita / Isabela Garcia	Fil	22,900	0.001
Roman R. Oblena Jr	Fil	22,900	0.001
Josefina Coromina	Fil	17,500	0.001
Leon Ma. Guerrero	Fil	17,500	0.000
Federico Elizalde	Fil	7,300	0.000

**Dividends.** The corporation has never declared any cash or stock dividend of its common equity for the past three (3) fiscal years. Other than the requirement of unrestricted retained earnings, there are no restrictions that would limit the Corporation's ability to pay dividends on common equity or that are unlikely to do in the future.

#### **Item 6. Management's Discussion and Analysis or Plan of Operation.**

**Plan of Operation.** From the change in the corporate name and primary purpose of the Corporation in 2011, the Corporation has explored possibilities of investing in companies engaged in the ports industry.

On 4 April 2012, the Corporation has bought 96.32% of Harbour Centre Port Holdings Inc., a domestic holding Corporation which owned 68.112% of Harbour Centre Port Terminal Inc. as well as 100% of Platinum Dredging Inc. a domestic corporation engaged in the construction business related to ports.

As of the date of this report, the Corporation has plans to expand its investment in other port related business with the end goal of being able to manage and/or operate or provide services to these ports, subject to the approval of the Board and the stockholders.



## Analysis of Financial Condition and Results of Operations

### Full Fiscal Years

The following table shows the consolidated financial highlights of the Corporation for the current fiscal year ended December 31, 2015 with comparative figures of the previous years and as of end of year for 2013 to 2015.

	December 31, 2013	December 31, 2014	December 31, 2015
<b>Income Statement Data</b>			
<b>Total Revenue</b>	80,966,375	7,012,325	-
<b>Gross Profit</b>	8,961,514	2,564,547	-
Earnings Before Interest and Tax (EBIT)	(1,336,391,008)	(665,449,838)	(17,647,856)
Net Income (Loss)	(1,338,632,734)	(665,501,128)	(17,647,856)
Depreciation	18,301,558	19,026,503	239,450
Taxes	2,241,726	51,290	-
Interest expense	-	-	-
<b>Balance Sheet Data</b>			
Total Current Assets	44,248,352	13,480,624	5,300,552
Property and Equipment - net	339,245,233	338,936	99,486
Total Assets	876,366,011	218,652,718	210,233,196
Current Liabilities	78,120,989	85,365,988	94,594,322
Total Liabilities	78,120,989	85,908,824	95,137,158
Stockholders' Equity	798,245,022	132,743,894	115,096,038
Total Liabilities & Stockholders' Equity	876,366,011	218,652,718	210,233,196
Current Ratio	0.57	0.16	0.06
Solvency Ratio	0.089	0.393	0.453
Debt to Equity Ratio	0.098	0.647	0.827
Interest rate coverage ratio	-	-	-
Gross Profit Margin	11.07%	36.57%	0.00%
Net Profit Margin	-16.53%	-94.90%	0.00%

Based on the above table the following are key performance indicators of the Corporation for 2015, 2014, and 2013,

- (a) *Working Capital Ratio or Current Ratio* – This will measure how liquid the corporation is and its ability to meet its current obligations. It is computed by dividing total current assets with the total current liabilities.
- (b) *Debt Management Ratio or Solvency Ratio* – This is computed by dividing the total liabilities by the total assets.
- (c) *Debt Equity Ratio* – This will explain the relationship between how the assets were financed by the Corporation's creditors and its stockholders. This is computed by dividing the total liabilities over the stockholders' equity.

- (d) **Interest Rate Coverage Ratio** – A ratio used to determine how easily a company can pay interest on outstanding debt. The interest rate coverage ratio is calculated by dividing the company's earnings before interest and taxes (EBIT) of one period by the company's interest expenses of the same period.
- (e) **Gross Profit Margin** – Gross profit margin (gross margin) is the ratio of gross profit (gross sales less cost of sales) to sales revenue. It is the percentage by which gross profit exceeds production costs. Gross margins reveal how much a company earns taking into consideration the costs that it incurs for producing its products or services.
- (f) **Net Profit Margin** – Net profit margin (or profit margin, net margin) is a ratio of profitability calculated as after-tax net income (net profits) divided by sales (revenue). Net profit margin is displayed as a percentage. It shows the amount of each sale left over after all expenses have been paid.

### **Changes in Financial Condition and Operating Results**

The Parent Company, Globalport 900, Inc. (G900) and its Subsidiaries has no commercial operations as at December 31, 2015.

**Material Events and Uncertainties.** For both fiscal years, the Corporation has nothing to report on the following other than the disclosures mentioned in the notes to the financial statements and discussed above.

### **Item 7. Financial Statements**

The 2015 Audited Financial Statements of the Corporation and its subsidiaries are incorporated herein by reference. The auditor's PTR, name of certifying partner and address are also attached in this report. The schedules listed in the accompanying index to supplementary schedules are filed as part of this SEC Form 17-A.

The schedules showing the financial soundness indicators in two comparative periods are found in the Item 6 of this report.

### **Item 8. Information on Independent Accountant and other Related Matters.**

**Information on Independent Accountant.** The stockholders, during the Annual Stockholders Meeting held on September 29, 2017 appointed the accounting firm of Ramon F. Garcia and Company, CPAs (RFGCo) with office at 30<sup>th</sup> floor, Burgundy Corporate Tower, 252 Sen. Gil Puyat Avenue, Makati City, Philippines as the Corporation's independent public accountant for the annual audit for the years 2013, 2014 and 2015.

**External Audit Fees and Services.** The audit of the registrant's annual financial statements or service that the auditor, RFGCo, normally provide is billed as follows:

Year	Audit and Audit related fees	Tax Fees	Other Fees
2015	583,000	-	-
2014	528,000	-	-
2013	330,000	-	-

There are no other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of registrant's financial statements.

**Tax fees.** No aggregate fees billed in the fiscal year for professional services rendered by the external auditor for tax accounting, compliance, advice, planning, and any form of tax services.

**All other fees.** No aggregate fees billed in the fiscal year for product and services provided by the external auditor, other than the services reported under items above.

The Board of Directors has approved the policies and procedures for the above services and authorized for issue on September 29, 2017.

**Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.** There was no event during the two most recent fiscal years where KPMG, the previous auditor prior to RFGCo, had any disagreement with the Corporation with regards to any matter relating to accounting principles or practices or financial statements disclosure or auditing scope or procedure. The same is true for the current auditor, RFGCo.

### PART III - CONTROL AND COMPENSATION INFORMATION

#### Item 9. Directors and Executive Officers of the Issuer

**Directors and Executive Officers.** The names of the incumbent directors and officers of the Corporation and their respective ages, position held, citizenship and periods of service as of December 31, 2015, are as follows:

Name	Age	Positions and Offices	Citizenship	Period Serve
Michael L. Romero	45	Chairman/President	Filipino	8 August 2011 – Sept 2017
Deogracias Ramon R. Olvina Jr.	52	Member, BOD, Executive Vice-President	Filipino	8 August 2011 – December 2014
Richard David Barclay	74	Member, Board of Directors	Australian	8 August 2011 – Sept 2017
Ramon R. Atayde	74	Member, Board of Directors	Filipino	8 August 2011 – Sept 2017
Jose C. Nograles	65	Member, Board of Directors	Filipino	25 November 2011 – December 2014
Fidel J. Exconde, Jr	45	Member, Board of Directors	Filipino	7 June 2012 – Sept 2017
Gilbert I. Nolasco	41	Member, Board of Directors, Corporate Secretary		8 August 2011 – Feb 2016
Jose C. Policarpio (Independent Director)	67	Member, Board of Directors	Filipino	9 August 2011 – December 2014
Delfin N. Bangit (Independent Director)	56	Member, Board of Directors	Filipino	9 August 2011 – Dec 13, 2013

Name	Age	Positions and Offices	Citizenship	Period Serve
Nathaniel L. Romero	39	Treasurer	Filipino	8 August 2011 – Dec 2013
Edwin Joseph G. Galvez	47	Chief Financial officer	Filipino	7 June 2012 – Sept 2017
Joy L. Fernandez	35	Comptroller	Filipino	7 June 2012 – Dec 2014
Uella Vida V. Mancenido – Gayo	33	Assistant Corporate Secretary/ Corporate Information Officer	Filipino	23 August 2011 – Present

The Directors of the Corporation are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until each respective successor have been elected and qualified. The term of the office of the directors is one year. All of the above stated incumbent members of the Board of Directors as of December 31, 2015 were elected during the Annual Stockholders' meeting on June 7, 2012.

Officers are appointed or elected annually by the Board of Directors during its organizational meeting following the Annual Meeting of Stockholders, each to hold office until corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified. The incumbent Officers were elected during the Organizational meeting held on June 7, 2012.

The business experiences for the last five (5) years and other directorships in other reporting companies of the above-named directors and officers, as of December 31, 2015, are as follows:

**MICHAEL L. ROMERO, PH.D.** (45 years old) is the incumbent Chairman/ President of Globalport 900, Inc. He is also the Chief Executive Officer of Harbour Centre Port Terminal Inc. and the Chairman of Manila North Harbour Port, Inc. He is also the Chariman and CEO of Mikro-tech Capital, Inc., which owns at least 35% of Pacifica, Inc., a publicly-listed corporation engaged in the business of investing in mining and power generation projects. Dr. Romero is likewise the CEO and President of Pacifica, Inc. He is also the Chairman and President of 168 Ferrum Pacific Mining Corporation, a Mindanao-based mining company and the Vice-Chairman of Air Asia Philippines, a subsidiary of Asia's biggest budget airline, the Air Asia Berhad. He attained a double Doctorate in Philosophy degrees in Business Management and Political Economics from the International Academy of Management and Economics, academics on Doctorate in Business Administration from De La Salle University, and Masters in Business Management from the Asian Institute of Management.

**RAMON R. ATAYDE** (74 years old Filipino) is the Vice-Chairman/Director of Platinum Group Metals Corporation, International Gateway & Port Management Services Philippines Inc., and the Chairman/Director of Pargum Consolidated Corporation and the Interasia Outsource Inc. He is also the Director of Manila North Harbour Port, Inc. Prior to this, he became the Senior Vice-resident/Director of Asian Terminals Inc., President/Director of ATI Batangas Inc., Mariveles Grains Terminal Corporation, and South Cotobato Integrated Ports Services Inc. He obtained his degree in BS Chemical Engineering from the De La Salle University and his Management Development Program from the Asian Institute of Management.

**RICHARD DAVID BARCLAY** (74 years old Australian) is a consultant for the Manila North Harbour Port, Inc. He is likewise a director of the Australian-New Zealand Chamber of Commerce Philippines, Inc. since 2002 and served as President from 2002-2010. He is the Chairman of the International Gateway & Port Management Services, Phils. Inc. He became a Director of the P&O Ports from 2002-2005, Chairman of Asian Terminals, Inc. From 2004-2005, Executive Director and State Director of Conaust Ltd from 1988-1990, Director for Operations for Australian National Line from 1969 to 1984. He attained his BSc (Hons) Maritime Commerce Degree from the University of Wales, Cardiff.

**DEOGRACIAS RAMON R. OLVINA, JR.** (52 years old Filipino) is the Managing Director of Harbour Centre Port Terminal, Inc. where he served as Chief Operating Officer – Operations, Marketing, and Business Development, SVP for Operations, Marketing, and Business Development, VP for Marketing and Business Development, and Consultant since 2004. Prior to joining Harbour Centre, he worked for Asian Terminal, Inc. since 1997. He graduated from the University of the Philippines – Diliman with a degree in Economics.

**GILBERT I. NOLASCO** (41 years old Filipino) is the Senior Vice President for HR/Legal of Harbour Centre Port Terminal, Inc. since November 2005. He is likewise a partner at the Nolasco & Uygengco Law Offices. He serves as Corporate Secretary in various corporations. He obtained his Bachelor of Laws Degree from the University of the Philippines – Diliman.

**FIDEL J. EXCONDE** (45 years old, Filipino) was an Undersecretary of the Department of Justice, Assistant Secretary for General Legal Services of the Department of Environment and Natural Resources, Assistant Executive Secretary of the Executive Secretary, and a Director of the Home Guaranty Corporation. He obtained his BA Political Science degree from the University of the Philippines and his Bachelor of Laws from the Ateneo de Manila University.

**JOSE C. POLICARPIO, JR.** (67 years old Filipino) served as Chief Executive Officer of Sicogon Development Corp. Mr. Policarpio was likewise vice chairman of MayBank Philippines. He is the President of Aquila Legis Alumni Foundation. He served as Director of Liquidators, Office of the President; PNB-Republic Bank; PNB-RB Venture Capital Corp.; National Security Council; Presidential Personnel Committee; International Association of Sugar Technologies; Philippine Sugar Technologist; Philippine Constitutional Association and chairman of the executive committee of Floro Enterprises Creditors Consortium. He is a club secretary of the Rotary Club of Manila. He served as a Director of United Coconut Planters Bank. He holds a B.S. Commerce major in Economics & Management, from University of Sto. Tomas, Master in Business Administration from Ateneo de Manila University and a Bachelor of Laws from Ateneo de Manila University.

**JOSE C. NORGRALES** (65 years old) served as the Chief Executive Officer and President of Philippine Deposit Insurance Corp. He started his career with the Sycip, Gorres, Velayo and Co., and became the Senior Executive Vice President of Land Bank of the Philippines's handling operations and corporate services. He was also the Vice President and General Manager of Columbian Autocar Corporation, Managing Partner of Anacars Motor Corporation, President of EVN Realty & Development Company, and General Manager of Sarmiento Management Corporation.

He was likewise the President of Land Bank Insurance Brokerage Inc. He was appointed as an Assistant Minister for planning & project management of the Ministry of Natural Resources and also as Senior Consultant to Agriculture Secretary. He was Part-time faculty member of Ateneo de Manila University and Maryknoll College. Mr. Nograles received BA Economics from Ateneo de Manila University and and MBA from Asian Institute of Management.

**Family Relationships.** All the other directors and officers are not related by consanguinity or affinity except Dr. Michael L. Romero whose brother Mr. Nathaniel L. Romero is the Corporation's Treasurer.

**Involvement of Directors and Officers in Certain Legal Proceedings.** To the best knowledge and information of the Corporation, none of its incumbent directors and officers/nominee has been involved during the past five (5) years up to the time this Information Statement is submitted to the Securities and Exchange Commission and the Philippine Stock Exchange, in any legal proceedings, which are material to the evaluation of the ability or integrity of any director, executive officer or nominee of the Corporation. They are not directly or indirectly involved in such legal proceedings to wit:

- a) There is no bankruptcy petition filed by or against any business which any of the incumbent directors/officers was a general partner or executive officer at any time within five (5) years or more;

- b) The incumbent directors/officers had no conviction by final judgment for any offense, in criminal proceedings, domestic or foreign nor is any of them the subject of a pending criminal proceedings, not even for a minor offense.
- c) Not one of the incumbent directors/officers has been the subject of any order, judgment or decree not subsequently reversed suspended or vacated of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting his/her involvement in any type of business, securities, commodities or banking activities;
- d) The incumbent directors are not found by a domestic or foreign court of competent jurisdiction, the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market of self-regulatory organization, to have violated a securities or commodities law or regulation and said judgment has not been reversed, suspended or vacated.

**Item 10. Executive Compensation.**

Total short-term benefits provided to the Group's key management personnel amounted to nil in 2015.

The Corporation does not have any standard arrangement pursuant to which officers are compensated, directly or indirectly, for services provided as such, including any additional amounts payable for committee participation or special assignments for the last completed calendar year.

Name of Employee	Position	2015	2014	2013
-	N/A	-	-	-
Total		-	-	-
Bonus and other compensation		-	-	-
Directors		-	-	-
All Officers & Directors as a Group		-	-	-

Below is the summary of the total compensation for the Group:

Name of Company	Position	2015	2014	2013
Globalport 900, Inc.	N/A	-	-	-
Platinum Dredging, Inc.	N/A	-	-	-
Harbour Centre Port Holdings, Inc.	N/A	-	-	-
Total		-	-	-
Bonus and other compensation		-	-	-
Directors		-	-	-
All Officers & Directors as a Group		-	-	-

**Item 11. Security Ownership of Certain Beneficial Owners and Management.**

**Security Ownership, Certain Record and Beneficial Owners.** As of December 31, 2015, the persons known to the corporation to be directly or indirectly the record or beneficial owner of more than 5% of the registrant's voting securities are as follows:

<b>Title of Class</b>	<b>Name, Address of Record Owner and Relationship with issuer</b>	<b>Name of Beneficial Owner &amp; Relationship with Record Owner</b>	<b>Citizenship</b>	<b>Amount &amp; Nature of Shares held at P1.00 par value per share</b>	<b>Ownership</b>
Common Shares	Sultan 900 Capital, Inc., R-100 Vitas Tondo, Manila (Stockholder)	N/A	Filipino	1,922,868,800	89.18%
Common Shares	Aspac Logistics & Trdg. Pty Ltd, PO Box 2234 IFS Chambers, Rd Town, BVI (Stockholder)	N/A	Foreign	126,000,000	5.84%
Notes: (1)	Sultan 900 Capital Inc, is a holding company with investments in various companies.				

**Security Ownership of Management.** The following are the number of shares comprising the Corporation's capital stock (all of which are voting shares) owned of record by the directors, Chief Executive Officer, and key officers of the Corporations as of December 31, 2015.

<b>(1) Title of Class</b>	<b>(2) Name of Beneficial Owner</b>	<b>(3) Amount and nature of Beneficial Ownership at P1.00 par value per share</b>	<b>(4) Citizenship</b>	<b>(5) Percent of Class</b>
Common Shares	Michael L. Romero	100	Filipino	0.00%
	Richard David Barclay	100	Australian	0.00%
	Ramon R. Atayde	100	Filipino	0.00%
	Fidel J. Exconde, Jr.	100	Filipino	0.00%
	Gilbert I. Nolasco	100	Filipino	0.00%
Directors and Executive Officers as a Group Common Shares		500	Filipino	0.00%

**Voting Trust Holders of 5% or More.** There are no holders of voting trust agreements of 5% or more.

**Changes in Control.** The Corporation did not have change in control since its acquisition of Sultan 900 Capital, Inc. from Ventcap, Inc. in 2011.

### **Item 12. Certain Relationships and Related Transactions**

See Note 13 (Related Party Transaction) of the Notes to the financial statements.

**Parent of the Corporation.** Sultan 900 Capital Inc. owning 89.18% of the Corporation is considered the Corporation's parent company.

**Transaction with Promoters.** There are no transactions with promoters within the past five (5) years.

## **PART IV – CORPORATE GOVERNANCE**

### **Item 13. Corporate Governance**

In compliance with SEC Memorandum Circular No. 6 Series of 2009, the Corporation has filed with the SEC and PSE its Revised Manual on Corporate Governance on July 30, 2014.

Pursuant to the provisions of said Revised Manual on Corporate Governance (Manual), the Corporation has been monitoring its compliance as follows:

- a. Compliance with SEC Memorandum Circular No. 2 dated 5 April 2002, as well as relevant Circulars on Corporate Governance have been monitored.
- b. Globalport 900, Inc., its directors, officers, and employees complied with all the leading practices and principles on good corporate governance as embodied in the manual.
- c. The Corporation has also complied with the appropriate performance for self-rating assessment and performance evaluation system to determine and measure compliance with the Manual.
- d. The following sets for the explanations for incompleteness in the delay in compliance with the Manual

<b>Leading Practices and Principles on Good Corporate Governance</b>	<b>Explanation for Incompleteness or Delay in Compliance</b>
(1) Management: Strategy Setting and Planning	The management has taken initiatives in setting its goals, strategic actions and plans but still in its initial stage.
(2) Organizational and Procedural Controls: (a) There is a professional development program for employees and officers and a succession plan for senior management. (b) The Corporation has formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration, if any of officers. (c) Develop a transparent financial management system in sufficient detail to ensure the integrity of internal control activities throughout the Corporation.	The management has plans to develop its organization and procedural controls. It will consider implementation of policies and procedures that will strengthen its system of checks and balances and will continue to keep abreast with and implement all rules and regulations on corporate governance as soon as it becomes operational.



In addition to the actions taken above, the Corporation will continue to keep abreast with, and implement all rules and regulations on corporate governance.

#### **PART V - EXHIBITS AND SCHEDULES**

##### **Item 14. Exhibits and Reports on SEC Form 17-C**

**(a) Exhibits** - Exhibits here refers only to the Audited Financial Statements of the Corporation and its Subsidiaries and Reports on SEC form 17-C. There is no management contract or compensatory plan or arrangement required to be filed as exhibit to this form.

**(b) Reports on SEC Form 17-C** - Reports on SEC form 17-C during the last six months of 2015 follows:

<b>Date</b>	<b>Particulars</b>
	No Disclosure Report was filed for the year 2015

**INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES**

**SEC FORM 17-A**

	<b>Page No.</b>
<b>FINANCIAL STATEMENTS</b>	
Statement of Management's Responsibility for Financial Statements	Attached
Report of Independent Accountants	Attached
Statement of Financial Position as of December 31, 2015 and 2014	Attached
Statement of Comprehensive Income for the Years ended December 31, 2015 and 2014	Attached
Statement of Changes in Equity for the Years ended December 31, 2015 and 2014	Attached
Statement of Cash flows for the Years ended December 31, 2015 and 2014	Attached
Notes to the Financial Statements	Attached
<b>SUPPLEMENTARY SCHEDULES</b>	
Report of Independent Public Accountants on Supplementary Schedules	Attached
Schedule A. Marketable Securities - (Current Marketable Equity Securities and Other Short-term cash Investment)	NA
Schedule B. Amounts Receivables from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Affiliates)	Attached
Schedule C. Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statement	NA
Schedule D. Intangible assets – Other assets	Attached
Schedule E. Long-Term Debt	NA
Schedule F. Indebtedness to Related Parties	Attached
Schedule G. Guarantees of Securities and Other Issuers	NA
Schedule H. Capital Stock	Attached

**SCHEDULE B – Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than Affiliates)**

<b>Name of Related Party (1)</b>	<b>Balance at Beginning of Period</b>	<b>Balance at End of Period (2)</b>
Ultimate Parent Company	100,500	-

Notes:

1. See Note 13 of the Notes to Financial Statements
2. The advances are unsecured, non-interest bearing and collectible on demand. However, as of December 31, 2015 and 2014, the amount of P 56,036,537 was assessed by the management as impaired.

**SCHEDULE D – Intangible assets – Other assets**

<b>Description (1)</b>	<b>Balance at Beginning of Period</b>	<b>Balance at End of Period (2)</b>
Goodwill from business combination	9,781,868	9,781,868

Notes:

1. See Note 9 of the Notes to Financial Statements
2. Intangible assets except goodwill were fully amortized as of December 31, 2015 and 2014 and amortization is not recognized on the goodwill from business combination.

## SCHEDULE F- Indebtedness to Related Parties

<b>Name of Related Party (1)</b>	<b>Balance at Beginning of Period</b>	<b>Balance at End of Period (2)</b>
Affiliates	47,155,042	47,155,042
Officers	1,559,397	8,388,899
Shareholders	702,680	1,714,338
Total	49,417,119	57,258,279

### Notes:

1. See Note 13 of the Notes to Financial Statements
2. The advances from related parties will be settled in cash although no guarantees have been given since these are unsecured, non-interest bearing and payable on demand.
3. The balance of P 57,258,279 as of December 31, 2015 represents the advances from between various stockholders, officers and affiliates.

## **SCHEDULE J – Capital Stock**

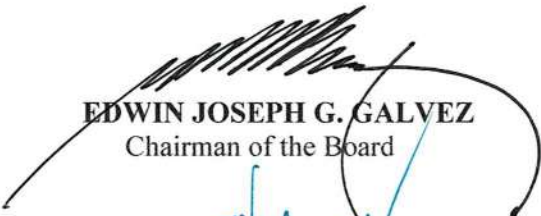
Please refer to Note 14 of the Notes to Financial Statements for updated disclosure/information on the capital stock of the issuer.

**SIGNATURES**

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of

PASIG CITY on AUG 20 2019, 20  .

By:

  
**EDWIN JOSEPH G. GALVEZ**  
Chairman of the Board



**FREDERICK M. AREJOLA**  
Treasurer

  
**CYRUS PAUL S. VALENZUELA**  
Assistant  
Corporate Secretary

AUG 20 2019

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_ 2019 affiant(s) exhibiting to me their valid identifications, as follows:

NAMES	IDENTIFICATION INFORMATION
Edwin Joseph G. Galvez	TIN 175 - 320 - 328
Frederick M. Arejola	TIN 232 - 156 - 122
Cyrus Paul S. Valenzuela	006 - 0011 - 2867-1

Doc. No. 207  
Page No. 47  
Book No. 88  
Series of 2019.

**FERDINAND D. AYAHAO**  
**Notary Public**  
Until December 31, 2019  
Appreciation No. 106(2018-2019)  
For Pasig City, Marikina and San Juan City  
Attorney's Roll No. 46377  
IBP LRN 02459, O.R. No. 535836 06-21-2001  
MCLE No. VI-0025785, 04-02-19  
PTR No. 5174565, 01-08-19, Pasig City  
4F Goldloop Tower A, Jose Ma. Escava Drive  
Ortigas Center, Pasig City







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


The Management of **GLOBALPORT 900, INC. AND SUBSIDIARIES** (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2015 and 2014, in accordance with the prescribed financial reporting framework indicated therein, 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 error or fraud.


In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

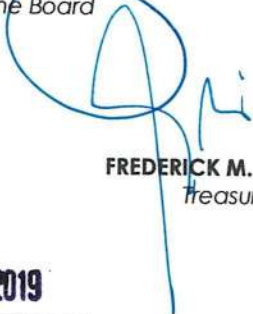
The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the shareholders.

**RAMON F. GARCIA & COMPANY, CPAs**, the independent auditor and appointed by the shareholders for the years ended December 31, 2015 and 2014, has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and its report to the shareholders, has expressed its opinion on the fairness of presentation upon completion.

  
**EDWIN JOSEPH G. GALVEZ**  
Chairman of the Board

  
**MARVEE M. ESPEJO**  
President

  
**FREDERICK M. AREJOLA**  
Treasurer

Signed this day of JUL 29 2019

JUL 29 2019

SUBSCRIBED AND SWORN to before me this \_\_\_ day of \_\_\_\_\_, 2019, affiants exhibited to me their Competent Evidence of Identity (CEI) and Community Tax Certificate (CTC) Nos. as follows:

Name	Details of CEI/CTC	Issued On/ Issued At
Marvee M. Espejo	137 - 169 - 328	Metro Manila
Edwin Joseph G. Galvez	175 - 320 - 328	Metro Manila
Frederick M. Arejola	292 - 156 - 122	Metro Manila

Doc. No. 243 ;  
Page No. 60 ;  
Book No. 78 ;  
Series of 2019.

**PASIG CITY**

**FERDINAND D. AYAHAO**  
NOTARY PUBLIC  
Until December 31, 2019  
Appointment No. 106(2018-2019)  
For Pasig City, Pateros and San Juan City  
Attorney's Roll No. 46377  
IBP LRN 02459; O.R. No. 535886. 06-21-2001  
MCLE No. VI-0025705, 04-02-19  
PTR No. 5174565, 01-08-19; Pasig City  
4F Goldloop Tower A, Jose Ma. Escriva Drive  
Ortigas Center, Pasig City

**SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITORS**


The Board of Directors and Shareholders  
**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
Unit 2701 One Corporate Center,  
Julia Vargas St. cor. Meralco Ave.,  
Ortigas Center, Pasig City

We have examined the consolidated financial statements of **GLOBALPORT 900, INC. AND SUBSIDIARIES** (the Group) for the year ended December 31, 2015, on which we have rendered the attached report, dated July 29, 2019.

In compliance with SRC Rule 68, we are stating that the said Company has a total number of fifty-two (52) shareholders owning one hundred (100) or more shares each.

**RAMON F. GARCIA & COMPANY, CPAs**

By:

  
**HONORATA L. PAGUIO**  
Partner

CPA Certificate No. 0078850

PTR No. 7375693, January 24, 2019, Makati City

TIN 105-540-683

BIR Accreditation No. 08-001759-3-2017 (February 14, 2017 to February 13, 2020)

Partner's SEC Accreditation No. 1620-A (March 16, 2017 to March 15, 2020)

Firm's SEC Accreditation No. 0257 (October 18, 2018 to October 17, 2021)

BOA/PRC Accreditation No. 0207 (July 18, 2017 to February 12, 2020)

July 29, 2019  
Makati City

BOA/PRC Accreditation No. 0207 (July 18, 2017 to February 12, 2020)  
SEC Accreditation No. 0257-FR-2 (October 18, 2018 to October 17, 2021)

*Ramon F. Garcia & Company, CPAs is a member of Crowe International, a Swiss Verein (Crowe). Each member firm of Crowe is a separate and independent legal entity. Ramon F. Garcia & Company, CPAs and its affiliates are not responsible or liable for any acts or omissions of Crowe or any other member of Crowe and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe or any other Crowe member.*

**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES**

The Board of Directors and Shareholders  
**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
Unit 2701 One Corporate Center,  
Julia Vargas St. cor. Meralco Ave.,  
Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **GLOBALPORT 900, INC. AND SUBSIDIARIES** (the Group) as at and for the year ended December 31, 2015 and issued our report thereon dated July 29, 2019. Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The schedules listed in the Index to the consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's Management. These schedules are presented for purpose of complying with the Securities Regulation Code (SRC) 68, as amended, and are not part of the consolidated financial statements. These supplementary schedules have been subjected to the auditing procedures applied in the audit of the consolidated financial statements and in our opinion, the information fairly states in all material respects the financial data required to be set forth therein in relation to the consolidated financial statements taken as a whole.

**RAMON F. GARCIA & COMPANY, CPAs**

By:

  
**HONORATA J. PAGUIO**

Partner

CPA Certificate No. 0078850

PTR No. 7375693, January 24, 2019, Makati City

TIN 105-540-683

BIR Accreditation No. 08-001759-3-2017 (February 14, 2017 to February 13, 2020)

Partner's SEC Accreditation No. 1620-A (March 16, 2017 to March 15, 2020)

Firm's SEC Accreditation No. 0257 (October 18, 2018 to October 17, 2021)

BOA/PRC Accreditation No. 0207 (July 18, 2017 to February 12, 2020)

July 29, 2019

Makati City

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
Unit 2701 One Corporate Center,  
Julia Vargas St. cor. Meralco Ave.,  
Ortigas Center, Pasig City

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of **GLOBALPORT 900, INC. AND SUBSIDIARIES** (the Group") which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

#### Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, the Code of Ethics for Professional Accountants in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention in Note 2 to consolidated financial statements which indicate that subsequent to 2013, Harbour Centre Port Holdings, Inc. (HCPHI), one of the subsidiaries of Globalport 900, Inc. (the Parent Company), had a limited access to the financial records of its subsidiary, Harbour Centre Port Terminal, Inc. (HCPTI) as a result of a legal dispute between the individual shareholders, officers, and the Board of Directors over its ownership. Consequently, there was a delay in the preparation of the consolidated financial statement of the Group.

In 2018, the parties involved agreed to end their legal disputes. The court, in its decision dated October 24, 2018, approved and adopted the agreement settled by both parties, and as a result, it is established that HCPHI no longer has control over HCPTI. Accordingly, the consolidated financial statements as of December 31, 2015 does not include HCPTI.

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2015, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2015 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards (PFRS), 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis for accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosure, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements are the responsibility of the group's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, as amended (2011) and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements as a whole.

**RAMON F. GARCIA & COMPANY, CPAs**

By:

  
**HONORATA L. PAGUIO**

Partner

CPA Certificate No. 0078850

PTR No. 7375693, January 24, 2019, Makati City

TIN 105-540-683

BIR Accreditation No. 08-001759-3-2017 (February 14, 2017 to February 13, 2020)

Partner's SEC Accreditation No. 1620-A (March 16, 2017 to March 15, 2020)

Firm's SEC Accreditation No. 0257 (October 18, 2018 to October 17, 2021)

BOA/PRC Accreditation No. 0207 (July 18, 2017 to February 12, 2020)

July 29, 2019

Makati City

BOA/PRC Accreditation No. 0207 (July 18, 2017 to February 12, 2020)

SEC Accreditation No. 0257-FR-2 (October 18, 2018 to October 17, 2021)

Ramon F. Garcia & Company, CPAs is a member of Crowe International, a Swiss verein (Crowe). Each member firm of Crowe is a separate and independent legal entity. Ramon F. Garcia & Company, CPAs and its affiliates are not responsible or liable for any acts or omissions of Crowe or any other member of Crowe and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe or any other Crowe member.

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Financial Position**  
As at December 31, 2015 and 2014  
(In Philippine Peso)

<b>ASSETS</b>	<b>2015</b>	<b>2014</b>
<b>Current assets</b>		
Cash on hand and in banks (notes 2d and 4)	1,308,484	1,181,905
Trade and other receivables (notes 2d and 5)	666,006	9,299,839
Advances to affiliates (notes 2d, 2r and 13)	-	100,500
Prepayments and other current assets (notes 2e and 6)	3,326,062	2,898,380
<b>Total</b>	<b>5,300,552</b>	<b>13,480,624</b>
<b>Non-current assets</b>		
Investments (notes 2d and 7)	195,000,000	195,000,000
Property and equipment, net (notes 2f and 8)	99,486	338,936
Intangible assets and goodwill, net (notes 2g, 2h and 9)	9,781,868	9,781,868
Deferred tax asset (notes 2r and 18)	51,290	51,290
Other non-current assets, net (notes 2i and 10)	-	-
<b>Total</b>	<b>204,932,644</b>	<b>205,172,094</b>
<b>TOTAL ASSETS</b>	<b>210,233,196</b>	<b>218,652,718</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade payables and accruals (notes 2d and 11)	33,803,688	31,528,630
Advances from affiliates (notes 2d, 2s and 13)	55,543,941	48,714,439
Advances from shareholders (notes 2d, 2s and 13)	1,714,338	702,680
Other current liabilities (notes 2k and 12)	3,532,355	4,420,239
<b>Total</b>	<b>94,594,322</b>	<b>85,365,988</b>
<b>Non-current liability</b>		
Accrued retirement liability (note 2p)	542,836	542,836
<b>Total</b>	<b>542,836</b>	<b>542,836</b>
<b>TOTAL LIABILITIES</b>	<b>95,137,158</b>	<b>85,908,824</b>
<b>EQUITY</b>		
<b>Equity Attributable to Equity Holders of GLOBALPORT 900, INC.</b>		
Authorized - 3,000,000,000 shares @ P 1 par value per share	3,000,000,000	3,000,000,000
Paid-up Capital (notes 2m and 14)	2,156,250,000	2,156,250,000
Additional paid-in capital (note 2m)	268,309	268,309
Treasury share (notes 2m and 14)	(595,111)	(595,111)
Accumulated losses (note 2m)	(2,047,939,982)	(2,030,300,289)
<b>Total</b>	<b>107,983,216</b>	<b>125,622,909</b>
<b>Non-controlling Interest (NCI) (note 2a)</b>	<b>7,112,822</b>	<b>7,120,985</b>
<b>TOTAL EQUITY</b>	<b>115,096,038</b>	<b>132,743,894</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>210,233,196</b>	<b>218,652,718</b>

(see notes to consolidated financial statements)

**GLOBALPORT 900, INC. AND SUBSIDIARIES**
**Consolidated Statements of Comprehensive Loss**

For the years ended December 31, 2015, 2014 and 2013

(In Philippine Peso)

	2015	2014	2013
<b>Revenues</b> (note 2o)	-	7,012,325	80,966,375
<b>Cost of services</b> (notes 2o and 15)	-	(4,447,778)	(72,004,861)
<b>Gross profit</b>	-	2,564,547	8,961,514
<b>General and administrative expenses</b> (notes 2o and 16)	(17,649,683)	(42,546,804)	(22,173,315)
<b>Other income (expense), net</b> (notes 2o and 17)	1,827	(625,518,871)	(1,324,780,958)
<b>Loss before income tax</b>	(17,647,856)	(665,501,128)	(1,337,992,759)
<b>Income tax benefit (expense)</b> (notes 2r and 18)			
Current	3,600,426	9,075,088	3,720,691
Deferred	(3,600,426)	(9,075,088)	(4,360,666)
Total	-	-	(639,975)
<b>Net loss</b>	(17,647,856)	(665,501,128)	(1,338,632,734)
<b>Other comprehensive income</b>			
Not subject to reclassification adjustment	-	-	-
<b>Total comprehensive loss</b>	(17,647,856)	(665,501,128)	(1,338,632,734)
<b>Net loss / Total comprehensive loss attributable to:</b>			
Equity holders of <b>GLOBALPORT 900, INC.</b>	(17,639,693)	(655,104,770)	(1,293,824,923)
Non-controlling interest (note 2a)	(8,163)	(10,396,358)	(44,807,811)
Total	(17,647,856)	(665,501,128)	(1,338,632,734)
<b>Basic/diluted earnings (loss) per share attributable to equity holders of the Company</b> (notes 2n and 23)	(0.008)	(0.28)	(0.56)

(see notes to consolidated financial statements)



**GLOBALPORT 900, INC. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

For the years ended December 31, 2015, 2014 and 2013

(In Philippine Peso)

	Equity Attributable to Holders of GLOBALPORT900, INC.							
	Paid-up Share Capital	Additional Paid-in Capital	Treasury Share	Reserves	Accumulated Profits (Losses)	Total	Non- controlling Interest	Total Equity
Balances at December 31, 2012	2,156,250,000	268,309	(595,111)	369,223,116	60,738,439	2,585,884,753	656,578,417	4,385,463,170
Effect of non-consolidation of a subsidiary (HCPTI)	-	-	-	(379,004,984)	(142,109,035)	(521,114,019)	(594,253,263)	(2,258,367,282)
Reclassification to set-up goodwill of a subsidiary (PDI)	-	-	-	9,781,868	-	9,781,868	-	9,781,868
Net loss	-	-	-	-	(1,293,824,923)	(1,293,824,923)	(44,807,811)	(1,338,632,734)
<b>Balances at December 31, 2013</b>	<b>2,156,250,000</b>	<b>268,309</b>	<b>(595,111)</b>	<b>-</b>	<b>(1,375,195,519)</b>	<b>780,727,679</b>	<b>17,517,343</b>	<b>798,245,022</b>
Net loss for the period	-	-	-	-	(655,104,770)	(655,104,770)	(10,396,358)	(665,501,128)
<b>Balances at December 31, 2014</b>	<b>2,156,250,000</b>	<b>268,309</b>	<b>(595,111)</b>	<b>-</b>	<b>(2,030,300,289)</b>	<b>125,622,909</b>	<b>7,120,985</b>	<b>132,743,894</b>
Net loss for the period	-	-	-	-	(17,639,693)	(17,639,693)	(8,163)	(17,647,856)
<b>Balances at December 31, 2015</b>	<b>2,156,250,000</b>	<b>268,309</b>	<b>(595,111)</b>	<b>-</b>	<b>(2,047,939,982)</b>	<b>107,983,216</b>	<b>7,112,822</b>	<b>115,096,038</b>

(see notes to consolidated financial statements)

**GLOBALPORT 900, INC. AND SUBSIDIARIES**
**Consolidated Statements of Cash Flows**

For the years ended December 31, 2015, 2014 and 2013

(In Philippine Peso)

	2015	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax	<b>(17,647,856)</b>	(665,501,128)	(1,337,992,759)
Adjustments to reconcile loss to net cash used in operating activities:			
Depreciation (note 8)	<b>239,450</b>	19,026,503	18,301,558
Impairment losses	-	625,520,614	1,324,787,408
Retirement benefit expense	-	542,836	-
Interest income (note 4)	<b>(1,827)</b>	(1,743)	(6,450)
<b>OPERATING INCOME (LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>(17,410,233)</b>	(20,412,918)	5,089,757
<b>Decrease (Increase) in current assets</b>			
Trade and other receivables	<b>8,633,833</b>	7,132,978	420,014,142
Materials and supplies	-	-	149,311
Prepayments and other current assets	<b>(427,682)</b>	994,794	66,058,764
<b>Increase (Decrease) in current liabilities</b>			
Trade and other payables	<b>2,275,058</b>	4,528,599	14,718,501
Other current liabilities	<b>(887,884)</b>	954,323	2,009,948
<b>Cash provided by (used in) operations</b>	<b>(7,816,908)</b>	(6,802,224)	508,040,423
Income tax paid	-	(51,290)	(2,241,726)
Interest received	<b>1,827</b>	1,743	6,450
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(7,815,081)</b>	(6,851,771)	505,805,147
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investments	-	-	(455,000,000)
Acquisition of property and equipment (note 8)	-	-	(29,396,484)
Increase in other non-current assets	-	-	(27,090,557)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-</b>	-	(511,487,040)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Advances to/from affiliates	<b>6,930,002</b>	5,630,197	721,647
Other effect of non-consolidation of a subsidiary (HCPTI)	-	-	(14,439,772)
Advances from shareholders	<b>1,011,658</b>	702,680	(108,975)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>7,941,660</b>	6,332,877	(13,827,100)
<b>NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS</b>	<b>126,579</b>	(518,894)	(19,508,993)
<b>CASH ON HAND AND IN BANKS AT THE BEGINNING OF THE YEAR</b>	<b>1,181,905</b>	1,700,799	21,209,792
<b>CASH ON HAND AND IN BANKS AT THE END OF THE YEAR (note 4)</b>	<b>1,308,484</b>	1,181,905	1,700,799

(see notes to consolidated financial statements)

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

---

**Note 1 – Corporate Information**

---

**GLOBALPORT 900, INC.** (herein referred to as "the Parent Company") was incorporated and registered with the Securities and Exchange Commission (SEC) on May 1, 1933 and with the Bureau of Internal Revenue (BIR) on January 22, 1997. The Parent Company is a public company whose shares are listed in Philippine Stock Exchange (PSE). Its primary purpose, as amended, is to own, invest, manage, operate, maintain and develop port facilities, including other maritime activities supportive of port operations and shipping, and to establish or acquire subsidiaries and affiliates within or outside the Philippines for the same purposes herein set forth including those incidental thereto and to guarantee obligations of these subsidiaries and affiliates and those of any entity in which the Parent Company has lawful interest. On December 7, 2011, the SEC approved the change in corporate name of the Parent Company to Globalport 900, Inc. and its primary purpose of business.

On August 4, 2011, Sultan 900 Capital, Inc. ("Sultan 900" or "the Ultimate Parent Company"), a corporation registered with the SEC, acquired the ownership interest of Ventcap, Inc. ("Ventcap") in the Parent Company, including the deposit for future share subscription.

On September 28, 2011, the shareholders approved the increase in authorized share capital of the Parent Company from P 100 million to P 2.1 billion, and the reduction in the par value from P 100 to P 1 per share. The increase and reduction in par value of share was approved by the SEC on October 12, 2011. On May 4, 2012, the shareholders approved another increase in authorized share capital from P 2.1 billion to P 3 billion. The increase was approved by the SEC on November 29, 2012. The proceeds from the increase in authorized share capital were used to finance the Parent Company's investments plans and undertakings. As at December 31, 2015 and 2014, the Parent Company is 89.18% owned by Sultan 900.

Thru a share purchase agreement executed between the Parent Company and Sultan 900 on April 4, 2012, 96.32% equity interest in Harbour Centre Port Holdings, Inc. (HCPHI) was acquired by the Parent Company from Sultan 900 for P 1.638 billion. HCPHI is a domestic corporation registered with the SEC on September 12, 2007 as a holding company and owns 68.11% of Harbour Centre Port Terminal, Inc. (HCPTI), a company primarily engaged in port operations. On the same date, a share purchase agreement was also executed between the Parent Company and Sultan 900, where the former acquired the latter's 100% equity interest in Platinum Dredging, Inc. (PDI), with the consideration of P 300 million. PDI is a domestic corporation registered with the SEC on August 15, 2017, primarily to engage in dredging and rehabilitation works, and general construction and general building such as but not limited to port harbor and road, water supply, sewerage and sewage treatment/disposal plant.

In 2015, HCPHI had limited access to HCPTI's financial records as a result of a legal dispute between the individual shareholders, officers, and the Board of Directors over its ownership. Consequently, there was a delay in preparing the financial statements of HCPHI and ultimately, the Parent Company (note 2b).

The Parent Company and its subsidiaries (HCPHI and PDI) are herein collectively referred to as the "Group".

The Parent Company's registered office address is located at Unit 2701 One Corporate Center, Julia Vargas St. cor. Meralco Ave., Ortigas Center, Pasig City.

The accompanying consolidated financial statements as at and for the years ended December 31, 2015 and 2014 were reviewed by and authorized for issuance by the Board of Directors on July 29, 2019.

---

**Note 2 – Summary of Significant Accounting Policies**

---

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. The policies have been consistently applied to the periods presented, unless otherwise stated.

**a. Basis of preparation**

**1. Statement of compliance**

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), which includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

**2. Basis of measurement**

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. These financial statements have been prepared on the historical cost basis. The measurement bases are more fully described in the accounting policies that follow.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the required accounting policies. Areas involving a higher degree of judgment or complexity, or area where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

**3. Functional and presentation currency**

The financial statements are presented in Philippine Peso, the Group's functional currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

**4. Preparation of Consolidated Financial Statement**

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents all items of income and expenses in a single consolidated statement of comprehensive income.

The Group presents a third consolidated statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to the third consolidated statement of financial position are not required to be disclosed.

Philippine Financial Reporting Standard 10, *Consolidated Financial Statements* requires a parent entity, an entity that controls one or more other entities, to present consolidated financial statements. However, a parent need not present consolidated financial statements if it meets all of the following conditions:

- it is a wholly-owned subsidiary or is a partially-owned subsidiary of another entity and its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements;
- its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

- it did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market; and
- its ultimate or any intermediate parent of the parent produces financial statements available for public use that comply with IFRSs, in which subsidiaries are consolidated or are measured at fair value through profit or loss in accordance with PFRS 10.

The Group did not meet any of the conditions above on exceptions for preparation of consolidated financial statements. Therefore, the Group is required to prepare consolidated financial statements.

**b. Basis of preparation**

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries as at December 31, 2015 and 2014:

Name of Subsidiary	Principal Business Activity	2015		2014	
		Direct	Indirect	Direct	Indirect
Harbour Centre Port Holdings Inc. (HCPHI) <i>(96.32% owned by Globalport)</i>	Holding company	96.32	-	96.32	-
Platinum Dredging Inc. (PDI) <i>(99.99% owned by Globalport)</i>	Engineering Construction, Dredging and related work	99.99	-	99.99	-

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Parent Company obtains control and continue to be consolidated until the date that such control ceases. The Parent Company controls an investee when it is exposed, or have rights, to variable returns from its involvement with the investee and when it has the ability to affect those returns through its power over the investee.

The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company. The consolidated financial statements were prepared using uniform accounting policies for like transactions and other events with similar circumstances. All intra-group balances, income and expenses, unrealized gains and losses and dividends, if any, resulting from intra-group transactions are eliminated in full.

Noncontrolling interests represents the profit or loss and net assets not held by the group and are presented in the statement of comprehensive income and within equity in the statement of financial position, separately from the group's equity attributable to equity holders of the Parent Company.

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

If the Parent Company loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- derecognizes the carrying amount of any non-controlling interest;
- derecognizes the cumulative translation differences recorded in equity;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained;
- recognizes any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

In 2015, HCPHI had limited access to HCPTI's financial records as a result of a legal dispute between the individual shareholders, officers, and the Board of Directors over its ownership. Consequently, there was a delay in preparing the financial statements of HCPHI and ultimately, the Parent Company. **Accordingly, the consolidated financial statements of the Parent Company as at December 31, 2015 and 2014 does not include HCPTI.**

The underlying circumstances on HCPTI were accounted for in accordance with PFRS 10 as discussed in the previous paragraph. A total of P 1,213,441,160 was recognized as non-operating loss in the consolidated statements of comprehensive income for the year ended December 31, 2013 and it includes the cost of investment to HCPTI amounting to P 1,144,294,652 that was temporarily impaired.

The Parent Company is a different juridical entity and has separate and distinct personality. Accordingly, the Parent Company was not privy to the dispute on ownership on HCPTI and has not been informed of any information by the involved entities until the time that the management of the Parent Company had its subsidiaries audited in 2017.

**c. New or revised standards, amendments to standards and interpretations**

**New accounting standards and amendments issued and effective for calendar year 2015**

The adoption of the following amended standards and improved PFRS during the year did not have any significant impact on the consolidated financial statements, unless otherwise indicated.

**Amendments to PFRS 1, First-time Adoption of Philippine Financial Reporting Standards – Meaning of effective PFRS (Part of Annual Improvements to PFRS, 2011-2013 cycle)**

Clarifies that an entity, in its first PFRS financial statements, has the choice between applying an existing and currently effective PFRS or applying early a new or revised PFRS that is not yet mandatorily effective, provided that the new or revised PFRS permits early application. An entity is required to apply the same version of the PFRS throughout the periods covered by those first PFRS financial statements. These amendments are not applicable to the Group as it is not first time adopter of PFRS.

**Amendments to PFRS 2, Share-based Payment – Definition of Vesting Condition (Part of Annual Improvements to PFRS, 2010-2012 cycle)**

Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition'). The amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates.

**Amendments to PFRS 3, Business Combinations – Accounting for Contingent Consideration in a Business Combination (Part of Annual Improvements to PFRS, 2010-2012 cycle)**

Clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date. The amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates.

**Amendments to PFRS 3, Business Combinations - Scope Exceptions for Joint Arrangements (Part of Annual Improvements to PFRS, 2011-2013 cycle)**

Clarifies that PFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates.

**Amendments to PFRS 8, Operating Segments – Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets (Part of Annual Improvements to PFRS, 2010-2012 cycle)**

The amendments require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. It also clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. These amendments do not apply to the Group.

**Amendments to PFRS 13, Fair Value Measurement - Short-term Receivables and Payables (Part of Annual Improvements to PFRS, 2010-2012 cycle)**

Clarifies that issuing PFRS 13 and amending PFRS 9 and PAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial. The amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates.

**Amendments to PFRS 13, Fair Value Measurement – Portfolio Exception (Part of Annual Improvements to PFRS, 2011-2013 cycle)**

Clarifies that the scope of the portfolio exception defined in paragraph 52 of PFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or PFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in PAS 32 Financial Instruments: Presentation. The amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates.

**Amendments to PAS 16, Property, Plant and Equipment – Revaluation Method – Proportionate Restatement of Accumulated Depreciation (Part of Annual Improvements to PFRS, 2010-2012 cycle)**

Clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. The amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates.

**Amendments to PAS 19, Employee Benefits – Defined Benefit Plans: Employee Contributions**

The amendments apply to contributions from employees or third parties to defined benefit plans. Contributions that are set out in the formal terms of the plan shall be accounted for as reductions to current service costs if they are linked to service or as part of the remeasurements of the net defined benefit asset or liability if they are not linked to service. Contributions that are discretionary shall be accounted for as reductions of current service cost upon payment of these contributions to the plans. The amendments to PAS 19 are to be retrospectively applied. The amendments do not apply to the Group.

**Amendments to PAS 24, Related Party Disclosures – Key Management Personnel (Part of Annual Improvements to PFRS, 2010-2012 cycle)**

Clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. The amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates.

**Amendments to PAS 38, Intangible Assets – Revaluation Method – Proportionate Restatement of Accumulated Amortization (Part of Annual Improvements to PFRS, 2010-2012 cycle)**

Clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. The amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates.

**Amendments to PAS 40, Investment Property - Clarifying the Interrelationship of PFRS 3 and PAS 40 When Classifying Property as Investment Property or Owner-Occupied Property (Part of Annual Improvements to PFRS, 2011-2013 cycle)**

Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in PFRS 3, Business Combinations and investment property as defined in PAS 40, Investment Property requires the separate application of both standards independently of each other.

**New accounting standards, interpretations and amendments effective subsequent to December 31, 2015**

Standards, amendments and/or interpretations issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Group intends to adopt the following pronouncements when they become effective, unless otherwise indicated.

*Effective in 2016:*

**Amendments to PFRS 5, Non-current Assets Held for Sale and Discontinued Operations – Changes in Methods of Disposal (Part of Annual Improvements to PFRS, 2012-2014 cycle)**

These amendments add specific guidance in PFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued. The amendments do not apply to the Group.

**Amendments to PFRS 7, Financial Instruments: Disclosures – Servicing Contracts (Part of Annual Improvements to PFRS, 2012-2014 cycle)**

These amendments add additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required. The amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates.

**Amendments to PFRS 7, Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements (Part of Annual Improvements to PFRS, 2012-2014 cycle)**

These amendments clarify the applicability of the amendments to PFRS 7 on offsetting disclosures to condensed interim financial statements. The amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates.

**Amendments to PFRS 10, PFRS 12 and PAS 27 – Investment Entities**

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments do not apply to the Group.

**Amendments to PFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations**

The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively applied with early adoption permitted. These amendments are not expected to have any impact to the Group.

**Amendments to PFRS 14, Regulatory Deferral Accounts**

PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statements of financial position and present movements in these account balances as separate line items in the statements of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group is an existing PFRS preparer, this standard would not apply.

**Amendments to PAS 1, Presentation of Financial Statements - Disclosure Initiative**

The amendments are intended to assist entities in applying judgment when meeting the presentation and disclosure requirements in PFRS. They clarify the following:

- That entities shall not reduce the understandability of their financial statements by either obscuring material information with immaterial information; or aggregating material items that have different natures or functions
- That specific line items in the statements of income and OCI and the statements of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Early application is permitted for the adoption of these amendments and entities do not need to disclose that fact as the amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates.

**Amendments to PAS 16, Property, Plant and Equipment, and PAS 38, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization.**

The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively with early adoption permitted. These amendments are not expected to have any impact on the Group given that it has no plans to use a revenue-based method to depreciate its non-current assets.



**Amendments to PAS 16, Property, Plant and Equipment, and PAS 41, Agriculture – Bearer Plants**

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that the produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, Accounting for Government Grants and Disclosure of Government Assistance, will apply. The amendments are to be applied retrospectively with early adoption permitted. These amendments are not expected to have any impact to the Group as it does not have any bearer plants.

**Amendments to PAS 19, Employee Benefits – Regional Market Issue Regarding Discount Rate (Part of Annual Improvements to PFRS, 2012-2014 cycle)**

Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level). The amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates.

**Amendments to PAS 27, Separate Financial Statements – Equity Method in Separate Financial Statements**

These amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. Early adoption of these amendments is permitted. These amendments will not have any impact on the Group's financial statements since the Group opted to measure their investment in subsidiaries under the cost method.

**Amendments to PAS 34, Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report' (Part of Annual Improvements to PFRS, 2012-2014 cycle)**

Clarifies the meaning of 'elsewhere in the interim report' and requires a cross-reference. The amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates.

*Effective in 2017:*

**Amendment to PFRS 12, Disclosure of Interests in Other Entities - Clarification of the Scope of the Standard (Part of Annual Improvements to PFRS, 2014-2016 cycle)**

The amendments clarify that the disclosure requirements in PFRS 12, other than those relating to summarized financial information, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. The amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates.

**Amendments to PAS 7, Statements of Cash Flows - Disclosure Initiative**

The amendments to PAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendments, entities are not required to provide comparative information for preceding periods. Early application of the amendments is permitted. The Group is still assessing the potential impact of adopting these amendments.

**Amendments to PAS 12, Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

Entities applying this relief must disclose that fact. Early application is permitted. The Group is still assessing the potential impact of adopting these amendments.

*Effective in 2018:*

**Amendments to PFRS 1, First-time Adoption of International Financial Reporting Standards - Deletion of Short-term Exemptions for First-time Adopters (Part of Annual Improvements to PFRS 2014 - 2016 Cycle)**

Deleted the short-term exemptions in paragraphs E3-E7 of PFRS 1, because they have now served their intended purpose. The amendments are considered to be clarifications that do not affect an entity's accounting policies or accounting estimates.

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

The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and if other criteria are met. Early application is permitted. The amendments when it becomes effective will not have any impact on the Group's financial statements.

**Amendments to PFRS 4, Insurance Contracts - Applying PFRS 9, Financial Instruments with PFRS 4**

The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the forthcoming insurance contracts standard. They allow entities to choose between the overlay approach and the deferral approach to deal with the transitional challenges. The overlay approach gives all entities that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when PFRS 9 is applied before the new insurance contracts standard is issued. On the other hand, the deferral approach gives entities whose activities are predominantly connected with insurance an optional temporary exemption from applying PFRS 9 until the earlier of application of the forthcoming insurance contracts standard or January 1, 2021. The overlay approach and the deferral approach will only be available to an entity if it has not previously applied PFRS 9. These amendments when it becomes will not be applicable to the Group since the Group is not predominantly connected with insurance or issue insurance contracts.

**Amendments to PFRS 9, Financial Instruments.**

PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, Financial Instruments: Recognition and Measurement, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. Retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The Group is still assessing the potential impact of adopting PFRS 9.

**Philippine Financial Reporting Standards (PFRS) 15, Revenue from Contracts with Customers.**

PFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under PFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in PFRS 15 provide a more structured approach to measuring and recognizing revenue.

Once effective, this will be applicable to all entities and will supersede all current revenue recognition requirements under PFRS. Either a full or modified retrospective application is required with early application permitted. The Group is still assessing the impact of PFRS 15 and plans to adopt the new standard on the required effective date

**Amendments to PAS 28, Investments in Associates and Joint Ventures - Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRS, 2014-2016 cycle)**

The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. The amendments should be applied retrospectively, with earlier application permitted. The amendments when it becomes effective will not have any impact on the Group's financial statements.

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

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

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

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation may be applied on a fully retrospective basis. Entities may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. This interpretation will not have any impact to the Group's financial statements.

*Effective in 2019:*

**Amendments to PFRS 9, Financial Instruments – Prepayment Features with Negative Compensation**

The amendments allow companies to measure particular pre-payable financial assets with negative compensation at amortized cost or at fair value through other comprehensive income (FVOCI), - instead of measuring them at fair value through profit or loss (FVTPL). The amendment is effective for annual periods beginning on or after January 1, 2019 with early adoption is permitted. The amendments when it becomes effective will not have any impact on the Group's financial statements.

**Philippine Financial Reporting Standards (PFRS) 16, Leases**

PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17, Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. PFRS 16 also requires lessees and lessors to make more extensive disclosures than under PAS 17.

Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases.

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

Early application is permitted, but not before an entity applies PFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. The Group plans to adopt the new standard on the required effective date.

**Amendments to PAS 28, Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures**

The amendments clarify that long term interests in an associate or joint venture – to which the equity method is not applied- must be accounted for under PFRS 9, Financial Instruments. This shall include long term interests that, in substance, form part of the entity's net investment in an associate or joint venture. The amendments are to be applied retrospectively but they provide transition requirements similar to those in PFRS 9 for entities that apply the amendments after they first apply PFRS 9. Early application of these amendments is permitted. The amendments when it becomes effective will not have any impact on the Group's financial statements.

**Philippine Interpretation IFRIC-23, Uncertainty over Income Tax Treatments**

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12 and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The Group is currently assessing the impact of adopting this interpretation.

*Deferred effectivity:*

**Amendments to PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council postponed the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

**d. Financial instruments**

Financial assets

Financial assets include cash and financial instruments. Financial assets, other than hedging instruments, are further classified into the following categories: *loans and receivables*, *financial assets at FVPL*, *available-for-sale financial assets*, and *held-to-maturity investments*. Financial assets are assigned to different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at every reporting date at which date a choice of classification or accounting treatment is available, subject to compliance with specific provisions of applicable accounting standards.

Financial assets are recognized initially at cost, which is the fair value at inception. Transaction costs are expensed as incurred.

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

The Group recognizes a financial asset in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and disposals or retirements, as applicable, is done using settlement date accounting.

A more detailed description of the four categories of financial assets is as follows:

1. *Loans and receivables.* Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money or services directly to a debtor with no intention of trading the receivables. Loans and receivables are carried at cost or amortized cost in the consolidated statements of financial position. Loans and receivables of the Group consists of cash in banks and advances to affiliates.

Cash includes cash in banks and is stated at face value. Cash in banks are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Cash in banks are stated net of bank overdrafts which are repayable on demand.

2. *Financial Assets at Fair Value through Profit or Loss (FVPL).* Financial assets at FVPL include financial assets held-for-trading and financial assets designated as at FVPL upon initial recognition. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held-for-trading are recognized in profit or loss.

Financial assets may be designated as at FVPL at initial recognition if the following criteria are met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis;
- the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or
- the financial asset contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

The Group has no financial assets at FVPL as at December 31, 2015 and 2014.

3. *Available-for-sale (AFS) financial assets.* This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

All financial assets within this category are subsequently measured at fair value, unless otherwise disclosed, with changes in value recognized in other comprehensive income, net of any effects arising from income taxes. Fair value is determined based on the quoted closing market prices on the last market day of the financial year. When the asset is disposed or determined to be impaired the cumulative gain or loss recognized in other comprehensive income is reclassified from revaluation reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

Reversal of impairment loss is recognized in other comprehensive income, except for financial assets that are debt securities which are recognized in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

All income and expenses, including impairment losses, relating to financial assets that are recognized in profit or loss are presented in the consolidated statements of comprehensive income.

For investments that are actively traded in organized financial markets, fair value is determined by reference to stock exchange-quoted market bid prices at the close of business on the reporting period. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

The Available-for-sale (AFS) financial asset of the Group pertains to the investment in shares of stocks of Harbour Centre Port Holdings, Inc. to Manila North Harbour Port, Inc. which was previously accounted for as investment in joint venture.

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

4. *Held-to-maturity (HTM) investments.* This category includes non-derivative financial assets with fixed or determinable payments and a fixed date of maturity that the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Held-to-maturity investments are measured at amortized cost using the effective interest method less impairment loss, if any. Impairment loss, which is the difference between the carrying amount and the present value of estimated cash flows of the investment, is recognized when there is objective evidence that the investment has been impaired. Any changes in the carrying amount of the investment, including impairment loss, are recognized in profit or loss.

Gains and losses are recognized in the consolidated statements of comprehensive income when the financial assets are derecognized or impaired, as well as through the amortization process.

The Group has no HTM investments as at December 31, 2015 and 2014.

Financial liabilities

Financial liabilities are recognized when the Parent or its Subsidiary becomes a party to the contractual agreements of the instrument. All interest-related charges are recognized as an expense or income in the consolidated statement of comprehensive income. At initial recognition, an entity shall measure a financial liability at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

Financial liabilities include trade payables, accruals and advances from affiliates and shareholders.

Payables are obligations on the basis of normal credit terms and do not bear interest.

Payables are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated.

Payables including advances from affiliates and shareholders are recognized initially at the transaction price and subsequently measured at undiscounted amount of the cash or other consideration expected to be paid. Payables denominated in foreign currency are translated into Philippine Peso using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

Accruals recognized for the year are recognized based on expected amount required to settle the obligation or liability.

All financial liabilities are subsequently measured at amortized cost other than those categorized as fair value through profit or loss.

De-recognition of Financial Assets and Liabilities

Financial assets

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

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

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

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

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) any cumulative gain or loss that has been recognized directly in the consolidated statement of changes in equity is recognized in the consolidated statement of comprehensive income.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**e. Other current assets**

Assets that are expected to be converted to cash within 12 months or to be realized, sold or consumed within the Group's normal operating cycle are classified as current assets in the consolidated statement of financial position. Otherwise, it is classified as non-current asset. Other current assets recognized by the Group include prepaid insurance, prepaid income tax and input tax.

**f. Property and equipment**

Property and equipment are carried at cost less accumulated depreciation and amortization and any impairment in value.

The initial cost of property and equipment comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to expense in the period 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 original assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

Depreciation is computed on straight-line basis over the estimated useful life of the properties, as follows:

Asset Category	Estimated Useful Life
Furniture and Fixtures	3 years
Machinery and Equipment	5 years
Transportation Equipment	5 years
Office Equipment	5 years

Depreciating an item begins when property and equipment is available for use and to continue depreciating until it is derecognized, even if in that period those items are idle.

The depreciation method and useful life are reviewed periodically to ensure that the method and periods of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

The cost of repairs and maintenance is charged to expense as incurred, significant renewals and improvements are capitalized. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected as income or expense for the year. Gains or losses on disposals are determined by comparing proceeds with the carrying amount of the assets.

The carrying amount of a part of an item of property and equipment is derecognized if that part has been replaced and included in the cost of the replacement in the carrying amount of the item.

Property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying amounts may not be recoverable. If any such indication exists and where the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of these assets is the greater of net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is credited to current operations.

An item of property and equipment derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of comprehensive income in the year the item is derecognized.

**g. Intangible assets**

Intangible assets include software licenses which are accounted for under the cost model. The cost of the asset is the amount of cash or cash equivalents paid or the fair value of the other considerations given to acquire an asset at the time of its acquisition. Capitalized costs are amortized on a straight-line basis over the estimated useful life of three years as these intangible assets are considered finite. Computer software licenses are capitalized on the basis of the costs incurred to acquire and install the specific software. Costs associated with maintaining computer software licenses are expensed as incurred.

**h. Business combination and goodwill**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.



**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

The Group measures goodwill at the acquisition date as: a) fair value of the consideration transferred; plus, b) the recognized amount of any non-controlling interest in the acquiree; plus, c) if the business combination is achieved in stages the fair value of the existing equity interest in the acquiree; less, d) the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss. Subsequently, goodwill is measured at cost less any accumulated impairment in value. Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying amount may be impaired.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Cost related to the acquisition, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in profit or loss.

- *Goodwill in a business Combination*

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated a) represents the lowest level within the Group at which the goodwill is monitored for internal management purposes and; b) is not larger than an operating segment determined in accordance with PFRS 8, *Operating Segments*.

Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of cash-generating units, to which the goodwill is related. Where the recoverable amount of the cash-generating unit or group of cash-generating units is less than the carrying amount, an impairment loss is recognized.

Where the goodwill forms part of a cash-generating units of group of cash-generating units and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained. An impairment loss with respect to goodwill is not reversed.

- *Loss of Control*

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an AFS financial asset depending on the level of influence retained.

**i. Other non-current assets**

Assets that are not expected to be converted to cash within 12 months or to be realized, sold or consumed within the Group's normal operating cycle are classified as non-current assets in the consolidated statement of financial position. This includes project development cost comprising of expenditures that are directly attributable to the port development project and technical, legal, financial fees related to the design, plan and execution of the project that are capitalized only when the following criteria are demonstrated:

1. The technical feasibility of completing the project so that it will be available for use or sale, including how the project will generate future economic benefits and the existence of a market for the project output;

2. Intention to complete the project, and there are adequate technical, financial or other resources to complete the project; and
3. Ability to measure reliably the expenditures attributable to the project during its development.

The carrying amount is reviewed on a regular basis and reviewed for impairment when events or changes in circumstance indicate that the carrying amount may not be recoverable. Once the development is completed, the amounts included within the account are transferred to property and equipment or can be a part of the cost of a prospective investment.

**j. Impairment of assets**

Financial assets

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advances by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group. If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of loss shall be recognized in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date.

Non-financial assets

The carrying amounts of the Group's non-financial assets, such as property and equipment, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized in profit or loss whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of a non-financial asset is the greater of the asset's fair value less costs to sell and its value in use. The fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Reversals of impairment are recognized in profit or loss.

**k. Non-financial liabilities**

Non-financial liabilities include payable to government and other regulatory agencies. These are valued based on the expected obligation or liabilities required to be settled. This account consists of SSS, PHIC and HDMF payable, and withholding tax payable.

**l. Provisions**

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present value using a pre-tax rate that reflects market assessments and the risks specific to the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

**m. Equity**

Ordinary shares are classified as equity.

Where such shares are re-acquired by the Group's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from the equity attributable to the Group's equity holders until the shares are cancelled, reissued, disposed of. Where such shares are subsequently sold or reissued, any consideration received is added to the equity attributable to the Group's equity holders.

Additional paid-in capital is the portion of the paid-up capital representing excess over the par or stated value.

Treasury shares is carried at cost and deducted from equity. No gain or loss is recognized on the purchase, sale, issue or cancellation of own equity instruments. Any retirement of treasury shares is accounted for as a reduction in share capital at par value and excess of cost over par value is charged to additional paid-in capital.

Accumulated profits (losses) pertain to current and prior year's results as disclosed in the consolidated statement of comprehensive income.

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

**n. Basic and Diluted Earnings (loss) per share (EPS)**

Basic EPS is computed by dividing net income by the weighted average number of common shares outstanding during the period, after retroactive adjustment for stock dividend declared in the current period, if any. Diluted EPS is also computed in the same manner as the aforementioned, except that, any outstanding options are further assumed to have been exercised at the beginning of the period.

**o. Revenue and expense recognition**

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

1. *Service Fees.* Service fees are recognized upon rendering of services and when the outcome of transaction could be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognized to the extent of the expenses incurred that are recoverable. Revenue from arrastre, stevedoring, terminal fees and other port related services are recognized upon billing which generally coincides with the actual docking of the shipping vessels and the rendering of services, net of discount.
2. *Interest income.* Revenue is recognized on a time proportion basis that reflects the effective yield on the assets. Interest Income on bank deposits is recorded when earned and presented net of applicable final tax.

Cost and expenses are recognized in the consolidated statement of comprehensive income upon receipt of goods, utilization of services or at the date they are incurred. Expenses are also recognized when decrease in future economic benefit related to a decrease in an asset or an increase in a liability that can be measured reliably has arisen.

**p. Employee benefits**

1. Short-term benefits

The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Said benefits are measured at the undiscounted amount expected to be paid in exchange for services rendered. Short-term benefits given by the Group to its employees include salaries and wages, social security contributions, short-term compensated absences and bonuses and other non-monetary benefits.

2. Long-term benefits (Retirement benefits)

In the absence of an actuarial valuation, the Group adopted the provision of RA 7641, otherwise known as the Retirement Pay Law in recognizing retirement cost. Under the said RA, an employee upon reaching sixty (60) years or more, but not beyond sixty-five (65) years, who has served at least five (5) years in the Group shall be entitled to retirement pay.

Retirement cost is computed based on  $\frac{1}{2}$  month salary for every year of service, a fraction of six months being considered as one whole year. The term  $\frac{1}{2}$  month salary shall mean 15 days plus  $\frac{1}{12}$  of the 13th month pay and the cash equivalent of not more than five days' service incentive leaves. The recorded accrued retirement liability is the aggregate of the present value of the benefit obligation at the end of the reporting period.

**q. Leases**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after the inception of the lease only if one of the following applies:

1. There is change in contractual terms, other than a renewal or extension of the arrangement;
2. A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

3. There is a change in the determination of whether fulfilment is dependent on a specified asset; or
4. 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 scenario (1), (3) or (4) and at the date of renewal or extension period for scenario (2).

Group as a lessee

Leases which do not transfer to the Group substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

**r. Income taxes, Deferred tax**

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

Current income tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the reporting period. They are calculated according to the tax rates and tax laws applicable for the periods to which they relate, based on the taxable profit for the period. All changes to current tax assets or liabilities are recognized as a component of tax expense in the consolidated statement of comprehensive income.

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the reporting period 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, except:

1. where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
2. in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and the excess of minimum corporate income tax (MCIT) over regular corporate income tax, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and MCIT can be utilized, except:

1. where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction, affects neither the accounting profit nor taxable profit or loss; and
2. in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each consolidated statement of financial position and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting period.

Deferred tax asset is also recognized for Net Operating Loss carry over (NOLCO).

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

Section 34 (D) (3) define Net Operating Loss Carry Over as the net operating loss of the enterprise for any taxable year immediately preceding the current year, which had not been previously offset as deduction from gross income shall be carried over as deduction from gross income for the next three (3) consecutive taxable years immediately following the year of loss.

A valuation allowance is provided when it is more likely that some portion or all of the deferred tax assets will not be realized. Any change in the valuation allowance on deferred income tax assets is also included in the computation of the provision for deferred income tax for the year.

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

**s. Related party transactions and relationships**

Related party relationships exist when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its shareholders. Transactions between related parties are accounted for at arms' length prices or on terms similar to those offered to non-related entities in economically comparable market.

In considering each possible related party relationship, attention is directed to the substance of the relationships and not merely in legal form.

**t. Contingencies**

The standard defines a contingent liability and contingent asset as a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability or contingent asset should not be recognized but rather should only be disclosed. If the contingency is both probable and the amount can be estimated, then the recognition is appropriate.

**u. Events after the end of the reporting period**

Post year-end events that provide additional information about the Group's position at the reporting period (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

---

**Note 3 – Use of Estimates and Judgments**

---

The Group's consolidated financial statements prepared in accordance with PFRS requires the management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and the notes to consolidated financial statements. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results may ultimately differ from these estimates.

**a. Critical management judgments in applying accounting policies**

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

**1. Classification of financial instruments**

The Group classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument.

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

The substance of a financial instrument, rather than its legal form, generally governs its classification in the consolidated statements of financial position.

2. Operating leases

Critical judgment was exercised by management to distinguish the lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. The Group has determined that it does not retain all the significant risk and rewards of ownership of property.

3. Provisions and contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed in Notes 2k and 2s.

4. Determination of functional currency

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency has been determined to be the Philippine Peso.

5. Termination of control, joint control or significant influence

When the Group loses control over a subsidiary, the parent-subsidiary relationship no longer exists. Parent deconsolidates a subsidiary or derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in the income statement.

**b. Key sources of estimation uncertainty**

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

1. Allowance for impairment of trade and other receivables

Allowance is made for specific and groups of accounts, where objective evidence of impairment exists. The Group evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the Group's relationship with the customers, the customers' current credit status based on known market forces, average age of accounts, collection experience and historical loss experience.

The carrying amount of trade and other receivables as at December 31, 2015 and 2014 amounted to P 666,006 and P 9,299,839, respectively (note 5).

2. Allowance for impairment of advances to affiliates

An impairment loss is recognized when there is objective evidence that a financial asset is impaired. Management specifically reviews its advances to affiliates and analyses historical bad debts, creditworthiness, current economic trends and changes in the payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying amount of advances to affiliates.

As at December 31, 2015 and 2014, the carrying amount of advances to affiliates, net of allowance for impairment amounting to P 125,183,045 in both 2015 and 2014, amounted to nil and P 100,500, respectively (note 13b).

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

3. Estimated useful life of property and equipment

The Group estimates the useful life of each property and equipment based on the period over which the assets are expected to be available for use. The estimated useful life of property and equipment are reviewed and are 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.

As at December 31, 2015 and 2014, the carrying amount of property and equipment, net of allowance for impairment of P 319,956,014 as at December 31, 2015 and 2014, amounted to P 99,486 and P 338,936, respectively (note 8).

4. Goodwill and intangible assets

Intangible assets acquired with finite life are amortized over the expected useful life using the straight-line method of accounting. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed so that changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite life is recognized in the consolidated statements of comprehensive income.

Goodwill acquired in business is initially measured at cost as the excess of cost of a business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. The group reviews its goodwill for impairment annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

As at December 31, 2015 and 2014, the carrying amount of intangible assets with goodwill, net of accumulated amortization of P62,020,672 and allowance for impairment of P 20,000,000, amounted to P 9,781,868 (note 9).

5. Realizable amount of deferred tax assets

The Group reviews its deferred tax assets and reduces the carrying amount to the extent that it is no longer probable that sufficient future taxable profit or deductible loss will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets are measured at the tax rates that are expected to apply to the period when the asset is realized, based on the tax rates and tax laws that have been enacted or substantively enacted at the financial reporting date.

The carrying amount of deferred tax assets amounted to P 51,290 as at December 31, 2015 and 2014 (note 18b).

6. Estimated accrued retirement liability

Under PAS 19, Employee Benefits, the cost of defined retirement benefits, including those mandated under R.A. 7641, should be determined using an accrued benefit actuarial valuation method or a projected unit credit actuarial valuation method.

However, the Group deferred the implementation of such provision and recognized the defined benefit obligation using the provisions of Republic Act No. 7641 (known as the Retirement Law). The management believes that the effect of the deferral has no material effect on the financial statements.

As at December 31, 2015 and 2014, the Group has accrued retirement liability amounting to P 542,836.

7. Impairments of non-financial assets

The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:



**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that can materially affect the consolidated financial statements.

Impairment loss recognized on non-financial assets in 2015 and 2014 amounted to nil and P 607,970,349, respectively (note 8, 9 and 10).

8. Impairment of Investments in AFS Financial Assets

The Group considers investments in equity securities as impaired when there has been a significant or prolonged decline in the fair value of such investments below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment. The Group treats "significant" generally as 20% of the decrease in original cost or more and "prolonged" as greater than 12 months when the fair value has been below its original cost. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

The Group recognized impairment losses of nil and 625,520,614 in 2015 and 2014 on its investment in Harbour Centre Port Terminal, Inc. (HCPTI), respectively. The carrying values of AFS financial assets amounted to P 195,000,000 as at December 31, 2015 and 2014, respectively.

---

**Note 4 – Cash on Hand and in Banks**

---

This account consists of:

	2015	2014
Cash on hand	1,640	-
Cash in banks	1,306,844	1,181,905
<b>Total</b>	<b>1,308,484</b>	<b>1,181,905</b>

Cash in bank represents various accounts with local bank that generally earn interest in respective deposit rates. Interest income earned in 2015 and 2014 amounted to P 1,827 and P 1,743, respectively.

---

**Note 5 – Trade and Other Receivables, net**

---

This account consists of:

	2015	2014
Trade receivables	17,550,263	26,793,596
Allowance for impairment loss	(17,550,263)	(17,550,263)
Net trade receivables	-	9,243,333
Advances to officers and employees	620,500	11,000
Other receivables	45,506	45,506
<b>Total</b>	<b>666,006</b>	<b>9,299,839</b>

Trade receivables are usually due within 30 to 90 days and are non- interest bearing.

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

Advances to officers and employees account pertains to the advances given to officers and employees that serves as revolving fund for day to day operations and expenses such as transportation and supplies. These advances to officers and employees are short-term, unsecured and non-interest bearing and are settled through salary deduction or liquidation.

Movement of allowance for impairment as at December 31 is as follows:

	2015	2014
Balance at the beginning of the year	17,550,263	-
Provision for impairment	-	17,550,263
<b>Balance at the end of the year</b>	<b>17,550,263</b>	<b>17,550,263</b>

**Note 6 – Other Current Assets**

This account consists of:

	2015	2014
Creditable withholding tax	2,105,486	1,183,098
Input VAT	1,220,576	792,895
Prepaid taxes	-	922,387
<b>Total</b>	<b>3,326,062</b>	<b>2,898,380</b>

Prepaid taxes pertain to the excess tax credit to be credited to the next quarter or taxable year.

Input tax can be applied against output tax. Management believes that the amount is fully realizable in the future.

**Note 7 – Investments**

The Group's investment consists of investment in shares of stock representing the ownership interest of Harbour Centre Port Holdings, Inc. (HCPHI) to Manila North Harbour Port, Inc. (MNHPI). MNHPI is a domestic corporation engaged in the development and operations of port facilities.

In 2012, the interest in MNHPI was accounted for as investment in jointly controlled entity due to the 65% ownership interest of HCPTI to MNHPI.

The non-consolidation of Harbour Centre Port Terminal, Inc. (HCPTI) in 2013, in accordance to PAS 10 on adjusting events, the Group's ownership interest to MNHPI was only 19.5% in which the Group does not have control or significant influence over MNHPI. Accordingly, in 2013 and 2014, the interest in MNHPI was accounted as investment in shares of stock and the carrying amount of the investment amounted to P 195,000,000, as presented in the consolidated statements of financial position.

On January 29, 2015, MNHPI amended its Articles of Incorporation (AOI) by increasing the Company's authorized capital stock by P 2 billion or from P 1 billion divided into 10 million shares to P 3 billion divided into 30 million shares with par value of P 100 per share. On February 18, 2015, Securities and Exchange Commission (SEC) approved the Company's application for increase in authorized capital stock.

Subsequently, 7 million new shares amounting to P 700 million were issued to Petron Corporation and 13 million new shares amounting to P 1.3 billion were issued to San Miguel Holdings Corp.

With the new shareholdings structure, the 19.5% ownership interest of Harbour Centre Port Holdings, Inc. to Manila North Harbour Port, Inc. was reduced to 6.5% ownership interest as at December 31, 2015.

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

**Note 8 – Property and Equipment, net**

The classifications of property and equipment at December 31 and their movements during the year are as follows:

	<b>Machinery and Equipment</b>	<b>Transportation Equipment</b>	<b>Office Furniture and Other Equipment</b>	<b>2015 TOTAL</b>
<b>Cost</b>				
Balances at January 1, 2015	359,542,025	1,200,000	9,290,041	<b>370,032,066</b>
Additions	-	-	-	-
Disposals or retirement	-	-	-	-
Balances at December 31, 2015	359,542,025	1,200,000	9,290,041	<b>370,032,066</b>
<b>Accumulated Depreciation and Amortization</b>				
Balances at January 1, 2015	359,542,025	1,200,000	8,951,105	<b>369,693,130</b>
Depreciation	-	-	239,450	<b>239,450</b>
Disposals or retirement	-	-	-	-
Balances at December 31, 2015	359,542,025	1,200,000	9,190,555	<b>369,932,580</b>
<b>Carrying amount</b>	<b>-</b>	<b>-</b>	<b>99,486</b>	<b>99,486</b>
<hr/>				
	<b>Machinery and Equipment</b>	<b>Transportation Equipment</b>	<b>Office Furniture and Other Equipment</b>	<b>2014 TOTAL</b>
<b>Cost</b>				
Balances at January 1, 2014	359,542,025	1,200,000	9,290,041	370,032,066
Additions	-	-	-	-
Disposals or retirement	-	-	-	-
Balances at December 31, 2014	359,542,025	1,200,000	9,290,041	370,032,066
<b>Accumulated Depreciation and Amortization</b>				
Balances at January 1, 2014	27,266,863	480,000	3,039,970	30,786,833
Depreciation	17,229,535	240,000	1,556,968	19,026,503
Impairment	315,045,627	480,000	4,354,167	319,879,794
Disposals or retirement	-	-	-	-
Balances at December 31, 2014	359,542,025	1,200,000	8,951,105	369,693,130
<b>Carrying amount</b>	<b>-</b>	<b>-</b>	<b>338,936</b>	<b>338,936</b>

Depreciation charged to operations amounted to P 239,450 (COS – nil | G&A – P 239,450) and (COS – P 1,428,455 | G&A – P 17,598,048) in 2015 and 2014, respectively.

The management assessed the recoverability of the property and equipment and has determined that the carrying amount of the assets are higher than its recoverable amount. With this, the management decided that an allowance for impairment will be provided. Accumulated impairment loss recognized amounted to P 319,956,014 for both years presented.

There are no property and equipment items as at December 31, 2015 and 2014 that are pledged as security to liabilities

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

**Note 9 – Intangible Assets and Goodwill, net**

This account consists of:

	2015	2014
<b>Cost</b>	<b>91,802,540</b>	91,802,540
<b>Accumulated Amortization and Impairment</b>		
Accumulated amortization	62,020,672	62,020,672
Accumulated impairment loss	20,000,000	20,000,000
<b>Total</b>	<b>82,020,672</b>	82,020,672
<b>Carrying Amount</b>	<b>9,781,868</b>	9,781,868

Intangible assets represent acquired software and licenses, installed systems both software and hardware, developed applications and goodwill recognized from the business combination from the acquisition of Platinum Dredging, Inc. in April 2012. The acquisition was accounted for using the book value accounting. Accordingly, the difference between the consideration paid and the book value of the net assets at acquisition date was recognized as goodwill.

Book Value of net assets acquired, March 2012	290,218,132
Percentage of ownership	100%
Acquired ownership	290,218,132
Consideration paid	300,000,000
<b>Amount recognized as goodwill</b>	<b>9,781,868</b>

As at December 31, 2015 and 2014, intangible assets except goodwill were fully amortized and the carrying amount of this account only pertains to the goodwill from business combination. Accumulated impairment loss recognized on intangible assets except goodwill from business combination as at December 31, 2015 and 2014 amounted to P 20,000,000.

The management believes that the Parent Company's goodwill is not impaired as of December 31, 2015 and 2014.

There are no intangible assets as at December 31, 2015 and 2014 that are pledged as security to liabilities.

**Note 10 – Other Non-Current Assets, net**

This account consists of:

	2015	2014
Project development costs	336,771,949	336,771,949
Others	6,552,097	6,552,097
Allowance for impairment loss	(343,324,046)	(343,324,046)
<b>Total</b>	<b>-</b>	-

Project development costs pertains to the contracts entered into by the Parent Company and its Subsidiaries with local management services and consulting firms to assist and provide the necessary financial advice, project feasibility studies, project master plans and engineering designs in connection with the corresponding Company's plan to bid and/or acquire several domestic companies and/or port developments. These project have a total cost of P 336,771,949 as at December 31, 2015 and 2014.

Impairment loss amounting to nil and P 288,090,555 was recognized in 2015 and 2014, respectively, as a result of management's assessment that the existing contracts were no longer feasible with the future plans and incoming projects of the Group.

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

The movement of allowance for impairment as at December 31 is as follows:

	2015	2014
Balance at the beginning of the year	343,324,046	55,233,491
Provision for impairment	-	288,090,555
<b>Balance at the end of the year</b>	<b>343,324,046</b>	<b>343,324,046</b>

**Note 11 – Trade Payables and Accruals**

This account consists of:

	2015	2014
Trade payables	31,836,843	29,743,951
Accrued expenses	1,325,000	775,000
Other payables	641,845	1,009,679
<b>Total</b>	<b>33,803,688</b>	<b>31,528,630</b>

Trade payables includes obligations to the suppliers which are related to the services rendered to the Group.

Accrued expenses includes professional fees, utilities, security, janitorial services and other expenses that were incurred but not yet paid as at reporting date.

**Note 12 – Other Current Liabilities**

Other current liabilities include payable to government and other regulatory agencies amounting to P 3,532,355 and P 4,420,239 as at December 31, 2015 and 2014, respectively. These are valued based on the expected required amount to settle the obligation or liabilities.

**Note 13 – Related Party Transactions**

The following transactions were carried out with related parties:

- a. Key management personnel compensations

Compensation and other benefits paid to key management personnel for years ended 2015 and 2014 amounted to nil.

- b. Details of receivable and payable to/from related parties as at December 31 are as follows:

	2015		2014		Terms and Conditions
	Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance	
<u>Receivable:</u>					
Ultimate Parent Company	(100,500)	56,036,537	(4,570,800)	56,137,037	Non-interest bearing and unsecured. Collectible on demand
Affiliates	-	69,146,508	-	69,146,508	
Impairment	-	(125,183,045)	-	(125,183,045)	
<b>Total</b>	<b>(100,500)</b>	<b>-</b>	<b>(4,570,800)</b>	<b>100,500</b>	
<u>Payable:</u>					
Affiliates	-	47,155,042	(500,000)	47,155,042	Non-interest bearing and unsecured.
Officers	6,829,502	8,388,899	1,559,397	1,559,397	
Shareholders	1,011,658	1,714,338	702,680	702,680	Payable on demand
<b>Total</b>	<b>7,841,160</b>	<b>57,258,279</b>	<b>1,762,077</b>	<b>49,417,119</b>	

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

These have no specific maturity and will be settled in cash although no guarantees have been given. Advances to ultimate parent company and affiliate were presented as current assets and current liabilities in the consolidated statement of financial position.

Impairment loss of P 125,183,045 was recognized in 2013 for the Group's receivable from the ultimate parent company and affiliate. Demands for collection were made by the Group and the debtor has not settled any amount of its payables to date. As such, the Group has deemed it prudent to provide for impairment. The Group is still, however, in the process of collecting the amounts from the debtor.

The movement of allowance for impairment as at December 31 is as follows:

	2015	2014
Balance at the beginning of the year	125,183,045	125,183,045
Provision for impairment	-	-
<b>Balance at the end of the year</b>	<b>125,183,045</b>	<b>125,183,045</b>

**Note 14 – Share Capital**

**Common shares**

a. Authorized share capital

The authorized share capital of the Parent Company is three billion pesos (P 3,000,000,000) and the said capital is divided into three billion (3,000,000,000) shares with a par value of P 1 per share.

b. Subscribed and paid-up capital

Breakdown and movements of subscribed and paid up capital as at December 31, 2015 and 2014 are as follows:

	Subscribed		Subscription Receivable	Paid-up Capital
	Shares	Amount		
Balances at Dec. 31, 2013	2,325,000,000	2,325,000,000	168,750,000	2,156,250,000
2013 transaction	-	-	-	-
Balances at Dec. 31, 2014	2,325,000,000	2,325,000,000	168,750,000	2,156,250,000
2014 transaction	-	-	-	-
<b>Balances at Dec. 31, 2015</b>	<b>2,325,000,000</b>	<b>2,325,000,000</b>	<b>168,750,000</b>	<b>2,156,250,000</b>

In compliance with SRC Rule 68, the Parent Company has a total number of fifty-two (52) and fifty (50) shareholders owning one hundred (100) or more shares each as at December 31, 2015 and 2014, respectively.

c. Book value per share

Book value per share amounted to P 0.04 and P 0.05 in 2015 and 2014, respectively.

d. Treasury shares

This consists of 201,500 common shares, stated at acquisition cost of P 595,111.

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

**Note 15 – Cost of Services**

This account consists of:

	2015	2014
Materials, supplies and facilities	-	1,763,492
Depreciation (note 8)	-	1,428,455
Outside services	-	757,562
Salaries, wages and benefits	-	276,630
Others	-	221,639
<b>Total</b>	<b>-</b>	<b>4,447,778</b>

Other cost of service includes inspection fee, permits and licenses, insurance and SSS/PHIC/HDMF contributions.

**Note 16 – General and Administrative Expenses**

This account consists of:

	2015	2014
Salaries, wages and employee benefits	6,022,389	6,312,828
Representation expenses	4,803,059	8,583,206
Repairs and maintenance	791,819	1,085,301
Professional fees	767,360	959,286
Transportation and travel	426,183	416,101
Security services	381,788	2,007,229
Taxes and licenses	330,126	282,848
SSS, PHIC and HDMF contributions	269,327	239,606
Depreciation (note 8)	239,450	17,598,048
Gas and oil	88,210	168,214
Materials and supplies	53,675	56,301
Rentals	41,393	29,623
Utilities	33,705	73,806
Outside services	10,000	1,433,718
Insurance expense	-	2,093,678
Retirement expense	-	542,836
Dues and subscriptions	-	288,960
Others	3,391,199	375,215
<b>Total</b>	<b>17,649,683</b>	<b>42,546,804</b>

**Note 17 – Other Income (Expense), net**

This account consists of:

	2015	2014
Interest and other income	1,827	1,743
Impairment Loss	-	(625,520,614)
<b>Total</b>	<b>1,827</b>	<b>(625,518,871)</b>

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

**Note 18 – Income Taxes, Deferred Tax**

a. Income tax benefit (expense)

The components of income tax expense as reported in the consolidated statements of comprehensive income are as follows:

	2015	2014
Current tax		
Taxable loss/profit @ 30%	3,600,426	9,075,088
Deferred tax:		
Allowance for impairment loss	-	187,656,185
Accrual of retirement benefits	-	162,851
Valuation allowance	(3,600,426)	(196,894,124)
Total	(3,600,426)	(9,075,088)
<b>Income tax benefit (expense)</b>	<b>-</b>	<b>-</b>

Reconciliation of income tax benefit (expense) using statutory rate to income tax benefit (expense) as shown on the statement of comprehensive income is as follows:

	2015	2014
Tax benefit (expense) at statutory tax rates	5,294,358	199,650,339
Tax effects of:		
Non-deductible expense	(1,694,480)	(2,756,739)
Interest subject to final tax	548	524
Valuation allowance	(3,600,426)	(196,894,124)
<b>Income tax benefit (expense)</b>	<b>-</b>	<b>-</b>

b. Deferred tax assets

Deferred tax assets reflected in the consolidated statements of financial position is as follows:

Deferred tax assets	2015	2014
NOLCO	17,036,181	22,081,223
Allowance for impairment loss	585,092,407	585,092,407
Retirement benefits	162,851	162,851
MCIT	51,290	51,290
Valuation allowance	(602,291,439)	(607,336,481)
<b>Total</b>	<b>51,290</b>	<b>51,290</b>

c. Optional standard deduction

Effective July 2008, Republic Act 9504 was approved giving the corporate taxpayers an option to claim itemized deductions or optional standard deductions (OSD) equivalent to 40% of gross income. Once the option to use OSD is made, it shall be irrevocable for the taxable year for which the option was made.

In 2015 and 2014, the Group opted to claim itemized deductions.

**Note 19 – Financial Risks and Capital Management Objectives and Policies**

The Group is exposed to a variety of financial risks – credit risks and liquidity risks. The Group's risk management is in close cooperation with the Board of Directors (BOD) and focuses on actively securing the short to medium term cash flows by minimizing exposure to financial markets. The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's financial instruments consist of cash in banks, advances to/from affiliate, and trade payables and accruals and advances from shareholders. The main purpose of these financial instruments is to finance the Group's operations.



**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

The Group's risk management policies are established to identify and analyse the risks of the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The most significant financial risks to which the Group is exposed to are described below.

a. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss.

The Group manages the level of credit risk it accepts by the following:

- Setting up the exposure limits of each counterparty;
- Determining right of offset, where counterparties are both creditor and debtor;
- Monitoring compliance with credit risk policy as well as reviewing the existing credit risk policy for pertinence and changing environment.

The Group also transacts with related companies and it does not require collateral in granting cash advances to these parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group did not have any significant concentration of credit risk.

Credit quality per class of financial asset

The credit quality of financial assets is being managed by the Group by grouping its financial assets into two: (a) High grade financial assets are those that are current and collectible; (b) Standard grade financial assets need to be consistently followed up but are still collectible.

The table below shows the credit quality by class of financial asset based on the Group's credit rating system:

	Neither past due nor impaired		Past due & impaired	2015 Total
	High grade	Standard grade		
Cash in banks	1,308,484	-	-	<b>1,308,484</b>
Trade and other receivables	666,006	-	-	<b>666,006</b>
Advances to affiliates	-	-	125,183,045	<b>125,183,045</b>
<b>Total</b>	<b>1,974,490</b>	<b>-</b>	<b>125,183,045</b>	<b>127,157,535</b>

	Neither past due nor impaired		Past due & impaired	2014 Total
	High grade	Standard grade		
Cash in banks	1,181,905	-	-	1,181,905
Trade and other receivables	9,299,839	-	17,550,264	26,850,103
Advances to affiliates	100,500	-	125,183,045	125,283,545
<b>Total</b>	<b>10,582,244</b>	<b>-</b>	<b>142,733,309</b>	<b>153,315,553</b>

b. Liquidity risk

Liquidity risk is the potential of not meeting obligations as they become due because of an inability to liquidate assets or collection from customers. The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and pay its liabilities. To cover its financing requirements, the Group uses internally generated funds.

The Group's financial assets and liabilities are normally settled within the financial year. Allowance for impairment amounting to P 125,183,045 was provided for advances to affiliates. As at December 31, 2015 and 2014, the Group's current assets amounted to P 5,300,552 and P 13,480,624, while current liabilities amounted to P 94,594,322 and P 85,365,988, respectively.

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

As at and for the years ended December 31, 2015 and 2014  
(In Philippine Peso)

Capital Management

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

The Group considers capital to include paid-up capital (net of treasury share), and accumulated profits (losses). The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may issue new shares, or call on the paid subscriptions. No changes were made in the objectives, policies or processes during the years ended December 31, 2015 and 2014.

The Group is not subject to externally-imposed capital requirements.

**Note 20 – Categories and Fair Values of Financial Assets and Liabilities**

The carrying amounts and fair values of the categories of the financial assets and liabilities presented in the consolidated statements of financial position are shown below.

	2015		2014	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
<b>Financial assets</b>				
Cash in banks	1,308,484	1,308,484	1,181,905	1,181,905
Trade and other receivables	666,006	666,006	9,299,839	9,299,839
Advances to affiliates, net	-	-	100,500	100,500
<b>Total</b>	<b>1,974,490</b>	<b>1,974,490</b>	<b>10,582,244</b>	<b>10,582,244</b>
<b>Financial liabilities</b>				
Trade payables and accruals	33,803,688	33,803,688	31,528,630	31,528,630
Advances from related parties	57,258,279	57,258,279	49,417,119	49,417,119
Accrued retirement benefits	542,836	542,836	542,836	542,836
<b>Total</b>	<b>91,604,803</b>	<b>91,604,803</b>	<b>81,488,585</b>	<b>81,488,585</b>

See note 2d for the description of the accounting policies for each category of financial instrument. A description of the Group's risk management objectives and policies for financial instruments is provided in note 19.

**Note 21 – Commitments and Contingencies**

Commitments and Contingencies

The Parent Company has no outstanding commitments or contingencies arising from legal disputes or lawsuits as at December 31, 2015 and 2014.

In 2014, the HCPHI was involved in a legal case involving ownership of HCPTI shares. This matter resulted in various disputes between individual shareholders and officers of HCPTI and other third parties.

In 2018, the parties involved in the legal dispute mentioned in Note 2b agreed to end their disputes and cases. The court in its decision dated October 24, 2018, approved and adopted the agreement, and as a result, HCPHI no longer has control over HCPTI.

**Other Matters**

The Parent Company is a listed corporation in the Philippine Stock Exchange (PSE) and is subject to various reportorial requirements. Subsequent to December 31, 2013, the Parent Company's trading shares is suspended on May 19, 2014 by the PSE.

As of December 31, 2015, the Parent Company's market capitalization is P 15,739,154,050.

**Note 22 – Segment Information**

The Group has only one reportable segment. The Parent Company and its Subsidiaries are engaged in port and port related operations in the Philippines.

*Segment Assets and Liabilities*

Segment assets include all operating assets used by a segment and consists principally of operating cash, receivable and property and equipment, net of allowances and provisions and other non-current assets. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities. Segment assets and liabilities do not include deferred income taxes.

The segment assets and liabilities of the Group's reportable segments as of December 31, 2015 including the results of operations for the year ended December 31, 2015 is shown in the table below:

**RESULT OF OPERATIONS**

	Dredging	Port operations	Head offices	Consolidated
<b>Revenues</b>				
External Sales	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Results</b>				
Segment results	-	-	-	-
Interest income	1,724	-	104	1,827
<b>Net income (loss)</b>	<b>1,724</b>	<b>-</b>	<b>104</b>	<b>1,827</b>

**SEGMENT ASSETS AND LIABILITIES**

	Dredging	Port operations	Head offices	Consolidated
Segment assets	825,256	365,156	883,563	2,073,975
Segment liabilities	91,822,290	451,524	2,320,508	94,594,322

**Note 23 – Basic and Diluted Earnings (Loss) Per Share**

Basic and diluted earnings (loss) per share is computed as follows:

	2015	2014
Net loss attributable to equity holders of the Company (a)	(17,639,693)	(655,104,770)
Weighted average number of shares outstanding (b)	2,324,798,500	2,324,798,500
<b>Basic/diluted earnings (loss) per share (a/b)</b>	<b>(0.008)</b>	<b>(P0.28)</b>

As at December 31, 2015 and 2014, the Group has no dilutive debt or equity instruments.

**GLOBALPORT 900, INC. AND SUBSIDIARIES**  
**ANNEX I: SUPPLEMENTARY SCHEDULE OF EFFECTIVE STANDARDS**  
**AND INTERPRETATIONS AS OF REPORTING DATE**  
 Effective as at December 31, 2015

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS</b> Effective as of December 31, 2015		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>Framework for the Preparation and Presentation of Financial Statements</b>				
	Conceptual Framework Phase A: Objectives and qualitative characteristics	✓		
<b>PFRS Practice Statement Management Commentary</b>			✓	
<b>Philippine Financial Reporting Standards</b>				
<b>PFRS 1 (Revised)</b>	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
	Amendment to PFRS 1: First-time Adoption of Philippine Financial Reporting Standards – Meaning of 'Effective PFRS'			✓
	<b>PFRS 2</b>	Share-based Payment		
Amendments to PFRS 2: Vesting Conditions and Cancellations				✓
Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions				✓
Amendments to PFRS 2: Share-based Payment – Definition of Vesting Condition				✓
<b>PFRS 3 (Revised)</b>	Business Combinations	✓		
	Business Combinations – Accounting for Contingent Consideration in a Business Combination			✓
	Business Combinations – Scope Exceptions for Joint Arrangements			✓
<b>PFRS 4</b>	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
<b>PFRS 5</b>	Non-current Assets Held for Sale and Discontinued Operations			✓
<b>PFRS 6</b>	Exploration for and Evaluation of Mineral Resources			✓
<b>PFRS 7</b>	Financial Instruments: Disclosures	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	✓		

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS</b> Effective as of December 31, 2015		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✓		
<b>PFRS 8</b>	Operating Segments			✓
	Amendments to PFRS 8: Operating Segments – Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets			✓
<b>PFRS 10</b>	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Investment Entities			✓
<b>PFRS 11</b>	Joint Arrangements			✓
<b>PFRS 12</b>	Disclosure of Interests in Other Entities			✓
	Amendments to PFRS 10, PFRS 12, and PAS 27 (2011): Investment Entities			✓
<b>PFRS 13</b>	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term Receivables and Payables	✓		
	Amendments to PFRS 13: Fair Value Measurement – Portfolio Exception	✓		
<b>Philippine Accounting Standards</b>				
<b>PAS 1 (Revised)</b>	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
<b>PAS 2</b>	Inventories			✓
<b>PAS 7</b>	Statement of Cash Flows	✓		
<b>PAS 8</b>	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
<b>PAS 10</b>	Events after the Reporting Period	✓		
<b>PAS 11</b>	Construction Contracts			✓
<b>PAS 12</b>	Income Taxes	✓		
	Amendment to PAS 12: Deferred Tax: Recovery of Underlying Assets			✓
<b>PAS 16</b>	Property, Plant and Equipment	✓		
	Amendments to PAS 16: Property, Plant and Equipment – Revaluation Method – Proportionate Restatement of Accumulated Depreciation			✓
<b>PAS 17</b>	Leases	✓		
<b>PAS 18</b>	Revenue	✓		
<b>PAS 19 (Revised)</b>	Employee Benefits	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures			✓
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates			✓
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendments to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements		✓	
	Amendments to PAS 27: Investment Entities			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures		✓	
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting		✓	
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets		✓	
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
	Amendments to PAS 38: Revaluation Method – Proportionate Restatement of Accumulated Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	✓		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property			✓
	Amendments to PAS 40			✓
PAS 41	Agriculture			✓
<b>Philippine Interpretations</b>				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of PFRS 2			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	<i>Interim Financial Reporting and Impairment</i>		✓	
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives	✓		

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS</b> Effective as of December 31, 2015		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>SIC-25</b>	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders			✓
<b>SIC-27</b>	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
<b>SIC-29</b>	Service Concession Arrangements: Disclosures.			✓
<b>SIC-31</b>	Revenue - Barter Transactions Involving Advertising Services			✓
<b>SIC-32</b>	Intangible Assets - Web Site Costs			✓



**Important:** If an entity has early adopted any of the following pronouncements, please take note of the: (1) the additional disclosures the entity has to make for the early adoption of the said pronouncements and (2) the existing PFRS that the entity may have to mark as **"Not Applicable"**.

Standard(s)/Interpretation(s)/Amendment(s) Issued but not yet effective	Applicable to annual period or beginning on or after	Early application allowed	Remarks
Amendments to PFRS 5, Non-current Assets Held for Sale and Discontinued Operations – Changes in Methods of Disposal (Part of Annual Improvements to PFRS, 2012-2014 cycle)	January 1, 2016	Yes	Not applicable
Amendments to PFRS 7, Financial Instruments: Disclosures – Servicing Contracts (Part of Annual Improvements to PFRS, 2012-2014 cycle)	January 1, 2016	Yes	Not applicable
Amendments to PFRS 7, Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements (Part of Annual Improvements to PFRS, 2012-2014 cycle)	January 1, 2016	Yes	To be adopted when effective and applicable
Amendments to PFRS 10, PFRS 12 and PAS 27 – Investment Entities	January 1, 2016	Yes	Not applicable
Amendments to PFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016	Yes	Not applicable
Amendments to PFRS 14, Regulatory Deferral Accounts	January 1, 2016	Yes	Not applicable
Amendments to PAS 1, Presentation of Financial Statements – Disclosure Initiative	January 1, 2016	Yes	To be adopted when effective and applicable
Amendments to PAS 16, Property, Plant and Equipment, and PAS 38, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization.	January 1, 2016	Yes	Not applicable
Amendments to PAS 16, Property, Plant and Equipment, and PAS 41, Agriculture – Bearer Plants	January 1, 2016	Yes	Not applicable
Amendments to PAS 19, Employee Benefits – Regional Market Issue Regarding Discount Rate (Part of Annual Improvements to PFRS, 2012-2014 cycle)	January 1, 2016	Yes	Not applicable
Amendments to PAS 27, Separate Financial Statements – Equity Method in Separate Financial Statements	January 1, 2016	Yes	Not applicable
Amendments to PAS 34, Interim Financial Reporting – Disclosure of Information 'Elsewhere in the Interim Financial Report' (Part of Annual Improvements to PFRS, 2012-2014 cycle)	January 1, 2016	Yes	To be adopted when effective and applicable
Amendment to PFRS 12, Disclosure of Interests in Other Entities – Clarification of the Scope of the Standard (Part of Annual Improvements to PFRS, 2014-2016 cycle)	January 1, 2017	Yes	Not applicable
Amendments to PAS 7, Statements of Cash Flows – Disclosure Initiative	January 1, 2017	Yes	To be adopted when effective and applicable
Amendments to PAS 12, Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses	January 1, 2017	Yes	To be adopted when effective and applicable
Amendments to PFRS 1, First-time Adoption of International Financial Reporting Standards – Deletion of Short-term Exemptions for First-time Adopters (Part of Annual Improvements to PFRS 2014 - 2016 Cycle)	January 1, 2018	Yes	Not applicable
Amendments to PFRS 2, Share-based Payment – Classification and Measurement of Share-based Payment Transactions	January 1, 2018	Yes	Not applicable
Amendments to PFRS 4, Insurance Contracts – Applying PFRS 9, Financial Instruments with PFRS 4	January 1, 2018	Yes	Not applicable
Amendments to PFRS 9, Financial Instruments.	January 1, 2018	Yes	To be adopted when effective and applicable
Philippine Financial Reporting Standards (PFRS) 15, Revenue from Contracts with Customers.	January 1, 2018	Yes	To be adopted when effective and applicable

Amendments to PAS 28, Investments in Associates and Joint Ventures - Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRS, 2014-2016 cycle)	January 1, 2018	Yes	To be adopted when effective and applicable
Amendments to PAS 40, Investment Property - Transfers of Investment Property.	January 1, 2018	Yes	Not applicable
Philippine Interpretation IFRIC 22, Foreign Currency Transactions and Advance Consideration	January 1, 2018	No	Not applicable
Amendments to PFRS 9, Financial Instruments – Prepayment Features with Negative Compensation	January 1, 2019	Yes	Not applicable
Philippine Financial Reporting Standards (PFRS) 16, Leases	January 1, 2019	Yes	To be adopted when effective and applicable
Amendments to PAS 28, Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures	January 1, 2019	Yes	To be adopted when effective and applicable
Philippine Interpretation IFRIC-23, Uncertainty over Income Tax Treatments	January 1, 2019	Yes	To be adopted when effective and applicable
Amendments to PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred by SEC and FRSC	No	To be adopted when effective and applicable