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 **31 December 2017**

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) 86378851**
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.

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Shares	2,324,798,500

11. Are any or all of these securities listed on the Philippine Stock Exchange
Yes [X] 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) Rule17, 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 [X]

b) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

13. Aggregate market value of voting stock held by non-affiliates.

The aggregate market value of Globalport 900, Inc. (the "Company") voting stocks held by non-affiliates is 233,179,700, for market price ₱7.30 per share on 16 May 2014. The Company's trading has been suspended since May 2014.

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Business Development.

(i) The Company

The Company was incorporated on 1 May 1933 as Metropolitan Insurance Company to engage in the insurance business and was listed on 9 June 1948.

On 15 February 1999, the Board of Directors of the Company approved the (a) change in the corporate name from Metropolitan Insurance Company to MIC Holdings Corporation; (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 Company to transact any insurance business effective 21 July 1999.

On 4 August 2011, Sultan 900 Capital Inc. ("Sultan 900") acquired Five Hundred Sixteen Thousand Two Hundred Seventeen (516,217) shares representing Ninety-Five and 22/100 Percent (95.22%) of the total issued and outstanding capital stock of the Company.

On 28 September 2011, the stockholders and the Board of Directors of the Company approved (a) the increase in the Company's authorized capital stock from One Hundred Million Pesos (₱100,000,000.00) to Two Billion One Hundred Million Pesos (₱2,100,000,000.00); (b) implementation of the 2008 stockholder resolution changing the par value of the Company's shares from One Hundred Pesos (₱100.00) to One Peso (₱1.00) 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, the stockholders of the Company approved the (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 forth 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 of 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 Company'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 Company's authorized capital stock from Two Billion One Hundred Million Pesos (₱2,100,000,000.00) to Three Billion Pesos (₱3,000,0000,000.00); (b) deletion of Article II of the Company's by-laws pertaining to the investment of the Company 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 (5) days to make the provision confirm with the requirements of the Securities Regulation Code (SRC) and its Implementing Rules and Regulations (IRR), which changes were approved by the SEC on 29 November 2012.

(ii) Subsidiaries

The direct subsidiaries of the Company as of 31 December 2017 are listed below:

- **Harbour Centre Port Holdings Inc. ("HCPHI")**, is a stock corporation incorporated in the Philippines and registered with the SEC on 12 September 2007, primarily to purchase, subscribe for or otherwise, own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or dispose of real and/or personal properties of every kind and description, including shares of stock, whether listed in the stock exchange or not, voting trust certificates, certificates of participation, share warrants, option warrants and other securities and to pay therefore, in whole or in part, cash, property, or stocks, bonds or securities issued by them or another corporation. HCPHI had Sixty-Eight and 11/100 Percent (68.11%) ownership interest in Harbour Centre Port Terminal Inc. ("HCPTI"), a corporation duly organized and existing in the Philippines engaged primarily in the business of operating port facilities.

- **Platinum Dredging Inc. ("PDI")** is a stock corporation incorporated in the Philippines and registered with the SEC on 15 August 2007, primarily to engage in general construction and general building, such as dredging and reclamation works as general contractor for port harbor and road, highway pavement, railway, airport horizontal structure and bridges, dam reservoir and tunneling, water supply, irrigation and flood control, building and industrial plant, sewerage and sewage treatment/disposal plant, water treatment plant and system, park, playground, recreation works and foundation work and other structure.

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

On April 4, 2012, the Company bought Ninety-Six and 32/100 (96.32%) Percent of HCPHI, a domestic holding company which is involved in port operations and management as well as One Hundred Percent (100%) of PDI, a domestic corporation engaged in the construction and dredging business related to ports.

The Company continues to look for other business ventures in port management, operations and management, and in infrastructure projects.

Production. As it is primarily engaged in port management and operations, the Company 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 programmed. Moreover, the Company has minimal competition, as it had 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 Company's Audited Financial Statements.

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

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

Research and Development. As of the date of this report, the Company is studying the possibilities of expanding its investments in other ports, shipping industries and possibly in infrastructure projects or investment within the country.

Employees. The Company has no employees as of reporting date but intended to hire its required manpower requirement when the operations of the business improves.

Major Risk/s. While the Company 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 and shipping industries in order to identify and assess risks that may affect the Company 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 Company. The major risks the company anticipates are as follows:

a. **Economic and Political Considerations.** The Company 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 and shipping industry.

b. **Development risk.** Future investment in port management, operation and infrastructure shall be based on the results of a pre-feasibility study to be conducted by the Company. The study shall use estimates of expected or anticipated projected economic returns based on assumptions such as volume of each potential port acquisition, anticipated capital expenditures and cash operating costs.

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

c. **Liquidity and capital resource requirements.** Any future project shall entail capital expenditures and funding requirement which shall be sourced prior to any acquisition. The Company shall undertake measures to raise funds through internally generated funds, debt and/or from private placements.

Item 2. Properties

The Company's properties and equipment include those of the subsidiaries to the extent of its equity therein amounting to nil as of December 31, 2017 and December 31, 2016. See Note 12 of the Audited Consolidated Financial Statements for more details.

Item 3. Legal Proceedings

There are no pending legal proceedings involving the Company.

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

Except for the matters taken during the annual stockholders' meeting held on 29 September 2017, 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 Ninety-Five and 22/100 Percent (95.22%) of the total issued and outstanding capital stock of the Company, the shares of the Company have not been actively trading since 31 December 1995, and its last trading was on 27 November 1998 where the trading price was One Hundred Three Pesos (₱103.00) per share. Sultan 900 bought Five Hundred Sixteen Thousand Two Hundred Seventeen (516,217) shares from Ventcap, Inc. at the price of Three Hundred Thirty-Nine Pesos (₱339.00) per share. After the acquisition in 2011, the shares were again actively traded in 2012 and until May 2014. The company's last recorded price per share in 2017 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 Company's common shares since May 16, 2014 is Seven and 30/100 Pesos (₱7.30).

The Company's public float is Ten and 82/100 Percent (10.82%) as of 31 December 2017.

Holders. The Company's capital stock consists of unclassified common shares. As of 31 December 2017, Ninety-Four and 15/100 Percent (94.15%) is owned by Filipinos while Five and 84/100 Percent (5.85%) is owned by other nationalities.

There are sixty-one (61) stockholders as of 31 December 2017 and the common shares outstanding is Two Billion Three Hundred Twenty-Four Million Seven Hundred Ninety-Eight Thousand Five Hundred (2,324,798,500) (net of Two Hundred One Thousand Five Hundred (201,500) treasury shares) while the listed shares are Fifty-Four Million Two Hundred Twelve Thousand Two Hundred (54,212,200).

The top twenty (20) stockholders as of 31 December 2017 were as follows:

Shareholder's Name	Nationality	No. of Shares[1]	Percentage
Sultan 900	FIL	1,922,868,800	89.176
Aspac Logistics & Trading Pty Ltd	BVI/Foreign	126,000,000	5.843
Sherwin Mendiola	Fil	35,700,000	1.656
Emilio Tiu	Fil	34,755,000	1.612
Chris Ryan Cruz	Fil	20,580,000	0.954
Fausto Tiu	Fil	13,755,000	0.638
PCD Nominee Corporation	Fil	1,876,700	0.087
Antonio T. Deblois	Fil	211,800	0.010
Juanita E. Vda De Cacho	Fil	49,400	0.002
Nieves C. Santos Reyes	Fil	43,300	0.002
Paz G. Vda De Cacho	Fil	36,300	0.002
Jose Luis Abad	Fil	34,700	0.002
Juanita / Isabela Garcia	Fil	22,900	0.001
Roman R. Oblena Jr.	Fil	22,900	0.001
Josefina Coromina	Fil	17,500	0.001

[1] Based on paid-up capital

Leon Ma. Guerrero	Fil	17,500	0.001
Federico Elizalde	Fil	7,300	0.000
Lorenzo M. Tañada	Fil	6,400	0.000
PCD Nominee Corporation	Foreign	4,900	0.000
Pacifico De Ocampo	Fil	4,500	0.000

Dividends. The Company has not declared any cash or stock dividend of its common equity for the past three (3) years. Other than the requirement of unrestricted retained earnings, there are no restrictions that would limit the Company's ability to pay dividends on common equity or that which would be unlikely for it 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 Company in 2011, the Company has explored possibilities of investing in companies engaged in the ports operation and related industries.

On 4 April 2012, the Company bought Ninety-Six and 32/100 Percent (96.32%) of HCPHI, a domestic holding corporation which owned Sixty-Eight and 112/1000 Percent (68.112%) of HCPTI, as well as One Hundred Percent (100%) of PDI, a domestic corporation engaged in the construction business related to ports.

As of the date of this report, the Company 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, invest in various infrastructure projects, subject to the approval of the Board and the stockholders.

Analysis of Financial Condition and Results of Operations

The following table shows the consolidated financial highlights of the Company for the current year ended 31 December 2017 with comparative figures of the previous years and as of end of year for 2015 and 2016.

	31 December 2015	**31 December 2016**	**31 December 2017**
Income Statement Data			
Total Revenue	–	3,928,571	–
Gross Profit	–	(3,401,383)	–
Earnings Before Interest and Tax (EBIT)	(35,411,210)	(41,138,892)	24,410,177
Net Income (Loss)	(35,411,210)	(41,138,892)	11,610,350
Depreciation	239,450	99,486	–
Taxes	–	–	12,799,827
Interest expense	–	–	–
Balance Sheet Data			
Total Current Assets	60,293,893	54,487,917	241,750,261
Property and Equipment – net	99,486	–	–
Total Assets	255,444,670	249,539,208	241,750,261
Current Liabilities	121,303,254	156,536,684	137,136,487
Total Liabilities	121,303,254	156,536,684	137,136,487
Stockholders' Equity	134,141,416	93,002,524	104,613,774
Total Liabilities & Stockholders' Equity	255,444,670	249,539,208	241,750,261
Current Ratio	0.497	0.348	1.763
Solvency Ratio	0.475	0.627	0.567

Debt to Equity Ratio	0.904	1.683	1.311
Interest rate coverage ratio	–	–	–
Gross Profit Margin	0.00%	-1.87%	0.00%
Net Profit Margin	0.00%	-10.47%	0.00%

Based on the above table, the following are the key performance indicators of the Company for 2017, 2016, and 2015:

(a) ***Working Capital Ratio or Current Ratio*** – This will measure how liquid the Company 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 Company'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 Company, and its subsidiaries have no commercial operations as at 31 December 2017.

Platinum Dredging Inc., (PDI), one of the subsidiaries, incurred capital deficiency due to accumulated losses from the past years. It's management decided to cease its operations starting April 2017 and filed voluntary liquidation. Consequently, the court declared PDI as insolvent through liquidation order received on September 27, 2019.

Material Events and Uncertainties. For both years, the Company has nothing to report on the following, other than the disclosures mentioned in the notes to the financial statements and the matters discussed above. It is hoped that with the recent stockholders meeting and change of it's Board of Directors last September 2017, there will be improvements in the Company's performance.

Item 7. Financial Statements

The 2017 Audited Financial Statements of the Company and its subsidiaries are incorporated herein by reference. 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 Company appointed Alas Oplas & Co., CPAs (AOC) on 10 July 2018 as the Company's independent external auditor for the years 2016, 2017, and 2018 and until replacements have been duly appointed and Deo Veritas Optimum, Inc. to assist the external auditor for internal accounting purposes of the Company.

External Audit Fees (for the last two (2) years):

a) Audit and Audit-Related Fees	2017	2016
1) For the audit of the Company's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years	₱540,000	₱280,000
2) For other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements.	–	–
b) Tax Fees		
For services for tax accounting compliance, advice, planning and any other form of tax services.	–	–
c) All other Fees		
For products and services rendered by the external auditor, other than the services reported under items (a) & (b) above.	–	–

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure. There were no changes in and disagreements with accountants on accounting and financial disclosure.

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 Company and their respective ages, position held, citizenship and periods of service as of 31 December 2017, are as follows:

Name	Age	Positions and Offices	Citizenship	Period Served
Edwin Joseph G Galvez	50	Member, Chairman of the Board of Directors ("BOD")	Filipino	29 Sept 2017 – present
Marvee M. Espejo	44	Member, BOD, President	Filipino	29 Sept 2017 – present
Agnes H. Maranan	57	Member, BOD, Corporate Secretary	Filipino	29 Sept 2017 – present
Frederick M. Arejola	36	Member, BOD, Treasurer	Filipino	29 Sept 2017 – present
E. Hans S. Santos	54	Member, BOD, Compliance Office	Filipino	29 Sept 2017 – present
Anthony Rolando T. Golez, Jr.	44	Member, BOD	Filipino	29 Sept 2017 – present
Leonardo M. Galang	35	Member, BOD	Filipino	29 Sept 2017 – present
Dorothy S. Cajayon (Independent Director)	68	Member, BOD	Filipino	29 Sept 2017 – present
Jose Marie E. Fabella (Independent Director)	41	Member, BOD	Filipino	29 Sept 2017 – present

The Directors of the Company 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 (1) year. All of the above stated incumbent members of the Board of Directors as of 31 December 2017 were elected during the Annual Stockholders' meeting on 29 September 2017.

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 the corresponding meeting of the Board of Directors for 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 29 September 2017.

The business experiences for the last five (5) years and other directorships in other reporting companies of the aforementioned directors and officers, as of 31 December 2017, are as follows:

EDWIN JOSEPH G. GALVEZ (Fifty (50) years old, Filipino) has more than Twenty-Eight (28) years of experience in the field of finance and banking operations, more than Eighteen (18) years in management, corporate and project finance, investment banking, and treasury functions in the port, shipping, construction, real estate, waste management, and power and energy industries. He is the Chairman and President of Sultan 900. He is likewise is a member of the Board of Directors and the Chief Finance Officer of HCPHI, a member of the Board of Directors of Zamboanga City Integrated Port Services, Inc. He served as a member of the Board of Directors of Manila North Harbour Port, Inc. ("MNHPI"), Pacifica, Inc., and worked in various financial institutions like Security Bank and Far East Bank & Trust Co. He took up his MBA from Asian Institute of Management and finished BSC – Business Management from the De La Salle University, Manila.

MARVEE M. ESPEJO (Forty-Four (44) years old, Filipino) is currently the Executive Vice President of Z.C. Integrated Port Services, Inc. and Vice President of Mikro-Tech Capital Inc. He served as the Vice President and Treasurer of Pacifica, Inc., He was likewise the President of One Source Port Support Services, Inc., the Information and Communications Technology Director of HCPTI, Finance Manager of Investment Analyst at Enviroventures, Inc., Finance Manager at Sunglow Land, Inc., Financial Analyst at Rubicon Holdings Corporation, Marketing Analyst and Personal Assistant at the AFP-Retirement and Separation Benefits System. He finished his academic units for his MBA from De La Salle University Manila and his Bachelor of Arts in Management Major in Human Resource from the same university.

AGNES H. MARANAN (Fifty-Seven (57) years old, Filipino) is a Senior and Name Partner at Rivera Santos & Maranan Law Offices. She obtained her Bachelor of Laws from the University of the Philippines – Diliman and her Bachelor of Arts in Psychology graduating *cum laude* from the same university. She was admitted to the bar in 1990 and is a registered patent attorney since 1995. She is a lecturer for the Mandatory Continuing Legal Education (MCLE) Series, Corporate Secretary of BancNet, Inc., Legal Counsel & Corporate Secretary of the Asia South Pacific Association for Basic and Adult Education, Legal Counsel/Corporate Secretary for various entertainment corporation such as Flagship, Inc., and Realty Entertainment to name a few. She likewise was a Professor and Lecturer in the field of law for the University of the Philippines and worked in various legal organizations and institutions.

FREDERICK M. AREJOLA, (Thirty-Six (36) years old, Filipino), is presently the Head for Ground Operations of the Philippines Air Asia and the PBA Board Governor and a Director for Sultan 900 Capital, Inc. He served as the PBA Vice Chairman and PBA Treasurer, Assistant Vice President for Corporate Promotions and Special Activities, Account Manager, Sales and Marketing Department of HCPTI, Basketball Coach at the De La Salle Santiago Zobel School. He also played as Point Guard for the LBC Batangas Blades at the PBL.

ANTHONY ROLANDO R. GOLEZ, M.D., MBAH (Forty-Four (44) years old, Filipino) is the CEO of Globalcity Mandaue Corporation. He served as the Representative of the Lone District of Bacolod City in 2010. While a Representative, he was the Senior Vice Chairman of the Heath Committee and the Vice Chairman of the National Defense Committee. He principally authored 236 House Bills and

Resolutions and was considered as the "champion" of health care reforms for the country. He was Most Outstanding Congressman in 2011 and 2012, which award was given by the Superbrands Marketing Incorporated. He was Senior Deputy Press Secretary and the Deputy Presidential Spokesperson in 2007. He also served as the Deputy Administrator of the Office of Civil Defense and the Official Government Spokesperson of the National Disaster Coordinating Council in 2004. He was also educated in Bioterrorism and Crisis Management being a recipient of numerous trainings he underwent in the United States as a scholar of the US State Department and attended trainings and lectures at Pacific Command Pearl Harbor Hawaii, Pentagon-Washington and Federal Emergency Management Agency-FEMA. In October 2007, he was named as one of the Ten Outstanding Yong Men of the Philippines in the field of disaster management. In 2002, he entered the Department of Health as the Executive Assistant of Secretary Manuel Dayrit. He obtained his Masters in Business Administration in Health from the Ateneo Graduate School of Business and his Doctor of Medicine and Surgery from the University of Sto. Tomas.

E. HANS S. SANTOS (Fifty-Four (54) years old, Filipino) is the Managing/Senior Partner at the Rivera Santos & Maranan Law Offices specializing in litigation and taxation law. He obtained his Bachelor Laws and A.B. Economics from the Ateneo de Manila University. Prior to this, he was an Associate Lawyer at the Bautista Picazo Buyco Tan & Fider Law Office and was also a Legal researcher for the Q.C. Regional Trial Court. He is a member of the Order of Demolay and the Aquila Legis Fratemity and was a member of the Ateneo Law School Debating Team and the International Jessup Moot Court Competition Team.

LEONARDO M. GALANG (Thirty-Five (35) years old, Filipino) is the Executive Vice President of GlobalCity Mandaue Corporation and Board of Director of Z.C. Integrated Port Services, Inc. He worked as Research and Business Development Officer at HCPTI and as Sports Marketing Liaison for the Globalport Batang Pier PBA Basketball Team. He finished his Bachelor of Business Majors in Marketing and Management from the Griffith University – Gold Coast in Australia and his Business Administration – Marketing (Diploma) from Thames International Business School.

DOROTHY M.S. CAJAYON (Sixty-Eight (68) years old, Filipino) graduated Bachelor of Arts Major in Political Science from Silliman University and Bachelor of Laws from Ateneo de Manila University. She passed the Bar Examination in 1975. She is a partner at Cajayon and Montemayor Law Office and a Board Member of the Foundation for the Development of Children, Inc., was a Zamboanga City Electric Cooperative, Rotary Club of Zamboanga City Central, and Zamboaga City La Bella Lions Club. She served as the first and only lady government prosecutor in Zamboanga City from 1987-2001, Project Officer of the Human Settlements Commission, Project Officer of the Development Academy of the Philippines.

Family Relationships. None of the directors and officers are not related by consanguinity or affinity.

Involvement of Directors and Officers in Certain Legal Proceedings. To the best knowledge and information of the Company, 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 SEC 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 Company. 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 2017.

The Company 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	2017	2016	2015
–	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	2017	2016	2015
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 31 December 2017, the persons known to the Company to be directly or indirectly the record or beneficial owner of more than Five Percent (5%) of the registrant's voting securities are as follows:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	Amount & Nature of Shares held at ₱1.00 par value per share	Ownership
Common Shares	Sultan 900 Capital, Inc., R-100 Vitas Tondo, Manila (Stockholder)	N/A	Filipino	2,091,617,900	89.18%
Common Shares	Aspac Logistics & Trdg. Pty Ltd, PO Box 2234 IFS Chambers, Rd	N/A	Foreign	126,000,000	5.84%

	Town, BVI (Stockholder)				
Notes: (1)	Sultan 900 is a holding company with investments in various companies.				

Security Ownership of Management. The following are the number of shares comprising the Company's capital stock (all of which are voting shares) owned of record by the directors, Chief Executive Officer, and key officers of the Company as of 31 December 2017.

(1) Title of Class	(2) Name of Beneficial Owner	(3) Amount and nature of Beneficial Ownership at ₱1.00 par value per share	(4) Citizenship	(5) Percent of Class
Common Shares	Edwin Joseph G. Galvez	100	Filipino	0.00%
	Marvee M. Espejo	100	Filipino	0.00%
	Agnes H. Maranan	100	Filipino	0.00%
	Leonardo M. Galang	100	Filipino	0.00%
	E Hans S. Santos	100	Filipino	0.00%
	Anthony Rolando R. Golez, Jr.	100	Filipino	0.00%
	Frederick M. Arejola	100	Filipino	0.00%
	Dorothy S. Cajayon	100	Filipino	0.00%
	Jose Ma. E. Fabella	100	Filipino	0.00%
Directors and Executive Officers as a Group Common Shares		900	Filipino	0.00%

Voting Trust Holders of Five Percent (5%) or More. There are no holders of voting trust agreements of Five Percent (5%) or more.

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

Item 12. Certain Relationships and Related Transactions

See Note 7 (Related Party Transaction) of the Notes to the financial statements.

Parent of the Company. Sultan 900 owning Eighty-Nine and 18/100 Percent (89.18%) of the Company is considered the Company'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 Company has filed with the SEC and PSE its Revised Manual on Corporate Governance on 30 July 2014.

Pursuant to the provisions of said Revised Manual on Corporate Governance (Manual), the Company 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. The Company, its directors, officers, and employees complied with all the leading practices and principles on good corporate governance as embodied in the manual.

c. The Company 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:

Leading Practices and Principles on Good Corporate Governance	**Explanation for Incompleteness or Delay in Compliance**
(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 Company 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 Company.	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.

The Corporation and its signatories manifest that due to circumstances beyond its control, the corporation and its authorized representatives have endeavored to complete this report based on the best information and documents available to the Corporation as of the date of the report. Further, the paucity of information for the year 2017 likewise appears to have arisen as the Corporation only had limited operations in 2017. The Corporation reserves the right to update this report should subsequent information becomes available.

The Company is likewise setting its strategic action plans, formulating the necessary policies and controls to strengthen its compliance and corporate governance as may be required by law, existing regulations and/or its Manual.

In addition to the actions taken above, the Company 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 refer only to the Audited Financial Statements of the Company 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 (6) months of 2017 follows:

Date	Particulars
20 July 2017	Item 9: Others – Notice and Agenda of the Annual Stockholders' Meeting
17 August 2017	Item 9: Others – Amended Schedule of the Annual Stockholders' Meeting
03 October 2017	Item 9: Others – Annual Stockholders' Meeting Approvals

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

SEC FORM 17-A

	Page No.
FINANCIAL STATEMENTS	
Statement of Management's Responsibility for Financial Statements	Attached
Report of Independent Accountants	Attached
Consolidated Statements of Financial Position as of 31 December 2017 and 2016	Attached
Consolidated Statements of Comprehensive Income for the Years ended 31 December 2017, 2016 and 2015	Attached
Consolidated Statements of Changes in Equity for the Years ended 31 December 2017, 2016 and 2015	Attached
Consolidated Statements of Cash flows for the Years ended 31 December 2017, 2016 and 2015	Attached
Notes to the Consolidated Financial Statements	Attached
SUPPLEMENTARY SCHEDULES	
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	NA
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)

Name of Related Party (1)	Balance at Beginning of Period	Balance at End of Period (2)
Ultimate Parent Company	49,969,792	238,903,161

Notes:

1. See Note 7 of the Notes to Consolidated Financial Statements
2. The Company made cash advances to its parent for investment purposes in 2012. The Company and Sultan 900, agreed to offset the recharges of marketing expenses by the latter to the Company as payment to its advances. The amount of ₱43,903,161 outstanding are non-interest bearing, unsecured, collectible in demand, as they have no specific maturity, and will be settled through offsetting of marketing expenses. No provisions have been made for any impaired amount owed by related parties.
3. The amount of ₱195,000,000 pertains to the proceeds from the sale of investment to MNHPI which was received by Sultan 900 during the year as part of HCPHI's investment diversification strategy and to carry on business development activities as concurred by both parties in an Intercompany Agreement. The amounts outstanding are non-interest bearing, unsecured, payable within five (5) years and will be settled through cash.

SCHEDULE F- Indebtedness to Related Parties

Name of Related Party (1)	Balance at Beginning of Period	Balance at End of Period (2)
Subsidiary*	47,155,042	–
Stockholders	61,723,503	72,655,982
Total	108,878,545	72,655,982

**Unconsolidated subsidiary. Refer to Note 3 of the Notes to Consolidated Financial Statements for details.*

Notes:

1. See Note 7 of the Notes to Consolidated 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.

SCHEDULE J – Capital Stock

Please refer to Note 14 of the Notes to Consolidated 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 on ~~MAR 1 2~~, 20 2021.

Issuer: **GLOBALPORT 900, INC.**

EDWIN JOSEPH G. GALVEZ
Chairman of the Board

FREDERICK M. AREJOLA
Treasurer

AGNES H. MARANAN
Corporate Secretary

PASIG CITY

SUBSCRIBED AND SWORN to before this _____ day of MAR 1 2 2021, affiant(s). Exhibiting to me their valid identifications, as follows:

NAMES	IDENTIFICATION INFORMATION
Edwin Joseph G. Galvez	SSS ID NO. 03-9369562-7
Frederick M. Arejola	Driver's License NO. N02-98-363765
Agnes H. Maranan	UMID CRN-0111-7298389-1

Doc. No. 272
Page No. 56
Book No. 141
Series of 2021

ATTY. CESAR D. AMORANTO
Notary Public
Pasig, San Juan, Pateros, M.M.
Until December 31, 2022
686 B Shaw Blvd, Kapitolyo, Pasig City
PTR No. 5242795 Jan. 4, 2021
IBP No. 131122 Oct. 23, 2020 Roll No. 6637
MCLE EXEMPT - Unit April 14, 2022
Appointment No. 18 (2021-2022)

COVER SHEET
for
AUDITED CONSOLIDATED FINANCIAL STATEMENTS

SEC Registration Number

P W 0 0 0 0 0 2 5

COMPANY NAME

G L O B A L P O R T 9 0 0 , I N C .
A N D S U B S I D I A R I E S
(F o r m e r l y M I C H o l d i n g s , I n c .)

PRINCIPAL OFFICE *(No. Street /Barangay/City/ Town)Province)*

U N I T 2 7 0 1 O N E C O R P O R A T E C E N T R E
J U L I A V A R G A S A V E . , O R T I G A S
C E N T E R P A S I G C I T Y

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A F S	C R M D	N A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
bo_galvez@yahoo.com		

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
61	Any day in June	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Edwin Joseph G. Galvez	bo_galvez@yahoo.com	(+632) 637 8851	9178625232

Unit 2701 Corporate Centre Julia Vargas, Ortigas Center, Pasig City

Note 1: In case of death, resgination or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thrity (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Futher, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for this deficiencies.

GLOBALPORT 900, INC. AND SUBSIDIARIES
(Formerly MIC Holdings, Inc.)
PASIG CITY - PHILIPPINES

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

and

INDEPENDENT AUDITOR'S REPORT

CONTENTS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of **GLOBALPORT 900, INC. AND SUBSIDIARIES**, is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended **December 31, 2017 and 2016**, 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 consolidated 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 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 consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

Alas Oplas & Co., CPAs, the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed their opinion on the fairness of presentation upon completion of such audit.

Edwin Joseph G. Galvez
Chairman of the Board

Marvee M. Espejo
President

Frederick M. Arejola
Treasurer

Signed this 7th day of December 2020

SUBSCRIBED AND SWORN TO BEFORE ME THIS FEB 08 2021 AT PASIG CITY, AFFIANT EXHIBITED HIS/HER GOVERNMENT EVIDENCE OF IDENTITY

DOC. NO. 66
PAGE NO. 15
BOOK NO. 189
SERIES OF 2021

ATTY. CESAR D. AMORANTO
Notary Public
Pasig, San Juan, Pateros, M.M.
Until December 31, 2022
686 B Shaw Blvd, Kapitolyo, Pasig City
PTR No. 5242795 Jan. 4, 2021
IBP No. 131122 Oct. 23, 2020 Roll No. 6637
MCLE EXEMPT - Unit April 14, 2022
Appointment No. 18 (2021-2022)

GLOBALPORT 900

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of **GLOBALPORT 900, INC. AND SUBSIDIARIES**, is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended **December 31, 2017 and 2016**, 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Alas Oplas & Co., CPAs, the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed their opinion on the fairness of presentation upon completion of such audit.

Edwin Joseph G. Galvez
Chairman of the Board

Marvee M. Espejo
President

Frederick M. Arejola
Treasurer

Signed this 7th day of December 2020

SUBSCRIBED AND SWORN TO BEFORE ME THIS FEB 08 2021 AT PASIG CITY, AFFIANT EXHIBITED HIS/HER GOVERNMENT EVIDENCE OF IDENTITY

66
DOC. NO. 15
PAGE NO. 4
BOOK NO. 69
SERIES OF 2021

ATTY. CESAR D. AMORANTO
Notary Public
Pasig, San Juan, Pateros, M.M.
Until December 31, 2022
686 B Shaw Blvd. Kapitolyo, Pasig City
PTR No. 5242795 Jan. 4, 2021
IBP No. 131122 Oct. 23, 2020 Roll No. 6637
MCLE EXEMPT - Unit April 14, 2022
Appointment No. 18 (2021-2022)

Alas Oplas & Co., CPAs

Alas Oplas & Co., CPAs
23/F Philippine AXA Life Centre
1286 Sen. Gil Puyat Avenue
Makati City, Philippines 1200
Phone: (632) 759-5090 | Fax: (632) 887-6180
Email: aocheadoffice@alasoplascpas.com
www.alasoplascpas.com

Independent Member of
BKR International

INDEPENDENT AUDITORS' REPORT
TO ACCOMPANY CONSOLIDATED FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Board of Directors and Stockholders
GLOBALPORT 900, INC. AND SUBSIDIARIES
(Formerly MIC Holdings, Inc.)
Unit 2701, One Corporate Centre, Meralco Avenue corner
Julia Vargas Avenue, Ortigas Center, Pasig City

We have audited the accompanying consolidated financial statements of **GLOBALPORT 900, INC. AND SUBSIDIARIES** *(Formerly MIC Holdings, Inc.)* as of and for the years ended December 31, 2017 and 2016, on which we have rendered our report dated December 7, 2020.

In compliance with SRC Rule 68, we are stating that the said Group has a total of sixty-one (61) stockholders owning one hundred (100) or more shares each.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from September 4, 2019 to October 30, 2022
SEC A.N. (Firm) 0321-FR-1, issued on February 7, 2019; effective until February 6, 2022
TIN 002-013-406-000
BIR A.N. 08-001026-000-2018, issued on January 25, 2018; effective until January 24, 2021

By:

DANILO T. ALAS
Partner
CPA License No. 0027120
SEC A.N. (Individual) 1529-AR-1, issued on February 7, 2019; effective until February 6, 2022
TIN 132-466-021-000
BIR A.N. 08-001026-001-2018, issued on January 25, 2018; effective until January 24, 2021
PTR No. 8117109, issued on January 2, 2020, Makati City

December 7, 2020
Makati City, Philippines

Alas Oplas & Co., CPAs

Alas Oplas & Co., CPAs
Unit D F. Jack Building, 156 Aguinaldo Highway
San Agustin II, Dasmariñas City,
Cavite Philippines 4114
Phone No.: (046) 476-3705
Email: aoccavitebranch@alasoplascpas.com

23/F Philippine AXA Life Centre
1286 Sen. Gil Puyat Avenue
Makati City, Philippines 1200
Phone No.: (632) 7759-5090 | (632) 8889-1861
Email: aocheadoffice@alasoplascpas.com
www.alasoplascpas.com

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BKR International

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
GLOBALPORT 900, INC. AND SUBSIDIARIES
(Formerly MIC Holdings, Inc.)
Unit 2701, One Corporate Centre, Meralco Avenue corner
Julia Vargas Avenue, Ortigas Center, Pasig City

Opinion

We have audited the accompanying consolidated financial statements of **GLOBALPORT 900, INC. AND SUBSIDIARIES** *(Formerly MIC Holdings, Inc.)*, (the Group) which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, 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 financial position of the Group as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Other matters

Without qualifying our opinion, we draw your attention on the Parent Company's trading suspension as disclosed in Note 1 to the consolidated financial statements. On May 9, 2014, the trading of the Parent's securities was suspended by the Philippine Stock Exchange (PSE) until further notice. As at reporting date, the trading of the Parent's securities is still suspended.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statement of the current period. These matters were addressed in the context of our audit of the consolidated financial statement as a whole, and in forming our opinion thereon, and we do not provide a consolidated opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures, including the procedures performed, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Investment in Stocks

During the year, the investment in stocks to Manila North Harbour Port, Inc. (MNHPI) was transferred to another company not related to the Group. The proceeds amounting to ₱195,000,000 related to this transfer of ownership was received by the Group's Ultimate Parent, as part of HCPHI's investment diversification strategy and to carry on business development activities as concurred by both parties in an Intercompany Agreement. In our view, this matter is significant to our audit because the amount of the receivable is material to the consolidated financial statements representing 80% of Group's total consolidated assets.

Audit Response
Our audit procedures included examining documents related to this transaction and obtaining audit evidence such as Intercompany Agreement and corporate secretary certificates with regards to the manner of transferring of investment account and accounting of proceeds received. In addition, we assessed the sufficiency of disclosures in the consolidated financial statements related to these matters.

Derecognition of Subsidiary

Harbour Centre Port Holdings Inc. (HCPHI), one of the subsidiaries had direct ownership of 68.11% in Harbour Centre Port Terminal Inc. (HCPTI), subsequent to year 2013, HCPHI was involved in a legal case involving ownership of HCPTI. The parties involved in the ownership dispute has come into settlement agreement as finalized by court order. The settlement agreement irrevocably waives, relinquishes and renounces any and all interest over any and all shares of stock, assets and business in all the companies which has common ownership by the parties involved, this includes HCPTI. The settlement agreement was adopted and approved by the court in its decision on October 24, 2018, as a result, HCPHI lost its control over HCPTI. Following the loss of control by HCPHI, the management decided to derecognize its interest over HCPTI's assets, liabilities and interest over entities in consolidated level.

Audit Response
We have made an assessment of the impact and the accounting treatment made by the Management on the derecognition of HCPTI in the consolidated financial statements. There were no other transactions between HCPHI and HCPTI aside from the investment account of the latter. This investment account was impaired since 2014, hence no gain or loss is to be recognized as a result of this derecognition as of December 31, 2017. We have obtained adequate audit evidence to corroborate the judgments made by the Management with respect to derecognition of its subsidiary. We obtained a copy of settlement agreement approved by the court and the board resolution for the management decision on derecognition of HCPTI.

Recoverability of Advances to Related Party
As at December 31, 2017, the Group has outstanding advances from related party amounting to ₱43,903,161. This is significant to our audit because of the materiality of the amount and the assessment of recoverability requires high level of management judgment and estimation of future cash repayments. The Management disclosure about the transaction and recoverability of the amount is included in Note 7 of the consolidated financial statement.

Audit Response
Our audit procedures focused on the evaluation of management's assessment on the recoverability of the advances to related party. We obtained the memorandum of agreement between the two Companies covering the repayment agreement which is through offsetting of marketing expenses charged by Sultan 900 to the Group. We also obtained confirmation from the stockholder for the acknowledgement of the liability to the Group.

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, 2017 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20 IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2017 are expected to be made available to us after the date of auditor's 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 audit of the consolidated financial statements, our responsibility is to read the other information identified above 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. As of reporting date, such other information is not yet available.

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

Management is responsible for the preparation of the consolidated financial statements in accordance with Philippine Financial Reporting Standard, and for such internal controls as management determines is necessary to enable the preparation of consolidated 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 of 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.

Auditor's Responsibilities for the Audit of the 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 auditor's 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 risks 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 auditor's 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 the date of our auditor's 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 disclosures, and whether the consolidated financial statements represent the underlying transactions and events in 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.

Alas Oplas & Co., CPAs

The Supplementary Information Required under the Securities Regulation Code Rule 68

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedule listed in the index to the Consolidated Financial Statements and supplementary schedules is presented for the purpose of compliance with the requirement under Securities Regulation Code Rule 68, and is not part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards.

Such supplementary information is the responsibility of the Management. The supplementary information has been subjected to the auditing procedure applied in the audit of the basic financial statements. In our opinion the information is fairly stated in all material respect in relation to the basic consolidated financial statements taken as a whole.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from September 4, 2019 to October 30, 2022
SEC A.N. (Firm) 0321-FR-1, issued on February 7, 2019; effective until February 6, 2022
TIN 002-013-406-000
BIR A.N. 08-001026-000-2018, issued on January 25, 2018; effective until January 24, 2021

By:

DANILO T. ALAS
Partner
CPA License No. 0027120
SEC A.N. (Individual) 1529-AR-1, issued on February 7, 2019; effective until February 6, 2022
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BIR A.N. 08-001026-001-2018, issued on January 25, 2018; effective until January 24, 2021
PTR No. 8117109, issued on January 2, 2020, Makati City

December 7, 2020
Makati City, Philippines

GLOBALPORT 900, INC. AND SUBSIDIARIES
(Formerly MIC Holdings, Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016
In Philippine Peso

	Notes	2017	2016
ASSETS			
Current Assets			
Cash	8	**1,249,444**	1,492,857
Trade and other receivables	9	**–**	584,000
Advances to related parties	7	**43,903,161**	49,969,792
Prepayments and other current assets	10	**1,597,656**	2,441,268
Total Current Assets		**46,750,261**	54,487,917
Non-Current Assets			
Advances to related parties	7	**195,000,000**	–
Investment in stocks	11	**–**	195,000,000
Deferred tax assets	20	**–**	51,291
Total Non-Current Assets		**195,000,000**	195,051,291
TOTAL ASSETS		**241,750,261**	249,539,208
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	13	**52,915,120**	94,813,181
Advances from related parties	7	**72,655,982**	61,723,503
Income tax payable		**11,565,385**	–
Total Liabilities		**137,136,487**	156,536,684
Equity			
Share capital	14	**2,156,250,900**	2,156,250,000
Additional paid-in-capital	14	**268,309**	268,309
Treasury shares	14	**(595,111)**	(595,111)
Deficit		**(2,056,484,213)**	(2,068,415,219)
Equity attributable to the equity holders of the Parent		**99,439,885**	87,507,979
Non-controlling interests	3	**5,173,889**	5,494,545
Total Equity		**104,613,774**	93,002,524
TOTAL LIABILITIES AND EQUITY		**241,750,261**	249,539,208

See Notes to Consolidated Financial Statements.

GLOBALPORT 900, INC. AND SUBSIDIARIES
(Formerly MIC Holdings, Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015
In Philippine Peso

	Notes	**2017**	2016	2015
Revenue	15	–	3,928,571	–
Cost of services	16	–	(7,329,954)	–
Gross profit		–	(3,401,383)	–
General and administrative expenses	17	**(22,745,244)**	(37,737,735)	(35,413,037)
Other income	13	**47,155,421**	226	1,827
Income (loss) for the year		**24,410,177**	(41,138,892)	(35,411,210)
Income tax expense	20	**12,799,827**	–	–
Net income (loss) for the year		**11,610,350**	(41,138,892)	(35,411,210)
Other comprehensive income		–	–	–
TOTAL COMPREHENSIVE INCOME (LOSS)		**11,610,350**	(41,138,892)	(35,411,210)
Comprehensive income (loss) attributable to:				
Equity holders of the Parent		**11,931,006**	(40,539,890)	(34,749,356)
Non-controlling interests	3	**(320,656)**	(599,002)	(661,854)
BASIC/DILUTED INCOME (LOSS) PER SHARE	24	**0.005**	(0.017)	(0.015)

See Notes to Consolidated Financial Statements.

GLOBALPORT 900, INC. AND SUBSIDIARIES
(Formerly MIC Holdings, Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015
In Philippine Peso

	Attributable to equity holder of the parent						
	Share capital – Note 14	**Additional paid-in capital**	**Treasury shares – Note 14**	**Deficit**	**Total**	**Non-controlling interests – Note 3**	**Total**
Balance at December 31, 2014	2,156,250,000	268,309	(595,111)	(1,993,125,973)	162,797,225	6,755,401	169,552,626
Total comprehensive loss	–	–	–	(34,749,356)	(34,749,356)	(661,854)	(35,411,210)
Balance at December 31, 2015	2,156,250,000	268,309	(595,111)	(2,027,875,329)	128,047,869	6,093,547	134,141,416
Total comprehensive loss	–	–	–	(40,539,890)	(40,539,890)	(599,002)	(41,138,892)
Balance at December 31, 2016	**2,156,250,000**	**268,309**	**(595,111)**	**(2,068,415,219)**	**87,507,979**	**5,494,545**	**93,002,524**
Issuance of shares – Note 14	**900**	–	–	–	**900**	–	**900**
Total comprehensive income	–	–	–	**11,931,006**	**11,931,006**	**(320,656)**	**11,610,350**
Balance at December 31, 2017	**2,156,250,900**	**268,309**	**(595,111)**	**(2,056,484,213)**	**99,439,885**	**5,173,889**	**104,613,774**

See Notes to Consolidated Financial Statements.

GLOBALPORT 900, INC. AND SUBSIDIARIES
(Formerly MIC Holdings, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015
In Philippine Peso

	Notes	2017	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		**24,410,177**	(41,138,892)	(35,411,210)
Adjustments for:				
Depreciation	12	**–**	99,486	239,450
Advertising and promotion	7, 17	**6,066,631**	6,066,746	–
Extinguished liability	13	**(47,155,042)**	–	–
Interest income	18	**(379)**	(226)	(1,827)
Operating loss before working capital changes		**(16,678,613)**	(34,972,886)	(35,173,587)
Decrease (increase) in operating assets:				
Trade and other receivables	9	**584,000**	82,005	8,633,833
Prepayments and other current assets	10	**(339,539)**	(158,402)	(427,683)
Increase (decrease) in operating liabilities:				
Trade and other payables	13	**5,256,981**	(16,386,835)	19,150,528
Cash used in operations		**(11,177,171)**	(51,436,118)	(7,816,909)
Interest received	18	**379**	226	1,827
Net cash used in operating activities		**(11,176,792)**	(51,435,892)	(7,815,082)
CASH FLOWS FROM INVESTING ACTIVITY				
Collection from advances to related parties	7	**–**	–	100,500
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash advances from related parties	7	**12,385,069**	51,653,265	7,841,161
Payments made to related parties	7	**(1,452,590)**	(33,000)	–
Proceeds from issuance of capital	14	**900**	–	–
Net cash generated from financing activities		**10,933,379**	51,620,265	7,841,161
NET INCREASE (DECREASE) IN CASH		**(243,413)**	184,373	126,579
CASH AT BEGINNING OF YEAR	8	**1,492,857**	1,308,484	1,181,905
CASH AT END OF YEAR	8	**1,249,444**	1,492,857	1,308,484

See Notes to Consolidated Financial Statements.

1. CORPORATE INFORMATION

Group Profile

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. On December 7, 2011, the SEC approved the change in corporate name of the Parent to Globalport 900, Inc. and the 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.

The Parent Company increased its authorized share capital through stock split from ₱100 million to ₱2.1 billion, and the reduction in the par value from ₱100 to ₱ 1 per share as approved by the Securities and Exchange Commission (SEC) on October 12, 2011. On November 29, 2012, the SEC approved another increase in authorized share capital from ₱2.1 billion to ₱3 billion. 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, 2017, the Parent Company is 89.18% owned by Sultan 900.

Thru a share purchase agreement executed between the Parent Company and Sultan 900 (ultimate Parent) 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 ₱1.638 billion. HCPHI is a domestic corporation registered with the SEC on September 12, 2007 as a holding company. HCPHI had 6.5% interest ownership over Manila North Harbour Port, Inc. (MNHPI), an entity engaged primarily to own, invest, manage, develop, maintain and operate the Manila North Harbour, and other port properties.

On April 4, 2012, 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 ₱300 million. PDI is a domestic corporation registered with the SEC on August 15, 2007, primarily to engage in dredging and rehabilitation works, and general construction and general building such as but not limited to ports, roads, water supply, sewerage and sewage treatment/disposal plant.

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 Centre, Julia Vargas St. cor. Meralco Ave., Ortigas Center, Pasig City.

Approval of Consolidated Financial Statements
The accompanying consolidated financial statements as at and for the years ended December 31, 2017, 2016 and 2015 were reviewed by and authorized for issuance by the Board of Directors on December 7, 2020.

Status of Operation
On May 9, 2014, the trading of the Parent Company's securities was suspended by the PSE until further notice due to the Company's failure to comply with the structured reportorial requirements of the Exchange. As at reporting date, the trading of the Parent Company's securities is still suspended.

As at December 31, 2017, the Parent Company's market capitalization registered in the Philippine Stock Exchange is ₱15,739,160,620

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Statement of Compliance

The accompanying consolidated financial statements of the Group have been prepared in accordance with the Philippine Financial Reporting Standards (PFRSs). PFRSs include all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

Basis of Preparation

The consolidated financial statements are prepared on a going concern basis under the historical cost convention, except where a PFRSs requires an alternative treatment (such as fair values) as disclosed where appropriate in these consolidated financial statements.

Presentation and Functional Currency

Items included in the consolidated financial statements of the Group are measured using Philippine Peso, the currency of the primary economic environment in which the Parent operates (the "functional currency"). All presented financial information has been rounded to the nearest peso, except when otherwise indicated.

Use of Judgments and Estimates

The accompanying consolidated financial statements are prepared in conformity with accounting principles generally accepted in the Philippines which require management to make judgments, estimates and assumptions that affect the amounts reported in the Group's consolidated financial statements and accompanying notes. The estimates and assumptions are reviewed on an on-going basis.

Judgments are made by management in the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

The estimates and assumptions are reviewed on an on-going basis. These are based on management's evaluation of relevant facts and circumstances as of the reporting date. Actual results could differ from such estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Going Concern Assumption

The Group is not aware of any significant uncertainties that may cast doubts upon the Group's ability to continue as a going concern. As of the date of this report, the Group has plans to expand its investment in other various business with the end goal of being able to manage and/or operate subject to the approval of the Board.

In Philippine Peso

3. BASIS OF CONSOLIDATION

The Group's consolidated financial statements comprise the separate financial statements of the Parent and its subsidiaries as of December 31, 2017, 2016 and 2015.

Control is achieved when the Group is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit and loss and each component of Other Comprehensive Income (OCI) are attributable to the equity holders of the Parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The reporting dates of the Parent and the subsidiary are identical and the latter's accounting policies conform to those used by the Parent like transactions and events in similar circumstances.

Non-controlling interests represent the portion of comprehensive income and net assets not held by the Parent and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statements of financial position, separately from equity attributable to equity holders of the Parent.

The consolidated financial statements include the accounts of the Parent and its subsidiaries as follow:

Name of Subsidiaries	Place of incorporation	Principal activities	Ownership interest
Harbour Centre Port Holdings Inc. (HCPHI)	Quezon City	Holding company	96.32%
Platinum Dredging Inc. (PDI)	Manila	General construction	99.99%

Harbour Centre Port Holdings Inc. (HCPHI) and Platinum Dredging Inc. (PDI) were considered a subsidiary because the Parent has a dominant voting interest and it would take a number of vote holders to outvote the Parent, therefore it has control over the Subsidiaries.

Harbour Centre Port Holdings Inc. (HCPHI)
HCPHI is a stock corporation incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 12, 2007, primarily to purchase, subscribe for or otherwise, own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or dispose or real and/or personal properties of every kind and description, including shares of stock, whether listed in the stock exchange or not, voting trust certificates, certificates of participation, share warrants, option warrants and other securities and to pay therefore, in whole or in part, cash, property, or stocks, bonds or securities issued by them or another corporation.

HCPHI had 68.11% ownership interest in Harbour Centre Port Terminal Inc. (HCPTI), a corporation duly organized and existing in the Philippines engaged primarily in the business of operating port facilities, including other maritime activities supporting port operations and shipping. HCPTI owned 15.17% of Manila North Harbour Port, Inc. (MNHPI), a joint venture engaged primarily to own, invest, manage, develop, maintain and operate the Manila North Harbour and other port properties.

In Philippine Peso

Subsequent to 2013, HCPHI was involved in a legal case involving the ownership of HCPTI. The dispute on the ownership of HCPTI restricted HCPHI's access to HCPTI financial records and caused the delay in preparing the consolidated financial statements of the Group. Accordingly, the consolidated financial statements of the Group as at December 31, 2017 and 2016 do not include HCPTI.

On September 5, 2018, the parties involved in the ownership dispute entered into a settlement agreement and this was embodied in a court order on October 24, 2018.The settlement agreement irrevocably waived, relinquished and renounced any and all interest over any and all shares of stock, assets and business in all the companies which the parties have common ownership including HCPTI. Consequently, the said investment to HCPTI was derecognized and was not included in the consolidated financial statements.

The separate financial statements of Harbour Centre Port Holdings Inc. (HCPHI) for the years ended December 31, 2017 and 2016 were audited by other independent auditors (other than Alas, Oplas & Co. CPAs) whose report dated October 10, 2018 and expressed an unqualified opinion on those financial statements.

Material Non-controlling interest
Financial information of subsidiary that have material non-controlling interests is provided below:

Proportion of Equity Interest Held by Non-controlling Interests

Company	Place of incorporation	2017	2016
Harbour Centre Port Holdings Inc. (HCPHI)	Quezon City	**3.68%**	3.68%

Accumulated Losses of Material Non-controlling Interests

	2017	2016
Harbour Centre Port Holdings, Inc. (HCPHI)	**(57,326,112)**	(57,005,455)

Net Loss Attributable to Material Non-controlling Interests

	Years Ended December 31		
	2017	2016	2015
Harbour Centre Port Holdings, Inc. (HCPHI)	**(320,656)**	(599,002)	(661,854)

The summarized financial information of HCPHI are provided in the succeeding section.

Summarized Statements of Financial Position

	2017	2016
Cash	**365,156**	365,156
Receivable from related party	**195,000,000**	–
Prepayments and other current assets	**925,571**	586,085
Investments in stocks	–	195,000,000
Current liabilities	**54,065,497**	45,012,520

Summarized Statements of Comprehensive Income

	Years Ended December 31		
	2017	2016	2015
General and administrative expenses	**(8,713,491)**	(16,277,216)	(17,985,167)
Loss before income tax	**(8,713,491)**	(16,277,216)	(17,985,167)
Provision for income tax	–	–	–
Net loss	**(8,713,491)**	(16,277,216)	(17,985,167)
Other comprehensive income	–	–	–
Total comprehensive loss	**(8,713,491)**	(16,277,216)	(17,985,167)

In Philippine Peso

Summarized Statements of Cash Flows

	Years Ended December 31		
	2017	2016	2015
Operating	**(9,052,977)**	(45,560,996)	(71,812)
Investing	**–**	–	–
Financing	**9,052,977**	45,560,996	71,812
	–	–	–

Platinum Dredging Inc. (PDI)
PDI is a stock corporation incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on August 15, 2007, primarily to engage in general construction and general building, such as dredging and reclamation works as general contractor for port harbour and road, highway pavement, railway, airport horizontal structure and bridges, dam reservoir and tunnelling, water supply , irrigation and flood control, building and industrial plant, sewerage and sewage treatment/disposal plant, water treatment plant and system, park, playground, recreation works and foundation work and other structure.

Due to PDI's accumulated losses from the past years, the Company resulted to capital deficiency as of December 31, 2017 and 2016. The management of PDI decided to cease its operations starting April 2017 and go into voluntary liquidation. Consequently, the court declared PDI as insolvent through liquidation order received by the Company on September 27, 2019.

The financial statements of Platinum Dredging Inc. (PDI) for the years ended December 31, 2017 and 2016 were audited by other independent auditors (other than Alas, Oplas & Co. CPAs) whose report dated July 26, 2019 and expressed an unqualified opinion on those financial statements.

4. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Philippine Financial Reporting Standards Council (FRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FRSC and adopted by SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Group. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

New and Revised PFRSs Applied with No Material Effect on the Consolidated Financial Statements

The following new and revised PFRSs have also been adopted in these consolidated financial statements. The application of these new and revised PFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements starting January 1, 2017. Adoption of these pronouncements did not have any significant impact on the Group's financial position or performance unless otherwise indicated.

- Amendments to PFRS 12, *Disclosure of Interests in Other Entities, Clarification of the Scope of the Standard* (Part of Annual Improvements to PFRSs 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.

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

  These amendments are not expected to have any impact of the Group.

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

  The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

  Adoption of these amendments did not have any impact on the Group's financial position, performance or disclosures.

  The Group has provided the required information elsewhere to the consolidated financial statements. As allowed under the transition provisions of the standard, the Group did not present comparative information for the year ended December 31, 2017.

- 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 upon the reversal of the deductible temporary difference related to unrealized losses. 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.

  The Group applied the amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

New and Revised PFRSs in Issue but Not Yet Effective

Pronouncements 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 consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective January 1, 2018

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

  The amendments to PFRS 2 address the 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 method.

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

These amendments are not expected to have any impact on the Group's financial reporting.

- PFRS 9, *Financial Instruments*

  PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, Financial Instruments: Recognition and Measurement, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

  The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets but will have no impact on the classification and measurement of the Group's financial liabilities. The adoption will also have an effect on the Group's application of hedge accounting and on the amount of its credit losses. The Group is currently assessing the impact of adopting this standard.

- 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.

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

- PFRS 15, *Revenue from Contracts with Customers*

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

  The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under PFRSs. Either a full or modified retrospective application is required for all annual periods beginning on or after January 1, 2018.

  PFRS 15 is more prescriptive than the current PFRS for revenue recognition and provides more application guidance. The disclosure requirements are also more extensive. The standard will affect entities across all industries. Adoption will be a significant undertaking for most entities with potential changes to their current accounting systems and processes.

Therefore, a successful implementation will require an assessment of and a plan for managing the change.

The Group is currently assessing the impact of adopting this standard.

- Amendments to PAS 28, *Measuring an Associate or Joint Venture at Fair Value* (Part of Annual Improvements to PFRS 2014 – 2016 Cycle)

  The amendments clarify than 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 and 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 fair value measurement applied by that investment entity associate or joint venture to the investment entity associates' 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.

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

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

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

  The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advances consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advances consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment of 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 of the beginning of a prior reporting period presented as a comparative information in the consolidated financial statements of the reporting period in which the entity first applies the interpretation.

Effective beginning on or after January 1, 2019

- 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.

  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.

  PFRS 16 also requires lessees and lessors to make more extensive disclosures than under PAS 17.

  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 is currently assessing the impact of adopting PFRS 16.

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

  The amendments to PAS 28 clarify that entities should account for long-term interests in an associate or joint venture to which the equity method is not applied using PFRS 9. An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

- 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 and PAS 28, *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 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 of joint ventures.

  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.

  The amendments are not applicable since the Group does not have any sale or transfer of investments in other entities.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Group in the preparation of its consolidated financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

Financial Assets

Date of Recognition
The Group recognizes a financial asset in the statements of financial position when it becomes a party to the contractual provisions of the instrument. The Group determines the classification of its financial assets on initial recognition and, where applicable and appropriate, re-evaluates this designation at each reporting date. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

Regular way purchases or sales of financial assets require delivery of assets within the period generally established by regulations or convention in the marketplace.

Initial Recognition
Financial assets are initially measured at cost, which is the fair value at inception. Transaction costs are expense as incurred.

Classification
Subsequent to initial recognition, the Group classifies its financial assets into the following categories: 'financial assets 'at fair value through profit or loss' (FVPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets, and loans and receivables.

The classification depends on the nature and purpose for which the financial assets are acquired and is determined at the time of initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

As of December 31, 2017, and 2016, the Group has no financial assets at FVPL and held-to-maturity investments.

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.

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments and maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or FVPL financial assets.

Loans and receivables are classified under current assets if it is expected to be received within twelve (12) months from the reporting date. Otherwise, these are classified under noncurrent assets.

The Group's loans and receivables consist of cash, trade and other receivables and advances to related parties.

Cash
In the consolidated statements of cash flows, cash includes cash in banks. The Group recognized cash as current assets when the cash is not restricted from being exchanged or used to settle liability for at least twelve months after the end of the reporting period.

Cash is valued at face value. Cash in foreign currency is valued at the current exchange rate. Cash in banks are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. If a bank holding the funds of the Group is in bankruptcy or financial difficulty, cash should be written down to estimated realizable value if the amount recoverable is estimated to be lower than the face amount.

Trade and other receivables
Trade and other receivables are amounts due from customers for services rendered in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment.

Advances to Related Parties
Advances to related parties are the aggregate amount of receivables to be collected from related parties where one party can exercise control or significant influence over another party; including affiliates, owners or officers and their immediate families, pension trusts and so forth, at the financial statement date, which are usually due within one year (or one business cycle).

Advances to related parties are measured at the fair value of the consideration given to a related party. The transaction made is equivalent to an arm's length transaction.

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

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

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

Impairment of Financial Assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset (a loss event), and the estimated future cash flows of the financial asset that can be reliably estimated have been affected by such loss event.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 120 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account.

If, in a subsequent period, the amount of the impairment loss decreases, and 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.

Derecognition of 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:

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

When the Group has transferred its right to receive cash flow 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 or 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's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

On derecognition 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 statements of changes in equity in the statements of comprehensive income.

Prepayments and 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.

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.

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

Category	Estimated Useful Life
Furniture and fixtures	3 years
Machinery and equipment	5 years
Transportation 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.

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.

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.

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 ta 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 noncontrolling 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.

Impairment of Non-Financial Assets excluding inventories

At each reporting date, the Group assesses whether there is any indication that any non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of these assets is estimated in order to determine the extent of the impairment loss, if any.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell ad value in use. 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 which the estimates of future cash flows have not been adjusted.

The Group's corporate assets do not generate separate cash inflows. If the recoverable amount of an asset or cash-generating unit is estimated to be less than it's carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income.

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

Financial Liabilities and Equity Instruments

A financial liability is any liability that is:

a. a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
b. a contract that will or may be settled in the entity's own equity instruments and is
   (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
   (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Classification as Financial Liability or Equity Instruments
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished.

The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured.

Transaction costs that related to the issue of the compound instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity.

Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.

Financial liabilities
Financial liabilities are recognized when the Group becomes a party to the contractual agreements of the instrument. Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. The Group has no financial liabilities at FVTPL as of December 31, 2017 and 2016.

Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value inclusive of directly attributable transaction costs.

After initial recognition, interest-bearing other financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization pertain partly payment to the principal and payment for interest. Interest expense is recognized in profit or loss.

Gains and losses are recognized in profit or loss when the liabilities are derecognized.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Included in this category is the Group's trade and other payables and advances from stockholders that meet the above definition (other than liabilities covered by other PFRSs, such as income tax payable), in the consolidated statements of financial position.

Derecognition of financial liabilities
The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Provisions, Contingent Liabilities and Contingent Assets

Provisions
Provisions are recognized when the Group has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, it's carrying amount is the present value of those cash flows.

In those cases, where the possible outflow of economic resource as a result of present obligation 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.

Contingent Liabilities and Assets
Contingent liabilities and assets are not recognized because their 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 Group. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are disclosed only when an inflow of economic benefits is probable.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Share Capital
Ordinary shares represent the nominal value of shares that have been issued are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. The cost of acquiring the Group's own shares are shown as a deduction from equity until the shares are cancelled or reissued. When such shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental transaction costs and the related income tax effects, is included in the equity.

Additional Paid-in Capital
Additional paid-in capital pertains to any premium received by the Group on the issuance of capital stock. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax under reserves.

Deficit
The deficit represents net accumulated losses of the Group since its inception.

Treasury Shares
The cost of acquiring the Group's own shares are shown as deduction from equity as treasury shares until the shares are cancelled or reissued. Treasure shares are stated at the cost of reacquiring such shares and are deducted from equity attributable to the Group's equity holders until the shares are cancelled, reissued or disposed of. When such shares are subsequently sold or cancelled, any consideration received, net of directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Group's equity holders.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be reliably measured and when the following specific criteria have been met:

Interest income
Revenue is recognized as interest accrues 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.

Other income
Revenue is recognized when there is an incidental economic benefit, other than from the usual business operations that will flow to the Group and it can be measured reliably.

Cost and Expense Recognition

Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distribution to equity participants. Cost and expenses are generally recognized in profit or loss in the following manner:

- On the basis of a direct association between costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and association with income can only be broadly or indirectly determined; or

- Immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the consolidated statements of financial position as an asset.

General and Administrative expense
General and administrative expenses are incurred in the direction and general administration of day-to -day operation of the Group. These are generally recognized when the services are rendered, or the expenses are incurred.

General and administrative expense comprise of advertising and promotion, transportation, professional fees, taxes and licenses, office supplies, membership and association dues and miscellaneous expenses.

Employee Benefits

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, non-monetary benefits and other short-term benefits.

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the reporting date. They are included in "Trade and Other Payables" account in the consolidated statements of financial position.

Termination Benefits
Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that is within the scope of PAS 37: "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Foreign Currency Transactions and Translation

Transactions in foreign currencies are initially recorded in the functional currency closing rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange prevailing at the reporting date. All differences are taken to the consolidated statements of comprehensive income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions. Exchange differences arising on the settlement of monetary items, and on revaluation of monetary items are included in the statements of comprehensive income.

Related Parties and Related Party Transactions

Related Party Relationship
Related party relationship exists 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 or is a member of the key management personnel of an entity. 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 enterprise and its key management personnel, directors, or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The key management personnel of the Group, post-employment benefit plans for the benefit of Group's employees, and close members of the family of any individuals owning directly or indirectly a significant voting power of the Group that gives them significant influence in the financial and operating policy decisions of the Group are also considered to be related parties.

Related Party Transaction
A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. An entity is related to the Group when it directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Group. Transactions between related parties are accounted for at arm's length prices or on terms similarly offered to non-related entities in an economically comparable market.

Value-added Tax

Revenues, expenses and assets are recognized, net of the amount of value-added tax (VAT) except:

- where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included.

Income Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except that a change attributable to an item of income or expense recognized as other comprehensive income is also recognized directly in other comprehensive income.

Current Income Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable nor deductible.

The Group's current income tax liability is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates position taken in tax returns with respect to situation in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Income Tax
Deferred income tax is recognized on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases of such assets and liabilities as at balance sheet date.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, except:

- 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, affect neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investment 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 income tax assets are generally recognized for all deductible temporary differences, the carry-forward of unused tax losses and the carry-forward of unused tax credits to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and carry-forward tax benefits can be utilized, except:

- 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
- 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 income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow such deferred tax assets to be recovered.

Deferred tax asset is also recognized for Net Operating Loss Carry Over (NOLCO).

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 has not been previously offset as deduction from gross income shall be carried over as a deduction from gross income for the next three (3) consecutive taxable years immediately following the year of loss.

Deferred income tax assets and liabilities are measured at the tax rates that are applicable to the year when the asset is expected to be realized or the liability is expected to be settled, based on tax laws that have been enacted or substantively enacted as at balance sheet date.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Events After the End of the Reporting Date

The Group identifies events after the reporting date as events that occurred after the reporting date but before the date of the consolidated financial statements were authorized for issue. Any event that provides additional information about the Group's financial position at the reporting date is reflected in the consolidated financial statements. Non-adjusting events are disclosed in the notes to the consolidated financial statements when material.

6. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS, AND JUDGMENTS USED

The preparation of the accompanying Group consolidated financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the Group consolidated financial statements. Actual results could differ from such estimates. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

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

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The critical judgments made in the process of applying the accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when consolidated financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Critical 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 estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Determining 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. The Philippine Peso is the currency of the Primary economic environment in which the Group operates. It is the currency that mainly influences the sales of services and the cost of providing these services.

Classification of Financial Instruments
The Group classifies a financial instrument, or its components parts, on initial recognition, as a financial asset, financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position.

Distinction between Provisions and Contingencies
Judgment is exercised by management to distinguish between provisions and contingencies. As of December 31, 2017, and 2016, the Group has determined that no contingencies will materially affect the Group's consolidated financial statement, hence no provisions are recognized.

Determination of control over subsidiaries
In evaluating whether an entity has control over another entity it must first be ascertained whether the entity has the power to participate in the financial and operating policy decisions of the other entity.

Control is presumed to exist when the parent owns directly or indirectly, through subsidiaries, more than half of the voting power of an entity. In some instances, this will be clear-cut. However, in other circumstances, such ownership may not constitute control.

When control is not established through voting power, judgement may need to be applied to determine whether other factors result in control. Other factors to be considered include the ability to govern an entity's financial and operating policies and the existence of power to appoint or remove members of an entity's Board of Directors or equivalent governing body.

The existence of potential voting rights through options or convertible instruments may require further judgement.

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When control is not established through voting power, judgement may need to be applied to determine whether other factors result in control. Other factors to be considered include the ability to govern an entity's financial and operating policies and the existence of power to appoint or remove members of an entity's Board of Directors or equivalent governing body.

The existence of potential voting rights through options or convertible instruments may require further judgement.

Non-consolidation of Entities in which the Group Holds More than 50% ownership
HCPHI, one of the subsidiaries, had ownership interest of 68.11% in Harbour Centre Port Terminal Inc. In making the assessment of whether it has control over the relevant activities of HCPTI, management considers the legal dispute involving the ownership of the said entity.

Subsequent to 2013, HCPHI was involved in a legal case involving ownership of HCPTI. The dispute on ownership restricted access by HCPHI to HCPTI's financial records that caused the delay in preparing the consolidated financial statements of the Group. Accordingly, the consolidated financial statements of the Group as at December 31, 2017 and 2016 do not include HCPTI.

Judgment on the outcome of legal dispute
HCPHI, one of the subsidiaries, was involved in legal proceedings relating to its ownership over HCPTI. The estimate of the probable costs for the resolution of possible claims have been developed in consultation with the external defense counsel handling the matter and is based upon an analysis of potential results. The litigations in which one of the subsidiaries was involved into was expected to have a material adverse impact on the Group's financial condition and results of operations.

The outcome of legal dispute was finalized by the court on October 24, 2018 leading to HCPHI's management decision to derecognize its investment in HCPTI. See note 3.

Recognition of Deferred Income Tax
Management's judgment is required in determining the provision for income taxes, deferred tax assets and liabilities, and the extent to which deferred income tax assets can be recognized. A deferred tax asset is recognized if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognized in order to reflect changed circumstances as well as tax regulations.

As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination.

Estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Evaluating Allowance for Impairment on Financial Assets
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 financial assets.

The carrying amount of financial assets tested for impairment amounted to ₱238,903,160 and ₱50,553,792 which consists of advances to related parties and trade and other receivables, as of December 31, 2017 and 2016, respectively as disclosed in Note 7 and 9. No allowance for impairment was recognized in 2017 and 2016 except to what has been provided for impairment loss in the past years.

Estimating Allowance for Impairment Losses on Non-Financial Assets
The Group performs an impairment review when certain impairment indicators are present. Determining the fair value of property and equipment and intangible assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Group to conclude that property and equipment and intangible assets associated with an acquired business is impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations of the Group.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment.

Management believes that the value of its investment in stocks are not impaired except to what has been provided for impairment loss in the past years. The aggregate carrying amounts of assets tested for impairment amounted to nil and ₱195,000,000 as of December 31, 2017 and 2016, respectively, as disclosed in Notes 11.

Estimating Realizability of Deferred Income Tax Assets
The Group reviews the carrying amounts at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Group will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized.

In Philippine Peso

7. RELATED PARTY TRANSACTIONS

Related party relationships
Related party relationship exists 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 relationship also exists between and/or among the reporting entities, which are under common control or common significant influence with the reporting enterprise, or between, and/or among the reporting entities and its key management personnel, directors, or its shareholders. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related parties on this consolidated financial statements refers to the Ultimate Parent and companies in which the Parent Company and its subsidiaries holds interest into. They are as follows:

Related parties	Country of Incorporation	Relationship
Sultan 900 Capital, Inc.	Philippines	Ultimate Parent
Mikro-Tech Capital, Inc.	Philippines	Entity under common key management personnel
Officer and stockholders		Key management personnel

As disclosed in Notes 3 and 6, the court approved and adopted the settlement agreement in its decision on October 24, 2018. As a result, HCPHI, one of the subsidiaries, has no control over Harbour Centre Port Terminal, Inc (HCPTI). Following this, the management decided to derecognize its interest over HCPTI's assets, liabilities and interest over entities in consolidated level. There were no other transactions between HCPHI and HCPTI aside from the investment account of the latter. This investment account was impaired since 2014, hence no gain or loss is to be recognized as a result of this derecognition as of December 31, 2017 and 2016.

Accordingly, HCPTI was not recognized by the Group as related party in these consolidated financial statements.

Related party transactions and balances
There are transactions and arrangements between the Group and members of the group and the effects of these on the basis determined between the parties are reflected in these consolidated financial statements.

Trading Transactions
There were no trading transactions occurred between related parties for the years ended December 31, 2017 and 2016.

In Philippine Peso

The Group's transaction and balances with related parties as of December 31, 2017 and 2016 are as follows:

		Transaction	**Balances**		**Terms and conditions**
Entity	**Year**	**Advertising and Promotion** – Note 17	**Advances to**	**Advances from**	
a) Sultan 900 Capital, Inc.	**2017**	**6,066,631**	**238,903,161**	**–**	no fixed term; non-interest bearing, unsecured
	2016	6,066,746	49,969,792	–	
b) Stockholder	**2017**	**–**	**–**	**72,655,982**	non-interest bearing, unsecured, payable on demand
	2016	–	–	61,723,503	
	2017	**6,066,631**	**238,903,161**	**72,655,982**	
	2016	6,066,746	49,969,792	61,723,503	

In Philippine Peso

a) The Group has entered into an agreement on January 2016 to share in advertising and marketing with its Ultimate Parent, Sultan 900 Capital, Inc. (see Note 17)

Offsetting
The Group made a cash advances to its parent for investment purposes in 2012. The Parent Company and Sultan 900 Capital, Inc. (the Ultimate Parent), agreed to offset the recharges of marketing expenses by the latter to the Group (see note 17). As of December 31, 2017, and 2016, the total advances to Sultan 900, Inc., amounted to ₱238,903,161 and ₱49,969,792, respectively.

The movement of the Group's advances to related parties are as follows:

	2017	2016
Balance, beginning of year	**49,969,792**	56,036,538
Offsetting	**(6,066,631)**	(6,066,746)
Addition to advances (a.1)	**195,000,000**	–
Balance, end of year	**238,903,161**	49,969,792
Current portion	**43,903,161**	49,969,792
Non-current portion (a.1)	**195,000,000**	–

The amounts outstanding are non-interest bearing, unsecured, collectible in demand, as they have no specific maturity, and will be settled through offsetting of marketing expenses.

No guarantees have been received and no provisions have been made for any impaired amount owed by related parties.

a.1) Receivable from Related Party
During the year, HCPHI's investment in stocks to Manila North Harbour Port, Inc. (MNHPI) was disposed to another company not related to the Group. The same was motivated by the pendency of the dispute involving HCPTI and other companies. The proceeds amounting to ₱195,000,000 was received by Sultan 900 (the Ultimate Parent) as part of HCPHI's investment diversification strategy and to carry on business development activities as concurred by both parties in an Intercompany Agreement. This receivable is non-interest bearing and will be repayable within five (5) years from the date of agreement and will be payable in cash. Sultan has the option to repay all or any portion of it at any time or from time to time.

b) Advances from stockholders represent Group expenses paid by a stockholder in behalf of the Group, including professional fees, penalties, membership and association dues and other general and administrative expenses.

The movement in the account is as follows:

	2017	2016
Balance, beginning of year	**61,723,503**	10,103,238
Advances made during the year	**12,385,069**	51,653,265
Payments made during the year	**(1,452,590)**	(33,000)
Balance, end of year	**72,655,982**	61,723,503

The amounts outstanding are non-interest bearing, unsecured, payable on demand, as they have no specific maturity, and will be settled in cash. No guarantees have been given and no provisions have been made for any impaired amount owed by the Group.

No guarantees have been received and no provisions have been made for any impaired amount owed by related parties.

In Philippine Peso

Lease Agreement
The Group entered into an agreement with Mikro-Tech Capital, Inc. for the sharing and use of office space leased by Mikro-Tech since 2014 free of charge until the company has commercial operations.

Key management compensation
The Group considers as key management personnel directors and all employees holding managerial position up to the president having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

The Group has no employees holding managerial position as of December 31, 2017 and 2016. There was no member of the Board of Directors whom has received per diem or any compensation for any service provided as director for the year. The Group has no other arrangements in material terms, including consulting contracts, pursuant to which any director was compensated, or is to be compensated directly or indirectly for the year, for any service provided as director.

8. CASH

For the purpose of the consolidated statements of cash flows, cash include cash in banks.

Cash at the end of the reporting period as shown in the consolidated statements of cash flows can be reconciled to the cash in the consolidated statements of financial position.

Cash in banks pertain to savings account with local banks which amounts to ₱1,249,444 and ₱1,492,857 as at December 31, 2017 and 2016, respectively.

Cash in banks earn interest at the respective bank deposit rates. Interest income earned for the years ended December 31, 2017 and 2016 amounted to ₱379 and ₱226, respectively as disclosed in Note 18.

There was no restriction imposed upon cash in bank by either management, stockholders or outside parties.

The Group's exposure to credit and foreign currency risks related to cash in banks is disclosed in Note 21 to the consolidated financial statements.

9. TRADE AND OTHER RECEIVABLES

This account consists of:

	2017	2016
Trade receivables	**17,550,263**	17,550,263
Allowance for doubtful accounts	**(17,550,263)**	(17,550,263)
	–	–
Advances for liquidation	–	584,000
	–	584,000

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

In 2014, the management of HCPHI has provided an allowance for impairment loss on the outstanding balance of receivables of the Group amounting to ₱17,550,263 due to non-collectability of accounts.

Advances for liquidation 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.

In Philippine Peso

10. PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

	2017	2016
Input VAT	**1,597,656**	1,258,170
Creditable withholding tax	**-**	1,183,098
	1,597,656	2,441,268

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

Creditable withholding tax pertain to the excess tax credit to be credited to the next quarter or taxable year.

11. INVESTMENT IN STOCKS

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.

The Group's ownership interest to MNHPI was 19.5%. In the year 2013 and 2014, the interest in MNHPI was accounted as investment in shares of stock and the carrying amount of the investment amounted to ₱195,000,000, as presented in the consolidated statements of financial position.

In February 18, 2015, the Securities and Exchange Commission (SEC) approved MNHPI's increase in authorized capital stock. MNHPI increased it's authorized capital stock by ₱2 billion or from ₱1 billion divided into 10 million shares to ₱3 billion divided into 30 million shares with par value of ₱100 per share.

Consequently, the shareholdings structure has changed, and the Group's ownership was diluted from 19.5% ownership interest (Harbour Centre Port Holdings, Inc. to Manila North Harbour Port, Inc.) to 6.5% ownership interest as at December 31, 2015.

No dividends received from this investment as at December 31, 2017 and 2016.

Receivable from Related Party
During the year, HCPHI's investment in stocks to Manila North Harbour Port, Inc. (MNHPI) was disposed to another company not related to the Group. The same was motivated by the pendency of the dispute involving HCPTI and other companies. The proceeds amounting to ₱195,000,000 was received by Sultan 900 (the Ultimate Parent) as part of HCPHI's investment diversification strategy and to carry on business development activities as concurred by both parties in an Intercompany Agreement. This receivable is non-interest bearing and will be repayable within five (5) years from the date of agreement and will be payable in cash. Sultan has the option to repay all or any portion of it at any time or from time to time. (see Note 7)

In Philippine Peso

12. PROPERTY AND EQUIPMENT – NET

The carrying amounts of the Group's property and equipment are as follows:

2017	**Machinery and equipment**	**Transportation equipment**	**Furniture and fixtures**	**Total**
Cost at beginning of year	**359,542,025**	**1,200,000**	**9,290,041**	**370,032,066**
Derecognition	**(359,542,025)**	**–**	**–**	**(359,542,025)**
At end of year	**–**	**1,200,000**	**9,290,041**	**10,490,041**
Accumulated depreciation				
At beginning of year	**359,542,025**	**1,200,000**	**9,290,041**	**370,032,066**
Derecognition	**(359,542,025)**	**–**	**–**	**(359,542,025)**
At end of year	**–**	**1,200,000**	**9,290,041**	**10,490,041**
Carrying Amount	**–**	**–**	**–**	**–**

2016	Machinery and equipment	Transportation equipment	Furniture and fixtures	Total
Cost	359,542,025	1,200,000	9,290,041	370,032,066
Accumulated depreciation				
At beginning of year	359,542,025	1,200,000	9,190,555	369,932,580
Depreciation	–	–	99,486	99,486
At end of year	359,542,025	1,200,000	9,290,041	370,032,066
Carrying Amount	–	–	–	–

The depreciation expense recognized amounted to nil and ₱99,486 in 2017 and 2016, respectively as disclosed in Note 17.

The property and equipment were majority owned by PDI, one of the subsidiaries which is currently under liquidation process as disclosed in note 3.

During the year machineries and equipment of PDI which were already impaired were derecognized.

As of December 31, 2017, and 2016, the Group has no contractual commitment to purchase or build property and equipment.

During the year, the Group reviewed the recoverable amounts of its property and equipment. The Group determined that there is no indication that an impairment loss has occurred on its property and equipment aside from the impairment loss recognized in the past years.

There are no property and equipment items as at December 31, 2017 and 2016 that are pledged as security to liabilities.

In Philippine Peso

13. TRADE AND OTHER PAYABLES

This account consists of:

	2017	2016
Outside parties	**40,135,674**	39,941,392
Accrued expenses	**5,485,692**	3,221,698
Payable to government agencies	**4,593,754**	4,495,049
Other payables	**2,700,000**	47,155,042
	52,915,120	94,813,181

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

Accrued expenses generally include professional fees, penalties and interest and other expenses that were incurred but not yet paid as at reporting date.

Other payables refer to advances of PDI, one of the subsidiaries from its former related entity. This amount was previously recorded as advances from affiliate, however, due to finalized settlement agreement on October 24, 2018 by the court as disclosed in Notes 3, 6 and 7, the management decided to reclassify this amount as other payable in December 31, 2016. The payable amount of ₱47,155,042 was derecognize and reported as other income by PDI as at December 31, 2017 as disclosed in Note 18.

14. SHARE CAPITAL

The share capital of the Group is as follows:

	2017	2016
Share capital	**2,156,250,900**	2,156,250,000
Additional paid-in-capital	**268,309**	268,309
	2,156,519,209	2,156,518,309

Components of share capital are as follows:

	2017		2016	
	Shares	**Amount**	Shares	Amount
Authorized share capital				
Ordinary shares at ₱1 par	**3,000,000,000**	**3,000,000,000**	3,000,000,000	3,000,000,000
Subscribed and paid- up				
Subscribed				
Ordinary shares at ₱1 par	**2,325,000,000**	**2,325,000,000**	2,325,000,000	2,325,000,000
Less:				
Subscription receivable	**168,749,100**	**168,749,100**	168,750,000	168,750,000
Paid-up capital	**2,156,250,900**	**2,156,250,900**	2,156,250,000	2,156,250,000

On October 12, 2011, the increase in the number of authorized shares and reduction in par value of share was approved by the SEC. The increase in authorized share capital of the Parent Company was through a stock split from ₱100 million to ₱2.1 billion, and the reduction in the par value from ₱100 to ₱1 per share.

On November 29, 2012, the SEC approved another increase in authorized share capital from ₱2.1 billion to ₱3 billion. 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, 2017 and 2016, the Parent Company is 89.18% owned by Sultan 900.

Book value per share
Book value per share amounted to ₱0.045 and ₱0.040 in 2017 and 2016, respectively.

In Philippine Peso

Treasury shares
This consists of 201,500 common shares, stated at acquisition cost of ₱595,111 as of December 31, 2017 and 2016.

15. REVENUE

The Group's generated revenue from its operation amounting to nil and ₱3,928,571 and nil in 2017, 2016 and 2015, respectively.

16. COST OF SERVICES

This account consists of:

	Note	2017	2016	2015
Outside services		–	5,426,144	–
Repair and maintenance		–	1,318,202	–
Personnel costs	19	–	404,170	–
Other expenses		–	181,438	–
		–	7,329,954	–

17. GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of:

	Notes	2017	2016	2015
Professional fees		**10,020,943**	17,961,009	18,530,715
Advertising and promotion	7	**6,066,631**	6,066,746	–
Penalties and interest		**1,995,141**	3,159,241	320,000
Personnel costs	19	**1,844,633**	7,285,083	6,291,716
Repairs and maintenance		**943,048**	31,590	791,819
Membership and association dues		**288,960**	563,360	–
Transportation and travel		**272,827**	130,905	426,183
Representation expense		**130,193**	515,404	4,803,059
Rent expense		**45,030**	91,253	41,393
Utilities expense		**28,983**	54,198	33,705
Taxes and licenses		**26,434**	1,033,067	330,126
Office supplies		**18,979**	35,471	–
Fuel expense		**11,474**	24,099	88,210
Depreciation expense	12	–	99,486	239,450
Security services		–	11,067	381,788
Communication expense		–	–	54,198
Outside services		–	–	10,000
Other expenses		**1,051,968**	675,756	3,070,675
		22,745,244	37,737,735	35,413,037

Advertising and promotion pertain to the recharges of marketing expenses by Parent Group (see Note 7). Penalties pertains to accrued fees and charges of government regulatory agencies such as Philippine Stock Exchange (PSE), Philippine Securities of Exchange Commission (SEC), and Bureau of Internal Revenue (BIR).

Professional fees pertain to the following expenses:

	2017	2016	2015
Legal	**9,360,943**	17,301,009	18,010,715
Others	**660,000**	660,000	520,000
	10,020,943	17,961,009	18,530,715

In Philippine Peso

18. OTHER INCOME

	Notes	2017	2016	2015
Income on reversal of payables	13	**47,155,042**	–	–
Interest income	8	**379**	226	1,827
		47,155,421	226	1,827

The income on reversal of payables pertains to an adjustment of advances of PDI from its former related party Harbour Centre Port Terminal, Inc. (HCPTI) as disclosed in Note 13.

19. PERSONNEL COST

The account is composed of the following expenses of the subsidiaries:

	2017	2016	2015
Salaries and wages	**1,637,370**	6,988,626	6,022,389
Employee benefits	**143,869**	700,627	–
Government contributions	**63,394**	–	269,327
	1,844,633	7,689,253	6,291,716

20. INCOME TAXES

Income Tax Recognized in Profit or Loss

Components of income tax expense (benefit) by the Group were as follows:

	2017	2016	2015
Income tax expense – current	**12,748,536**	–	–
Income tax expense – deferred	**51,291**	–	–
	12,799,827	–	–

A numerical reconciliation between tax expense (benefit) and the product of accounting profit multiplied by the tax rate in 2017, 2016 and 2015 are as follows:

	2017	2016	2015
Accounting profit (loss)	**24,410,177**	(41,138,892)	(35,411,210)
Tax expense at the statutory rate of 30%	**7,323,053**	(12,341,668)	(10,623,363)
Adjustments for income subjected to lower income tax rates:	**142**	85	685
Tax effect of expenses that are not deductible:			
Penalties and surcharges	**574,690**	947,772	96,000
Professional fees	**82,669**	–	5,329,007
Applied MCIT	**51,291**	–	–
Representation expense	–	154,621	1,440,918
Other non-deductible expenses	**2,508,443**	–	–
Effect of unrecognized NOLCO*	**2,259,539**	11,239,190	3,756,753
	12,799,827	–	–

** by the Parent Company and HCPHI, one of the subsidiaries.*

The Group is not subject to MCIT also since it does not have any gross profit during the year from which the MCIT can be applied.

In Philippine Peso

The Group has Net Operating Loss Carry-Over (NOLCO), for which deferred income tax assets can be recognized with full offsetting. This deferred tax asset can be used to offset against income tax due.

Below are the details of NOLCO as at December 31, 2017:

Year Incurred	Amount	Applied current year	Expired	Unapplied	Balance	Expiry Date
2013	14,535,554	–	–	14,535,554	14,535,554	2016
2014	25,649,082	–	–	25,649,082	40,184,636	2017
2015	12,522,510	–	–	12,522,510	52,707,146	2018
2016	37,463,967	–	(14,535,554)	37,463,967	75,635,559	2019
2017	**7,531,797**	**–**	**(25,649,082)**	**7,531,797**	**57,518,274**	**2020**

The Group did not recognize any deferred tax asset from its NOLCO in the consolidated financial statements as the Management determined that the Group will not utilize the deferred income tax assets to future taxable profits for the next three (3) years.

The Group deferred tax asset recognized in the consolidated statements of financial position in 2016 pertains to the recognized MCIT from the Group gross profit in 2014 amounting to ₱51,291. This deferred tax asset was utilized during the year.

21. FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

Overview
The Group's financial instruments consist of cash, advances to related parties, trade and other payables and advances from related parties. The primary purpose of these financial instruments is to finance the Group's investments and operations.

The Group has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk

Risk Management Framework
The Board has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by 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.

There were no changes in the Group's objectives, policies and processes for managing the risk and the methods used to measure the risk from previous year.

Credit Risk

Credit risk is the risk of financial loss to the Group if a timeshare purchaser or any counterparty to a financial instrument fails to meet its contractual obligations. The Group's credit risk arises principally from the Group's advances to related parties. The Group's exposure to credit risk on advances to related parties is minimal. The management has established a policy for credit risk assessment and collection. 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 risk policy for pertinence and changing environment

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 has significant concentration of credit risk as the majority of Group's receivable were from Sultan 900, the Ultimate Parent.

In Philippine Peso

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Notes	2017	2016
Cash in banks	8	**1,249,444**	1,492,857
Trade and other receivables	9	**17,550,263**	18,134,263
Advances to related parties	7	**238,903,160**	49,969,791
		257,702,867	69,596,911

The Group does not hold any collateral or other credit enhancements to cover this credit risk.

Risk concentration of the maximum exposure to credit risk
Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the Group's financial strength and undermine public confidence.

Below are the credit qualities of the Group's financial assets as of December 31, 2017 and 2016:

2017	**Neither past due nor impaired**					
	High Grade	**Standard Grade**	**Substandard Grade**	**Past due but not impaired**	**Impaired**	**Total**
Cash	**1,249,444**	**–**	**–**	**–**	**–**	**1,249,444**
Trade and other receivables	**–**	**–**	**–**	**–**	**17,550,263**	**17,550,263**
Advances to related parties	**238,903,160**	**–**	**–**	**–**	**–**	**238,903,160**
	240,152,604	**–**	**–**	**–**	**17,550,263**	**257,702,867**

2016	Neither past due nor impaired					
	High Grade	Standard Grade	Substandard Grade	Past due but not impaired	Impaired	Total
Cash	1,492,857	–	–	–	–	1,492,857
Trade and other receivables	584,000	–	–	–	17,550,263	18,134,263
Advances to related parties	49,969,791	–	–	–	–	49,969,791
	52,046,648	–	–	–	17,550,263	69,596,911

High grade accounts are accounts considered to be high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. Financial assets are current and collectible.

Standard grade accounts are active accounts with minimal to regular instances of payment default, due to ordinary/common collection issues. These accounts are typically not impaired as

the counter parties generally respond to credit actions and update their payments accordingly. These financial assets need to be followed up.

Substandard grade accounts are accounts which have a probability of impairment based on historical trend. These accounts show propensity to default in payment despite regular follow-up and extended payment terms.

In Philippine Peso

Impairment assessment
The Group recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures.

Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances.

The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment. Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet is financial obligations as they fall due at a reasonable cost. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or the counterparty failing on repayment of a contractual obligations; or inability to generate cash inflows as anticipated.

The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations in accordance with internal policies. The Group also manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following are the contractual maturities of financial liabilities:

2017	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6 – 12 months**	**Over 1 year**
Trade and other payables	**52,915,120**	**52,915,120**	**52,915,120**	**–**	**–**
Advances from related parties	**72,655,982**	**72,655,982**	**72,655,982**	**–**	**–**
	125,571,102	**125,571,102**	**125,571,102**	**–**	**–**

2016	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	Over 1 year
Trade and other payables	94,813,181	94,813,181	94,813,181	–	–
Advances from related parties	61,723,503	61,723,503	61,723,503	–	–
	156,536,684	156,536,684	156,536,684	–	–

It is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

In Philippine Peso

Fair Value of Financial Instruments

The Group measures financial instruments and non-financial assets at fair value at each reporting date.

Due to short-term nature of the transactions, the fair value of cash, and other receivables and other payables reasonably approximate the amount of consideration at the time of initial recognition.

Fair Value Hierarchy

The Group uses the following hierarchy in determining the fair value of financial instruments by valuation technique:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group sets strategies with the objective of establishing a sound capital structure. The Group defines capital as capital stock and deficit.

Management has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Group's business, operation and industry.

The Group's debt to equity ratio at the reporting dates are as follows:

	2017	2016
Total liabilities	**137,136,487**	156,536,684
Total equity	**104,613,774**	93,002,524
Debt to equity ratio	**1.31 : 1**	1.68 : 1

The Group is not subject to externally imposed capital requirements.

22. PROVISION AND CONTINGENCIES

On May 9, 2014, the trading of the Group's securities was suspended until further notice by the Philippine Stock Exchange (PSE) and as at reporting date, the trading of the Group's securities is still suspended. As at December 31, 2017, the Group's market capitalization is ₱15,739,160,620.

During the years 2017 and 2016, the Company has recognized provisions for the accrual of penalties, interest and surcharges for the unfiled PSE and SEC reportorial requirements amounting to ₱1,915,632 and ₱609,584, respectively.

The Group is not aware of any pending or threatened litigation, other claims or assessments or unasserted claims of assessments that are required under PAS 37 of full PFRSs, to be accrued or disclosed in the consolidated financial statements except for the above mentioned.

The Group has complied with all aspects of contractual agreements that could have a material effect on the accounts in the event of non-compliance.

In Philippine Peso

23. SEGMENT INFORMATION

The Group has only one reportable segment. The Parent Group 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, 2017 including the results of operations for the year ended December 31, 2017 is shown in the table below:

RESULT OF OPERATIONS

	Dredging	Port operations	Head offices	Consolidated
Revenues				
External sales	–	–	–	–
Total	–	–	–	–
Results				
Segment results	–	–	–	–
Interest income	174	–	205	379
Net income (loss)	**174**	**–**	**205**	**379**

SEGMENT ASSETS AND LIABILITIES

	Dredging	Port operations	Head offices	Consolidated
Segment assets	–	196,290,727	45,459,534	241,750,261
Segment liabilities	72,509,155	54,065,496	10,561,836	137,136,487

24. BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

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

	2017	2016
Net income (loss) attributable to equity holders of the Parent (a)	**11,931,006**	(40,539,890)
Weighted average number of shares outstanding (b)	**2,324,798,500**	2,324,798,500
Basic/diluted earnings (loss) per share (a/b)	**0.005**	(0.017)

As at December 31, 2017 and 2016, the Group has no dilutive debt or equity instruments.

25. EVENTS AFTER THE REPORTING DATE

The outcome of legal dispute against the ownership of the companies in which HCPHI, one of the subsidiaries has interest into was released on October 24, 2018 by the court. The result has material impact to the Group consolidated financial statements as of December 31, 2017. Certain adjustments were made to this consolidated financial statement as a result of the settlement agreement. See Note 3 and 6.

No other events after the reporting date were identified except on the paragraph stated above in these consolidated financial statements that provide evidence of conditions that existed at the reporting date (adjusting events); and that are indicative of conditions that arose after the reporting date (non-adjusting events).

Alas Oplas & Co., CPAs

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BKR International

REPORT ON THE ADDITIONAL COMPONENTS OF CONSOLIDATED FINANCIAL STATEMENTS UNDER REVISED SECURITIES REGULATION CODE RULE 68

The Board of Directors and Stockholders
GLOBALPORT 900, INC. AND SUBSIDIARIES
(Formerly MIC Holdings, Inc.)
Unit 2701, One Corporate Centre, Meralco Avenue corner
Julia Vargas Avenue, Ortigas Center, Pasig City

We have audited the consolidated financial statements of **GLOBALPORT 900, INC. AND SUBSIDIARIES** *(Formerly MIC Holdings, Inc.)*, (the Group) for the years ended December 31, 2017 and December 31, 2016, in accordance with Philippine Standards on Auditing, on which we have rendered the attached report dated December 7, 2020.

Our audits were conducted 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 presented for purposes of compliance with the requirements under Revised Securities Regulation Code Rule 68, and are not a required part of the consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards.

Such supplementary information are the responsibility of the management of **GLOBALPORT 900, INC. AND SUBSIDIARIES**. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from September 4, 2019 to October 30, 2022
SEC A.N. (Firm) 0321-FR-1, issued on February 7, 2019; effective until February 6, 2022
TIN 002-013-406-000
BIR A.N. 08-001026-000-2018, issued on January 25, 2018; effective until January 24, 2021

By:

DANILO T. ALAS
Partner
CPA License No. 0027120
SEC A.N. (Individual) 1529-AR-1, issued on February 7, 2019; effective until February 6, 2022
TIN 132-466-021-000
BIR A.N. 08-001026-001-2018, issued on January 25, 2018; effective until January 24, 2021
PTR No. 8117109, issued on January 2, 2020, Makati City

December 7, 2020
Makati City, Philippines

Alas Oplas & Co., CPAs

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
GLOBALPORT 900, INC. AND SUBSIDIARIES
(Formerly MIC Holdings, Inc.)
Unit 2701, One Corporate Centre, Meralco Avenue corner
Julia Vargas Avenue, Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **GLOBALPORT 900, INC. AND SUBSIDIARIES** *(Formerly MIC Holdings, Inc.),* (the Group) as at December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015, and have issued our report thereon dated December 7, 2020. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2017 and 2016 and no material exceptions were noted.

ALAS, OPLAS & CO., CPAs
BOA Registration No. 0190, valid from September 4, 2019 to October 30, 2022
SEC A.N. (Firm) 0321-FR-1, issued on February 7, 2019; effective until February 6, 2022
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December 7, 2020
Makati City, Philippines

GLOBALPORT 900, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2017

*These schedules, which are required by Revised SRC Rule 68, have been omitted because they are either not required, not applicable or the information required to be presented is included/shown in the related consolidated financial statements or in the notes thereto.

SCHEDULE I
RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION

As of December 31, 2017

GLOBALPORT 900, INC. AND SUBSIDIARIES
Unit 2701, One Corporate Centre, Meralco Avenue corner
Julia Vargas Avenue, Ortigas Center, Pasig City

NOT APPLICABLE

SCHEDULE II
GLOBALPORT 900, INC. AND SUBSIDIARIES
SCHEDULE SHOWING FINANCIAL SOUNDNESS
PURSUANT TO REVISED SRC RULE 68

		As at	
Ratio	**Formula**	**2017**	2016
Liquidity Ratio:			
Current ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets 46,750,261 Divide by: Total Current Liabilities 137,136,487 Current ratio 0.34	**0.34:1**	0.35:1
Quick ratio	Quick Assets (*Cash add Receivables – net*) divided by Total Current Liabilities Quick Assets 45,152,605 Divide by: Total Current Liabilities 137,136,487 Quick ratio 0.33	**0.33:1**	0.33:1
Solvency Ratio:			
Debt ratio / Debt-to-asset ratio	Total Liabilities divided by Total Assets Total Liabilities 137,136,487 Divide by: Total Assets 241,750,261 Debt-to-asset ratio 0.57	**0.57:1**	0.63:1
Debt-to-equity ratio	Total Liabilities divided by Total Equity Total Liabilities 137,136,487 Divide by: Total Equity 104,613,774 Debt-to-equity ratio 1.31	**1.31:1**	1.68:1
Asset-to-equity ratio	Total assets divided by Total Equity Total Assets 241,750,261 Divide by: Total Equity 104,613,774 Asset-to-equity ratio 2.31	**2.31:1**	2.68:1
Interest Rate Coverage Ratio:	Earnings Before Interest, Taxes and Depreciation and Amortization (EBITDA) divided by Interest Expenses EBITDA (24,410,177) Divide by: Interest Expenses – Interest rate coverage ratio 0.00	**0.00:1**	0.00:1

		As at	
Ratio	**Formula**	**2017**	2016
Profitability Ratios:			
Return on assets	Net Income divided by Average Total Assets (*Total Assets as of December 31, 2016 add Total Assets as of December 31, 2015 divided by two)* Net Income 11,610,350 Divide by: Average Total Assets 245,644,735 Return on assets 4.73%	**4.73%**	(16.29%)
Return on equity	Net Income divided by Average Total Equity (*Total Equity as of December 31, 2016 add Total Equity as of December 31, 2015 divided by two)* Net Income 11,610,350 Divide by: Avg. Total Equity 98,808,149 Return on equity 11.75%	**11.75%**	(36.22%)
Gross profit margin	Gross Profit (*Revenues less Direct Expenses*) divided by Revenues Gross Profit – Divide by: Revenues – Gross profit margin 0%	**0%**	(86.58%)
Activity Ratio:			
Asset turnover	Revenues divided by Average Total Equity (*Total Equity as of December 31, 2016 add Total Equity as of December 31, 2015 divided by two)* Revenues – Divide by: Avg. Total Equity 98,808,149 Asset turnover 0.03	**0.00:1**	0.03:1

SCHEDULE III
GLOBALPORT 900, INC. AND SUBSIDIARIES
SCHEDULE OF EFFECTIVE STANDARDS AND INTERPRETATIONS UNDER THE PFRS AS AT DECEMBER 31, 2017

		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Consolidated Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✔		
PFRSs Practice Statement Management Commentary		✔		
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards		✔	
	Amendments to PFRS 1: 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			✔
	Amendments to PFRS 1: Borrowing Cost			✔
	Amendments to PFRS 1: Meaning of "Effective PFRS"	✔		
PFRS 2	Share-based Payment			✔
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✔
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✔
	Definition of Vesting Condition			✔
PFRS 3 (Revised)	Business Combinations			✔
	Accounting for Contingent Consideration in a Business Combination			✔
	Scope Exceptions for Joint Arrangements			✔
PFRS 4	Insurance Contracts			✔
	Amendments to PFRS 4: Financial Guarantee Contracts			✔
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✔
	Amendments to PFRS 5: Changes in Methods of Disposal			✔
PFRS 6	Exploration for and Evaluation of Mineral Resources			✔

		Adopted	Not Adopted	Not Applicable
PFRS 7	Financial Instruments: Disclosures	✔		
	Amendments to PFRS 7: Reclassification of Financial Assets	✔		
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✔		
	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	✔		
	Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements		✔	
	Amendments to PFRS 7: Hedge Accounting (2013 version)			✔
	Amendments to PFRS 7: Servicing Contracts			✔
PFRS 8	Operating Segments			✔
	Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets			✔
PFRS 9	Financial Instruments (New in 2014) *		✔	
	Financial Instruments: Classification and Measurement (2010 version)	✔		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✔		
	Applying PFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4) *	Not yet effective		
	Amendments to PFRS 9: Prepayment Features with Negative Compensation *	Not yet effective		
PFRS 10	Consolidated Financial Statements	✔		
	Amendments to PFRS 10: Investment Entities – Applying the Consolidation Exception			✔
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet effective		
PFRS 11	Joint Arrangements		✔	
	Amendments to PFRS 11: Accounting for Acquisitions of Interest in Joint Operations		✔	
PFRS 12	Disclosure of Interests in Other Entities	✔		
	Amendments to PFRS 12: Investment Entities	✔		
PFRS 13	Fair Value Measurement	✔		
	Amendment to PFRS 13: Short term Receivable and Payable	✔		
	Portfolio Exception	✔		

		Adopted	Not Adopted	Not Applicable
PFRS 14	Regulatory Deferral Accounts		✔	
PFRS 15	Revenue from Contracts with Customers*	Not yet effective		
PFRS 16	Leases *	Not yet effective		
Philippine Accounting Standards				
PAS 1	Presentation of Financial Statements	✔		
	Amendment to PAS 1: Capital Disclosures	✔		
	Amendments to PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✔
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✔		
	Amendments to PAS 1: disclosure Initiative	✔		
PAS 2	Inventories			✔
PAS 7	Statement of Cash Flows	✔		
	Amendments to PAS 7: Disclosure Initiative	✔		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✔		
PAS 10	Events after the Reporting Period	✔		
PAS 11	Construction Contracts			✔
PAS 12	Income Taxes	✔		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✔		
	Amendment to PAS 12 – Recognition of Deferred Tax Assets for Unrealized Losses	✔		
PAS 16	Property, Plant and Equipment		✔	
	Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization		✔	
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization		✔	
	Amendments to PAS 16: Bearer Plants			✔
PAS 17	Leases		✔	
PAS 18	Revenue	✔		
PAS 19	Employee Benefits		✔	
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions		✔	
	Amendments to PAS 19: Regional Market Issue Regarding Discount Rate		✔	
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			✔

		Adopted	Not Adopted	Not Applicable
PAS 23 (Revised)	Borrowing Costs			✔
PAS 24	Related Party Disclosures – Key Management Personnel	✔		
	Related Party Disclosures – Key Management Personnel (Amended)	✔		
PAS 26	Accounting and Reporting by Retirement Benefit Plans		✔	
PAS 27	Separate Financial Statements	✔		
	Amendments to PAS 27: Investment Entities	✔		
	Amendments to PAS 27: Equity Method in Separate Financial Statements		✔	
PAS 28	Investments in Associates and Joint Ventures		✔	
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture		✔	
	Amendments to PAS 28: Long-term Interests in Associates and Joint Ventures *	Not yet effective		
PAS 29	Financial Reporting in Hyperinflationary Economies			✔
PAS 31	Interests in Joint Ventures		✔	
PAS 32	Financial Instruments: Disclosure and Presentation	✔		
	Amendments to PAS 32: Puttable Financial Instruments and Obligations Arising on Liquidation			✔
	Amendment to PAS 32: Classification of Rights Issues			✔
	Amendments to PAS 32: Tax Effect of Distribution to Holders of Equity Instruments		✔	
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✔		
PAS 33	Earnings per Share	✔		
PAS 34	Interim Financial Reporting		✔	
	Amendments to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities		✔	
	Disclosure of information 'Elsewhere in the Interim Financial Report'		✔	
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		✔	
	Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization		✔	

		Adopted	Not Adopted	Not Applicable
	Amendments to PAS 38: Clarification of Acceptable Methods of Depreciation and 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: Financial Guarantee Contracts			✔
	Amendments to PAS 39: Reclassification of Financial Assets	✔		
	Amendments to PAS: Reclassification of Financial Assets – Effective Date and Transition	✔		
	Amendments to PAS 39: Embedded Derivatives			✔
	Amendment to PAS 39: Eligible Hedged Items			✔
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✔
PAS 40	Investment Property			✔
	Amendments to PAS 40: Clarification on Ancillary Services			✔
	Amendments to PAS 40: Transfers of Investment Property	Not yet effective		
PAS 41	Agriculture			✔
	Amendments to PAS 41: Bearer Plants			✔
Philippine Interpretations – International Financial Reporting Interpretations Committee (IFRIC)				
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: Embedded Derivatives			✔

		Adopted	Not Adopted	Not Applicable
IFRIC 10	*Interim Financial Reporting and Impairment*		✔	
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✔
IFRIC 12	Service Concession Arrangements			✔
IFRIC 13	Customer Loyalty Programmes			✔
IFRIC 14	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 15	Agreements for the Construction of Real Estate			✔
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			✔
Philippine Interpretations – Standing Interpretations Committee (SIC)				
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		✔	
SIC-21	Income Taxes – Recovery of Revalued Non-Depreciable Assets			✔
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✔
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✔
SIC-29	Service Concession Arrangements: Disclosures.			✔
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✔
SIC-32	Intangible Assets - Web Site Costs		✔	

**These standards are not yet effective as of December 31, 2017.*

SCHEDULE IV

GLOBALPORT 900, INC. AND SUBSIDIARIES

SCHEDULE A

FINANCIAL ASSETS

DECEMBER 31, 2017

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Income received and accrued

NOT APPLICABLE

GLOBALPORT 900, INC. AND SUBSIDIARIES
SCHEDULE B
AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2017

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
Sultan 900 Capital Inc.	49,969,792	195,000,000	6,066,746	–	43,903,161	195,000,000	238,903,161

GLOBALPORT 900, INC. AND SUBSIDIARIES
SCHEDULE C
AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOT APPLICABLE

GLOBALPORT 900, INC. AND SUBSIDIARIES
SCHEDULE D
LONG TERM DEBT
DECEMBER 31, 2017

Name of issuer and type of obligation	Total Outstanding Balance	Amount shown under caption "Current portion of long-term debt"	Amount shown caption "Long-term Debt"

NOT APPLICABLE

GLOBALPORT 900, INC. AND SUBSIDIARIES
SCHEDULE E
INDEBTEDNESS TO RELATED PARTIES (LONG - TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2017

Name of the Related Party	Balance at beginning of period	Balance at end of period
Stockholders	61,723,503	72,655,982

GLOBALPORT 900, INC. AND SUBSIDIARIES
SCHEDULE F
GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2017

Name of the issuing entity of securities guaranteed by the company for which the statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is lifted	Nature of guarantee

NOT APPLICABLE

GLOBALPORT 900, INC. AND SUBSIDIARIES
SCHEDULE G
CAPITAL STOCK
DECEMBER 31, 2017

Title of Issue	Number of Shares Authorized	Number of shares issued and outstanding as shown under related financial position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common	3,000,000,000	2,325,000,000	–	2,219,499,500	900	105,499,600