

## COVER SHEET

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SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

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

HERBERT M. CONSUNJI  
Contact Person

888-3000  
Company Telephone Number

|   |   |
|---|---|
| 1 | 2 |
|---|---|

|   |   |
|---|---|
| 3 | 1 |
|---|---|

Month                      Day

Fiscal Year

**SEC Form 20-IS**  
**Definitive Information Statement**  
 FORM TYPE

07  
Month Day  
Annual Meeting

|                                       |
|---------------------------------------|
| N.A.                                  |
| Secondary License Type, If Applicable |

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Dept Requiring

Dept Requiring this Doc

| <p align="center"><b>Agenda Item No. 8- Amendment of<br/>Article II, Sec. 1 and Article VI Secs. 1<br/>and 6 of the Amended By-Laws</b></p> <p align="center"><b>Amended Articles Number / Section</b></p> |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

Amended Articles Number / Section

Total No. of Stockholders

Total No. of Stockholders

A diagram showing a horizontal bar representing the 'Total Amount of Borrowings'. The bar is divided into two segments: a shorter segment on the left labeled 'Domestic' and a longer segment on the right labeled 'Foreign'.

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

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LCU

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Cashier

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes



**DMCI HOLDINGS**  
INCORPORATED

## NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

3rd Floor  
DAICON Building  
2281 Don Chino Roces Ave.  
Makati City 1231, Philippines

Telephone  
(632) 888 • 3000  
Facsimile  
(632) 816 • 7362  
E-Mail  
investors.dmciholdings@gmail.com

Dear Stockholders:

Please be notified that the annual meeting of stockholders of DMCI Holdings, Inc. (the "Corporation") will be held on July 27, 2016, at 9:30 A.M. at the Turf Room, Manila Polo Club, McKinley Road, Forbes Park, Makati City, with the following agenda:

1. Call to Order
2. Report on Attendance and Quorum
3. Approval of Minutes of Previous Stockholders' Meeting
4. Management Report for the year ended December 31, 2015
5. Ratification of All Acts of the Board of Directors and Officers during the preceding year
6. Appointment of Independent Auditor
7. Election of Directors including Independent Directors
8. Amendment of the following provisions of the By-Laws
  - a. *Article II Sec. 1 – to change the Annual Stockholders' Meeting date to every third Tuesday of May of each year*
  - b. *Article VI Sec. 1 – to add the Corporate Governance Committee as one of the Board Committees*
  - c. *Article VI Sec. 6 (new provision) – to add the composition and duties of the Corporate Governance Committee*
9. Other Matters
10. Adjournment

The minutes of the 2015 annual stockholders' meeting are posted in the Corporation's website. Copies thereof will be distributed to stockholders during the July 27, 2016 annual stockholders' meeting.

Stockholders of record as of June 13, 2016 will be entitled to notice of and to vote at the said annual meeting or any adjournment or postponement thereof.

Deadline for submission of proxies is on July 16, 2016. Validation of proxies shall be held on July 22, 2016 at the principal office of the Corporation.

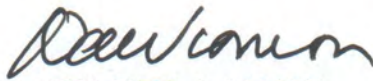
Subsidiaries and Associates:  
D.M. Consunji, Inc.  
DMCI Project Developers, Inc.  
DMCI Power Corporation  
DMCI Mining Corporation  
Semirara Mining and Power Corporation  
Wire Rope Corporation of the Phils.  
ENK Plc.  
DMCI - MPIC Water Co.

On the day of the meeting, you, or your duly designated proxy, are hereby required to bring this Notice, and any form of identification (i.e. driver's license, company I.D. TIN card etc.) to facilitate registration. Registration starts at exactly 8:30 a.m. and closes at 9:15 a.m.

Makati City, Metro Manila.

May 23, 2016

For the Board of Directors:



ATTY. NOEL A. LAMAN

Corporate Secretary

## AGENDA DETAILS AND RATIONALE

1. Call to Order. The Chairman of the Board of Directors, Mr. Isidro A. Consunji, will call the meeting to order.
2. Certification of Notice and Quorum. The Corporate Secretary, Atty. Noel A. Laman, will certify that copies of the Notice were sent to the stockholders of record, and will certify the number of shares present at the meeting, for the purpose of determining the presence of quorum for the transaction of corporate business.
3. Approval/ratification of the minutes of the annual meeting of stockholders held on July 29, 2015. The minutes of the July 29, 2015 annual stockholders' meeting are posted in the company's website. Hardcopies will also be distributed during the meeting. The stockholders will be requested to approve the said minutes. The proposed resolution reads as follows:

*"RESOLVED, That the stockholders of DMCI Holdings, Inc. (the "Corporation") hereby approve the minutes of the annual stockholders' meeting of the Corporation held on July 29, 2015.*

4. Approval of the Management Report for the year ending December 31, 2015. The President will report on the performance of the company for the year 2015. The proposed resolution reads as follows:

*"RESOLVED, That the stockholders of DMCI Holdings, Inc. (the "Corporation") hereby approve the Management Report for the year ending December 31, 2015."*

5. Ratification of Acts of Directors and Officer. Resolutions, contracts, and acts of the board of directors and management for ratification refer to those passed or undertaken by them during the year and for the day to day operations of the Company as contained or reflected in the attached annual report and financial statements and more specifically identified in item 9 (2) of the Information Statement. The proposed resolution reads as follows:

*"RESOLVED, That the stockholders of DMCI Holdings, Inc. approve, ratify and confirm all the acts, decisions and resolutions of the Board of Directors and officers of the Corporation made or undertaken from July 29, 2015 and until the date of this meeting as they are reflected in the books and records of the Corporation."*

6. Appointment of Independent Auditors. The stockholders will be requested to approve the appointment of SyCip, Gorres, Velayo & Co. as independent auditors of the Corporation. The proposed resolution reads as follows:



*"RESOLVED, That the stockholders of DMCI Holdings, Inc. approve, ratify and confirm, as they do hereby, the appointment of SyCip Gorres Velayo & Co. as the external auditors of the Corporation for the current year. "*

7. Election of Directors. The profiles / business experience of the candidates to the Board of Directors are provided in the information statement. The candidates for this year are as follows:

Regular Directors:

ISIDRO A. CONSUNJI  
CESAR A. BUENAVENTURA  
JORGE A. CONSUNJI  
VICTOR A. CONSUNJI  
HERBERT M. CONSUNJI  
MA. EDWINA C. LAPERAL  
LUZ CONSUELO A. CONSUNJI

Independent Directors:

HONORIO O. REYES-LAO  
ANTONIO JOSE U. PERIQUET

8. Amendment of the Corporation's By-Laws
- a. Article II Sec. 1 – to change the date of the Corporation's annual stockholders' meeting from last Wednesday of July to third Tuesday of May of each year.
  - b. Article VI Sec. 1 - to add the **Corporate Governance Committee** as one of the Board committees.
  - c. Article VI Sec. 6 (new provision) – to add the composition and duties of the Corporate Governance Committee.
9. Other Matters. The stockholders to propose such other matters.
10. Adjournment. After all the businesses have been considered, the meeting shall be adjourned.

**PROXY FORM**  
**DMCI HOLDINGS, INC.**

**Item 1. Identification**

This proxy is being solicited for and on behalf of the Management of the Corporation. The Chairman of the Board of Directors or, in his absence, the President of the Corporation will vote the proxies at the annual stockholders' meeting to be held on July 27, 2016.

**Item 2. Instruction**

- (a) The proxy must be duly accomplished by the stockholder of record as of Record Date. A proxy executed by a corporation shall be in the form of a board resolution duly certified by the Corporate Secretary or in a proxy form executed by a duly authorized corporate officer accompanied by a Corporate Secretary's Certificate quoting the board resolution authorizing the said corporate officer to execute the said proxy.
- (b) Duly accomplished proxies may be mailed or submitted personally to the Corporate Secretary of the Corporation not later than July 16, 2016 at the following address:

The Corporate Secretary  
DMCI Holdings, Inc.  
3<sup>rd</sup> Floor, DACON Building  
2281 Pasong Tamo Extension  
1231 Makati City  
Philippines
- (c) In case of shares of stock owned jointly by two or more persons, the consent of all co-owners must be necessary for the execution of the proxy. For persons owning shares in an "and/or" capacity, any one of them may execute the proxy.
- (d) Validation of proxies will be held by the Stock Transfer Agent on July 22, 2016 at 2:00 p.m. at the principal office of the Corporation at the 3<sup>rd</sup> Floor, DACON Building, 2281, Don Chino Roces Avenue, Makati City, Philippines.
- (e) Unless otherwise indicated by the stockholder, a stockholder shall be deemed to have designated the Chairman of the Board of Directors, or in his absence, the President of the Corporation, as his proxy for the annual stockholders meeting to be held on July 27, 2016.
- (f) If the number of shares of stock is left in blank, the proxy shall be deemed to have been issued for all of the stockholder's shares of stock in the Corporation as of Record Date.
- (g) The manner in which this proxy shall be accomplished, as well as the validation hereof shall be governed by the provisions of SRC Rule 20 (11)(b)
- (h) The stockholder executing the proxy shall indicate the manner by which he wishes the proxy to vote on any of the matters in (1), (2), (3), (4), (5) and (6) below by checking the appropriate box.

Where the boxes (or any of them) are unchecked, the stockholder executing the proxy is deemed to have authorized the proxy to vote for the matter.

The Undersigned hereby appoints:

- (a) The Chairman of the Board of Directors of DMCI Holdings, Inc., or in his absence, the President of DMCI Holdings, Inc.,
- (b) \_\_\_\_\_

as his/her/its Proxy to attend the above annual meeting of the stockholders of DMCI Holdings, Inc., and any adjournment or postponement thereof, and thereat to vote all shares of stock held by the undersigned as specified below and on any matter that may properly come before said meeting.

- (1) Approval/ratification of the minutes of the annual stockholders' meeting held on July 29, 2015.

☐ FOR ☐ AGAINST ☐ ABSTAIN

- (2) Approval of the Management Report

☐ FOR ☐ AGAINST ☐ ABSTAIN

- (3) Ratification of the acts of the Board of Directors and Officers as contained in the attached annual report, the audited financial statements of the Corporation for the year ended December 31, 2015 and discussed in item 9 (2) of the Information Statement.

☐ FOR ☐ AGAINST ☐ ABSTAIN

- (4) Appointment of SGV & Co. as Independent External Auditors

☐ FOR ☐ AGAINST ☐ ABSTAIN

- (5) Election of Directors.

☐ FOR all nominees listed below, except those whose names are stricken out

☐ WITHHOLD authority to vote for all nominees listed below.

**(Instruction:** To strike out a name or withhold authority to vote for any individual nominee, draw a line through the nominee's name in the list below).

Regular Directors:

ISIDRO A. CONSUNJI  
CESAR A. BUENAVENTURA  
JORGE A. CONSUNJI

VICTOR A. CONSUNJI  
HERBERT M. CONSUNJI  
MA. EDWINA C. LAPERAL  
LUZ CONSUELO A. CONSUNJI

Independent Directors:

ANTONIO JOSE U. PERIQUET  
HONORIO REYES-LAO

(6) Amendment of the Corporation By-Laws

- (a) Article II, Sec. 1 to provide that the annual stockholders' meeting shall be held on the third Tuesday of May of each year;

☐ FOR                      ☐ AGAINST                      ☐ ABSTAIN

- (b) Article VI, Sec. 1 to provide for the creation of a separate Corporate Governance Committee;

☐ FOR                      ☐ AGAINST                      ☐ ABSTAIN

- (c) Article VI, Sec. 6 to specifically indicate the duties and responsibilities of the Corporate Governance Committee;

☐ FOR                      ☐ AGAINST                      ☐ ABSTAIN

**Item 3.                      Revocability of Proxy**

Any stockholder who executes the proxy enclosed with this statement may revoke it at any time before it is exercised. The proxy may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting, or by attending the meeting in person and signifying his intention to personally vote his shares. Shares represented by an unrevoked proxy will be voted as authorized by the stockholder.

**Item 4.                      Persons Making the Solicitation**

The solicitation is made by the Management of the Corporation. No director of the Corporation has informed the Corporation in writing that he intends to oppose an action intended to be taken up by the Management of the Corporation at the annual meeting. Solicitation of proxies shall be made through the use of mail or personal delivery. The Corporation will shoulder the cost of solicitation which is approximately Php80,000.00.



**Item 5. Interest of Certain Persons in Matters to be Acted Upon**

No director, officer, nominee for director, or associate of any of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon at the annual stockholders' meeting to be held on July 27, 2016 other than election to office.

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Date

---

(Signature above printed name, including title when signing for a corporation or partnership or as an agent, attorney or fiduciary).

No. of shares held: \_\_\_\_\_

GREGORIO R. CASTILLO

(1981-1992)

NOEL A. LAMAN

ANCHETA K. TAN

POLO B. PANTALEON

YOLANDA MENDOZA-ELEAZAR

ROBERTO N. DIO

MEL A. MACARAIG

MA. VICTORIA D. SARMIENTO

DINA D. LUCENARIO

DELFIN P. ANGCAO

JOSEPH GREGSON A. CASTILLO

ENRIQUE W. GALANG

EDILBERTO T. CASTAÑEDA

RECINA GAMBOA-PIÑENTEL

ALVIN O. GELI

RAY ANTHONY O. PINOY

TECOULO G. SAN JUAN JR.

ANA MARIA KATHIBAK-LIM

ROMMEL V. CLARION

MA. PILAR PILARES-GUTIERREZ

LOUIE ALFRED G. PANTON

ARVEEN N. AGUNDAY

MERCEDES PAMA S. BALUYOT

CHET A. TAN, JR.

TERESA PAZ GRECIA - PANGUAL

ROBERTO V. SAN JOSE

Senior Corporate and Securities Consultant

MARIA GUILLERMINA G. TOTARES

ANDRE REA B. ACERO

LEONID C. NOLASCO

ALLAN VERMAN Y. ONG

REGINA G. SANTOS

MARITESA C. BY

MELINA ROSE-GUTIERREZ-NEH

# CASTILLO LAMAN TAN PANTALEON & SAN JOSE

## Law Firm

Securities and Exchange Commission  
SEC Building, EDSA  
Mandaluyong City

Attention: Director Vicente Graciano P. Felizmenio, Jr.  
Markets and Securities Regulation Department

Gentlemen:

We write on behalf of our client, **DMCI Holdings, Inc.** ("DMCI HI" or the "Company"), and refer to your comments on the Company's Preliminary Information Statement ("PIS") filed with the Securities and Exchange Commission (SEC") on May 23, 2016.

(1) *Certification that Directors/ Officers are not connected with the Government.* In compliance with your requirements, enclosed is a copy of the certification executed by the Company's Corporate Secretary that none of the Company's officers and directors is connected with the government.

(2) *Revised Information Statement* - We have revised the information statement to address your comments in your letter dated May 24, 2016.

We trust that the foregoing explanation is sufficient. Please let us know if the Company may now proceed to reproduce copies of the Definitive Information Statement including its attachments for distribution to the stockholders of record for the annual stockholders' meeting scheduled on July 27, 2016.

Very truly yours,

CASTILLO LAMAN TAN PANTALEON & SAN JOSE

By:

  
Ma. Pilar M. Pilares-Gutierrez

The Valero Tower, 122 Valero St., Salcedo Village, 1227 Makati City, Philippines

Telephone: (632) 817-6791 / 810-4371 • Fax: (632) 819-2724 / 817-5938

E-mail: [counsel@cltpsj.com.ph](mailto:counsel@cltpsj.com.ph) • [www.cltpsj.com.ph](http://www.cltpsj.com.ph) • Mailing Address: P.O. Box 7236, Airmail Distribution Center, NAIA, 1300 Pasay City Philippines, P.O. Box 2028, Makati Central Post Office, 1260 Makati City, Philippines

REMY ROSE A. ALEGRE

DAVE OLIVER P. ANASTACIO

JOHN DAVID C. ATANACIO

FERNANDO T. BAYAD, JR.

MABEL L. BUTED

DANA GENEVIEVE C. DELA CRUZ

DINO S. DE LEON

DIWATA D.R. DE LEON

JESSE BRIAN R. HERNANDEZ

BRIAN D. LAMACIA

JIMMY F. LIBATIQUE

ERLAINE VANESSA G. LUMANOG

MA. PELOREA A. MANDAYANG

RITA MARIE MESINA-ALVAREZ

PETER JOHN T. NAVARRO

CHRISTINE OLIVERA PO

MONICA NORE B. RAGOMA

RICKY A. SABBORNEY

MARIO D. SANTOS

MAHRAJANA P. TAN

LAUREN ANGELICO J. TOLEDO

RAYMOND G. VELARDO

ALESSANDRA C. VILCHES

ROSARIE RAYSALYN Z. VILLASANTA

REPUBLIC OF THE PHILIPPINES )  
CITY OF MAKATI ) S.S.

**SECRETARY'S CERTIFICATE**

I, **NOEL A. LAMAN**, of legal age, Filipino, married, with office address at the 5<sup>th</sup> Floor, The Valero Tower, 122 Valero Street, Salcedo Village, Makati City, Metro Manila, after having been sworn in accordance with law hereby depose and state that:

1. I am the Corporate Secretary of **DMCI Holdings, Inc.** (the "Corporation" or "DMCI-HI"), a corporation duly organized and existing under the laws of the Philippines, with principal office at the 3<sup>rd</sup> Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City.
2. Except for Mr. Cesar A. Buenaventura, none of the current officers and Board of Directors of the Corporation, including the Independent Directors, mentioned in the 2016 Definitive Information Statement holds any position in the Philippine Government or government agency.
3. The Manila International Airport Authority (MIAA) has certified that Mr. Cesar A. Buenaventura is an incumbent member of the Board of Directors of the MIAA, representing the private sector (Annex A hereof).

IN WITNESS WHEREOF, I hereunto affixed my signature this MAY 31 2016,  
at Makati City, Metro Manila.

  
**NOEL A. LAMAN**  
Corporate Secretary

**SUBSCRIBED AND SWORN TO BEFORE ME**, a Notary Public for and in the City of Makati, Philippines, this MAY 31 2016, by the affiant, whose identity I have confirmed through his Passport No. EC1231940 issued at DFA-Manila on May 27, 2014, bearing affiant's photograph and signature.

Doc. No. 49 ;  
Page No. 11 ;  
Book No. XI ;  
Series of 2016.



  
**JOHN DAVID C. ATANACIO**  
Appointment No. M-428  
Notary Public - City of Makati  
Until 31 December 2016  
Castillo Laman Tan Pantaleon  
& San Jose Law Firm  
The Valero Tower, 122 Valero Street  
Salcedo Village, Makati City  
PTR No. 5321573;01-04-2016;Makati City  
IBP No. 1015925;01-04-2016;Pangasinan Chapter  
Roll No. 62236





Republic of the Philippines  
**MANILA INTERNATIONAL AIRPORT AUTHORITY**  
MIAA Administration Building, MIA Road Pasay City, Metro Manila

18 May 2016

**DIR. VICENTE GRACIANO P. FELIZMENIO, JR.**  
Markets and Securities Regulation Department  
Securities and Exchange Commission  
SEC Bldg., EDSA, Greenhills, Mandaluyong City

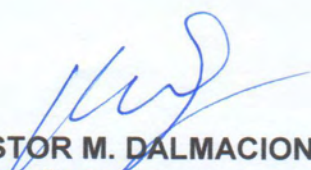
Dear Dir. Felizmenio:

I, ATTY. PASTOR M. DALMACION, JR., am the OIC-Corporate Secretary of the Manila International Airport Authority (MIAA).

I hereby certify that Mr. CESAR A. BUENAVENTURA is an incumbent Member of the MIAA Board of Directors, representing the private sector.

This certification is being given for purposes of complying with the requirements of the Securities & Exchange Commission (SEC).

Yours,

  
**ATTY. PASTOR M. DALMACION, JR.**  
OIC-Corporate Secretary

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

☐ Preliminary Information Statement

☒ **Definitive Information Statement**

2. Name of Corporation as specified in its charter: **DMCI Holdings, Inc.**

3. Province, country or other jurisdiction of incorporation or organization: **Philippines**

4. SEC Identification Number: **ASO95-002283**

5. BIR Tax Identification Code: **004-703-376**

6. Address of principal office Postal Code: **3<sup>rd</sup> Floor, Dacon Building  
2281 Don Chino Roces Avenue  
1231 Makati City  
Metro Manila**

7. Corporation's telephone number, including area code: **(632) 888-3000**

8. Date, time and place of the meeting of security holders:  
**July 27, 2016, Wednesday  
9:30 A.M.  
Turf Room, Manila Polo Club  
McKinley Road, Forbes Park  
Makati City**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **June 27, 2016**

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor: **The Management of the Corporation**

Address and Telephone No.: **3<sup>rd</sup> Floor, Dacon Building  
2281 Don Chino Roces Avenue  
1231 Makati City  
Metro Manila  
(632) 888-3000**



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

| <u>Title of Each Class</u> | <u>No. of Shares Outstanding</u> | <u>Amount</u>        |
|----------------------------|----------------------------------|----------------------|
| Common Shares              | 13,277,470,000                   | Php13,277,470,000.00 |
| Preferred Shares           | 3,780                            | 3,780.00             |
| TOTAL                      | 13,277,473,780                   | Php13,277,473,780.00 |

12. Are any or all of Corporation's Securities Listed with the Philippine Stock Exchange?

Yes (√)

No ( )

**PART I**  
**INFORMATION REQUIRED IN INFORMATION STATEMENT**

**A. GENERAL INFORMATION**

**Item 1.           Date, Time and Place of Meeting**

The enclosed proxy is solicited for and on behalf of the Management of **DMCI HOLDINGS, INC.** (hereinafter called the "Corporation") for use in connection with the annual meeting of the stockholders to be held on July 27, 2016 (Wednesday), at 9:30 A.M. at the Turf Room, Manila Polo Club, McKinley Road, Forbes Park, Makati City.

The definitive information statement and form of proxy will be sent to the stockholders of record as of June 13, 2016 (the "Record Date") on or before June 27, 2016.

The matters to be considered and acted upon at such meeting are referred to in the Notice and are more fully discussed in this statement.

The complete mailing address of the Corporation is:

3<sup>rd</sup> Floor, Dacon Building  
2281 Don Chino Roces Avenue  
1231 Makati City  
Metro Manila, Philippines

**Item 2.           Dissenter's Right of Appraisal**

The proposed corporate actions to be voted upon by the stockholders at the July 29, 2015 annual meeting are not among the items provided in Section 81 of the Corporation Code of the Philippines, with respect to which a dissenting stockholder may exercise his appraisal right. Thus, the dissenter's right of appraisal as provided under Section 81 of the Corporation Code of the Philippines is not applicable in any of the matters to be voted upon by the stockholders.

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

No director, officer, nominee for director, or associate of any of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon, other than election to office. No director has informed the Corporation in writing of any intention to oppose any action to be taken during the meeting.

**B. CONTROL AND COMPENSATION INFORMATION**

**Item 4.           Voting Securities and Principal Holders thereof**

**(a)**     As of June 13, 2016 (the "Record Date"), the Corporation has the following outstanding shares:

**Common shares (voting)****13,277,470,000 shares\***

*\*Of the total outstanding common shares, 2,086,480,025 common shares representing 15.71% of the outstanding common shares are owned by foreign shareholders.*

- (b) The Record Date for the Annual Stockholders' Meeting is on June 13, 2016. Only the holders of Common Shares as of the Record Date shall be entitled to vote on the following matters to be submitted for stockholders' approval: (i) approval of the minutes of the previous meeting, (ii) approval of the Management Report for the year ending December 31, 2015; (iii) ratification of all acts of the Board of Directors and officers during the previous year, (iv) appointment of the independent auditor, (v) election of directors, and (vi) amendment of the Corporation's By-Laws.<sup>1</sup>
- (c) In the election of directors, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of common shares of stock standing in his name as of Record Date. A stockholder entitled to vote may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. Provided, that the total number of votes cast by a stockholder shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the whole number of directors to be elected.

Pursuant to the provisions of Article III, Section 3 of the Amended By-Laws of the Corporation, all nominations for the election of directors shall be submitted in writing to the Board of Directors, with the consent of the nominees, at least sixty (60) days before the scheduled annual stockholders' meeting.

With respect to the other matters to be submitted for stockholders' approval, each outstanding common share shall be entitled to one vote.

**(d) Security Ownership of Certain Record and Beneficial Owners**

The following table sets forth as of **April 30, 2016**, the record and/or beneficial owners of more than 5% of the outstanding Common Shares of the Corporation which are entitled to vote and the amount of such record and/or beneficial ownership.

| <b>Title of Class</b> | <b>Name, Address of Record Owner and Relationship with Issuer</b> | <b>Name and Address of Beneficial Owner and Relationship with Record</b> | <b>Citizenship</b> | <b>Number of Shares Held</b> | <b>Percent of Class</b> |
|-----------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------|------------------------------|-------------------------|
|                       |                                                                   |                                                                          |                    |                              |                         |

<sup>1</sup> For the amendment of by-laws, in accordance with Sec. 6 of the Corporation Code, preferred shareholders are likewise entitled to vote. There are 3,780 outstanding preferred shares as of Record Date.

|        |                                                                                                                                                                                                                        | <b>Owner</b>                                                                                                                                                                          |           |                      |               |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------------|---------------|
| Common | DACON Corporation<br>2281 Pasong Tamo Extension<br>Makati City<br>Dacon Corp. is a stockholder of the Corporation                                                                                                      | See attached Schedule 2.<br><br>Beneficial owners are stockholders of Dacon Corp. <sup>2</sup>                                                                                        | Filipino  | <b>6,838,807,440</b> | <b>51.50%</b> |
| Common | DFC Holdings, Inc.<br>Dacon Bldg.<br>2281 Don Chino Roces Avenue,<br>Makati City<br>DFC Holdings, Inc. is a stockholder of the Corporation                                                                             | See attached Schedule 3<br>Beneficial owners are stockholders of DFC Holdings, Inc.                                                                                                   | Filipino  | <b>2,380,442,010</b> | <b>17.93%</b> |
| Common | Philippine Central Depository, Inc. (PCD)<br>Ground Floor, Makati Stock Exchange Building<br>6767, Ayala Avenue<br>Makati City<br>PCD is the registered owner of the shares in the books of the Corporation's transfer | See attached Schedule 4.<br><br>The beneficial owners of such shares are Philippine Depository and Trust Corporation ("PDTC") participants, who hold the shares on their behalf or on | Foreigner | <b>2,076,321,775</b> | <b>15.64%</b> |

<sup>2</sup> Mr. Victor A. Consunji or Mr. Jorge A. Consunji shall have the right to vote the shares of DACON Corporation.



|        |                                                                                                                                                                                                                  |                                                                                                                                                                                                                 |          |                      |               |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------|---------------|
|        | agent                                                                                                                                                                                                            | behalf of their clients                                                                                                                                                                                         |          |                      |               |
| Common | Philippine Central Depository, Inc. (PCD) Ground Floor, Makati Stock Exchange Building 6767, Ayala Avenue Makati City PCD is the registered owner of the shares in the books of the Corporation's transfer agent | (See attached Schedule 4.)<br><br>The beneficial owners of such shares are Philippine Depository and Trust Corporation ("PDTC") participants, who hold the shares on their behalf or on behalf of their clients | Filipino | <b>1,550,102,203</b> | <b>11.67%</b> |

Below is the list of the individual beneficial owners under PCD, Inc. account holding more than 5% of the outstanding Common Shares of the Corporation.

| <b>Title of Class</b> | <b>Name and Address of Beneficial Owner and Relationship with Record Owner</b>      | <b>Citizenship</b> | <b>Number of Shares Held</b> | <b>Percent of Class</b> |
|-----------------------|-------------------------------------------------------------------------------------|--------------------|------------------------------|-------------------------|
| Common                | Deutsche Bank Manila Clients<br>26/F Ayala Tower One<br>Ayala Avenue<br>Makati City | Foreign            | 939,530,962                  | 7.07%                   |

**(e) Security Ownership of Management**

The table sets forth as of **April 30, 2016** the record or beneficial stock ownership of each Director of the Corporation and all Officers and Directors as a group.

| <b>Title of Class</b> | <b>Name of Beneficial Owner</b> | <b>Amount and Nature of Beneficial Ownership</b> | <b>Citizenship</b> | <b>Percent of Class</b> |
|-----------------------|---------------------------------|--------------------------------------------------|--------------------|-------------------------|
|-----------------------|---------------------------------|--------------------------------------------------|--------------------|-------------------------|

|                            |                          |                  |        |          |                |
|----------------------------|--------------------------|------------------|--------|----------|----------------|
| Common                     | Isidro A. Consunji       | 65,000           | Direct | Filipino | 0.0005%        |
| Common                     | Cesar A. Buenaventura    | 900,000          | Direct | Filipino | 0.0068%        |
| Common                     | Ma. Edwina C. Laperal    | 3,315,000        | Direct | Filipino | 0.0050%        |
| Common                     | Victor A. Consunji       | 5,000            | Direct | Filipino | 0.0000%        |
| Common                     | Jorge A. Consunji        | 5,000            | Direct | Filipino | 0.0000%        |
| Common                     | Herbert M. Consunji      | 23,000           | Direct | Filipino | 0.0002%        |
| Common                     | Luz Consuelo A. Consunji | 1,000            | Direct | Filipino | 0.0000%        |
| Common                     | Antonio Jose U. Periquet | 125,000          | Direct | Filipino | 0.0009%        |
| Common                     | Honorio O. Reyes-Lao     | 175,000          | Direct | Filipino | 0.0013%        |
| Common                     | Cristina C. Gotianun     | 5,500            | Direct | Filipino | 0.0000%        |
| Common                     | Noel A. Laman            | 100,000          | Direct | Filipino | 0.0008%        |
| Common                     | Victor S. Limlingan      | 5,000            | Direct | Filipino | 0.0000%        |
| Common                     | Ma. Pilar P. Gutierrez   | 0                | N/A    | Filipino | 0.0000%        |
| Common                     | Ma. Luisa C. Austria     | 0                | N/A    | Filipino | 0.0000%        |
| Common                     | Brian T. Lim             | 0                | N/A    | Filipino | 0.0000%        |
| Common                     | Tara Ann C. Reyes        | 0                | N/A    | Filipino | 0.0000%        |
| Common                     | Cherubim O. Mojica       | 0                | N/A    | Filipino | 0.0000%        |
| <b>Aggregate Ownership</b> |                          | <b>4,724,500</b> |        |          | <b>0.0350%</b> |

All the above named directors and officers of the Corporation are the record and beneficial owners of the shares of stock set forth opposite their respective names.

**(f) Voting Trust Holders of 5% or more**

The Corporation is not aware of any person holding more than 5% of the shares of Corporation under a voting trust or similar agreement.

**(g) Changes in Control**

From January 1, 2015 to date, there has been no change in control of the Corporation. Neither is the Corporation aware of any arrangement which may result in a change in control of it.

**(h) Certain Relationship and Related Transactions**

**Audited Financial Statements 2015**

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

Transactions entered into by the Group with related parties are at arm's length and have terms similar to the transactions entered into with third parties. In the regular course of business, the Group's significant transactions with related parties include the following:

| 2015                                                                                 |                      |                  |                                           |            |
|--------------------------------------------------------------------------------------|----------------------|------------------|-------------------------------------------|------------|
|                                                                                      | Due from<br>(Due to) | Amount / Volume* | Term                                      | Conditions |
| <b>Affiliates</b>                                                                    |                      |                  |                                           |            |
| <b>Receivable from related parties</b><br>(Note 7)                                   |                      |                  |                                           |            |
| b. Construction contracts                                                            | ₱29,795              | ₱21,512          | Payable on demand,<br>noninterest-bearing | Unsecured  |
| c. Receivable from affiliates                                                        | 57,217               | –                | Payable on demand,<br>noninterest-bearing | Unsecured  |
| d. Equipment rentals                                                                 | 15,168               | 15,168           | Payable on demand,<br>noninterest-bearing | Unsecured  |
| e. Payroll processing                                                                | 15,243               | 2,274            | Payable on demand,<br>noninterest-bearing | Unsecured  |
| f. Transfer of materials and<br>reimbursement of shared<br>and<br>operating expenses | 26,219               | 27,172           | Payable on demand,<br>noninterest-bearing | Unsecured  |
| <b>Payable to related parties</b>                                                    |                      |                  |                                           |            |
| g. Payable to affiliates                                                             | (32,742)             | 31,039           | Payable on demand,<br>noninterest-bearing | Unsecured  |
| h. Mine exploration, coal handling<br>and hauling services                           | (98,331)             | 370,325          | Payable on demand,<br>noninterest-bearing | Unsecured  |
| i. Equipment rental expenses                                                         | (55,539)             | 55,539           | Payable on demand,<br>noninterest-bearing | Unsecured  |
| j. Other general and<br>administrative expense                                       | (6,891)              | 5,104            | Payable on demand,<br>noninterest-bearing | Unsecured  |
| k. Aviation services                                                                 | (12,725)             | 247              | Payable on demand,<br>noninterest-bearing | Unsecured  |
| l. Office and parking rental                                                         | (9,926)              | 7,991            | Payable on demand,<br>noninterest-bearing | Unsecured  |
| m. Arrastre and Cargo Services                                                       | (774)                | 774              | Payable on demand,<br>noninterest-bearing | Unsecured  |
| n. Purchases of office supplies and<br>refreshments                                  | (700)                | 700              | Payable on demand,<br>noninterest-bearing | Unsecured  |
| <b>Others</b>                                                                        |                      |                  |                                           |            |
| b. Construction contracts                                                            | (1,218)              | 1,218            | Payable on demand,<br>noninterest-bearing | Unsecured  |
| o. Nickel Delivery                                                                   | (3,140)              | 164              | Payable on demand,<br>noninterest-bearing | Unsecured  |
| p. Labor charges                                                                     | (2,628)              | –                | Payable on demand,<br>noninterest-bearing | Unsecured  |

\*Balances presented pertain to transactions between related parties during the year. Amounts are not reduced by subsequent collections/payments during the year.

| 2014                                                     |                      |                  |                     |                             |
|----------------------------------------------------------|----------------------|------------------|---------------------|-----------------------------|
|                                                          | Due from<br>(Due to) | Amount / Volume* | Term                | Conditions                  |
| <b>Associates</b>                                        |                      |                  |                     |                             |
| <b>Receivable from related parties</b>                   |                      |                  |                     |                             |
| a. Construction contracts                                | ₱532,548             | ₱1,846,854       | 1-30 days           | Unsecured, no<br>impairment |
| <b>Payable to related parties</b>                        |                      |                  |                     |                             |
| a. Advances from contract owners                         | (74,042)             | –                | Noninterest-bearing | Unsecured, no<br>impairment |
| <b>Others</b>                                            |                      |                  |                     |                             |
| a. Retention Receivables                                 | 123,536              | –                | Noninterest-bearing | Unsecured, no<br>impairment |
| a. Advances to subcontractors,<br>suppliers and contract | 2,025                | –                | Noninterest-bearing | Unsecured, no<br>impairment |

| 2014                                                       |                      |                  |                                           |                             |
|------------------------------------------------------------|----------------------|------------------|-------------------------------------------|-----------------------------|
|                                                            | Due from<br>(Due to) | Amount / Volume* | Term                                      | Conditions                  |
| owners                                                     |                      |                  |                                           |                             |
| <b>Affiliates</b>                                          |                      |                  |                                           |                             |
| <i>Receivable from related parties</i>                     |                      |                  |                                           |                             |
| b. Construction contracts                                  | 8,283                | –                | Payable on demand,<br>noninterest-bearing | Unsecured                   |
| c. Receivable from affiliates                              | 11,515               | 11,515           | 1-30 days                                 | Unsecured, no<br>impairment |
| d. Equipment rentals                                       | 26,157               | 26,157           | 1-30 days                                 | Unsecured, no<br>impairment |
| e. Payroll processing                                      | 16,584               | 15,962           | Payable on demand,<br>noninterest-bearing | Unsecured                   |
| <i>Payable to related parties</i>                          |                      |                  |                                           |                             |
| g. Payable to affiliates                                   | (1,703)              | 1,112            | Payable on demand,<br>noninterest-bearing | Unsecured                   |
| h. Mine exploration, coal handling<br>and hauling services | (169,545)            | 157,477          | Payable on demand,<br>noninterest-bearing | Unsecured                   |
| j. Other general and<br>administrative expense             | (1,787)              | 325              | Payable on demand,<br>noninterest-bearing | Unsecured                   |
| k. Aviation services                                       | (12,722)             | 7,037            | Payable on demand,<br>noninterest-bearing | Unsecured                   |
| l. Office and parking rental                               | (1,991)              | 5,159            | Payable on demand,<br>noninterest-bearing | Unsecured                   |
| <i>Others</i>                                              |                      |                  |                                           |                             |
| j. Other general and<br>administrative expense             | (331)                | 331              | Payable on demand,<br>noninterest-bearing | Unsecured                   |
| o. Nickel delivery                                         | (54,639)             | 20,461           | Payable on demand,<br>noninterest-bearing | Unsecured                   |
| p. Labor charges                                           | (2,628)              | –                | Payable on demand,<br>noninterest-bearing | Unsecured                   |

\*Balances presented pertain to transactions between related parties during the year. Amounts are not reduced by subsequent collections/payments during the year.

- (a) In 2014, the Group is engaged in the construction of TPLEX with PIDC. Related contract revenue recorded by the Group on the associate amounted to ₱1,846.85 million in 2014. As of December 31, 2014, the outstanding trade receivables from the associate lodged in “Receivables from related parties” amounted to ₱532.55 million.

Unliquidated advances from contract owners lodged under “Payable to related parties” amounted to ₱74.04 million as of December 31, 2014. Retention receivable and advances to subcontractors, suppliers, and contract owners lodged in “Trade receivables - General Construction” amounted to ₱123.54 million and ₱2.03 million, respectively, as of December 31, 2014.

The Group sold its investment in PIDC in 2015 as previously discussed (Note 11).

- (b) The Group provides services to its other affiliates in relation to its construction projects. Outstanding receivables lodged in “Receivables from related parties” amounted to ₱29.80 million and ₱8.28 million as of December 31, 2015 and 2014, respectively.

In addition, receivables of the Group from its affiliate amounting to ₱1.22 million is lodged in “Costs in excess of estimates and billings”.

- (c) The Group has outstanding receivable from its affiliates amounting to ₱57.22 million and ₱11.52 million as at December 31, 2015 and 2014, respectively. This mainly pertains to the sale of a previous investment in 2014.
- (d) The Group rents out its equipment to its affiliates for their construction projects. Outstanding receivables from equipment rentals amounted to ₱15.17 million and ₱26.16 million as of December 31, 2015 and 2014, respectively.
- (e) The Group processes the payroll of its affiliates and charges Electronic Data Processing (EDP) expenses. Total outstanding EDP charges to the related parties under common control amounted to ₱15.24 million and ₱16.58 million as of December 31, 2015 and 2014, respectively.
- (f) The Group paid for the contracted services, material issuances, rental expenses and other supplies of its affiliates. The outstanding balance from its affiliates included under "Receivable from related parties" amounted to ₱26.22 million in 2015.
- (g) The Group has outstanding payable to affiliates amounting to ₱32.74 million and ₱1.70 million as at December 31, 2015 and 2014, respectively. This mainly pertains to receivables collected by the Group in behalf of the affiliate.
- (h) An affiliate had transactions with the Group for services rendered relating to the Group's coal operations. These include services for the confirmatory drilling for coal reserve and evaluation of identified potential areas, exploratory drilling of other minerals within the Island, dewatering well drilling along cut-off wall of Panian mine and fresh water well drilling for industrial and domestic supply under an agreement.

The affiliate also provides to the group marine vessels for use in the delivery of coal to its various customers. The coal freight billing is on a per metric ton basis plus demurrage charges when delay will be incurred in the loading and unloading of coal cargoes. The outstanding payable of the Group amounted to ₱98.33 million and ₱169.55 million as of December 31, 2015 and 2014, respectively.

- (i) The Group rents from its affiliate construction equipment for use in the Group's construction projects. The outstanding payable lodged under “Payable to related parties” amounted to ₱55.54 million as at December 31, 2015.
- (j) A shareholder of the Group, provided maintenance of the Group's accounting system, Navision, which is used by some of the Group's subsidiaries to which related expenses are included under “Others” of “Operating expenses”. Outstanding payable of the Group recorded under “Payable to related parties” amounted to ₱6.89 million and ₱1.79 million as of December 31, 2015 and 2014, respectively.

The Group recorded the outstanding payable to an affiliate arising from the maintenance of the accounting system under "Others" of "Accounts payable". The related payable amounted to ₱0.33 million as of December 31, 2014.

- (k) An affiliate of the Group transports visitors and employees from point to point in relation to the Group's ordinary course of business and vice versa and bills the related party for the utilization costs of the aircrafts. The related expenses are included in "Cost of sales and services". The outstanding balance to the affiliate amounted to ₱12.73 million and ₱12.72 million as at December 31, 2015 and 2014, respectively.
- (l) An affiliate had transactions with the Group for rental of parking space to which related expenses are included in operating expenses under "Operating expenses" in the consolidated statements of income (see Notes 25 and 37). Outstanding payable amounted to ₱9.93 million and ₱1.99 million as at December 31, 2015 and 2014, respectively.
- (m) In 2015, an affiliate had transactions with the Group for shipsiding services. The outstanding balance to the affiliate amounting to ₱0.77 million is lodged under "Payable to related parties" in the consolidated statements of financial position.
- (n) In 2015, the Group engaged its affiliates to supply various raw materials, office supplies and refreshments. The outstanding balance to its affiliates amounting to ₱0.70 million for aforementioned transactions is lodged in the "Payable to related parties".
- (o) An affiliate provides the Group various barges and tugboats for use in the delivery of nickel ore to its various customers. The Group has outstanding payable to the affiliate amounting to ₱3.14 million and ₱54.64 million as of December 2015 and 2014, respectively.
- (p) Payable to affiliate pertains to labor charges incurred by the Group, which are initially paid by the affiliate in behalf of the Group. The outstanding payable to the affiliate is recorded in "Other accounts payable" amounted to ₱2.63 million as of December 2015 and 2014.

#### *Terms and conditions of transactions with related parties*

Outstanding balances as of December 31, 2015 and 2014, which are unsecured and interest free, are all due within one year. As of December 31, 2015 and 2014, the Parent Company has not made any provision for impairment loss relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

#### **2016 First Quarter Financial Statements**

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



Transactions entered into by the Group with related parties are at arm's length and have terms similar to the transactions entered into with third parties. In the regular course of business, the Group's significant transactions with related parties include the following:

- a. Comprehensive surety, corporate and letters of guarantee issued by the Group for various credit facilities granted to and for full performance of certain obligations by certain related parties.
- b. Certain assets of the Group, associates and other related parties were placed under accommodation mortgages to secure the indebtedness of the Group, its associates and other related parties.
- c. Engineering and construction works of the water business is contracted to the construction segment of the Group. These projects are bid out to various contractors and are awarded on arms length transactions. The interrelated contracts amounted to ₱2,928 million and ₱2,718 million as of March 31, 2016 and 2015 respectively, where ₱247 million and ₱216 million were booked for the period ended March 31, 2016 and 2015, respectively.
- d. An affiliate had transactions with the Group for services rendered relating to the Group's coal operations. These include services for the confirmatory drilling for coal reserve and evaluation of identified potential areas, exploratory drilling of other minerals within the Island, dewatering well drilling along cut-off wall of Panian mine and fresh water well drilling for industrial and domestic supply under an agreement.
- e. The affiliate also provides to the group marine vessels for use in the delivery of coal to its various customers. The coal freight billing is on a per metric ton basis plus demurrage charges when delay will be incurred in the loading and unloading of coal cargoes.
- f. An affiliate of the Group transports visitors and employees from point to point in relation to the Group's ordinary course of business and vice versa and bills the related party for the utilization costs of the aircrafts.

## **Item 5. Directors and Executive Officers**

### **(a) Incumbent Directors and Executive Officers.**

The following are the incumbent directors and executive officers of the Corporation:

| <b>Name</b>           | <b>Position</b>                                                          | <b>Age</b> | <b>Citizenship</b> |
|-----------------------|--------------------------------------------------------------------------|------------|--------------------|
| Isidro A. Consunji    | Chairman of the Board<br>President/Chief Executive Officer               | 67         | Filipino           |
| Cesar A. Buenaventura | Vice-Chairman of the Board                                               | 86         | Filipino           |
| Herbert M. Consunji   | Vice President & Chief Finance<br>Officer/Director/Compliance<br>Officer | 63         | Filipino           |

|                          |                                   |    |          |
|--------------------------|-----------------------------------|----|----------|
| Ma. Edwina C. Laperal    | Treasurer                         | 54 | Filipino |
| Luz Consuelo A. Consunji | Director                          | 62 | Filipino |
| Cristina C. Gotianun     | Assistant Treasurer               | 60 | Filipino |
| Jorge A. Consunji        | Director                          | 64 | Filipino |
| Victor A. Consunji       | Director                          | 65 | Filipino |
| Antonio Jose U. Periquet | Director (Independent)            | 54 | Filipino |
| Honorio O. Reyes-Lao     | Director (Independent)            | 71 | Filipino |
| Victor S. Limlingan      | Managing Director                 | 72 | Filipino |
| Noel A. Laman            | Corporate Secretary               | 75 | Filipino |
| Ma. Pilar P. Gutierrez   | Asst. Corporate Secretary         | 39 | Filipino |
| Ma. Luisa D. Austria     | Administration/Accounting Officer | 64 | Filipino |
| Brian T. Lim             | Finance Officer                   | 30 | Filipino |
| Tara Ann C. Reyes        | Investor Relations Officer        | 38 | Filipino |
| Cherubim O. Mojica       | Corporate Communications Head     | 38 | Filipino |

The incumbent directors of the Corporation have been nominated to the Board of Directors for the ensuing year and they have all accepted their respective nomination.

The following are the Corporate Governance Committees pursuant to the Corporation's Manual on Corporate Governance and Article VI of the Amended By-laws.

Nomination and Election Committee:

|                                                 |          |
|-------------------------------------------------|----------|
| Honorio O. Reyes-Lao (Independent Director)     | Chairman |
| Antonio Jose U. Periquet (Independent Director) | Member   |
| Jorge A. Consunji                               | Member   |

Compensation and Remuneration Committee:

|                                                 |          |
|-------------------------------------------------|----------|
| Antonio Jose U. Periquet (Independent Director) | Chairman |
| Honorio O. Reyes-Lao (Independent Director)     | Member   |
| Ma. Edwina C. Laperal                           | Member   |

Audit Committee:

|                                                 |          |
|-------------------------------------------------|----------|
| Honorio O. Reyes-Lao (Independent Director)     | Chairman |
| Antonio Jose U. Periquet (Independent Director) | Member   |
| Cesar A. Buenaventura                           | Member   |

Risk Oversight Committee:

|                                                 |          |
|-------------------------------------------------|----------|
| Antonio Jose U. Periquet (Independent Director) | Chairman |
| Honorio O. Reyes-Lao (Independent Director)     | Member   |
| Herbert M. Consunji                             | Member   |

Corporate Governance Committee:<sup>3</sup>

|                                                 |          |
|-------------------------------------------------|----------|
| Honorio O. Reyes-Lao (Independent Director)     | Chairman |
| Antonio Jose U. Periquet (Independent Director) | Member   |
| Cesar A. Buenaventura                           | Member   |

On February 14, 2007, the SEC approved the Company's Amended By-Laws which incorporated the provisions of SRC Rule 38. The nominated independent directors are compliant with the term limits provided under SEC Memorandum Circular No. 9, series of 2011 which became effective on January 2, 2012.

**(b) Term of office.**

The term of office of the directors and executive officers is one (1) year from their election as such until their successors are duly elected and qualified.

**(c) Business experience of the Directors and Officers during the past five (5) years.**

*\* On November 18, 2014, Mr. David M. Consunji resigned as Chairman and Member of the Board of Directors. The Board likewise appointed Mr. Isidro A. Consunji as Chairman and CEO while Mr. David A. Consunji was appointed as Chairman Emeritus.*

**David M. Consunji** is the Founder and Chairman of the Board of Directors of D.M. Consunji, Inc. Mr. Consunji is also Chairman of Dacon Corporation, and Semirara Mining Corporation. Mr. Consunji served as the Secretary of the Department of Public Works, Transportation and Communications from August 1971 to 1975. Awards and recognition received by Mr. Consunji include (i) named Meralco Awardee in Engineering and Applied Sciences, 1994; (ii) recipient of the Civil Engineer Diamond Jubilee Award presented by the University of the Philippines Alumni Engineers in 1985; (iii) One of the Ten Outstanding Civil Engineers in 1982 by the Philippine Institute of Civil Engineers; (iv) recipient of Doctor of Laws, honoris causa, University of the Philippines in 1993; (v) named Outstanding Citizen of the City of Manila for Engineering in 1979; and (vi) named Management Association of the Philippines Awardee in 1996, Outstanding Alumni Engineer of the University of Phils. Alumni Engineers in 2010, and Icon of the Philippine Construction Industry 2010 by the Phil. Constructors Association. Mr. David Consunji has served the Corporation as Chairman of the Board for nineteen (19) years since March 1995 until November 2014.

**Isidro A. Consunji** – is 67 years old; has served the Corporation as a regular director for twenty one (21) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corp. and Atlas Consolidated Mining and Development Corp.; **(Non-listed)** D. M. Consunji, Inc., DMCI Project Developers, Inc., DMCI Mining Corp., DMCI Power Corp., DMCI Masbate Corp., Maynilad Water Holdings, Co. Inc., Maynilad Water Services, Inc., Sem-Calaca Power Corp., Southwest Luzon Power

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<sup>3</sup> The Corporation will submit for stockholders' ratification at the annual stockholders' meeting on July 27, 2016, the amendment of Article VI of its Amended By-Laws in order to include the Corporate Governance Committee as one of the Board committees.

Generation Corp., Sem-Calaca Res Corp., Sem-Cal Industrial Park Developers, Inc., Dacon Corp., DFC Holdings, Inc., Beta Electric Corp. and Crown Equities, Inc. **Education.** Bachelor of Science in Engineering (University of the Philippines), Master of Business Economics (Center for Research and Communication), Master of Business Management (Asian Institute of Management), Advanced Management (IESE School, Barcelona, Spain). **Civic Affiliations.** Philippine Overseas Construction Board, *Chairman*, Construction Industry Authority of the Philippines, *Board Member*, Philippine Constructors Association, *Past President*, Philippine Chamber of Coal Mines, *Past President*, Asian Institute of Management Alumni Association, *Member*, UP Alumni Engineers, *Member*, UP Aces Alumni Association, *Member*.

**Cesar A. Buenaventura** – is 86 years old; has served the Corporation as a regular director for twenty one (21) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corp., iPeople Inc., Petroenergy Resources Corp., Concepcion Industrial Corp; **(Non-listed)** D.M. Consunji, Inc., Pilipinas Shell Petroleum Corp., Manila International Airport Authority, Mitsubishi-Hitachi Phils, Inc. **Education.** Bachelor of Science in Civil Engineering (University of the Philippines), Masters Degree in Civil Engineering, Major in Structures (Lehigh University, Bethlehem, Pennsylvania). **Civic Affiliations.** Pilipinas Shell Foundation, *Founding Member*, Makati Business Club, *Board of Trustee* University of the Philippines, *Former Board of Regents*, Asian Institute of Management, *Former Board of Trustee*, Benigno Aquino Foundation, *Past President*, Honorary Officer, Order of the British Empire (OBE) by Her Majesty Queen Elizabeth II.

**Herbert M. Consunji** – is 63 years old; has served the Corporation as a regular director for twenty one (21) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corporation; **(Non-listed)** D.M. Consunji, Inc., Subic Water and Sewerage Company, Inc., DMCI Mining Corp., Sem-Calaca Res Corporation, DMCI Power Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem-Cal Industrial Park Developers, Inc. **Education.** Top Management Program, Asian Institute of Management; Bachelor of Science in Commerce, Major in Accounting (De La Salle University), Certified Public Accountant (CPA). **Civic Affiliations.** Philippine Institute of Certified Public Accountants, *Member*.

**Jorge A. Consunji** – is 64 years old; has served the Corporation as a regular director for twenty one (21) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corp.; **(Non-listed)** D.M. Consunji Inc., DMCI Project Developers, Inc., DMCI Mining Corp., DMCI Power Corp., DMCI Masbate Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., DMCI Concepcion Power Corp., Maynilad Water Holdings, Co. Inc., Maynilad Water Services, Inc., Dacon Corp., DFC Holdings, Inc., Beta Electric Corporation, Wire Rope Corporation, Private Infra Dev Corp., Manila Herbal Corporation, Sirawai Plywood & Lumber Co., M&S Company, Inc. **Education.** Bachelor of Science in Industrial Engineering (De La Salle University); Attended the Advanced Management Program Seminar at the University of Asia and the Pacific and Top Management Program at the Asian Institute of Management. **Civic Affiliations.** Construction Industry Authority of the Phils, *Board Member*, Asean Constructors Federation, *Former Chairman*, Phil. Constructors Association, *Past President/Chairman*, Phil. Contractors Accreditation Board, *Former Chairman*, Association of Carriers & Equipment Lessors, *Past President*.

**Victor A. Consunji** - is 65 years old; has served the Corporation as a regular director for twenty one (21) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corp.; **(Non-listed)** DMCI Power Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem Calaca Res Corporation, Dacon Corp., DMCI Masbate Corp., DMCI Mining Corp. , D.M. Consunji Inc. , DFC Holdings, Inc., M&S Company, Inc., Sodaco Agricultural Corporation, Ecoland Properties Development Corporation., DMC Urban Properties Development Inc., Sirawai Plywood & Lumber Corp., Royal Star Aviation, Inc., Zanorte Palm-Rubber Plantation, Inc. **Education.** AB Political Science (Ateneo de Manila and Ateneo de Davao); Chevalier College, Australia (secondary); San Beda College, Manila (elementary).

**Ma. Edwina C. Laperal** - is 54 years old; has served the Corporation as a regular director from March 1995 to July 2006 (11years and 4 months) and from July 2008 to present (7 years and 2 months); is a regular Director of the following: **(Listed)** Semirara Mining and Power Corporation; **(Non-listed)** D.M. Consunji, Inc., DMCI Project Developers, Inc., Dacon Corporation, DMCI Urban Property Developers, Inc, Sem-Calaca Power Corp., DFC Holdings, Inc. **Education.** BS Architecture (University of the Philippines), Masters in Business Administration (University of the Philippines). **Civic Affiliations.** UP College of Architecture Alumni Foundation Inc., *Member*; United Architects of the Philippines, *Member*; Guild of Real Estate Entrepreneurs And Professionals (GREENPRO) formerly Society of Industrial-Residential-Commercial Realty Organizations, *Member*; Institute of Corporate Directors, *Fellow*.

**Luz Consuelo A. Consunji** – is 62 years old; a regular director of the following: **(Non-listed)** South Davao Development Corp., Dacon Corp. and Zanorte Palm-Rubber Plantation, Inc.; **Education.** Bachelor's Degree in Commerce, Major in Management (Assumption College), Master's in Business Economics (University of Asia and the Pacific). **Civic Affiliations.** Mary Mother of the Poor Foundation, *Treasurer* (May 2012-July 2014), Missionaries of Mary Mother of the Poor, *Treasurer* (May 2012 – present).

**Honorio O. Reyes-Lao** - is 71 years old; has served the Corporation as an Independent Director for six (6) years and eight (8) months since July 2009; is director of Philippine Business Bank **(Listed)**; Director, Space2place, Inc. **(Non-Listed)**. **(Past Positions)** Gold Venture Lease and Management Services Inc. (2008-2009), First Sovereign Asset Management Corporation (2004-2006, CBC Forex Corporation (1998-2002) , CBC Insurance Brokers, Inc. (1998-2004), CBC Properties and Computers Center, Inc. (1993-2006); **Education.** Bachelor of Arts, Major in Economics (De La Salle University), Bachelor of Science in Commerce, Major in Accounting (De La Salle University), Masters Degree in Business Management (Asian Institute of Management); **Civic Affiliations.** Institute of Corporate Directors, *Fellow*, Rotary Club of Makati West, *Member/Treasurer*, Makati Chamber of Commerce and Industries, *Past President*.

**Antonio Jose U. Periquet** is 54 years old; has served the Corporation as an Independent Director for five (5) years and 7 months since August 2010; he is director of the following: **(Listed)** ABS-CBN Corporation, ABS-CBN Holdings Corp., Ayala Corporation , Bank of the Philippine Islands , Max's Group of Companies, Philippine Seven Corporation, Inc.; **(Non-listed)** Albizia ASEAN Tenggara Fund, Campden Hill Group, Inc., Campden Hill Advisors, Inc., Pacific Main Holdings, Lyceum of the Philippines University, The Straits Wine Company, Inc., BPI Capital Corporation, BPI Family Savings Bank, Inc.; **Education.** MBA, Darden Graduate School of Business Administration, University of Virginia, USA (1990); Master of Science (Econ), Oxford University, UK (1988); Bachelor of Arts (Econ), Ateneo de Manila University (1982); **Civic Affiliations.** Global Advisory Council, Darden Graduate School of Business Administration,

University of Virginia, *Member*; Finance and Budget Committee of the Board, Ateneo de Manila University, *Member*; Finance Committee, Philippine Jesuit Provincial, *Member*.

**Noel A. Laman** is 75 years old; has served the Corporation as Corporate Secretary for twenty one (21) years since March 1995; he holds the following positions: **(Non-listed)** Castillo Laman Tan Pantaleon & San Jose Law Offices, Founder/Senior Partner; DCL Group of Companies, Treasurer; Boehringer Ingelheim (Phils.), Inc., Non-executive Director; Merck, Inc, Non-executive Director. **Education.** Bachelor of Science, Jurisprudence (University of the Philippines); Bachelor of Laws (University of the Philippines); Master of Laws (University of Michigan Law School); **Civic Affiliations.** Integrated Bar of the Philippines, *Past Secretary, Treasurer, Vice President, Makati Chapter*; Rotary Club Makati West, *Past President*; Intellectual Property Association of the Philippines (IPAP), *Past President*; Asian Patent Attorneys Association (APAA), *Past Council Member*; Firm Representative to the German Philippine Chamber of Commerce, Inc., *Member*.

**Ma. Pilar P. Gutierrez** is 39 years old; has served the Corporation as Assistant Corporate Secretary for six (6) years since July 2010; she holds the following positions: **(Listed)** National Reinsurance Corporation of the Philippines, Assistant Corporate Secretary; **(Non-listed)** Castillo Laman Tan Pantaleon & San Jose Law Firm, Partner; Pricon Microelectronics, Inc., Corporate Secretary; Test Solution Services, Inc., Corporate Secretary; Manpower Resources of Asia, Inc., Corporate Secretary; Sealanes Marine Services, Inc., Corporate Secretary; Software AG Philippines, Inc., Corporate Secretary; Oncho Philippines, Inc., Corporate Secretary; Mercury Battery Industries, Inc., Corporate Secretary; Philippine Advanced Processing Technology, Inc., Corporate Secretary; Rentokil Initial Philippines, Inc., Corporate Secretary; Jacobs Projects Philippines, Inc., Corporate Secretary; Successfactors Philippines, Inc., Corporate Secretary; D.M. Consunji, Inc., Asst. Corporate Secretary; DMCI Project Developers, Inc., Asst. Corporate Secretary; Dacon Insurance Brokers, Inc., Asst. Corporate Secretary; Wire Rope Corporation of the Philippines, Asst. Corporate Secretary; Honeywell CEASA (Subic Bay) Company, Inc., Asst. Corporate Secretary; IMS Health Philippines, Inc., Asst. Corporate Secretary; SingTel Philippines, Inc., Asst. Corporate Secretary; Koyo Manufacturing Philippines Corporation, Asst. Corporate Secretary. **Education.** Bachelor of Laws, University of the Philippines; Bachelor of Science in Management, Major in Legal Management (B.S.L.M.), Ateneo de Manila University.

**Victor S. Limlingan** is 72 years old; has served the Corporation as Managing Director for seven (7) years since February 2009; he holds the following positions: **(Non-Listed)** DMCI Project Developers, Inc., Non-executive Director; D.M. Consunji, Inc., Non-executive Director; Berong Nickel Corporation, Non-executive Director; Regina Capital Development Corporation, Chairman; Cristina Travel Corporation, Chairman; Vita Development Corporation, Chairman; Guagua National Colleges, Chairman. **Past Positions.** DMCI Holdings, Inc., Independent Director (2006-2009); Asian Institute of Management, Professor (1973-2008); Civil Aeronautics Board, Member (1992-1997); Asian Development Bank, Deputy to the Philippine Executive Director (1986-1990); **Education.** Bachelor of Arts, Major in Engineering, Ateneo De Manila University; Master in Business Management, Ateneo De Manila University; Doctor of Business Administration, Harvard University. **Civic Affiliations.** Management Association of the Philippines, *Member*.

**Ma. Cristina C. Gotianun** is 61 years old; has served the Corporation as Assistant Treasurer for twenty one (21) years; she is a regular director the following positions: **(Listed)** Semirara Mining and Power Corporation; **(Non-listed)** Dacon Corporation, D.M. Consunji, Inc., DMCI Power Corporation, Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sirawan Food Corporation, Sem-Cal Industrial Park Development Corp., St. Raphael Power Generation Corp., Semirara-Energy Utilities, Inc., Semirara Claystone, Inc., Sem Calaca Res Corp. **Education.** Bachelor of Science in Business Economics (University of the Philippines), Major in Spanish - Instituto de Cultura Hispanica, Madrid, Spain; Special Studies in Top Management Program, AIM ACCEED; and Strategic Business Economics Program, University of Asia & the Pacific. **Civic Affiliations.** Institute of Corporate Directors, *Fellow*.

**(d) Independent Directors.**

Mr. Antonio Jose U. Periquet and Mr. Honorio Reyes Lao are currently the Corporation's independent directors. Mr. Honorio Reyes Lao was first elected to such position during the annual meeting held in July, 2009, while Mr. Periquet was first elected to such position on August 24, 2010.

Under its Manual of Corporate Governance, the Corporation is required to have at least two (2) Independent Directors or such number of Independent Directors as shall constitute at least twenty (20%) percent of the members of the Board of Director of the Corporation. Attached hereto as Schedule 1 is the Final List of Candidates for Independent Directors. The candidates for independent directors were nominated as such by Mr. Jose L. Merin, who has no family and/ or business relationships or affiliations with the two (2) nominees. The two (2) nominees for Independent Directors were selected by the Board Nomination and Election Committee in accordance with the guidelines in the Manual of Corporate Governance, the Code of Corporate Governance (SEC Memorandum Circular No. 2, Series of 2002), and the Guidelines on the nomination and election of Independent Directors (SRC Rule 38). The nominees for independent directors are likewise compliant with the term limits provided under SEC Memorandum Circular No. 9, series of 2011 which became effective on January 2, 2012.

**(e) Other directorships held in reporting companies naming each company.**

| Director's Name    | Corporate Name of the Group Company                                                                                                                                                                                                                                                                                                                             |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Isidro A. Consunji | D.M. Consunji, Inc.<br>Semirara Mining and Power Corp.<br>DMCI Project Developers, Inc.<br>DMCI Mining Corp.<br>DMCI Power Corp.<br>DMCI Masbate Corp.<br>DMCI-MPIC Water Company Inc.<br>Maynilad Water Services, Inc.<br>Sem-Calaca Power Corp.<br>Southwest Luzon Power Generation Corp.<br>Sem Calaca Res Corporation ( <i>formerly DMCI Calaca Corp.</i> ) |



|                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       | Semirara Claystone, Inc.<br>Dacon Corporation<br>DFC Holdings, Inc.<br>Wire Rope Corporation of the Philippines<br>Atlas Consolidated Mining and Development Corp.<br>Crown Equities, Inc.                                                                                                                                                                                                                                                                               |
| Cesar A. Buenaventura | D.M. Consunji, Inc.<br>Semirara Mining and Power Corp.<br>iPeople Inc.<br>Petroenergy Resources Corp.<br>Concepcion Industrial Corp.<br>Mitsubishi-Hitachi Phils, Inc.<br>Pilipinas Shell Petroleum Corp.<br>Manila International Airport Authority                                                                                                                                                                                                                      |
| Herbert M. Consunji   | Semirara Mining and Power Corp. (Listed)<br>Subic Water and Sewerage Company, Inc.<br>DMCI Mining Corp.<br>DMCI Power Corp.<br>Sem-Calaca Res Corporation<br>Sem-Calaca Power Corp.<br>Sem-Cal Industrial Park Developers, Inc.<br>Southwest Luzon Power Generation Corp.                                                                                                                                                                                                |
| Ma. Edwina C. Laperal | Semirara Mining and Power Corp. (Listed)<br>D.M. Consunji, Inc.<br>DMCI Project Developers, Inc.<br>Dacon Corporation<br>DMCI Urban Property Developers, Inc<br>Sem-Calaca Power Corp.<br>Dacon Corp.<br>DFC Holdings, Inc.                                                                                                                                                                                                                                              |
| Victor A. Consunji    | DMCI Power Corp.<br>Sem-Calaca Power Corp.<br>Southwest Luzon Power Generation Corp.<br>Sem Calaca Res Corporation<br>Sem-Cal Industrial Park Development Corp.<br>St. Raphael Power Generation Corp.<br>Semirara Enegery Utilities Inc.<br>Semirara Claystone, Inc.<br>Sem-Balayan Power Generation Corp.<br>Dacon Corp.<br>DMCI Masbate Corp.<br>DMCI Mining Corp.<br>D.M. Consunji Inc.<br>DFC Holdings, Inc.<br>M&S Company, Inc.<br>Sodaco Agricultural Corporation |

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | Ecoland Properties Development Corporation.<br>DMC Urban Properties Development Inc.<br>Sirawai Plywood & Lumber Corp.                                                                                                                                                                                                                                                                                                                                                  |
| Jorge A. Consunji        | Semirara Mining and Power Corp. (company subsidiary)<br>D.M. Consunji Inc.<br>DMCI Project Developers, Inc.<br>DMCI Mining Corp.<br>DMCI Power Corp.<br>DMCI Masbate Corp.<br>Sem-Calaca Power Corp.<br>Southwest Luzon Power Generation Corp.<br>Maynilad Water Holdings, Inc.<br>Maynilad Water Services, Inc.<br>Dacon Corp.<br>DFC Holdings, Inc.<br>Beta Electric Corporation<br>Wire Rope Corporation of the Philippines                                          |
| Honorio O. Reyes-Lao     | Philippine Business Bank (Listed)<br>Gold Venture Lease and Management Services Inc (2008-2009)<br>First Sovereign Asset Management Corporation (2004-2006)<br>CBC Forex Corporation (1998-2002)<br>CBC Insurance Brokers, Inc. (1998-2004)<br>CBC Properties and Computers Center, Inc. (1993-2006)                                                                                                                                                                    |
| Antonio Jose U. Periquet | ABS-CBN Holdings Corp. (Listed)<br>ABS-CBN Corporation (Listed)<br>Ayala Corporation (Listed)<br>Bank of the Philippine Islands (Listed)<br>Max's Group Inc. (Listed)<br>Philippine Seven Corporation (Listed)<br>Campden Hill Group, Inc.<br>Campden Hill Advisors, Inc.<br>Pacific Main Holdings<br>Lyceum of the Philippines University<br>The Straits Wine Company, Inc.<br>BPI Capital Corporation<br>BPI Family Savings Bank, Inc.<br>Albizia ASEAN Tenggara Fund |

**(f) Family Relationship**

The family relationship up to the fourth civil degree either by consanguinity or affinity among directors, executive officers or persons nominated or chosen by the Corporation to become directors or executive officers is stated below:

| <u>Name</u>         | <u>Relationship</u>                                                                                                                                                           |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| David M. Consunji   | Father of Isidro A. Consunji, Victor A. Consunji, Jorge A. Consunji, Luz Consuelo A. Consunji, Ma. Edwina C. Laperal and Cristina C. Gotianun                                 |
| Herbert M. Consunji | Nephew of David M. Consunji and cousin of Isidro A. Consunji, Jorge A. Consunji, Victor A. Consunji, Luz Consuelo A. Consunji, Ma. Edwina C. Laperal and Cristina C. Gotianun |

(g) Since the last annual stockholders' meeting of the Corporation, no Director has resigned or declined to stand for re-election to the Board of Directors of the Corporation because of any disagreement with the Corporation on any matter relating to the Corporation's operations, policies or practices.

**(h) Involvement in Legal Proceedings**

Except for the following, none of the directors, executive officers and nominees for election is subject to any pending material legal proceedings as of the date of this information statement.

(1) **Pp. vs. Consunji, et. al., Criminal Case No. Q-02-114052, RTC-QC, Branch 78.** - A complaint for violation of Article 315(2)(a) of the Revised Penal Code, as qualified by Presidential Decree No. 1689 was filed in RTC-QC Branch 78 as Criminal Case No. Q-02-114052 pursuant to a resolution of the Quezon City Prosecutor dated December 3, 2002 in I.S. No. 02-7259 finding probable cause against the directors and officers of Universal Leisure Club (ULC) and its parent company, Universal Rightfield Property Holdings, Inc., including Isidro A. Consunji as former Chairman, Cesar A. Buenaventura and Ma. Edwina C. Laperal as former directors of ULC. Complainants claim to have been induced to buy ULC shares of stock on the representation that ULC shall develop a project known as "a network of 5 world clubs."

The case was re-raffled to RTC-QC Branch 85 (the "Court"). On January 10, 2003 respondents filed their Motion for Reconsideration on the resolution dated December 3, 2002 recommending the filing of the complaint in court, which was granted on August 18, 2003. Accordingly, a Motion to Withdraw Information was filed in Court. On September 11, 2003, complainants' sought reconsideration of the resolution withdrawing the information, but was denied by the City Prosecutor. By reason of the denial, Complainants' filed a Petition for Review with the Department of Justice (DOJ) on August 26, 2005.

Meanwhile, the Court granted the withdrawal of information on June 6, 2005. Complainants filed a Motion for Reconsideration and Urgent Motion for Inhibition, but were both denied by the Court in its Omnibus Order dated November 29, 2005. Thereafter, a Notice of Appeal was

filed by the complainants, but was ordered stricken out from records by the Court for being unauthorized and declaring the Omnibus Order final and executory in its Order dated February 22, 2007. The Petition for Review, however, filed by the Complainants with the DOJ on August 26, 2005 is pending to date.

**(2) Rodolfo V. Cruz, et. al. vs. Isidro A. Consunji, et. al., I.S. Nos. 03-57411-I, 03-57412-I, 03-57413-I, 03-57414-I, 03-57415-I, 03-57446-I and 03-57447-I, Department of Justice, National Prosecution Service.** - These consolidated cases arose out of the same events in the immediately above-mentioned case, which is likewise pending before the DOJ.

In its 1<sup>st</sup> Indorsement dated December 9, 2003, the City Prosecutor for Mandaluyong City, acting on a motion for inhibition filed by complainants, through counsel, recommended that further proceedings be conducted by the DOJ. In an order dated February 3, 2004, the DOJ designated State Prosecutor Geronimo Sy to conduct the preliminary investigation of this case. The last pleading filed is a notice of change of address dated June 27, 2008 filed by complainants' counsel. This case remains pending to date.

**(3) Sps. Andrew D. Pope and Annalyn Pope vs. Alfredo Austria, et al., NPS Docket No. XV-INV-14K-01066, Office of the City Prosecutor, Taguig City.** – This involves a complaint for syndicated estafa filed against certain directors of the Corporation, namely Messrs. Isidro A. Consunji, Jorge A. Consunji, Ma. Edwina C. Laperal, Victor A. Consunji, Cesar A. Buenaventura, certain directors of the Corporation's subsidiaries D.M. Consunji, Inc. ("DMCI") and DMCI Project Developers, Inc. ("DMCI-PDI"), namely, Alfredo A. Austria, Victor S. Limlinagn, Ma. Cristina C. Gotianun, David Consunji, Edilberto C. Palisoc, and the Corporation's Corporate Secretary and Assistant Corporate Secretary, Atty. Noel A. Laman and Atty. Ma. Pilar Pilaes-Gutierrez. The complainants alleged that DMCI failed to deliver the transfer certificate of title over the parcel of land they bought in Mahogany Place III, one of the developments of DMCI-PDI. In a Resolution dated February 16, 2016, the Office of the City Prosecutor for Taguig City dismissed the Complaint-Affidavit dated November 6, 2014 of complainants Andrew David Pope and Annalyn Pope, because of Spouses Pope's failure to show the element of deceit as would establish probable cause to indict the respondents for syndicated *estafa*. Spouses Pope filed a Petition for Review dated May 6, 2016 ("Petition") with the Department of Justice ("DOJ"), seeking to reverse and set aside the Taguig City Prosecutor's Office's ("TCPO") Resolution dated February 16, 2016 insofar as it dismissed Pope Spouses' complaint for syndicated *estafa* against the Corporation's directors and officers. DMCI-PDI will file its Comment on the Petition.

**(4) Agham Party List, represented by its President, Angelo B. Palmones v. DMCI Holdings, Inc., et al., C.A. GR SP No. 00027, Court of Appeals, Manila, 9<sup>th</sup> Division.** – This involves a Petition for the issuance of a Writ of Kalikasan, whereby Agham Party List ("Agham") is citing DMCI Holdings Inc. (as owner of the Zambales port and owner of DMCI Mining Corporation) and DMCI Mining Corp. (collectively known as "DMCI") for violations of environmental laws. According to Agham, DMCI illegally flattened and/or destroyed a mountain within its port located at Bolitoc, Sta. Cruz, Zambales. The subject land formation supposedly acts as a natural barrier which could safeguard the surrounding communities from typhoons and storm surges. Further, DMCI reportedly dumped the soil it has scraped from the subject land formation which polluted the Zambales sea. Agham prays that, among others: (a) DMCI restores the subject land formation to its original state; (b) a temporary protection order and production order be issued against

DMCI. Both parties have presented their witnesses and evidence in support of their respective positions. They were directed to file their respective Memorandum on 19 June 2014, and thereafter the case will be submitted for resolution.

After hearing on the merits of the case and submission of the parties' respective memorandum, or on 12 December 2014, the Court of Appeals resolved to dismiss Agham Party List's petition. On 17 December 2015, the Court of Appeals denied the motion for reconsideration filed by Agham Party List in the subject case.

Aggrieved by the CA's decision, Agham elevated the case by way of an appeal before the Supreme Court. Without necessarily giving due course to Agham's appeal, the Supreme Court, in a Resolution dated 1 March 2016, directed DMCI et al to file its comment on Agham's appeal. This case remains pending to date.

**(i) Significant employees**

The following are the significant employees of the Corporation who are not executive officers but who are expected by the Corporation to make a significant contribution to the business:

| Significant Employees | Position held in Registrant         | Age |
|-----------------------|-------------------------------------|-----|
| Ma. Luisa C. Austria  | Administrative / Accounting Officer | 64  |
| Brian T. Lim          | Finance Officer                     | 30  |
| Tara Ann C. Reyes     | Investor Relations Officer          | 38  |
| Cherubim O. Mojica    | Corporate Communications Head       | 38  |

Although the Corporation has and will likely continue to rely significantly on the aforementioned individuals, it is not dependent on the services of any particular employee. It does not have any special arrangements to ensure that any employee will remain with the Corporation and will not compete upon termination.

**(j) Business experience of the significant employees of the Corporation for the last five years:**

**Ma. Luisa D. Austria** is a former Accounting Supervisor of D. M. Consunji, Inc. (1989 to 1996). She is now the Administrative/Accounting Officer of the Registrant and has been holding said position for twenty (20) years since 1996.

**Brian T. Lim** is the Finance Officer of the Company since August 15, 2012. He used to work with Sycip, Gorres, Velayo & Co. (SGV) for five years as assurance director/audit manager.

**Tara Ann C. Reyes** joined the Company in January 2013 as Investor Relations Officer. She trained under the Financial Planning and Forecasting department at Metro Pacific Investment Corp. for eight (8) months.

**Cherubim O. Mojica** worked as the Head of Corporate Communications Dept. of Maynilad from October 2008 to 2014; Corporate Communications Coordinator of First Philippine Corp. from December 2007 to

July 2000; Deputy Supervisor of the US Embassy Manila from July 2000 to November 2007; and Political Affairs Officer VI of House of Representatives of the Philippines from March 1999 to February 2000. She joined the Company last September 2014 as Corp. Communications Officer.

**Item 6. Compensation of Directors and Executive Officers**

**ANNUAL COMPENSATION**

| Name                                                          | Principal Position                           | Salary                 | Bonus | Per Diem Allowance**  | Other annual compensation |
|---------------------------------------------------------------|----------------------------------------------|------------------------|-------|-----------------------|---------------------------|
| Isidro A. Consunji                                            | Chairman of the Board of Directors/President |                        |       |                       |                           |
| Herbert M. Consunji                                           | Vice President & Chief Financial Officer     |                        |       |                       |                           |
| Ma. Edwina C. Laperal <sup>4</sup>                            | Treasurer                                    |                        |       |                       |                           |
| Ma. Cristina C. Gotianun <sup>5</sup>                         | Asst. Treasurer                              |                        |       |                       |                           |
| Victor S. Limlingan                                           | Managing Director                            |                        |       |                       |                           |
|                                                               | YEARS                                        |                        |       |                       |                           |
|                                                               | 2013                                         | P 5,085,300.00         |       | P 260,000.00          |                           |
|                                                               | 2014                                         | P 5,086,924.00         |       | P 270,000.00          |                           |
|                                                               | 2015                                         | P 8,239,699.30         |       | P 190,000.00          |                           |
|                                                               | 2016*                                        | P 8,239,699.30         |       | P 1,120,000.00        |                           |
|                                                               | <b>TOTAL:</b>                                | <b>P 26,651,622.60</b> |       | <b>P 1,840,000.00</b> |                           |
|                                                               | YEARS                                        |                        |       |                       |                           |
| All other directors and executive officers as a group unnamed | 2013                                         | P 6,499,831.24         |       | P 300,000.00          |                           |
|                                                               | 2014                                         | P 6,499,831.24         |       | P 290,000.00          |                           |
|                                                               | 2015                                         | P 5,275,301.00         |       | P 450,000.00          |                           |
|                                                               | 2016*                                        | P 5,275,301.00         |       | P 2,800,000.00        |                           |
|                                                               | <b>TOTAL:</b>                                | <b>P 23,550,264.48</b> |       | <b>P 3,840,000.00</b> |                           |

*\*Approximate figures*

*\*\* In 2015, each director received Php10,000 for every regular meeting of the Board. The per diem was increased to Php 80,000.00 for every regular meeting of the Board effective March 31, 2016.*

<sup>4</sup> The Treasurer does not receive any compensation as Treasurer of the Corporation. However, she receives the usual *per diem* as a regular director of the Corporation.

<sup>5</sup> The Assistant Treasurer does not receive any compensation as Assistant Treasurer of the Corporation.

There is no contract covering their employment with the Corporation and they hold office by virtue of their election to office. The Company has no agreements with its named executive officers regarding any bonus, profit sharing, pension or retirement plan.

There are no outstanding warrants, options, or right to repurchase any securities held by the directors or executive officers of the Company.

#### **Item 7. Independent Public Accountant**

- (a) The auditing firm, Sycip Gorres Velayo & Co. will be recommended to the stockholders for appointment as the Corporation's principal accountant for the ensuing fiscal year. Conformably with SRC Rule 68(3)(b)(iv), the Corporation's independent public accountant shall be rotated, or the handling partner shall be changed, every 5 years. The handling partner for the current year ending December 31, 2016 shall be Cyril Jasmine B. Valencia.
- (b) SyCip Gorres Velayo & Co. was the same principal accountant of the Corporation for the fiscal year most recently completed, December 31, 2015.
- (c) Representatives of SGV & Co. are expected to be present at the stockholders' meeting. They will have the opportunity to make a statement if they desire to do so and they are expected to be available to respond to appropriate questions.
- (d) The members of the Corporation's Audit Committee are:

|                                                 |          |
|-------------------------------------------------|----------|
| Honorio O. Reyes-Lao (Independent Director)     | Chairman |
| Antonio Jose U. Periquet (Independent Director) | Member   |
| Cesar A. Buenaventura                           | Member   |
- (e) The audit firm Sycip Gorres Velayo & Co. has no shareholdings in the Corporation nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Corporation. Sycip Gorres Velayo & Co. will not receive any direct or indirect interest in the Corporation or in any securities thereof (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines.
- (f) There are no disagreements on any matter of accounting principle or practices, FS disclosures, etc., between Sycip Gorres Velayo & Co. and the Corporation.

#### **C. ISSUANCE AND EXCHANGE OF SECURITIES**

##### **Item 8. Authorization or Issuance of Securities Other than for Exchange**

There are no issues regarding the issuance of securities other than for exchange.

**D. OTHER MATTERS**

**Item 9. Action with respect to Reports**

**Summary of Items to be submitted for Stockholders' Approval**

**(1) *Approval of the Minutes of the Annual Stockholders' Meeting held on July 29, 2015***

The minutes of the annual stockholders' meeting held on July 29, 2015 will be submitted for approval of the stockholders at the annual meeting to be held on July 27, 2016. Below is a summary of the items and/or resolutions approved at the annual stockholders' meeting held on July 29, 2015:

- (a) The Chairman of the Board of Directors of the Corporation called the meeting to order.
- (b) The Secretary of the meeting certified that a quorum existed for the transaction of business.
- (c) The stockholders approved the minutes of the annual stockholders' meeting held on August 5, 2014.
- (d) The President of the Corporation presented the management report. He presented the highlights of the performance of the Corporation, the details of which were incorporated into the Corporation's annual report as distributed to the stockholders. The management report included a discussion on (1) the Corporation's consolidated revenue and net income, (2) the Corporation's construction, coal and nickel mining, and real estate business segments, and (3) the Corporation's new businesses. Stockholders were given the opportunity to ask questions relating to the management report. After the question and answer portion, and upon motion duly made and seconded, the management report was approved.
- (e) Upon motion duly made and seconded, the stockholders ratified the acts of the officers and the Board of Directors of the Corporation for the year 2014 until the date of the annual stockholders' meeting, as they are reflected in the books and records of the Corporation.
- (f) Upon motion duly made and seconded, the auditing firm Sycip Gorres Velayo and Co. was appointed as independent auditors of the Corporation for the then current fiscal year.
- (g) The following were elected as directors of the Corporation for the then current year, to serve as such for a period of one year and until their successors shall have been elected and qualified:
  - (1) Isidro A. Consunji
  - (2) Cesar A. Buenaventura
  - (3) Victor A. Consunji
  - (4) Jorge A. Consunji
  - (5) Ma. Edwina C. Laperal
  - (6) Luz Consuelo A. Consunji
  - (7) Herbert M. Consunji



- (8) Honorio O. Reyes-Lao (independent director)
- (9) Antonio Jose U. Periquet (independent director)

(h) Upon motion made and duly seconded, the stockholders the stockholders representing at least a majority of the outstanding capital stock approved the amendment of the By-Laws of the Corporation

(i) Upon motion duly made and seconded, the annual stockholders' meeting was adjourned.

**(2) Ratification of the Acts of the Board of Directors and Officers**

Resolutions, contracts, and acts of the board of directors and management for ratification refer to those passed or undertaken by them during the year and for the day to day operations of the Company as contained or reflected in the minute books, annual report and financial statements. These acts are covered by resolutions of the Board of Directors. Specifically these resolutions include the following:

| <b>Date of Board Meeting</b> | <b>Resolutions Passed/Matters Approved</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| July 29, 2015                | <p>Election of the following officers:</p> <p>David M. Consunji – Chairman Emeritus<br/> Isidro A. Consunji – Chairman of the Board/President<br/> Cesar A. Buenaventura – Vice-Chairman of the Board<br/> Herbert M. Consunji – Vice President, Chief Finance Officer, and Compliance Officer<br/> Ma. Edwina C. Laperal – Treasurer<br/> Cristina C. Gotianun – Assistant Treasurer<br/> Victor S. Limlingan – Managing Director<br/> Noel A. Laman – Corporate Secretary<br/> Ma. Pilar M. Pilares-Gutierrez – Assistant Corporate Secretary</p> |
| August 13, 2015              | <p>Approval of the appointment of Punongbayan &amp; Araullo as internal auditor of the Corporation</p> <p>Approval of the internal audit charter and audit plan of the Corporation</p> <p>Approval of the amended Manual on Corporate Governance of the Corporation in order to add the Risk Oversight Committee</p> <p>Approval of the Consolidated Financial Statements of the Corporation for the period ending June 30, 2015</p>                                                                                                                |
| November 12, 2015            | <p>Approval of the Consolidated Financial Statements of the Corporation for the period ending September 30, 2015 and authorizing the disclosure thereof</p>                                                                                                                                                                                                                                                                                                                                                                                         |
| January 7, 2016              | <p>Approval to sell the Corporation's Kia Sorento EX vehicle at a price of Php390,000</p> <p>Authorization given to Mr. Isidro A. Consunji, President of the</p>                                                                                                                                                                                                                                                                                                                                                                                    |

|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | Corporation, to sign, execute and deliver, for and on behalf of the Corporation, the necessary documents to implement the foregoing sale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| March 10, 2016 | <p>Appointment of any one of the following officers/directors of the Corporation:</p> <p>Isidro A. Consunji – Chairman and President<br/>Jorge A. Consunji – Director</p> <p>as the true and lawful attorney and proxy of the Corporation to vote for all the stocks of the Corporation at the Annual Stockholders’ Meeting of Wire Rope Corporation of the Philippines scheduled to be held on March 11, 2016, 7:30 a.m. at the East Room, Manila Golf &amp; Country Club, Makati City</p> <p>Authorization given to the proxies to sign, execute, and deliver, any and all other documents which may be required or necessary in connection with the 2016 annual stockholders’ meeting of Wire Rope.</p> <p>Consent to obtain SEC name reservation for DMCI Investments Corporation</p> <p>Approval of the amendments to the Company’s Manual on Corporate Governance and the following Company policies:</p> <ol style="list-style-type: none"> <li>1. Manual on Corporate Governance (<i>Section 12. Rights of Stockholders</i>)</li> <li>2. Code of Business Conduct and Ethics (<i>Monitoring and Compliance, page 4</i>)</li> <li>3. Community Interaction Policy – (<i>Community Principles, Approach, Focus Areas and Monitoring and Evaluation, pages 1-3</i>)</li> <li>4. Environmentally Friendly Value Chain Policy – (<i>activities and initiatives</i>)</li> <li>5. Related Party Transactions Policy – (<i>Thresholds, Section 6.1 and 6.2, page 4</i>)</li> <li>6. Supplier and Contractor Policy – (<i>standards in selecting suppliers and contractors, page 1</i>)</li> </ol> <p>Approval of the opening of US Dollar account(s) with Security Bank Corporation – Pasong Tamo Branch</p> |
| March 31, 2016 | <p>Approval of the Consolidated Financial Statements of the Corporation for the period ending December 31, 2015, as audited by the external auditor, Sycip Gorres Velayo &amp; Co., and authorizing the release, issuance, and disclosure thereof</p> <p>Authorizing the implementation of the corporate governance roll out plans to all the subsidiaries of the Corporation</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

|               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               | <p>Approval of the following <i>per diem</i> of the directors:</p> <p>Php 80,000 for attendance in board meetings; and<br/>Php40,000 for attendance in committee meetings</p> <p>Authorization given to the law firm Castillo Laman Tan Pantaleon and San Jose or any of its members or associates to apply with the SEC and Optical Media Board for the distribution of the Corporation's 2015 Annual Stockholders' Meeting materials in CD Format</p> <p>Approval of the amendments to the existing Conflict of Interest Policy of the Corporation</p> <p>Approval of the creation of the Corporate Governance Committee of the Corporation</p> <p>Approval of the amendments to the following provisions of the Amended By-Laws of the Corporation to reflect the creation of the Corporate Governance Committee:</p> <ol style="list-style-type: none"> <li>1. Article VI, Sec. 1 – to add the Corporate Governance Committee as one of the Board Committees;</li> <li>2. Article VI, Sec. 6 – to add the composition and duties of the Corporate Governance Committee</li> </ol>                    |
| April 4, 2016 | <p>Appointment of any one of the following officers of the Corporation:</p> <p>Isidro A. Consunji – Chairman and President<br/>Herbert A. Consunji – Director/Vice President/CFO<br/>Cesar A. Buenaventura – Director/Vice Chairman<br/>Victor A. Consunji – Director</p> <p>as the true and lawful attorney and proxy of the Corporation to vote for all the stocks of the Corporation at the Annual Stockholders' Meeting of Semirara Mining and Power Corporation scheduled to be held on May 2, 2016, 7:30 a.m. at Big Function Room, Manila Golf &amp; Country Club, Inc., Harvard Road, Forbes Park, Makati City</p> <p>Appointment of any one of the following officers of the Corporation:</p> <p>Isidro A. Consunji – Chairman and President<br/>Ma. Edwina C. Laperal – Treasurer</p> <p>as the true and lawful attorney and proxy of the Corporation to vote for all the stocks of the Corporation at the Annual Stockholders' Meeting of DMCI Project Developers, Inc. scheduled to be held on June 29, 2016</p> <p>Appointment of any one of the following officers of the Corporation:</p> |

|              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              | <p>Isidro A. Consunji – Chairman and President<br/>Jorge A. Consunji – Director</p> <p>as the true and lawful attorney and proxy of the Corporation to vote for all the stocks of the Corporation at the 2016 Annual Stockholders' Meeting of D. M. Consunji, Inc.</p> <p>Approval of the opening of US Dollar account(s) with Security Bank Corporation – Pasong Tamo Branch</p> <p>Approval of the opening of Philippine peso, US Dollar, or other currency bank account(s) with Mizuho Bank Ltd. Manila Branch</p> <p>Appointment of Mr. Luis C. Pastor as a member of the Board of Trustees of the Plan, replacing Mr. Edilberto C. Palisoc who has retired</p> <p>Authorization given to any two of the following members of the Board of Trustees of the Plan to sign, execute and deliver, any and all checks, withdrawal slips, instructions and other documents for the placement and withdrawal of funds from the Plan's bank accounts and its trust funds managed by Metropolitan Bank &amp; Trust Company – Trust and Investments Group:</p> <p>Herbert M. Consunji<br/>Luis C. Pastor<br/>Nestor D. Dadvivas<br/>Jose Elmer G. Civil<br/>Cesar F. Simbulan</p> |
| May 11, 2016 | <p>Board approval of the declaration of (a) regular cash dividends of P0.24/ outstanding common share; and (b) special cash dividends of P0.24/ outstanding common share, out of the unrestricted retained earnings of the Corporation as of December 31, 2015, in favor of the stockholders of record as of May 27, 2016, payable on June 10, 2016.</p> <p>Board approval of the amendment of Article II, Section 1 of the By-Laws to change the schedule of the annual stockholders' meeting to the third Tuesday of May of each year (instead of last Wednesday of July of each year).</p> <p>Board approval of the consolidated financial statements for the period ending March 31, 2016.</p> <p>Board approval of the Charter of the Corporate Governance Committee.</p> <p>Board approval of the designation of the following chairmen and members of the board committees:</p>                                                                                                                                                                                                                                                                                      |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>AUDIT:</p> <p>Honorio O. Reyes-Lao – <i>Chairman (Independent Director)</i><br/> Antonio Jose U. Periquet (<i>Independent Director</i>)<br/> Cesar A. Buenaventura (<i>Non-Executive Director</i>)</p> <p>COMPENSATION AND REMUNERATION:</p> <p>Antonio Jose U. Periquet – <i>Chairman (Independent Director)</i><br/> Honorio O. Reyes-Lao (<i>Independent Director</i>)<br/> Ma. Edwina C. Laperal (<i>Executive Director</i>)</p> <p>NOMINATION AND ELECTION</p> <p>Honorio O. Reyes-Lao – <i>Chairman (Independent Director)</i><br/> Antonio Jose U. Periquet (<i>Independent Director</i>)<br/> Jorge A. Consunji (<i>Non-Executive Director</i>)</p> <p>RISK OVERSIGHT</p> <p>Antonio Jose U. Periquet – <i>Chairman (Independent Director)</i><br/> Honorio O. Reyes-Lao (<i>Independent Director</i>)<br/> Herbert M. Consunji (<i>Executive Director</i>)</p> <p>CORPORATE GOVERNANCE</p> <p>Honorio O. Reyes-Lao – <i>Chairman (Independent Director)</i><br/> Antonio Jose U. Periquet (<i>Independent Director</i>)<br/> Cesar A. Buenaventura (<i>Non-Executive Director</i>)</p> |
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#### **Item 10. Amendment of By-Laws**

The following provisions of the Corporation's by-laws are sought to be amended:

- (a) Article II, Sec. 1 to provide that the annual meeting of the stockholders shall be held on the third Tuesday of May of each year. *The amendment is intended to hold the annual stockholders' meeting at an earlier date (instead of the current schedule of last Wednesday of July) or soon after the financial statements of the company are finalized.*
- (b) Article VI, Sec. 1 to provide for the creation of the Corporate Governance Committee. *The amendment seeks to establish a separate Corporate Governance Committee which shall monitor the company's compliance with leading corporate governance practices.*
- (c) Article VI, Sec. 6 to provide for the duties and responsibilities of the Corporate Governance Committee. *The amendment seeks to specifically provide the duties and responsibilities of the Corporate Governance Committee.*

## **Item 11. Summary of Voting Matters/Voting Procedures**

### **(a) Summary of Matters to be presented to Stockholders**

- (1) Approval/ratification of the minutes of the annual meeting of stockholders held on July 29, 2015. Approval of said minutes shall constitute confirmation of all the matters stated in the minutes. The minutes of the July 29, 2015 annual stockholders' meeting are posted in the website of the Corporation as early as one day after the said meeting.
- (2) Approval of the Management Report for the year ending December 31, 2015. Upon approval thereof, the same shall form part of the records of the Corporation.
- (3) Ratification of Acts of Directors and Officer. Resolutions, contracts, and acts of the board of directors and management for ratification refer to those passed or undertaken by them during the year and for the day to day operations of the Company as contained or reflected in the attached annual report and financial statements and more specifically identified in item 9 (2) of this Information Statement.
- (4) Appointment of Independent Auditors. Selection by the stockholders of SyCip Gorres Velayo & Co. as independent auditors of the Corporation.
- (5) Election of Directors

Election of a Board of nine (9) directors, each of whom will hold office until the next annual meeting of stockholders and until his or her successor is elected and qualified.

The nominees for directors are:

#### **Regular Directors:**

ISIDRO A. CONSUNJI  
CESAR A. BUENAVENTURA  
JORGE A. CONSUNJI  
VICTOR A. CONSUNJI  
HERBERT M. CONSUNJI  
MA. EDWINA C. LAPERAL  
LUZ CONSUELO A. CONSUNJI

#### **Independent Directors:**

HONORIO O. REYES-LAO  
ANTONIO JOSE U. PERIQUET

Two (2) Independent Directors<sup>6</sup> of the Corporation within the purview of SRC Rule 38 are Messrs. Honorio O. Reyes-Lao and Antonio Jose U. Periquet.

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<sup>6</sup> An "Independent Director" shall mean a person other than an officer or employee of the Corporation or its subsidiaries, or any other individual having a relationship with the Corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

(6) Amendment of the Corporation's By-Laws

(a) Article II, Sec. 1 to provide that the annual meeting of the stockholders shall be held on the third Tuesday of May of each year. *The amendment is intended to enable the Corporation to hold the annual stockholders' meeting at an earlier date (instead of the current schedule of last Wednesday of July) or soon after the financial statements of the company are finalized.*

(b) Article VI, Sec. 1 to provide for the creation of the Corporate Governance Committee. *The amendment seeks to establish a separate Corporate Governance Committee which shall monitor the company's compliance with leading corporate governance practices.*

(c) Article VI, Sec. 6 to provide for the duties and responsibilities of the Corporate Governance Committee. *The amendment seeks to specifically provide the duties and responsibilities of the Corporate Governance Committee.*

**(b) Voting Procedures**

(1) Approval/ratification of the minutes of the annual stockholders' meeting held on July 29, 2015.

(A) Vote required: A majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.

(B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The stockholders shall vote by ballot.

(2) Approval of the Management Report

(A) Vote required: A majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.

(B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The stockholders shall vote by ballot.

(3) Ratification of the Acts of the Board of Directors and Officers

(A) Vote required: A majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.

(B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The stockholders shall vote by ballot.

(4) Appointment of Independent External Auditors

- (A) Vote required: A majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.
- (B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The stockholders shall vote by ballot.

(5) Election of Directors

- (A) Vote required. The nine (9) candidates receiving the highest number of votes shall be declared elected.
- (B) Method by which votes will be counted. Cumulative voting applies. Under this method of voting, a stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing in his own name on the stock books of the Corporation as of the Record Date, and said stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The stockholders shall vote by ballot.

The nine nominees obtaining the highest number of votes will be proclaimed as Directors of the Corporation for the ensuing year, provided two of whom must be independent directors.

(6) Amendment of the By-Laws

Each of the following provisions to be amended shall be voted upon separately:

- (a) Article II, Section 1
- (b) Article VI, Section 1
- (c) Article VI, Section 6

- (A) Vote required: Majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.
- (B) Method by which votes will be counted: Each outstanding common stock shall be entitled to one (1) vote. The stockholders shall vote by ballot.

Sycip, Gorres, Velayo and Co. (SGV) was appointed as Board of Canvassers. The Board of Canvassers shall have the power to count and tabulate all votes, assents and consents; determine and announce the result; and to do such acts as may be proper to conduct the election or vote with fairness to all stockholders.



**PART II**  
**PROXY FORM**  
**DMCI HOLDINGS, INC.**

**Item 1. Identification**

This proxy is being solicited for and on behalf of the Management of the Corporation. The Chairman of the Board of Directors or, in his absence, the President of the Corporation will vote the proxies at the annual stockholders' meeting to be held on July 27, 2016.

**Item 2. Instruction**

- (a) The proxy must be duly accomplished by the stockholder of record as of Record Date. A proxy executed by a corporation shall be in the form of a board resolution duly certified by the Corporate Secretary or in a proxy form executed by a duly authorized corporate officer accompanied by a Corporate Secretary's Certificate quoting the board resolution authorizing the said corporate officer to execute the said proxy.
- (b) Duly accomplished proxies may be mailed or submitted personally to the Corporate Secretary of the Corporation not later than July 16, 2016 at the following address:

The Corporate Secretary  
DMCI Holdings, Inc.  
3<sup>rd</sup> Floor, DACON Building  
2281 Pasong Tamo Extension  
1231 Makati City  
Philippines
- (c) In case of shares of stock owned jointly by two or more persons, the consent of all co-owners must be necessary for the execution of the proxy. For persons owning shares in an "and/or" capacity, any one of them may execute the proxy.
- (d) Validation of proxies will be held by the Stock Transfer Agent on July 22, 2016 at 2:00 p.m. at the principal office of the Corporation at the 3<sup>rd</sup> Floor, DACON Building, 2281, Don Chino Roces Avenue, Makati City, Philippines.
- (e) Unless otherwise indicated by the stockholder, a stockholder shall be deemed to have designated the Chairman of the Board of Directors, or in his absence, the President of the Corporation, as his proxy for the annual stockholders meeting to be held on July 27, 2016.
- (f) If the number of shares of stock is left in blank, the proxy shall be deemed to have been issued for all of the stockholder's shares of stock in the Corporation as of Record Date.
- (g) The manner in which this proxy shall be accomplished, as well as the validation hereof shall be governed by the provisions of SRC Rule 20 (11)(b)

- (h) The stockholder executing the proxy shall indicate the manner by which he wishes the proxy to vote on any of the matters in (1), (2), (3), (4) , (5) and (6) (a), (b) and (c) below by checking the appropriate box. Where the boxes (or any of them) are unchecked, the stockholder executing the proxy is deemed to have authorized the proxy to vote for the matter.

The Undersigned hereby appoints:

- (a) The Chairman of the Board of Directors of DMCI Holdings, Inc., or in his absence,  
the President of DMCI Holdings, Inc.,  
(b) \_\_\_\_\_

as his/her/its Proxy to attend the above annual meeting of the stockholders of DMCI Holdings, Inc., and any adjournment or postponement thereof, and thereat to vote all shares of stock held by the undersigned as specified below and on any matter that may properly come before said meeting.

- (1) Approval/ratification of the minutes of the annual stockholders' meeting held on July 29, 2015.

☐ FOR ☐ AGAINST ☐ ABSTAIN

- (2) Approval of the Management Report

☐ FOR ☐ AGAINST ☐ ABSTAIN

- (3) Ratification of the acts of the Board of Directors and Officers as contained in the attached annual report, the audited financial statements of the Corporation for the year ended December 31, 2015 and discussed in item 9 (2) of the Information Statement.

☐ FOR ☐ AGAINST ☐ ABSTAIN

- (4) Appointment of SGV & Co. as Independent External Auditors

☐ FOR ☐ AGAINST ☐ ABSTAIN

- (5) Election of Directors.

☐ FOR all nominees listed below, except those whose names are stricken out

☐ WITHHOLD authority to vote for all nominees listed below.

(Instruction: To strike out a name or withhold authority to vote for any individual nominee, draw a line through the nominee's name in the list below).

Regular Directors:

ISIDRO A. CONSUNJI

CESAR A. BUENAVENTURA  
JORGE A. CONSUNJI  
VICTOR A. CONSUNJI  
HERBERT M. CONSUNJI  
MA. EDWINA C. LAPERAL  
LUZ CONSUELO A. CONSUNJI

Independent Directors:

ANTONIO JOSE U. PERIQUET  
HONORIO REYES-LAO

(6) Amendment of the Corporation By-Laws

(a) Article II, Sec. 1 to provide that the annual stockholders' meeting shall be held on the third Tuesday of May of each year;

☐ FOR ☐ AGAINST ☐ ABSTAIN

(b) Article VI, Sec. 1 to provide for the creation of a separate Corporate Governance Committee;

☐ FOR ☐ AGAINST ☐ ABSTAIN

(c) Article VI, Sec. 6 to specifically indicate the duties and responsibilities of the Corporate Governance Committee;

☐ FOR ☐ AGAINST ☐ ABSTAIN

**Item 3. Revocability of Proxy**

Any stockholder who executes the proxy enclosed with this statement may revoke it at any time before it is exercised. The proxy may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting, or by attending the meeting in person and signifying his intention to personally vote his shares. Shares represented by an unrevoked proxy will be voted as authorized by the stockholder.

**Item 4. Persons Making the Solicitation**

The solicitation is made by the Management of the Corporation. No director of the Corporation has informed the Corporation in writing that he intends to oppose an action intended to be taken up by the Management of the Corporation at the annual meeting. Solicitation of proxies shall be made through the use of mail or personal delivery. The Corporation will shoulder the cost of solicitation which is approximately Php80,000.00.

**Item 5. Interest of Certain Persons in Matters to be Acted Upon**

No director, officer, nominee for director, or associate of any of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon at the annual stockholders' meeting to be held on July 27, 2016 other than election to office.

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Date

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(Signature above printed name, including title when signing for a corporation or partnership or as an agent, attorney or fiduciary).

No. of shares held: \_\_\_\_\_

**PART III  
SIGNATURE**

Management does not intend to bring any matter before the meeting other than those set forth in the Notice of the annual meeting of stockholders and does not know of any matters to be brought before the meeting by others. If any other matter does come before the meeting, it is the intention of the persons named in the accompanying proxy to vote the proxy in accordance with their judgment.

ACCOMPANYING THIS INFORMATION STATEMENT ARE COPIES OF THE (1) NOTICE OF THE ANNUAL STOCKHOLDERS' MEETING CONTAINING THE AGENDA THEREOF; (2) PROXY INSTRUMENT; AND (C) THE CORPORATION'S MANAGEMENT REPORT PURSUANT TO SRC RULE 20 (4).

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE CORPORATION WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE CORPORATION'S ANNUAL REPORT IN SEC FORM 17-A AND THE CORPORATION'S LATEST QUARTERLY REPORT IN SEC FORM 17-Q DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

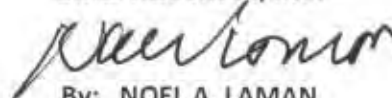
ALL REQUESTS MAY BE SENT TO THE FOLLOWING:

DMCI Holdings, Inc.  
3<sup>rd</sup> Floor, DAICON Building,  
2281 Pasong Tamo Extension,  
1231 Makati City.

Attention:      The Corporate Secretary

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on May 31, 2016.

DMCI HOLDINGS, INC.



By: NOEL A. LAMAN  
Corporate Secretary

**FINAL LIST OF CANDIDATES FOR THE BOARD OF DIRECTORS**  
**For the year 2016-2017**

**A. REGULAR DIRECTORS**

**Isidro A. Consunji** – is 67 years old; has served the Corporation as a regular director for twenty one (21) years since March 1995; is a regular Director of the following: *(Listed)* Semirara Mining and Power Corp. and Atlas Consolidated Mining and Development Corp., Crown Equities Inc.; *(Non-listed)* D. M. Consunji, Inc., DMCI Project Developers, Inc., DMCI Mining Corp., DMCI Power Corp., DMCI Masbate Corp., Maynilad Water Holdings, Co. Inc., Maynilad Water Services, Inc., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem-Calaca Res Corp., Sem-Cal Industrial Park Developers, Inc., Dacon Corp., DFC Holdings, Inc., Beta Electric Corp. and Crown Equities, Inc., Wire Rope Corporation of the Philippines. *Education.* Bachelor of Science in Engineering (University of the Philippines), Master of Business Economics (Center for Research and Communication), Master of Business Management (Asian Institute of Management), Advanced Management (IESE School, Barcelona, Spain). *Civic Affiliations.* Philippine Overseas Construction Board, *Chairman*, Construction Industry Authority of the Philippines, *Board Member*, Philippine Constructors Association, *Past President*, Philippine Chamber of Coal Mines, *Past President*, Asian Institute of Management Alumni Association, *Member*, UP Alumni Engineers, *Member*, UP Aces Alumni Association, *Member*.

**Cesar A. Buenaventura** – is 86 years old; has served the Corporation as a regular director for twenty one (21) years since March 1995; is a regular Director of the following: *(Listed)* Semirara Mining and Power Corp., iPeople Inc., Petroenergy Resources Corp., Concepcion Industrial Corp; *(Non-listed)* D.M. Consunji, Inc., Pilipinas Shell Petroleum Corp., Manila International Airport Authority, Mitsubishi-Hitachi Phils, Inc. *Education.* Bachelor of Science in Civil Engineering (University of the Philippines), Masters Degree in Civil Engineering, Major in Structures (Lehigh University, Bethlehem, Pennsylvania). *Civic Affiliations.* Pilipinas Shell Foundation, *Founding Member*, Makati Business Club, *Board of Trustee* University of the Philippines, *Former Board of Regents*, Asian Institute of Management, *Former Board of Trustee*, Benigno Aquino Foundation, *Past President*, Honorary Officer, Order of the British Empire (OBE) by Her Majesty Queen Elizabeth II.

**Herbert M. Consunji** – is 63 years old; has served the Corporation as a regular director for twenty one (21) years since March 1995; is a regular Director of the following: *(Listed)* Semirara Mining and Power Corporation; *(Non-listed)* D.M. Consunji, Inc., Subic Water and Sewerage Company, Inc., DMCI Mining Corp., Sem-Calaca Res Corporation, DMCI Power Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem-Cal Industrial Park Developers, Inc. *Education.* Top Management Program, Asian Institute of Management; Bachelor of Science in Commerce, Major in Accounting (De La Salle University), Certified Public Accountant (CPA). *Civic Affiliations.* Philippine Institute of Certified Public Accountants, *Member*.

**Jorge A. Consunji** – is 64 years old; has served the Corporation as a regular director for twenty one (21) years since March 1995; is a regular Director of the following: *(Listed)* Semirara Mining and Power Corp.; *(Non-listed)* D.M. Consunji Inc., DMCI Project Developers, Inc., DMCI Mining Corp., DMCI Power Corp., DMCI Masbate Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., DMCI Concepcion Power Corp., Maynilad Water Holdings, Co. Inc., Maynilad Water Services, Inc., Dacon Corp., DFC Holdings, Inc., Beta Electric Corporation, Wire Rope Corporation of the Phils., Private Infra Dev Corp., Manila Herbal Corporation, Sirawai Plywood & Lumber Co., M&S Company, Inc. *Education.* Bachelor of Science in Industrial Engineering (De La Salle University); Attended the Advanced Management Program Seminar at the University of Asia and the Pacific and Top Management Program at the Asian Institute of Management. *Civic Affiliations.* Construction Industry Authority of the Phils, *Board Member*, Asean Constructors Federation, *Former Chairman*, Phil. Constructors Association, *Past President/Chairman*, Phil. Contractors Accreditation Board, *Former Chairman*, Association of Carriers & Equipment Lessors, *Past President*.

**Victor A. Consunji** - is 65 years old; has served the Corporation as a regular director for twenty one (21) years since March 1995; is a regular Director of the following: *(Listed)* Semirara Mining and Power Corp.; *(Non-listed)* DMCI Power Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem Calaca Res Corporation, Sem-Cal Industrial Park Development Corp., St. Raphael Power Generation Corp., Semirara Enegery Utilities Inc., Semirara Claystone, Inc., Sem-Balayan Power Generation Corp., Dacon Corp., DMCI Masbate Corp., DMCI Mining Corp. , D.M. Consunji Inc. , DFC Holdings, Inc., M&S Company, Inc., Sodaco Agricultural Corporation, Ecoland Properties Development Corporation., DMC Urban Properties Development Inc., Sirawai Plywood & Lumber Corp., Royal Star Aviation, Inc., Zanorte Palm-Rubber Plantation, Inc. *Education.* AB Political Science (Ateneo de Manila and Ateneo de Davao); Chevalier College, Australia (secondary); San Beda College, Manila (elementary).

**Ma. Edwina C. Laperal** - is 54 years old; has served the Corporation as a regular director from March 1995 to July 2006 (11years and 4 months) and from July 2008 to present (7 years and 9 months); is a regular Director of the following: *(Listed)* Semirara Mining and Power Corporation; *(Non-listed)* D.M. Consunji, Inc., DMCI Project Developers, Inc., Dacon Corporation, DMCI Urban Property Developers, Inc, Sem-Calaca Power Corp., DFC Holdings, Inc. *Education.* BS Architecture (University of the Philippines), Masters in Business Administration (University of the Philippines). *Civic Affiliations.* UP College of Architecture Alumni Foundation Inc., *Member*; United Architects of the Philippines, *Member*; Guild of Real Estate Entrepreneurs And Professionals (GREENPRO) formerly Society of Industrial-Residential-Commercial Realty Organizations, *Member*; Institute of Corporate Directors, *Fellow*.

**Luz Consuelo A. Consunji** – is 62 years old; a regular director of the following: *(Non-listed)* South Davao Development Corp., Dacon Corp. and Zanorte Palm-Rubber Plantation, Inc.; *Education.* Bachelor's Degree in Commerce, Major in Management (Assumption College), Master's in Business Economics (University of Asia and the Pacific). *Civic Affiliations.* Mary Mother of the Poor Foundation, *Treasurer* (May 2012-July 2014), Missionaries of Mary Mother of the Poor, *Treasurer* (May 2012 – present).

## B. INDEPENDENT DIRECTORS

**Honorio O. Reyes-Lao** - is 71 years old; has served the Corporation as an Independent Director for six (6) years and eight (8) months since July 2009; is director of Philippine Business Bank (*Listed*); Director, Space2place, Inc. (***Non-Listed***). (Past Positions) Gold Venture Lease and Management Services Inc. (2008-2009), First Sovereign Asset Management Corporation (2004-2006, CBC Forex Corporation (1998-2002) , CBC Insurance Brokers, Inc. (1998-2004), CBC Properties and Computers Center, Inc. (1993-2006); *Education*. Bachelor of Arts, Major in Economics (De La Salle University), Bachelor of Science in Commerce, Major in Accounting (De La Salle University), Masters Degree in Business Management (Asian Institute of Management); *Civic Affiliations*. Institute of Corporate Directors, *Fellow*, Rotary Club of Makati West, *Member/Treasurer*, Makati Chamber of Commerce and Industries, *Past President*.

**Antonio Jose U. Periquet** - is 54 years old; has served the Corporation as an Independent Director for five (5) years and 7 months since August 2010; he is director of the following: (*Listed*) ABS-CBN Corporation, ABS-CBN Holdings Corp., Ayala Corporation , Bank of the Philippine Islands , Max's Group of Companies, Philippine Seven Corporation, Inc.; (*Non-listed*) Albizia ASEAN Tenggara Fund, Campden Hill Group, Inc., Campden Hill Advisors, Inc., Pacific Main Holdings, Lyceum of the Philippines University, The Straits Wine Company, Inc., BPI Capital Corporation, BPI Family Savings Bank, Inc.; *Education*. MBA, Darden Graduate School of Business Administration, University of Virginia, USA (1990); Master of Science (Econ), Oxford University, UK (1988); Bachelor of Arts (Econ), Ateneo de Manila University (1982); *Civic Affiliations*. Global Advisory Council, Darden Graduate School of Business Administration, University of Virginia, *Member*; Finance and Budget Committee of the Board, Ateneo de Manila University, *Member*; Finance Committee, Philippine Jesuit Provincial, *Member*.



# CERTIFICATION OF INDEPENDENT DIRECTORS

I, **HONORIO REYES-LAO**, Filipino, of legal age and a resident of No. 10 Dampol St., Damar Village, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

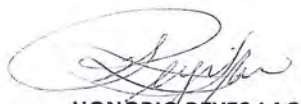
1. I have been nominated as independent director of **DMCI HOLDINGS, INC.** for the year 2016-2017.
2. I am affiliated with the following companies or organizations:

| Company/Organization                            | Position/Relationship        | Period of Service |
|-------------------------------------------------|------------------------------|-------------------|
| <b>Listed</b>                                   |                              |                   |
| Philippine Business Bank                        | Director                     | 2010 – present    |
| <b>Non-listed</b>                               |                              |                   |
| Space2Place, Inc.                               | Chairman/Director            | 2014 – present    |
| Gold Venture Lease and Management Services Inc. | Director & President         | 2008-2009         |
| Antel Group of Companies                        | Business Consultant          | 2007-2009         |
| East West Banking Corporation                   | Senior Management Consultant | 2005-2006         |
| China Banking Corporation                       | Various positions            | 1970-2004         |
| First Sovereign Asset Management Corporation    | Director                     | 2004-2006         |
| CBC Forex Corporation                           | Director                     | 1998-2002         |
| CBC Insurance Brokers, Inc.                     | Director                     | 1998-2004         |
| CBC Properties and Computers Center, Inc.       | Director                     | 1993-2006         |

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

**MAY 27 2016**

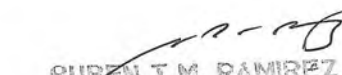
Done this \_\_\_ day of May 2016 at Makati City.

  
**HONORIO REYES-LAO**  
Affiant

**MAY 30 2016**

SUBSCRIBED AND SWORN to before me this \_\_\_ day of \_\_\_ at  
MAKATI CITY, affiant personally appeared before me and exhibited to me his/her  
Passport No. EC0087958 issued at DFA MANILA on  
Jan. 23, 2014.

Doc. No. 846  
Page No. 91  
Book No. 352  
Series of 2016

  
**RUBEN T.M. RAMIREZ**  
NOTARY PUBLIC  
UNTIL MAY 31, 2017  
2734 M. A. ST. MAKATI CITY  
APR 1, NO. 6-2017  
TSP NO. 100157  
APR 1, NO. 1249173  
APR 1, NO. 552-1-6/1-4-16 MAKATI CITY

# CERTIFICATION OF INDEPENDENT DIRECTORS

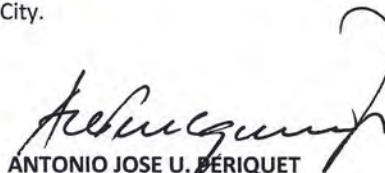
I, **ANTONIO JOSE U. PERIQUET**, Filipino, of legal age and a resident of No. 27 Banaba Road, Forbes Park, Makati City after having been duly sworn to in accordance with law do hereby declare that:

1. I have been nominated as independent director of **DMCI HOLDINGS, INC.** for the year 2016-2017.
2. I am affiliated with the following companies or organizations:

| Company/Organization                 | Position/Relationship | Period of Service   |
|--------------------------------------|-----------------------|---------------------|
| <b>Listed</b>                        |                       |                     |
| ABS-CBN Holdings, Corp.              | Independent Director  | 2012 – present      |
| ABS-CBN Corporation                  | Independent Director  | 2013 – present      |
| Ayala Corporation                    | Independent Director  | 2010 – present      |
| Bank of the Philippine Islands       | Independent Director  | 2012 – present      |
| Max's Group Inc.,                    | Independent Director  | 2014 – present      |
| Philippine Seven Corporation         | Independent Director  | 2010 – present      |
| <b>Non-listed</b>                    |                       |                     |
| Campden Hill Group, Inc.             | Chairman              | 2012 – present      |
| Campden Hill Advisors, Inc.          | Chairman              | 2012 - present      |
| Pacific Main Holdings                | Chairman              | 1999 – present      |
| The Straits Wine Company, Inc.       | Director              | 2009 – present      |
| BPI Capital Corp.                    | Independent Director  | 2010 – present      |
| BPI Family Savings Bank, Inc.        | Independent Director  | 2012 – present      |
| Lyceum of the Philippines University | Trustee               | 2010 – present      |
| Albizia ASEAN Tenggara Fund          | Independent Director  | July 2015 - present |

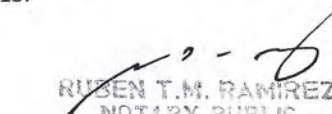
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **DMCI HOLDINGS, INC.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I shall faithfully and diligently comply with my duties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

Done this \_\_\_\_ day of May 2016 at Makati City.

  
**ANTONIO JOSE U. PERIQUET**  
 Affiant

SUBSCRIBED AND SWORN to before me this 23 MAY 2016 at MAKATI CITY, affiant personally appeared before me and exhibited to me his/her Passport No. EB8951527 issued at Manila on August 22, 2013.

Doc. No. 9v  
 Page No. 20  
 Book No. 390  
 Series of 2016

  
**RUBEN T.M. RAMIREZ**  
 NOTARY PUBLIC  
 UNTIL DEC. 31, 2017  
 2734 N. AURORA ST., MAKATI CITY  
 APPT. NO. M-23 (2016-2017)  
 IEP NO. 1009530 / CY-2016 / 5-24-15  
 ROLL NO. 24947 / MCLE-4 NO. 1009424 / 8-19-12  
 PTR NO. MKT. 5323578 / 1-1-16 MAKATI CITY

## SCHEDULE 2

The following is a disclosure of the beneficial owners of the shares held by the PCD Nominee Corporation, DACON Corporation and DFC Holdings, Inc. in DMCI Holdings, Inc. as of **April 30, 2016**.

|                                          |                      |        |
|------------------------------------------|----------------------|--------|
| (1) PCD Nominee Corporation <sup>7</sup> | 3,626,423,978 shares | 27.31% |
| (2) DACON Corporation                    | 6,838,807,440 shares | 51.51% |
| (3) DFC Holdings, Inc.                   | 2,370,897,060 shares | 17.40% |

### PCD Nominee Corporation

Attached hereto as Schedule 2(a) is a Certification from the PCD Nominee Corporation as to the beneficial owners of the shares held by it in DMCI Holdings, Inc. The PCD Nominee Corporation is a wholly-owned subsidiary of the Philippine Depository and Trust Corporation (PDTC). The beneficial owners of shares held of record by the PCD Nominee Corporation are PDTC participants who hold the shares on their own behalf or that of their clients. PDTC is a private company organized by major institutions actively participating in the Philippine capital markets to implement an automated book-entry system of handling securities transactions in the Philippines.

### DACON Corporation

The following are the beneficial owners of DACON Corporation:

| STOCKHOLDER                      | NO. OF<br>SHARES<br>SUBSCRIBED | %<br>OWNERSHIP |
|----------------------------------|--------------------------------|----------------|
| David M. Consunji                | 1                              | 0.00%          |
| Fredesvinda A. Consunji          | 1                              | 0.00%          |
| Isidro A. Consunji               | 1                              | 0.00%          |
| Jorge A. Consunji                | 1                              | 0.00%          |
| Josefa C. Reyes                  | 1                              | 0.00%          |
| Luz Consuelo A. Consunji         | 1                              | 0.00%          |
| Ma. Edwina C. Laperal            | 1                              | 0.00%          |
| Cristina C. Gotianun             | 1                              | 0.00%          |
| Victor A. Consunji               | 6                              | 0.00%          |
| DOUBLE SPRING INVESTMENTS CORP.  | 114,427                        | 0.34%          |
| VALEMOUNT CORPORATION            | 4,085,694                      | 12.45%         |
| CHRISMON INVESTMENTS, INC.       | 4,085,695                      | 12.45%         |
| EASTHEIGHTS HOLDINGS CORPORATION | 4,085,695                      | 12.45%         |
| GULFSHORE INCORPORATED           | 4,085,695                      | 12.45%         |
| INGLEBROOK HOLDINGS CORPORATION  | 4,085,695                      | 12.45%         |
| JAGJIT HOLDINGS, INC.            | 4,085,695                      | 12.45%         |
| LA LUMIERE HOLDINGS, INC.        | 4,085,695                      | 12.45%         |

<sup>7</sup>PCD Nominee Corporation, a wholly-owned subsidiary of Philippine Depository and Trust Corporation ("PDTC"), is the registered owner of the shares in the books of the Corporation's transfer agent in the Philippines. The beneficial owners of such shares are PDTC participants, who hold the shares on their behalf or on behalf of their clients. PDTC is a private company organized by major institutions actively participating in the Philippine capital markets to implement an automated book-entry system of handling securities transactions in the Philippines

|                           |                   |                |
|---------------------------|-------------------|----------------|
| RICE CREEK HOLDINGS, INC. | 4,085,695         | 12.45%         |
| <b>Total :</b>            | <b>32,800,000</b> | <b>100.00%</b> |

Mr. Victor A. Consunji and/or Mr. Jorge A. Consunji and/or Ms. Cristina C. Gotianun shall have the right to vote the shares of DACON Corporation.

#### DFC Holdings, Inc.

The following are the beneficial owners of DFC Holdings, Inc.:

| SHAREHOLDER               | NO. OF SHARES<br>SUBSCRIBED | %<br>OWNERSHIP |
|---------------------------|-----------------------------|----------------|
| Isidro A. Consunji        | 1,035,844                   | 0.10%          |
| Victor A. Consunji        | 2,427,797                   | 0.24%          |
| Jorge A. Consunji         | 3,031,400                   | 0.30%          |
| Ma. Edwina C. Laperal     | 1,157,987                   | 0.12%          |
| Cristina C. Gotianun      | 3,083,015                   | 0.31%          |
| Inglebrook Holdings       | 123,776,656                 | 12.40%         |
| Eastheights Holdings      | 123,654,513                 | 12.38%         |
| Crismon Investment, Inc.  | 121,729,485                 | 12.19%         |
| Valemont Corporation      | 122,384,703                 | 12.26%         |
| Gulfshore Incorporated    | 121,781,100                 | 12.20%         |
| Jagjit Holdings, Inc.     | 124,812,500                 | 12.50%         |
| La Lumiere Holdings, Inc. | 124,812,500                 | 12.50%         |
| Rice Creek Holdings, Inc. | 124,812,500                 | 12.50%         |
| Firenze Holdings, Inc.    | 100,000                     |                |
| <b>TOTAL</b>              | <b>998,600,000</b>          | <b>100.00%</b> |

Ms. Ma Edwina C. Laperal and/or Ms. Cristina C. Gotianun shall have the right to vote the shares of DFC Holdings, Inc.



**PDTC**

Philippine Depository & Trust Corp.

Philippine Depository & Trust Corp.

To

DEP00000001  
PDTC DEPOSITORY  
Metropolitan Manila  
235  
PHILIPPINES





## OUTSTANDING BALANCES FOR A SPECIFIC COMPANY

Company Code - DMC000000000 &amp; Company Name - DMCI HOLDINGS

Business Date 04/29/2016

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                      | ACCOUNT TYPE<br>TELEPHONE NUMBER    | ID TYPE<br>ID NUMBER           | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE   |
|----------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------|--------------------------|-----------------------|
| 10000000000<br>1     | UPCC SECURITIES CORP.<br>UNIT 1202 TOWER ONE AND EXCHANGE PLAZ<br>AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>0 | Omnibus Without Client<br>8921174   | Tax Identification Number<br>1 | Foreign<br>PHILIPPINES   | 10,000.00<br>FMX1     |
| 10000000000<br>5     | UPCC SECURITIES CORP.<br>UNIT 1202 TOWER ONE AND EXCHANGE PLAZ<br>AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>0 | Omnibus Without Client<br>8921174   | Tax Identification Number<br>1 | Domestic<br>PHILIPPINES  | 98,800.00<br>PH10     |
| 10000000000<br>6     | UPCC SECURITIES CORP.<br>UNIT 1202 TOWER ONE AND EXCHANGE PLAZ<br>AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>0 | Settlement<br>8921174               | Tax Identification Number<br>1 | Domestic<br>PHILIPPINES  | 102,000.00<br>NWT     |
| 10100000000<br>1     | A & A SECURITIES, INC.<br>Rm. 1906 Ayala Ave. Condominium 6776 Ayala Ave.<br>Makati City<br>Metropolitan Manila<br>1200 | Omnibus Without Client<br>810-54-01 | Tax Identification Number<br>2 | Foreign<br>PHILIPPINES   | 1,000.00<br>FMX1      |
| 10100000000<br>5     | A & A SECURITIES, INC.<br>Rm. 1906 Ayala Ave. Condominium 6776 Ayala Ave.<br>Makati City<br>Metropolitan Manila<br>1200 | Omnibus Without Client<br>810-54-01 | Tax Identification Number<br>2 | Domestic<br>PHILIPPINES  | 27,304,785.00<br>PH10 |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                             | ACCOUNT TYPE<br>TELEPHONE NUMBER         | ID TYPE<br>ID NUMBER                     | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE  |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|--------------------------|----------------------|
| 10100000000<br>6     | A & A SECURITIES, INC.<br>Rm. 1906 Ayala Ave. Condominium 6776 Ayala Ave.<br>Makati City<br>Metropolitan Manila<br>1200                        | Settlement<br>810-54-01                  | Tax Identification Number<br>2           | Domestic<br>PHILIPPINES  | 1,835,500.00<br>NWT  |
| 10100000000<br>18    | A & A SECURITIES, INC.<br>Rm. 1906 Ayala Ave. Condominium 6776 Ayala Ave.<br>Makati City<br>Metropolitan Manila<br>1200                        | Settlement<br>810-54-01                  | Tax Identification Number<br>2           | Foreign<br>PHILIPPINES   | 6,200.00<br>RA10     |
| 10200000000<br>5     | ABACUS SECURITIES CORPORATION<br>Unit 2904-A East Tower, PSE Centre Exchange Road.<br>Ortigas Center Pasig City<br>Metropolitan Manila<br>1600 | Omnibus Without Client<br>634-2105       | Tax Identification Number<br>001-006-900 | Domestic<br>PHILIPPINES  | 8,651,036.00<br>PH10 |
| 10200000000<br>6     | ABACUS SECURITIES CORPORATION<br>Unit 2904-A East Tower, PSE Centre Exchange Road.<br>Ortigas Center Pasig City<br>Metropolitan Manila<br>1600 | Settlement<br>634-2105                   | Tax Identification Number<br>001-006-900 | Domestic<br>PHILIPPINES  | 54,600.00<br>NWT     |
| 10200000000<br>7     | ABACUS SECURITIES CORPORATION<br>Unit 2904-A East Tower, PSE Centre Exchange Road.<br>Ortigas Center Pasig City<br>Metropolitan Manila<br>1600 | Own<br>634-2105                          | Tax Identification Number<br>001-006-900 | Domestic<br>PHILIPPINES  | 50,000.00<br>NWT     |
| 10300000000<br>1     | PHILSTOCKS FINANCIAL INC<br>Unit 1101 Orient Square Building Emerald Avenue<br>Ortigas Center, Pasig City<br>Metropolitan Manila<br>1600       | Omnibus Without Client<br>687-5071 to 74 | Tax Identification Number<br>213-831-103 | Foreign<br>PHILIPPINES   | 97,550.00<br>FMX1    |
| 10300000000<br>5     | PHILSTOCKS FINANCIAL INC<br>Unit 1101 Orient Square Building Emerald Avenue<br>Ortigas Center, Pasig City<br>Metropolitan Manila<br>1600       | Omnibus Without Client<br>687-5071 to 74 | Tax Identification Number<br>213-831-103 | Domestic<br>PHILIPPINES  | 6,141,251.00<br>PH10 |

| BP ID             | BP NAME                                                                                                                                                                             | ACCOUNT TYPE                             | ID TYPE                                      | INVESTOR TYPE           | HOLDINGS            |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------|-------------------------|---------------------|
| ACCOUNT NO.       | ADDRESS                                                                                                                                                                             | TELEPHONE NUMBER                         | ID NUMBER                                    | COUNTRY                 | TAXCODE             |
| 10300000000<br>6  | PHILSTOCKS FINANCIAL INC<br>Unit 1101 Orient Square Building Emerald Avenue<br>Ortigas Center, Pasig City<br>Metropolitan Manila<br>1600                                            | Settlement<br>687-5071 to 74             | Tax Identification Number<br>213-831-103     | Domestic<br>PHILIPPINES | 230,089.00<br>NWT   |
| 10300000000<br>7  | PHILSTOCKS FINANCIAL INC<br>Unit 1101 Orient Square Building Emerald Avenue<br>Ortigas Center, Pasig City<br>Metropolitan Manila<br>1600                                            | Own<br>687-5071 to 74                    | Tax Identification Number<br>213-831-103     | Domestic<br>PHILIPPINES | 20,000.00<br>NWT    |
| 10400000000<br>5  | A. T. DE CASTRO SECURITIES CORP.<br>Suite 701, 7/F Ayala Tower I, Exchange Plaza, Ayala<br>Triangle, Ayala Ave., Makati City<br>Metropolitan Manila<br>1226                         | Omnibus Without Client<br>848-7160 to 65 | Tax Identification Number<br>000-151-360-000 | Domestic<br>PHILIPPINES | 972,060.00<br>PH10  |
| 10500000000<br>5  | ALL ASIA SECURITIES MANAGEMENT CORP.<br>All Asia Capital Center 105 Paseo de Roxas St. Makat<br>City<br>Metropolitan Manila<br>1200                                                 | Omnibus Without Client<br>818-3211       | Tax Identification Number<br>6               | Domestic<br>PHILIPPINES | 3,500.00<br>PH10    |
| 10600000000<br>5  | ALPHA SECURITIES CORP.<br>UNIT 3003, ONE CORPORATE CENTRE, 30TH<br>FLOOR, JULIA VARGAS STREET, COR MERALC<br>AVENUE STREET, ORTIGAS CENTER, PASIG CI<br>Metropolitan Manila<br>1200 | Omnibus Without Client<br>6546806        | Tax Identification Number<br>000-155-035-000 | Domestic<br>PHILIPPINES | 63,500.00<br>PH10   |
| 10900000000<br>6  | BA SECURITIES, INC.<br>Rm 401-403 CLMC Bldg, 256-259 EDSA Greenhills<br>Mandaluyong City<br>Metropolitan Manila<br>1550                                                             | Settlement<br>727-5374                   | Tax Identification Number<br>10              | Domestic<br>PHILIPPINES | 1,228,700.00<br>NWT |
| 10900000000<br>14 | BA SECURITIES, INC.<br>Rm 401-403 CLMC Bldg, 256-259 EDSA Greenhills<br>Mandaluyong City<br>Metropolitan Manila<br>1550                                                             | Settlement<br>727-5374                   | Tax Identification Number<br>10              | Domestic<br>PHILIPPINES | 800.00<br>PH10      |



| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                       | ACCOUNT TYPE<br>TELEPHONE NUMBER   | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE  |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|--------------------------|----------------------|
| 10900000000<br>19    | BA SECURITIES, INC.<br>Rm 401-403 CLMC Bldg, 256-259 EDSA Greenhills<br>Mandaluyong City<br>Metropolitan Manila<br>1550                  | Settlement<br>727-5374             | Tax Identification Number<br>10              | Foreign<br>PHILIPPINES   | 15,000.00<br>RA25    |
| 11000000000<br>1     | AP SECURITIES INCORPORATED<br>Suites 2002/2004, The Peak, 107 Alfaro St., Salcedo<br>Village, Makati City<br>Metropolitan Manila<br>1227 | Omnibus Without Client<br>8482915  | Tax Identification Number<br>005-037-731-000 | Foreign<br>PHILIPPINES   | 34,000.00<br>FMX1    |
| 11000000000<br>5     | AP SECURITIES INCORPORATED<br>Suites 2002/2004, The Peak, 107 Alfaro St., Salcedo<br>Village, Makati City<br>Metropolitan Manila<br>1227 | Omnibus Without Client<br>8482915  | Tax Identification Number<br>005-037-731-000 | Domestic<br>PHILIPPINES  | 1,399,330.00<br>PH10 |
| 11000000000<br>7     | AP SECURITIES INCORPORATED<br>Suites 2002/2004, The Peak, 107 Alfaro St., Salcedo<br>Village, Makati City<br>Metropolitan Manila<br>1227 | Own<br>8482915                     | Tax Identification Number<br>005-037-731-000 | Domestic<br>PHILIPPINES  | 100,000.00<br>NWT    |
| 11100000000<br>5     | ANSALDO, GODINEZ & CO., INC.<br>340 Nueva St., Binondo Manila<br>Metropolitan Manila<br>1006                                             | Omnibus Without Client<br>242-5127 | Tax Identification Number<br>007-571-837-000 | Domestic<br>PHILIPPINES  | 5,359,700.00<br>PH10 |
| 11200000000<br>1     | AB CAPITAL SECURITIES, INC.<br>8/F Phinma Plaza 39 Plaza Drive, Rockwell Center<br>Makati City<br>Metropolitan Manila<br>1200            | Omnibus Without Client<br>814-5601 | Tax Identification Number<br>13              | Foreign<br>PHILIPPINES   | 200.00<br>FMX1       |
| 11200000000<br>2     | AB CAPITAL SECURITIES, INC.<br>8/F Phinma Plaza 39 Plaza Drive, Rockwell Center<br>Makati City<br>Metropolitan Manila<br>1200            | Settlement<br>814-5601             | Tax Identification Number<br>13              | Foreign<br>PHILIPPINES   | 5,800.00<br>FMX1     |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                | ACCOUNT TYPE<br>TELEPHONE NUMBER   | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE  |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|--------------------------|----------------------|
| 11200000000<br>6     | AB CAPITAL SECURITIES, INC.<br>8/F Phinma Plaza 39 Plaza Drive, Rockwell Center<br>Makati City<br>Metropolitan Manila<br>1200                     | Settlement<br>814-5601             | Tax Identification Number<br>13              | Domestic<br>PHILIPPINES  | 2,500,650.00<br>NWT  |
| 11200000000<br>14    | AB CAPITAL SECURITIES, INC.<br>8/F Phinma Plaza 39 Plaza Drive, Rockwell Center<br>Makati City<br>Metropolitan Manila<br>1200                     | Settlement<br>814-5601             | Tax Identification Number<br>13              | Domestic<br>PHILIPPINES  | 2,519,550.00<br>PH10 |
| 11200000000<br>18    | AB CAPITAL SECURITIES, INC.<br>8/F Phinma Plaza 39 Plaza Drive, Rockwell Center<br>Makati City<br>Metropolitan Manila<br>1200                     | Settlement<br>814-5601             | Tax Identification Number<br>13              | Foreign<br>PHILIPPINES   | 500.00<br>RA10       |
| 1120000FTXN<br>1     | AB CAPITAL SECURITIES, INC.<br>8/F Phinma Plaza 39 Plaza Drive, Rockwell Center<br>Makati City<br>Metropolitan Manila                             | Client<br>898-7555                 | Certificate Of Incorporation<br>13 x         | Foreign<br>PHILIPPINES   | 225,000.00<br>FTXN   |
| 11300000000<br>5     | SARANGANI SECURITIES, INC.<br>UNIT 2 D1 VERNIDA I CONDOMINIUM 120<br>AMORSOLO ST., LEGASPI VILLAGE, MAKATI<br>CITY<br>Metropolitan Manila<br>1229 | Omnibus Without Client<br>817-5806 | Tax Identification Number<br>004-655-021-000 | Domestic<br>PHILIPPINES  | 269,000.00<br>PH10   |
| 11300000000<br>6     | SARANGANI SECURITIES, INC.<br>UNIT 2 D1 VERNIDA I CONDOMINIUM 120<br>AMORSOLO ST., LEGASPI VILLAGE, MAKATI<br>CITY<br>Metropolitan Manila<br>1229 | Settlement<br>817-5806             | Tax Identification Number<br>004-655-021-000 | Domestic<br>PHILIPPINES  | 12,000.00<br>NWT     |
| 11500000000<br>1     | SB EQUITIES, INC.<br>18/F, Security Bank Centre 6776 Ayala Avenue,<br>Makati City<br>Metropolitan Manila<br>1226                                  | Omnibus Without Client<br>8911037  | Tax Identification Number<br>000-152-830-000 | Foreign<br>PHILIPPINES   | 778,221.00<br>FMX1   |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                            | ACCOUNT TYPE<br>TELEPHONE NUMBER      | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE   |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------|--------------------------|-----------------------|
| 11500000000<br>5     | SB EQUITIES,INC.<br>18/F, Security Bank Centre 6776 Ayala Avenue,<br>Makati City<br>Metropolitan Manila<br>1226                                               | Omnibus Without Client<br>8911037     | Tax Identification Number<br>000-152-830-000 | Domestic<br>PHILIPPINES  | 1,108,400.00<br>PH10  |
| 11500000000<br>6     | SB EQUITIES,INC.<br>18/F, Security Bank Centre 6776 Ayala Avenue,<br>Makati City<br>Metropolitan Manila<br>1226                                               | Settlement<br>8911037                 | Tax Identification Number<br>000-152-830-000 | Domestic<br>PHILIPPINES  | 1,280,849.00<br>NWT   |
| 11600000000<br>5     | ASIA PACIFIC CAPITAL EQUITIES & SECURITII<br>CORP.<br>24/F Galleria Corporate Center EDSA corner Ortigas<br>Avenue, Pasig City<br>Metropolitan Manila<br>1605 | Omnibus Without Client<br>6345622-24  | Tax Identification Number<br>002-011-914-000 | Domestic<br>PHILIPPINES  | 131,000.00<br>PH10    |
| 11800000000<br>1     | ASIASEC EQUITIES, INC.<br>8/F Chatham House<br>116 Valero cor. V.A. Rufino Sts<br>Salcedo Village, Makati City 1227<br>Metropolitan Manila<br>1227            | Omnibus Without Client<br>8937981     | Tax Identification Number<br>000-154-961-000 | Foreign<br>PHILIPPINES   | 4,750.00<br>FMX1      |
| 11800000000<br>5     | ASIASEC EQUITIES, INC.<br>8/F Chatham House<br>116 Valero cor. V.A. Rufino Sts<br>Salcedo Village, Makati City 1227<br>Metropolitan Manila<br>1227            | Omnibus Without Client<br>8937981     | Tax Identification Number<br>000-154-961-000 | Domestic<br>PHILIPPINES  | 27,947,550.00<br>PH10 |
| 11900000000<br>5     | ASTRA SECURITIES CORPORATION<br>Units 1204-1205 Ayala Tower One Ayala Ave. cor.<br>Paseo de Roxas Makati City<br>Metropolitan Manila<br>1200                  | Omnibus Without Client<br>848-6421/27 | Tax Identification Number<br>000-107-717-000 | Domestic<br>PHILIPPINES  | 1,117,350.00<br>PH10  |
| 12000000000<br>5     | ATC SECURITIES, INC.<br>Unit 6f, 6th Floor 8101 Pearl Plaza, Pearl Drive Ortig<br>Center, Pasig City<br>Metropolitan Manila<br>12                             | Omnibus Without Client<br>687-1768    | Tax Identification Number<br>000-333-279-000 | Domestic<br>PHILIPPINES  | 150,000.00<br>PH10    |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                 | ACCOUNT TYPE<br>TELEPHONE NUMBER        | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------|--------------------------|---------------------|
| 12200000000<br>1     | BELSON SECURITIES, INC.<br>4th Floor Belson House 271 Edsa, Mandaluyong City<br>Metropolitan Manila<br>1554                        | Omnibus Without Client<br>724-7586loc21 | Tax Identification Number<br>000-154-219-000 | Foreign<br>PHILIPPINES   | 15,000.00<br>FMX1   |
| 12200000000<br>5     | BELSON SECURITIES, INC.<br>4th Floor Belson House 271 Edsa, Mandaluyong City<br>Metropolitan Manila<br>1554                        | Omnibus Without Client<br>724-7586loc21 | Tax Identification Number<br>000-154-219-000 | Domestic<br>PHILIPPINES  | 811,600.00<br>PH10  |
| 12200000000<br>6     | BELSON SECURITIES, INC.<br>4th Floor Belson House 271 Edsa, Mandaluyong City<br>Metropolitan Manila<br>1554                        | Settlement<br>724-7586loc21             | Tax Identification Number<br>000-154-219-000 | Domestic<br>PHILIPPINES  | 1,314,000.00<br>NWT |
| 12300000000<br>5     | BENJAMIN CO CA & CO., INC.<br>Rm. 301 Downtown Ctr Bldg., 516 Quintin Paredes St<br>Binondo, Manila<br>Metropolitan Manila<br>1006 | Omnibus Without Client<br>6345186       | Tax Identification Number<br>000-330-322-000 | Domestic<br>PHILIPPINES  | 20,000.00<br>PH10   |
| 12400000000<br>5     | B. H. CHUA SECURITIES CORPORATION<br>872 G. Araneta Avenue, Quezon City<br>Metropolitan Manila<br>1135                             | Omnibus Without Client<br>412-3444      | Tax Identification Number<br>000-401-773     | Domestic<br>PHILIPPINES  | 830,000.00<br>PH10  |
| 12400000000<br>7     | B. H. CHUA SECURITIES CORPORATION<br>872 G. Araneta Avenue, Quezon City<br>Metropolitan Manila<br>1135                             | Own<br>412-3444                         | Tax Identification Number<br>000-401-773     | Domestic<br>PHILIPPINES  | 260,000.00<br>NWT   |
| 12500000000<br>5     | JAKA SECURITIES CORP.<br>Unit 814, Ayala Tower I Ayala Ave., Makati City<br>Metropolitan Manila<br>1226                            | Omnibus Without Client<br>8487123       | Tax Identification Number<br>004-500-728-000 | Domestic<br>PHILIPPINES  | 259,200.00<br>PH10  |
| 12500000000<br>6     | JAKA SECURITIES CORP.<br>Unit 814, Ayala Tower I Ayala Ave., Makati City<br>Metropolitan Manila<br>1226                            | Settlement<br>8487123                   | Tax Identification Number<br>004-500-728-000 | Domestic<br>PHILIPPINES  | 90,000.00<br>NWT    |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                          | ACCOUNT TYPE<br>TELEPHONE NUMBER      | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE   |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------|--------------------------|-----------------------|
| 12600000000<br>1     | BPI SECURITIES CORPORATION<br>8/F BPI Head Office Bldg., Ayala Ave., cor. Paseo de Roxas Makati City<br>Metropolitan Manila<br>1226         | Omnibus Without Client<br>8196535     | Tax Identification Number<br>000-109-309-000 | Foreign<br>PHILIPPINES   | 161,600.00<br>FMX1    |
| 12600000000<br>5     | BPI SECURITIES CORPORATION<br>8/F BPI Head Office Bldg., Ayala Ave., cor. Paseo de Roxas Makati City<br>Metropolitan Manila<br>1226         | Omnibus Without Client<br>8196535     | Tax Identification Number<br>000-109-309-000 | Domestic<br>PHILIPPINES  | 41,606,736.00<br>PH10 |
| 12600000000<br>7     | BPI SECURITIES CORPORATION<br>8/F BPI Head Office Bldg., Ayala Ave., cor. Paseo de Roxas Makati City<br>Metropolitan Manila<br>1226         | Own<br>8196535                        | Tax Identification Number<br>000-109-309-000 | Domestic<br>PHILIPPINES  | 92.00<br>NWT          |
| 12800000000<br>5     | CAMPOS, LANUZA & COMPANY, INC.<br>Unit 2003B East Tower, PSE Center Exchange Road, Ortigas Center Pasig City<br>Metropolitan Manila<br>1605 | Omnibus Without Client<br>634-6881/87 | Tax Identification Number<br>000-155-524-000 | Domestic<br>PHILIPPINES  | 398,700.00<br>PH10    |
| 12800000000<br>6     | CAMPOS, LANUZA & COMPANY, INC.<br>Unit 2003B East Tower, PSE Center Exchange Road, Ortigas Center Pasig City<br>Metropolitan Manila<br>1605 | Settlement<br>634-6881/87             | Tax Identification Number<br>000-155-524-000 | Domestic<br>PHILIPPINES  | 14,700.00<br>NWT      |
| 12800000000<br>18    | CAMPOS, LANUZA & COMPANY, INC.<br>Unit 2003B East Tower, PSE Center Exchange Road, Ortigas Center Pasig City<br>Metropolitan Manila<br>1605 | Settlement<br>634-6881/87             | Tax Identification Number<br>000-155-524-000 | Foreign<br>PHILIPPINES   | 5,000.00<br>RA10      |
| 12900000000<br>5     | SINCERE SECURITIES CORPORATION<br>1203-A East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City<br>Metropolitan Manila<br>0      | Omnibus Without Client<br>638-3549    | Tax Identification Number<br>000-338-426-000 | Domestic<br>PHILIPPINES  | 568,850.00<br>PH10    |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                   | ACCOUNT TYPE<br>TELEPHONE NUMBER      | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE   |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------|--------------------------|-----------------------|
| 13000000000<br>5     | CENTURY SECURITIES CORPORATION<br>1105 Galleria Corporate Center Ortigas Ave., Quezon City<br>Metropolitan Manila<br>1600            | Omnibus Without Client<br>633-7044/47 | Tax Identification Number<br>29              | Domestic<br>PHILIPPINES  | 40,000.00<br>PH10     |
| 13100000000<br>5     | PCIB SECURITIES, INC.<br>8/F PCIB Tower 2, Dela Costa St., Makati City<br>Metropolitan Manila<br>1002                                | Omnibus Without Client<br>8912028     | Tax Identification Number<br>30              | Domestic<br>PHILIPPINES  | 13,171,480.00<br>PH10 |
| 13100000000<br>6     | PCIB SECURITIES, INC.<br>8/F PCIB Tower 2, Dela Costa St., Makati City<br>Metropolitan Manila<br>1002                                | Settlement<br>8912028                 | Tax Identification Number<br>30              | Domestic<br>PHILIPPINES  | 17,915,000.00<br>NWT  |
| 13300000000<br>1     | CITISECURITIES, INC.<br>Rm. 2701-B Tektite Tower Center Exchange Rd, Pasig City<br>Metropolitan Manila<br>1600                       | Omnibus Without Client<br>635-5735    | Tax Identification Number<br>000-322-268-000 | Foreign<br>PHILIPPINES   | 25,000.00<br>FMX1     |
| 13300000000<br>5     | CITISECURITIES, INC.<br>Rm. 2701-B Tektite Tower Center Exchange Rd, Pasig City<br>Metropolitan Manila<br>1600                       | Omnibus Without Client<br>635-5735    | Tax Identification Number<br>000-322-268-000 | Domestic<br>PHILIPPINES  | 1,266,670.00<br>PH10  |
| 13500000000<br>5     | VSEC.COM, INC.<br>UNITS 1009-1011 TOWER ONE & EXCHANGE PLAZA, AYALA TRIANGLE, AYALA AVE., MAKATI CITY<br>Metropolitan Manila<br>1200 | Omnibus Without Client<br>856-5801    | Tax Identification Number<br>33              | Domestic<br>PHILIPPINES  | 15,950.00<br>PH10     |
| 13600000000<br>5     | TRITON SECURITIES CORP.<br>26/F LKG Tower, 6801 Ayala Avenue Makati City<br>Metropolitan Manila<br>0                                 | Omnibus Without Client<br>5238311     | Tax Identification Number<br>003-741-374-000 | Domestic<br>PHILIPPINES  | 1,930,250.00<br>PH10  |
| 13600000000<br>18    | TRITON SECURITIES CORP.<br>26/F LKG Tower, 6801 Ayala Avenue Makati City<br>Metropolitan Manila<br>0                                 | Settlement<br>5238311                 | Tax Identification Number<br>003-741-374-000 | Foreign<br>PHILIPPINES   | 40,000.00<br>RA10     |

| BP ID             | BP NAME                                                                                                                                                            | ACCOUNT TYPE                          | ID TYPE                                      | INVESTOR TYPE           | HOLDINGS             |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------|-------------------------|----------------------|
| ACCOUNT NO.       | ADDRESS                                                                                                                                                            | TELEPHONE NUMBER                      | ID NUMBER                                    | COUNTRY                 | TAXCODE              |
| 14000000000<br>1  | IGC SECURITIES INC.<br>Suite 1006, Tower I & Exchange Plaza Ayala Triangle<br>Ayala Avenue Makati City<br>Metropolitan Manila<br>1200                              | Omnibus Without Client<br>816-39-86   | Tax Identification Number<br>38              | Foreign<br>PHILIPPINES  | 80,000.00<br>FMX1    |
| 14000000000<br>5  | IGC SECURITIES INC.<br>Suite 1006, Tower I & Exchange Plaza Ayala Triangle<br>Ayala Avenue Makati City<br>Metropolitan Manila<br>1200                              | Omnibus Without Client<br>816-39-86   | Tax Identification Number<br>38              | Domestic<br>PHILIPPINES | 4,305,300.00<br>PH10 |
| 14100000000<br>5  | CUALOPING SECURITIES CORPORATION<br>Suite 1801 Tytana Centre Condominium Plaza Lorenz<br>Ruiz, Binondo, Manila<br>Metropolitan Manila<br>1006                      | Omnibus Without Client<br>241-0262    | Tax Identification Number<br>000-333-333-000 | Domestic<br>PHILIPPINES | 143,000.00<br>PH10   |
| 14100000000<br>7  | CUALOPING SECURITIES CORPORATION<br>Suite 1801 Tytana Centre Condominium Plaza Lorenz<br>Ruiz, Binondo, Manila<br>Metropolitan Manila<br>1006                      | Own<br>241-0262                       | Tax Identification Number<br>000-333-333-000 | Domestic<br>PHILIPPINES | 100,000.00<br>NWT    |
| 14200000000<br>14 | DBP-DAIWA CAPITAL MARKETS PHILPPINES, INC.<br>18/F Citibank Tower 8741 Paseo de Roxas Makati Cit<br>Metropolitan Manila<br>1200                                    | Settlement<br>813-73-44               | Tax Identification Number<br>004-663-955-000 | Domestic<br>PHILIPPINES | 31,800.00<br>PH10    |
| 14300000000<br>5  | DAVID GO SECURITIES CORP.<br>UNIT 2702D EAST TOWER, PHILIPPINE STOCK<br>EXCHANGE CENTRE, EXCHANGE ROAD, ORTIG<br>CENTER, PASIG CITY<br>Metropolitan Manila<br>1006 | Omnibus Without Client<br>650-6588    | Tax Identification Number<br>000-320-855-000 | Domestic<br>PHILIPPINES | 2,740,000.00<br>PH10 |
| 14500000000<br>5  | DIVERSIFIED SECURITIES, INC.<br>5/F PDCP Bank Centre, Herrera cor. Alfaro Sts.,<br>Salcedo Village, Makati City<br>Metropolitan Manila<br>1600                     | Omnibus Without Client<br>634-6630/31 | Tax Identification Number<br>43              | Domestic<br>PHILIPPINES | 707,360.00<br>PH10   |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                      | ACCOUNT TYPE<br>TELEPHONE NUMBER      | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE  |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------|--------------------------|----------------------|
| 14500000000<br>6     | DIVERSIFIED SECURITIES, INC.<br>5/F PDCP Bank Centre, Herrera cor. Alfaro Sts.,<br>Salcedo Village, Makati City<br>Metropolitan Manila<br>1600          | Settlement<br>634-6630/31             | Tax Identification Number<br>43              | Domestic<br>PHILIPPINES  | 200,000.00<br>NWT    |
| 14700000000<br>5     | E. CHUA CHIACO SECURITIES, INC.<br>113 Renta St., Binondo, Manila<br>Metropolitan Manila<br>1006                                                        | Omnibus Without Client<br>242-5145    | Tax Identification Number<br>000-335-991-000 | Domestic<br>PHILIPPINES  | 1,012,800.00<br>PH10 |
| 14700000000<br>18    | E. CHUA CHIACO SECURITIES, INC.<br>113 Renta St., Binondo, Manila<br>Metropolitan Manila<br>1006                                                        | Settlement<br>242-5145                | Tax Identification Number<br>000-335-991-000 | Foreign<br>PHILIPPINES   | 35,050.00<br>RA10    |
| 14800000000<br>5     | EQUITABLE SECURIITES (PHILS.) INC.<br>3/F Cacho-Gonzalez Bldg, Aguirre cor. Trasierra St,<br>Legaspi Village Makati City<br>Metropolitan Manila<br>1229 | Omnibus Without Client<br>810-4801/04 | Tax Identification Number<br>46              | Domestic<br>PHILIPPINES  | 6,000.00<br>PH10     |
| 14900000000<br>5     | EAST WEST CAPITAL CORPORATION<br>2/F U-Bix Building 1331 Angono St., Makati City<br>Metropolitan Manila<br>1208                                         | Omnibus Without Client<br>891-98901   | Tax Identification Number<br>000-158-383-000 | Domestic<br>PHILIPPINES  | 1,102,750.00<br>PH10 |
| 15000000000<br>1     | EASTERN SECURITIES DEVELOPMENT<br>CORPORATION<br>1701 Tytana Ctr. Bldg, Binondo, Manila<br>Metropolitan Manila<br>1006                                  | Omnibus Without Client<br>242-4006/11 | Tax Identification Number<br>000-329-281-000 | Foreign<br>PHILIPPINES   | 183,700.00<br>FMX1   |
| 15000000000<br>5     | EASTERN SECURITIES DEVELOPMENT<br>CORPORATION<br>1701 Tytana Ctr. Bldg, Binondo, Manila<br>Metropolitan Manila<br>1006                                  | Omnibus Without Client<br>242-4006/11 | Tax Identification Number<br>000-329-281-000 | Domestic<br>PHILIPPINES  | 7,036,500.00<br>PH10 |
| 15000000000<br>7     | EASTERN SECURITIES DEVELOPMENT<br>CORPORATION<br>1701 Tytana Ctr. Bldg, Binondo, Manila<br>Metropolitan Manila<br>1006                                  | Own<br>242-4006/11                    | Tax Identification Number<br>000-329-281-000 | Domestic<br>PHILIPPINES  | 85,200.00<br>NWT     |



| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                                                      | ACCOUNT TYPE<br>TELEPHONE NUMBER      | ID TYPE<br>ID NUMBER                     | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE  |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------------------------------------|--------------------------|----------------------|
| 15300000000<br>1     | EQUITIWORLD SECURITIES, INC.<br>807-809 Philippine Stock Exchange Ayala Tower 1,<br>Ayala Avenue Makati City<br>Metropolitan Manila<br>1226                                             | Omnibus Without Client<br>848-5401/09 | Tax Identification Number<br>51          | Foreign<br>PHILIPPINES   | 26,500.00<br>FMX1    |
| 15300000000<br>5     | EQUITIWORLD SECURITIES, INC.<br>807-809 Philippine Stock Exchange Ayala Tower 1,<br>Ayala Avenue Makati City<br>Metropolitan Manila<br>1226                                             | Omnibus Without Client<br>848-5401/09 | Tax Identification Number<br>51          | Domestic<br>PHILIPPINES  | 495,000.00<br>PH10   |
| 15400000000<br>1     | EVERGREEN STOCK BROKERAGE & SEC., INC.<br>Suite 606 - 607, 6th Floor, Tower One Phil. Stock<br>Exchange Plaza, Ayala Triangle, Ayala Ave. Makati<br>City<br>Metropolitan Manila<br>1200 | Omnibus Without Client<br>891-9451    | Tax Identification Number<br>001-483-985 | Foreign<br>PHILIPPINES   | 5,000.00<br>FMX1     |
| 15400000000<br>5     | EVERGREEN STOCK BROKERAGE & SEC., INC.<br>Suite 606 - 607, 6th Floor, Tower One Phil. Stock<br>Exchange Plaza, Ayala Triangle, Ayala Ave. Makati<br>City<br>Metropolitan Manila<br>1200 | Omnibus Without Client<br>891-9451    | Tax Identification Number<br>001-483-985 | Domestic<br>PHILIPPINES  | 1,325,800.00<br>PH10 |
| 15400000000<br>6     | EVERGREEN STOCK BROKERAGE & SEC., INC.<br>Suite 606 - 607, 6th Floor, Tower One Phil. Stock<br>Exchange Plaza, Ayala Triangle, Ayala Ave. Makati<br>City<br>Metropolitan Manila<br>1200 | Settlement<br>891-9451                | Tax Identification Number<br>001-483-985 | Domestic<br>PHILIPPINES  | 75,000.00<br>NWT     |
| 15400000003<br>1     | EVERGREEN STOCK BROKERAGE & SEC., INC.<br>SUITE 606 - 607, 6TH FLOOR, TOWER ONE PHIL.<br>STOCK EXCHANGE PLAZA, AYALA TRIANGLE<br>AYALA AVE. MAKATI CITY<br>Metropolitan Manila<br>1200  | Client<br>891-9451                    | Certificate Of Incorporation<br>492*     | Foreign<br>PHILIPPINES   | 5,000.00<br>FTXN     |

| BP ID            | BP NAME                                                                                                                                                             | ACCOUNT TYPE                             | ID TYPE                                      | INVESTOR TYPE           | HOLDINGS             |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------|-------------------------|----------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                                                             | TELEPHONE NUMBER                         | ID NUMBER                                    | COUNTRY                 | TAXCODE              |
| 15700000000<br>5 | FIRST ORIENT SECURITIES, INC.<br>Unit 1201 Ayala Triangle Tower One Ayala Avenue,<br>Makati City<br>Metropolitan Manila<br>1226                                     | Omnibus Without Client<br>891-9240/45    | Tax Identification Number<br>55              | Domestic<br>PHILIPPINES | 506,200.00<br>PH10   |
| 15900000000<br>5 | FIRST INTEGRATED CAPITAL SECURITIES, INC<br>Units 1211-1212 Tower I & Exchange Plaza, Ayala<br>Ave. Cor. Paseo de Roxas, Makati City<br>Metropolitan Manila<br>1200 | Omnibus Without Client<br>759-4320 to 23 | Tax Identification Number<br>57              | Domestic<br>PHILIPPINES | 1,764,400.00<br>PH10 |
| 15900000000<br>6 | FIRST INTEGRATED CAPITAL SECURITIES, INC<br>Units 1211-1212 Tower I & Exchange Plaza, Ayala<br>Ave. Cor. Paseo de Roxas, Makati City<br>Metropolitan Manila<br>1200 | Settlement<br>759-4320 to 23             | Tax Identification Number<br>57              | Domestic<br>PHILIPPINES | 65,000.00<br>NWT     |
| 16200000000<br>1 | F. YAP SECURITIES, INC.<br>Unit 2301 PSE Center (East Tower) Exchange Rd.,<br>Ortigas Center Pasig City<br>Metropolitan Manila<br>1603                              | Omnibus Without Client<br>635-4126       | Tax Identification Number<br>000-333-165-000 | Foreign<br>PHILIPPINES  | 2,500.00<br>FMX1     |
| 16200000000<br>5 | F. YAP SECURITIES, INC.<br>Unit 2301 PSE Center (East Tower) Exchange Rd.,<br>Ortigas Center Pasig City<br>Metropolitan Manila<br>1603                              | Omnibus Without Client<br>635-4126       | Tax Identification Number<br>000-333-165-000 | Domestic<br>PHILIPPINES | 104,200.00<br>PH10   |
| 16700000000<br>5 | AURORA SECURITIES, INC.<br>UNIT 2405A WEST TOWER PHILIPPINE STOCK<br>EXCHANGE CENTRE ORTIGAS, PASIG CITY<br>Metropolitan Manila<br>1605                             | Omnibus Without Client<br>633-5892       | Tax Identification Number<br>002-832-240     | Domestic<br>PHILIPPINES | 5,000.00<br>PH10     |
| 16800000000<br>1 | GLOBALINKS SECURITIES & STOCKS, INC.<br># 706 Ayala Tower One Ayala Avenue Cor. Paseo de<br>Roxas St. Makati City<br>Metropolitan Manila<br>1226                    | Omnibus Without Client<br>759-4136       | Tax Identification Number<br>65              | Foreign<br>PHILIPPINES  | 20,000.00<br>FMX1    |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                            | ACCOUNT TYPE<br>TELEPHONE NUMBER      | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE   |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------|--------------------------|-----------------------|
| 16800000000<br>5     | GLOBALINKS SECURITIES & STOCKS, INC.<br># 706 Ayala Tower One Ayala Avenue Cor. Paseo de Roxas St. Makati City<br>Metropolitan Manila<br>1226 | Omnibus Without Client<br>759-4136    | Tax Identification Number<br>65              | Domestic<br>PHILIPPINES  | 18,918,790.00<br>PH10 |
| 16800000000<br>6     | GLOBALINKS SECURITIES & STOCKS, INC.<br># 706 Ayala Tower One Ayala Avenue Cor. Paseo de Roxas St. Makati City<br>Metropolitan Manila<br>1226 | Settlement<br>759-4136                | Tax Identification Number<br>65              | Domestic<br>PHILIPPINES  | 500,000.00<br>NWT     |
| 16800000000<br>18    | GLOBALINKS SECURITIES & STOCKS, INC.<br># 706 Ayala Tower One Ayala Avenue Cor. Paseo de Roxas St. Makati City<br>Metropolitan Manila<br>1226 | Settlement<br>759-4136                | Tax Identification Number<br>65              | Foreign<br>PHILIPPINES   | 371,000.00<br>RA10    |
| 16900000000<br>5     | JSG SECURITIES, INC.<br>4th Floor, A&T Building, 244 Escolta Street, Binondo Manila<br>Metropolitan Manila<br>1006                            | Omnibus Without Client<br>2429414     | Tax Identification Number<br>004-578-852-000 | Domestic<br>PHILIPPINES  | 42,500.00<br>PH10     |
| 17000000000<br>5     | GOLDSTAR SECURITIES, INC.<br>2201-B East Tower, PSE Centre Exchange Rd, Ortiga Center Pasig City<br>Metropolitan Manila<br>1600               | Omnibus Without Client<br>633-7485/86 | Tax Identification Number<br>000-222-746-000 | Domestic<br>PHILIPPINES  | 3,272,200.00<br>PH10  |
| 17000000000<br>14    | GOLDSTAR SECURITIES, INC.<br>2201-B East Tower, PSE Centre Exchange Rd, Ortiga Center Pasig City<br>Metropolitan Manila<br>1600               | Settlement<br>633-7485/86             | Tax Identification Number<br>000-222-746-000 | Domestic<br>PHILIPPINES  | 12,500.00<br>PH10     |
| 17200000000<br>5     | GUILD SECURITIES, INC.<br>Unit 1215 Tower One & Exchange Plaza Ayala Ave., Makati City<br>Metropolitan Manila<br>1226                         | Omnibus Without Client<br>8919232     | Tax Identification Number<br>69              | Domestic<br>PHILIPPINES  | 54,800.00<br>PH10     |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                        | ACCOUNT TYPE<br>TELEPHONE NUMBER           | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|--------------------------|---------------------|
| 17400000000<br>1     | HDI SECURITIES, INC.<br>UNIT 2305-B 23/F ORIENT SQUARE BLDG., F.<br>ORTIGAS, JR. ROAD, ORTIGAS CENTRE, PASIG<br>CITY, 1605<br>Metropolitan Manila<br>1605 | Omnibus Without Client<br>891-9598         | Tax Identification Number<br>001-670-271-000 | Foreign<br>PHILIPPINES   | 2,000.00<br>FMX1    |
| 17400000000<br>5     | HDI SECURITIES, INC.<br>UNIT 2305-B 23/F ORIENT SQUARE BLDG., F.<br>ORTIGAS, JR. ROAD, ORTIGAS CENTRE, PASIG<br>CITY, 1605<br>Metropolitan Manila<br>1605 | Omnibus Without Client<br>891-9598         | Tax Identification Number<br>001-670-271-000 | Domestic<br>PHILIPPINES  | 583,700.00<br>PH10  |
| 17500000000<br>5     | H. E. BENNETT SECURITIES, INC.<br>Rm. 1704 World Trade Exchange Bldg., 215 Juan Lur<br>St., Binondo, Manila<br>Metropolitan Manila<br>1006                | Omnibus Without Client<br>242-5733         | Tax Identification Number<br>000-334-004     | Domestic<br>PHILIPPINES  | 262,800.00<br>PH10  |
| 17800000000<br>5     | HK SECURITIES, INC.<br>Suite 102 Columbia Tower, Ortigas Ave.,<br>Mandaluyong City<br>Metropolitan Manila<br>1600                                         | Omnibus Without Client<br>6336991 to 96    | Tax Identification Number<br>75              | Domestic<br>PHILIPPINES  | 5,000.00<br>PH10    |
| 17900000000<br>5     | I. ACKERMAN & CO., INC.<br>Suite 705, Tower I Bldg. PSE Plaza, Ayala Triangle<br>Ayala Ave., Makati City<br>Metropolitan Manila<br>1226                   | Omnibus Without Client<br>891-9071         | Tax Identification Number<br>76              | Domestic<br>PHILIPPINES  | 150,900.00<br>PH10  |
| 17900000000<br>6     | I. ACKERMAN & CO., INC.<br>Suite 705, Tower I Bldg. PSE Plaza, Ayala Triangle<br>Ayala Ave., Makati City<br>Metropolitan Manila<br>1226                   | Settlement<br>891-9071                     | Tax Identification Number<br>76              | Domestic<br>PHILIPPINES  | 5,000.00<br>NWT     |
| 18000000000<br>5     | I. B. GIMENEZ SECURITIES, INC.<br>3/F NEW ROSARIO ORTIGAS ARCADE, NO. 42,<br>ORTIGAS EXTENSION, ROSARIO, PASIG CITY<br>Metropolitan Manila<br>1600        | Omnibus Without Client<br>628-0000-325-336 | Tax Identification Number<br>000-329-846-000 | Domestic<br>PHILIPPINES  | 482,500.00<br>PH10  |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                                | ACCOUNT TYPE<br>TELEPHONE NUMBER   | ID TYPE<br>ID NUMBER                            | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE  |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------|--------------------------|----------------------|
| 18100000000<br>5     | INVESTORS SECURITIES, INC,<br>Unit 604-605 Tower One & Exchange Plaza Ayala<br>Triangle, Ayala Ave. cor Paseo de Roxas Makati City<br>Metropolitan Manila<br>1200 | Omnibus Without Client<br>8431210  | Tax Identification Number<br>000-123-697-000    | Domestic<br>PHILIPPINES  | 3,042,850.00<br>PH10 |
| 18200000000<br>5     | IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.<br>Ground Floor, EDSA Central Square Shaw Boulevard<br>Mandaluyong City<br>Metropolitan Manila<br>1552                       | Omnibus Without Client<br>6332686  | Tax Identification Number<br>000-121-920        | Domestic<br>PHILIPPINES  | 1,283,050.00<br>PH10 |
| 18200000000<br>6     | IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.<br>Ground Floor, EDSA Central Square Shaw Boulevard<br>Mandaluyong City<br>Metropolitan Manila<br>1552                       | Settlement<br>6332686              | Tax Identification Number<br>000-121-920        | Domestic<br>PHILIPPINES  | 10,000.00<br>NWT     |
| 18300000000<br>5     | INTRA-INVEST SECURITIES, INC.<br>11/F ACT Tower, 135 Sen. Gil Puyat Ave., Salcedo<br>Vill., Makati City<br>Metropolitan Manila<br>1200                            | Omnibus Without Client<br>8106934  | Tax Identification Number<br>000-162-545-000    | Domestic<br>PHILIPPINES  | 498,600.00<br>PH10   |
| 18800000000<br>5     | J.M. BARCELON & CO., INC.<br>#5 PENNSYLVANNIA STREET, BRGY. MARIANZ<br>NEW MANILA, QUEZON CITY<br>Metropolitan Manila<br>1100                                     | Omnibus Without Client<br>661-8396 | Tax Identification Number<br>000-333-850        | Domestic<br>PHILIPPINES  | 110,000.00<br>PH10   |
| 19000000000<br>5     | VALUE QUEST SECURITIES CORPORATION<br>Unit 1006B West Tower, Philippine Stock Exchange<br>Centre, Exchange Road, Ortigas, Pasig City<br>Metropolitan Manila<br>00 | Omnibus Without Client<br>892-1816 | Tax Identification Number<br>000-165-611-000.L0 | Domestic<br>PHILIPPINES  | 597,300.00<br>PH10   |
| 19200000000<br>5     | STRATEGIC EQUITIES CORP.<br>Unit 610-611 PSE Plaza, Tower I, Ayala Triangle,<br>Ayala Ave., Makati City<br>Metropolitan Manila<br>1226                            | Omnibus Without Client<br>759-4055 | Tax Identification Number<br>89                 | Domestic<br>PHILIPPINES  | 60,000.00<br>PH10    |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                                          | ACCOUNT TYPE<br>TELEPHONE NUMBER      | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY    | HOLDINGS<br>TAXCODE   |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------|-----------------------------|-----------------------|
| 19200000000<br>6     | STRATEGIC EQUITIES CORP.<br>Unit 610-611 PSE Plaza, Tower I, Ayala Triangle,<br>Ayala Ave., Makati City<br>Metropolitan Manila<br>1226                                      | Settlement<br>759-4055                | Tax Identification Number<br>89              | Domestic<br>PHILIPPINES     | 7,681,300.00<br>NWT   |
| 19200000000<br>14    | STRATEGIC EQUITIES CORP.<br>Unit 610-611 PSE Plaza, Tower I, Ayala Triangle,<br>Ayala Ave., Makati City<br>Metropolitan Manila<br>1226                                      | Settlement<br>759-4055                | Tax Identification Number<br>89              | Domestic<br>PHILIPPINES     | 276,500.00<br>PH10    |
| 19200000002<br>1     | STRATEGIC EQUITIES CORP. FAO LIBERTY<br>INSURANCE CORPORATION<br>Unit 610-611 PSE Plaza, Tower I, Ayala Triangle,<br>Ayala Ave., Makati City<br>Metropolitan Manila<br>1226 | Client                                | Tax Identification Number<br><br>520         | Domestic<br><br>PHILIPPINES | 225,000.00<br><br>NWT |
| 19300000000<br>5     | LARRGO SECURITIES CO., INC.<br>Rm. 202 2/F Rufino Building, Ayala Avenue, Makati<br>City<br>Metropolitan Manila<br>1226                                                     | Omnibus Without Client<br>8101353     | Tax Identification Number<br>90              | Domestic<br>PHILIPPINES     | 4,727,400.00<br>PH10  |
| 19300000000<br>6     | LARRGO SECURITIES CO., INC.<br>Rm. 202 2/F Rufino Building, Ayala Avenue, Makati<br>City<br>Metropolitan Manila<br>1226                                                     | Settlement<br>8101353                 | Tax Identification Number<br>90              | Domestic<br>PHILIPPINES     | 800,050.00<br>NWT     |
| 19500000000<br>5     | LITONJUA SECURITIES, INC.<br>No. 444 T.M. Kalaw Ermita, Manila<br>Metropolitan Manila<br>1004                                                                               | Omnibus Without Client<br>521-1951/57 | Tax Identification Number<br>92              | Domestic<br>PHILIPPINES     | 20,000.00<br>PH10     |
| 19700000000<br>5     | LOPEZ, LOCSIN, LEDESMA & CO., INC.<br>405 URBAN BUILDING, SEN. GIL. PUYAT AVEN<br>MAKATI CITY<br>Metropolitan Manila<br>1226                                                | Omnibus Without Client<br>8127482     | Tax Identification Number<br>321-000-128-692 | Domestic<br>PHILIPPINES     | 89,800.00<br>PH10     |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                    | ACCOUNT TYPE<br>TELEPHONE NUMBER      | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE   |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------|--------------------------|-----------------------|
| 19700000000<br>6     | LOPEZ, LOCSIN, LEDESMA & CO., INC.<br>405 URBAN BUILDING, SEN. GIL. PUYAT AVEN<br>MAKATI CITY<br>Metropolitan Manila<br>1226          | Settlement<br>8127482                 | Tax Identification Number<br>321-000-128-692 | Domestic<br>PHILIPPINES  | 9,000.00<br>NWT       |
| 19800000000<br>5     | LUCKY SECURITIES, INC.<br>Unit 1402-B PSE Center Exchange Road, Ortigas<br>Center Pasig City<br>Metropolitan Manila<br>1600           | Omnibus Without Client<br>6346747/60  | Tax Identification Number<br>95              | Domestic<br>PHILIPPINES  | 2,469,050.00<br>NWT   |
| 19800000000<br>7     | LUCKY SECURITIES, INC.<br>Unit 1402-B PSE Center Exchange Road, Ortigas<br>Center Pasig City<br>Metropolitan Manila<br>1600           | Own<br>6346747/60                     | Tax Identification Number<br>95              | Domestic<br>PHILIPPINES  | 300,000.00<br>NWT     |
| 19900000000<br>5     | LUYS SECURITIES COMPANY, INC.<br>28/F LKG Tower 6801 Ayala Ave. Makati City<br>Metropolitan Manila<br>1200                            | Omnibus Without Client<br>5231040     | Tax Identification Number<br>96              | Domestic<br>PHILIPPINES  | 283,000.00<br>PH10    |
| 20000000000<br>5     | MANDARIN SECURITIES CORPORATION<br>28/F LKG Tower 6801 Ayala Ave. Makati City<br>Metropolitan Manila<br>1200                          | Omnibus Without Client<br>523-8311/16 | Tax Identification Number<br>97              | Domestic<br>PHILIPPINES  | 219,682.00<br>PH10    |
| 20200000000<br>5     | MARINO OLONDRIZ Y CIA<br>#20 Arguilla St. San Lorenzo Village, Makati City<br>Metropolitan Manila<br>0                                | Omnibus Without Client<br>2415280     | Tax Identification Number<br>99              | Domestic<br>PHILIPPINES  | 9,000.00<br>PH10      |
| 20300000000<br>1     | COL Financial Group, Inc.<br>2401-B EAST TOWER, PSE CENTRE EXCHANGE<br>ROAD, ORTIGAS CENTER PASIG CITY<br>Metropolitan Manila<br>1605 | Omnibus Without Client<br>635-5735    | Tax Identification Number<br>203-523-208     | Foreign<br>PHILIPPINES   | 536,250.00<br>FMX1    |
| 20300000000<br>5     | COL Financial Group, Inc.<br>2401-B EAST TOWER, PSE CENTRE EXCHANGE<br>ROAD, ORTIGAS CENTER PASIG CITY<br>Metropolitan Manila<br>1605 | Omnibus Without Client<br>635-5735    | Tax Identification Number<br>203-523-208     | Domestic<br>PHILIPPINES  | 34,082,429.00<br>PH10 |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                              | ACCOUNT TYPE<br>TELEPHONE NUMBER      | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------|--------------------------|---------------------|
| 20400000000<br>6     | DA MARKET SECURITIES, INC.<br>Unit 2402-B West Tower, PSE Center Exchange Road<br>Ortigas Center Pasig City<br>Metropolitan Manila<br>1600                      | Settlement<br>637-42-42               | Tax Identification Number<br>101             | Domestic<br>PHILIPPINES  | 20,000.00<br>NWT    |
| 20400000000<br>14    | DA MARKET SECURITIES, INC.<br>Unit 2402-B West Tower, PSE Center Exchange Road<br>Ortigas Center Pasig City<br>Metropolitan Manila<br>1600                      | Settlement<br>637-42-42               | Tax Identification Number<br>101             | Domestic<br>PHILIPPINES  | 229,000.00<br>PH10  |
| 20500000000<br>5     | MERCANTILE SECURITIES CORP.<br>UNIT 804 FORT LEGEND TOWERS 3RD AVENUE<br>COR. 31ST ST. FORT BONIFACIO GLOBAL CITY<br>TAGUIG CITY<br>Metropolitan Manila<br>1226 | Omnibus Without Client<br>501-8872    | Tax Identification Number<br>000-161-457-000 | Domestic<br>PHILIPPINES  | 772,600.00<br>PH10  |
| 20600000000<br>5     | MERIDIAN SECURITIES, INC.<br>Suite 2702B&C Tektite Tower I Ortigas Centre, Pasig City<br>Metropolitan Manila<br>1600                                            | Omnibus Without Client<br>634-6931/36 | Tax Identification Number<br>000-338-748-000 | Domestic<br>PHILIPPINES  | 133,600.00<br>PH10  |
| 20800000000<br>5     | MDR SECURITIES, INC.<br>Unit 1806, 8/F Medical Plaza Ortigas Bldg., Pasig City<br>Metropolitan Manila<br>1226                                                   | Omnibus Without Client<br>891-9225    | Tax Identification Number<br>105             | Domestic<br>PHILIPPINES  | 822,000.00<br>PH10  |
| 20800000000<br>6     | MDR SECURITIES, INC.<br>Unit 1806, 8/F Medical Plaza Ortigas Bldg., Pasig City<br>Metropolitan Manila<br>1226                                                   | Settlement<br>891-9225                | Tax Identification Number<br>105             | Domestic<br>PHILIPPINES  | 25,000.00<br>NWT    |
| 20900000000<br>4     | DEUTSCHE REGIS PARTNERS, INC.<br>23/F Tower I, Ayala Triangle, Makati City<br>Metropolitan Manila<br>1226                                                       | Settlement<br>894-6620                | Tax Identification Number<br>000-594-804-000 | Foreign<br>PHILIPPINES   | 326.00<br>RA02      |
| 20900000000<br>14    | DEUTSCHE REGIS PARTNERS, INC.<br>23/F Tower I, Ayala Triangle, Makati City<br>Metropolitan Manila<br>1226                                                       | Settlement<br>894-6620                | Tax Identification Number<br>000-594-804-000 | Domestic<br>PHILIPPINES  | 585,000.00<br>PH10  |



| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                              | ACCOUNT TYPE<br>TELEPHONE NUMBER      | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE  |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------|--------------------------|----------------------|
| 20900000001<br>1     | DEUTSCHE REGIS PARTNERS, INC.<br>23/F Tower I, Ayala Triangle, Makati City<br>Metropolitan Manila<br>1226                                       | Client<br>894-6620                    | Tax Identification Number<br>381             | Domestic<br>PHILIPPINES  | 3,251,850.00<br>NWT  |
| 21000000000<br>5     | MOUNT PEAK SECURITIES, INC.<br>#748 C.K. Bldg., Juan Luna St., Binondo, Manila<br>Metropolitan Manila<br>1006                                   | Omnibus Without Client<br>241-8043    | Tax Identification Number<br>000-321-831-000 | Domestic<br>PHILIPPINES  | 47,800.00<br>PH10    |
| 21100000000<br>5     | NEW WORLD SECURITIES CO., INC.<br>215 JUAN LUNA STREET, UNIT 2608 WORLD<br>TRADE EXCHANGE BLDG., BINONDO, MANILA<br>Metropolitan Manila<br>1006 | Omnibus Without Client<br>2421767     | Tax Identification Number<br>000-327-414-000 | Domestic<br>PHILIPPINES  | 354,650.00<br>PH10   |
| 21500000000<br>5     | OPTIMUM SECURITIES CORPORATION<br>No. 11 E. O. Bldg., United St. cor. 2nd St. Bo.<br>Kapitolyo, Pasig City<br>Metropolitan Manila<br>1650       | Omnibus Without Client<br>631-7831/36 | Tax Identification Number<br>000-287-524-000 | Domestic<br>PHILIPPINES  | 2,059,200.00<br>PH10 |
| 21700000000<br>1     | RCBC SECURITIES, INC.<br>Unit 1008 Tower I & Exchange Plaza Ayala Avenue,<br>Makati City<br>Metropolitan Manila<br>1200                         | Omnibus Without Client<br>8485183     | Tax Identification Number<br>000-165-644-000 | Foreign<br>PHILIPPINES   | 604,200.00<br>FMX1   |
| 21700000000<br>5     | RCBC SECURITIES, INC.<br>Unit 1008 Tower I & Exchange Plaza Ayala Avenue,<br>Makati City<br>Metropolitan Manila<br>1200                         | Omnibus Without Client<br>8485183     | Tax Identification Number<br>000-165-644-000 | Domestic<br>PHILIPPINES  | 7,065,787.00<br>PH10 |
| 21700000000<br>6     | RCBC SECURITIES, INC.<br>Unit 1008 Tower I & Exchange Plaza Ayala Avenue,<br>Makati City<br>Metropolitan Manila<br>1200                         | Settlement<br>8485183                 | Tax Identification Number<br>000-165-644-000 | Domestic<br>PHILIPPINES  | 741.00<br>NWT        |
| 21700000000<br>7     | RCBC SECURITIES, INC.<br>Unit 1008 Tower I & Exchange Plaza Ayala Avenue,<br>Makati City<br>Metropolitan Manila<br>1200                         | Own<br>8485183                        | Tax Identification Number<br>000-165-644-000 | Domestic<br>PHILIPPINES  | 80,000.00<br>NWT     |

| BP ID             | BP NAME                                                                                                                                                 | ACCOUNT TYPE                       | ID TYPE                                      | INVESTOR TYPE           | HOLDINGS              |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|-------------------------|-----------------------|
| ACCOUNT NO.       | ADDRESS                                                                                                                                                 | TELEPHONE NUMBER                   | ID NUMBER                                    | COUNTRY                 | TAXCODE               |
| 21700000000<br>30 | RCBC SECURITIES, INC.<br>Unit 1008 Tower I & Exchange Plaza Ayala Avenue,<br>Makati City<br>Metropolitan Manila<br>1200                                 | Settlement<br>8485183              | Tax Identification Number<br>000-165-644-000 | Foreign<br>PHILIPPINES  | 8,000.00<br>FTXN      |
| 21800000000<br>5  | PAN ASIA SECURITIES CORP.<br>910 Tower One & Exchange Plaza Ayala Avenue,<br>Makati City<br>Metropolitan Manila<br>1200                                 | Omnibus Without Client<br>8919173  | Tax Identification Number<br>000-135-142     | Domestic<br>PHILIPPINES | 263,550.00<br>PH10    |
| 21900000000<br>5  | PAPA SECURITIES CORPORATION<br>GROUND FLOOR, ACE BUILDING, DE LA ROSA<br>CORNER RADA ST., LEGASPI VILLAGE, MAKAT<br>CITY<br>Metropolitan Manila<br>1200 | Omnibus Without Client<br>817-8433 | Tax Identification Number<br>000-215-520     | Domestic<br>PHILIPPINES | 12,700,818.00<br>PH10 |
| 21900000000<br>6  | PAPA SECURITIES CORPORATION<br>GROUND FLOOR, ACE BUILDING, DE LA ROSA<br>CORNER RADA ST., LEGASPI VILLAGE, MAKAT<br>CITY<br>Metropolitan Manila<br>1200 | Settlement<br>817-8433             | Tax Identification Number<br>000-215-520     | Domestic<br>PHILIPPINES | 277,770.00<br>NWT     |
| 22000000000<br>2  | MAYBANK ATR KIM ENG SECURITIES, INC.<br>17/F Tower One & Exchange Plaza, Ayala Triangle,<br>Ayala Avenue Makati City<br>Metropolitan Manila<br>1226     | Settlement<br>849-8855             | Tax Identification Number<br>000-168-671-000 | Foreign<br>PHILIPPINES  | 424,929.00<br>FMX1    |
| 22000000000<br>6  | MAYBANK ATR KIM ENG SECURITIES, INC.<br>17/F Tower One & Exchange Plaza, Ayala Triangle,<br>Ayala Avenue Makati City<br>Metropolitan Manila<br>1226     | Settlement<br>849-8855             | Tax Identification Number<br>000-168-671-000 | Domestic<br>PHILIPPINES | 3,676,985.00<br>NWT   |
| 22000000000<br>14 | MAYBANK ATR KIM ENG SECURITIES, INC.<br>17/F Tower One & Exchange Plaza, Ayala Triangle,<br>Ayala Avenue Makati City<br>Metropolitan Manila<br>1226     | Settlement<br>849-8855             | Tax Identification Number<br>000-168-671-000 | Domestic<br>PHILIPPINES | 260,276.00<br>PH10    |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                        | ACCOUNT TYPE<br>TELEPHONE NUMBER    | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE  |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------------------|--------------------------|----------------------|
| 22000000000<br>18    | MAYBANK ATR KIM ENG SECURITIES, INC.<br>17/F Tower One & Exchange Plaza, Ayala Triangle,<br>Ayala Avenue Makati City<br>Metropolitan Manila<br>1226       | Settlement<br>849-8855              | Tax Identification Number<br>000-168-671-000 | Foreign<br>PHILIPPINES   | 187,405.00<br>RA10   |
| 22000000021<br>1     | UNIONBANK TISG FAO CARITAS LIFE<br>INSURANCE CORPORATION<br>17/F TOWER ONE & EXCHANGE PLAZA,AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>849-8888                  | Tax Identification Number<br>22000000021     | Domestic<br>PHILIPPINES  | 600,000.00<br>NWT    |
| 2200000PH25<br>1     | ATR KIM ENG SECURITIES, INC.<br>17/F TOWER I & EXCHANGE PLAZA, AYALA<br>TRIANGLE, AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila                        | Client<br>849-8888                  | Tax Identification Number<br>116.            | Domestic<br>PHILIPPINES  | 100,000.00<br>PH25   |
| 2200000PH30<br>1     | ATR KIM ENG SECURITIES, INC.<br>17/F TOWER I & EXCHANGE PLAZA, AYALA<br>TRIANGLE, AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila                        | Client<br>849-8888                  | Tax Identification Number<br>.116            | Domestic<br>PHILIPPINES  | 15,000.00<br>PH30    |
| 22300000000<br>5     | PLATINUM SECURITIES, INC.<br>Unit 801, Antel Corporate Ctr., 121 Valero St., Salced<br>Village Makati City<br>Metropolitan Manila<br>1200                 | Omnibus Without Client<br>887-11-78 | Tax Identification Number<br>000-532-022     | Domestic<br>PHILIPPINES  | 27,000.00<br>PH10    |
| 22400000000<br>1     | PNB SECURITIES, INC.<br>3/F PNB Financial Center Roxas Blvd., Pasay City<br>Metropolitan Manila<br>1300                                                   | Omnibus Without Client<br>526-3466  | Tax Identification Number<br>000-198-201-000 | Foreign<br>PHILIPPINES   | 82,100.00<br>FMX1    |
| 22400000000<br>5     | PNB SECURITIES, INC.<br>3/F PNB Financial Center Roxas Blvd., Pasay City<br>Metropolitan Manila<br>1300                                                   | Omnibus Without Client<br>526-3466  | Tax Identification Number<br>000-198-201-000 | Domestic<br>PHILIPPINES  | 1,732,915.00<br>PH10 |
| 22400000000<br>6     | PNB SECURITIES, INC.<br>3/F PNB Financial Center Roxas Blvd., Pasay City<br>Metropolitan Manila<br>1300                                                   | Settlement<br>526-3466              | Tax Identification Number<br>000-198-201-000 | Domestic<br>PHILIPPINES  | 215,000.00<br>NWT    |

| BP ID             | BP NAME                                                                                                                                                                    | ACCOUNT TYPE                          | ID TYPE                                      | INVESTOR TYPE           | HOLDINGS           |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------|-------------------------|--------------------|
| ACCOUNT NO.       | ADDRESS                                                                                                                                                                    | TELEPHONE NUMBER                      | ID NUMBER                                    | COUNTRY                 | TAXCODE            |
| 22500000000<br>5  | PREMIUM SECURITIES, INC.<br>Unit 1415, Tower 1 & Exchange Plaza Ayala Avenue<br>cor. Paseo de Roxas Makati City<br>Metropolitan Manila<br>1259                             | Omnibus Without Client<br>848-5915/17 | Tax Identification Number<br>121             | Domestic<br>PHILIPPINES | 270,200.00<br>PH10 |
| 22800000000<br>5  | PRYCE SECURITIES, INC.<br>15/F PRYCE CENTER BUILDING, 1179 CHINO RO<br>AVENUE<br>BAGTIKAN, MAKATI CITY<br>Metropolitan Manila<br>1226                                      | Omnibus Without Client<br>816-2426/27 | Tax Identification Number<br>124             | Domestic<br>PHILIPPINES | 785.00<br>PH10     |
| 22900000000<br>5  | SALISBURY BKT SECURITIES CORPORATION<br>Unit 207 Cityland Condominium 10 - Tower 2 6817<br>H.V. De La Costa St. cor. Ayala Ave. Makati City<br>Metropolitan Manila<br>1200 | Omnibus Without Client<br>892-88-34   | Tax Identification Number<br>000-598-559-000 | Domestic<br>PHILIPPINES | 245,700.00<br>PH10 |
| 22900000000<br>7  | SALISBURY BKT SECURITIES CORPORATION<br>Unit 207 Cityland Condominium 10 - Tower 2 6817<br>H.V. De La Costa St. cor. Ayala Ave. Makati City<br>Metropolitan Manila<br>1200 | Own<br>892-88-34                      | Tax Identification Number<br>000-598-559-000 | Domestic<br>PHILIPPINES | 51.00<br>NWT       |
| 22900000000<br>18 | SALISBURY BKT SECURITIES CORPORATION<br>Unit 207 Cityland Condominium 10 - Tower 2 6817<br>H.V. De La Costa St. cor. Ayala Ave. Makati City<br>Metropolitan Manila<br>1200 | Settlement<br>892-88-34               | Tax Identification Number<br>000-598-559-000 | Foreign<br>PHILIPPINES  | 27,500.00<br>RA10  |
| 23000000000<br>5  | QUALITY INVESTMENTS & SECURITIES<br>CORPORATION<br>Suite 1602 Tytana Plaza Oriente St, Binondo Manila<br>Metropolitan Manila<br>1006                                       | Omnibus Without Client<br>241-0547    | Tax Identification Number<br>000-333-614-000 | Domestic<br>PHILIPPINES | 857,300.00<br>PH10 |
| 23000000000<br>20 | QUALITY INVESTMENTS & SECURITIES<br>CORPORATION<br>Suite 1602 Tytana Plaza Oriente St, Binondo Manila<br>Metropolitan Manila<br>1006                                       | Settlement<br>241-0547                | Tax Identification Number<br>000-333-614-000 | Foreign<br>PHILIPPINES  | 11,000.00<br>FTXN  |

| BP ID            | BP NAME                                                                                                                                              | ACCOUNT TYPE                             | ID TYPE                                      | INVESTOR TYPE           | HOLDINGS             |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------|-------------------------|----------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                                              | TELEPHONE NUMBER                         | ID NUMBER                                    | COUNTRY                 | TAXCODE              |
| 23100000000<br>5 | R & L INVESTMENTS, INC.<br>675 Lee St., Mandaluyong City<br>Metropolitan Manila<br>1501                                                              | Omnibus Without Client<br>7247210/705207 | Tax Identification Number<br>127             | Domestic<br>PHILIPPINES | 391,000.00<br>PH10   |
| 23200000000<br>5 | ALAKOR SECURITIES CORPORATION<br>9/F Quad Alpha Centrum, 125 Pioneer St.<br>Mandaluyong City<br>Metropolitan Manila<br>1550                          | Omnibus Without Client<br>631-8041/42    | Tax Identification Number<br>003-461-151-000 | Domestic<br>PHILIPPINES | 85,000.00<br>PH10    |
| 23200000000<br>6 | ALAKOR SECURITIES CORPORATION<br>9/F Quad Alpha Centrum, 125 Pioneer St.<br>Mandaluyong City<br>Metropolitan Manila<br>1550                          | Settlement<br>631-8041/42                | Tax Identification Number<br>003-461-151-000 | Domestic<br>PHILIPPINES | 250,000.00<br>NWT    |
| 23300000000<br>1 | R. COYIUTO SECURITIES, INC.<br>5/F Corinthian Plaza, Paseo de Roxas, Legaspi Village<br>Makati City<br>Metropolitan Manila<br>0                      | Omnibus Without Client<br>811-3064       | Tax Identification Number<br>000-329-417     | Foreign<br>PHILIPPINES  | 750.00<br>FMX1       |
| 23300000000<br>5 | R. COYIUTO SECURITIES, INC.<br>5/F Corinthian Plaza, Paseo de Roxas, Legaspi Village<br>Makati City<br>Metropolitan Manila<br>0                      | Omnibus Without Client<br>811-3064       | Tax Identification Number<br>000-329-417     | Domestic<br>PHILIPPINES | 1,606,450.00<br>PH10 |
| 23500000000<br>1 | REGINA CAPITAL DEVELOPMENT CORPORATI<br>Unit 806 Tower 1 & Exchange Plaza Ayala Triangle,<br>Ayala Avenue Makati City<br>Metropolitan Manila<br>1226 | Omnibus Without Client<br>848-5482/84    | Tax Identification Number<br>131             | Foreign<br>PHILIPPINES  | 6,000.00<br>FMX1     |
| 23500000000<br>5 | REGINA CAPITAL DEVELOPMENT CORPORATI<br>Unit 806 Tower 1 & Exchange Plaza Ayala Triangle,<br>Ayala Avenue Makati City<br>Metropolitan Manila<br>1226 | Omnibus Without Client<br>848-5482/84    | Tax Identification Number<br>131             | Domestic<br>PHILIPPINES | 3,498,980.00<br>PH10 |

| BP ID            | BP NAME                                                                                                                                                    | ACCOUNT TYPE                       | ID TYPE                                      | INVESTOR TYPE           | HOLDINGS              |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|-------------------------|-----------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                                                    | TELEPHONE NUMBER                   | ID NUMBER                                    | COUNTRY                 | TAXCODE               |
| 23500000000<br>6 | REGINA CAPITAL DEVELOPMENT CORPORATI<br>Unit 806 Tower 1 & Exchange Plaza Ayala Triangle,<br>Ayala Avenue Makati City<br>Metropolitan Manila<br>1226       | Settlement<br>848-5482/84          | Tax Identification Number<br>131             | Domestic<br>PHILIPPINES | 206,088.00<br>NWT     |
| 23500000000<br>7 | REGINA CAPITAL DEVELOPMENT CORPORATI<br>Unit 806 Tower 1 & Exchange Plaza Ayala Triangle,<br>Ayala Avenue Makati City<br>Metropolitan Manila<br>1226       | Own<br>848-5482/84                 | Tax Identification Number<br>131             | Domestic<br>PHILIPPINES | 60,000.00<br>NWT      |
| 23600000000<br>5 | R. NUBLA SECURITIES, INC.<br>Rm 405 Co Ban Kiat Building II, 231 Juan Luna St.,<br>Binondo, Manila<br>Metropolitan Manila<br>1006                          | Omnibus Without Client<br>242-1596 | Tax Identification Number<br>132             | Domestic<br>PHILIPPINES | 25,716,550.00<br>PH10 |
| 23600000000<br>6 | R. NUBLA SECURITIES, INC.<br>Rm 405 Co Ban Kiat Building II, 231 Juan Luna St.,<br>Binondo, Manila<br>Metropolitan Manila<br>1006                          | Settlement<br>242-1596             | Tax Identification Number<br>132             | Domestic<br>PHILIPPINES | 13,390,050.00<br>NWT  |
| 23600000000<br>7 | R. NUBLA SECURITIES, INC.<br>Rm 405 Co Ban Kiat Building II, 231 Juan Luna St.,<br>Binondo, Manila<br>Metropolitan Manila<br>1006                          | Own<br>242-1596                    | Tax Identification Number<br>132             | Domestic<br>PHILIPPINES | 250,050.00<br>NWT     |
| 23700000000<br>5 | AAA SOUTHEAST EQUITIES, INCORPORATED<br>Ground Floor, Fortune Life Building #162 Legaspi St.<br>Legaspi Village Makati City<br>Metropolitan Manila<br>1229 | Omnibus Without Client<br>816-2918 | Tax Identification Number<br>000-141-894-000 | Domestic<br>PHILIPPINES | 247,000.00<br>PH10    |
| 23800000000<br>5 | R. S. LIM & CO., INC.<br>1509 Galvani Street San Isidro, Makati City<br>Metropolitan Manila<br>1234                                                        | Omnibus Without Client<br>8919670  | Tax Identification Number<br>000-333-915-000 | Domestic<br>PHILIPPINES | 177,500.00<br>PH10    |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                          | ACCOUNT TYPE<br>TELEPHONE NUMBER     | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE   |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------------|--------------------------|-----------------------|
| 23900000000<br>5     | RTG & COMPANY, INC.<br>Unit 602 Tower 1 & Exchange Plaza Ayala Triangle,<br>Makati City<br>Metropolitan Manila<br>1200                      | Omnibus Without Client<br>8919482    | Tax Identification Number<br>000-165-637-000 | Domestic<br>PHILIPPINES  | 22,540,150.00<br>PH10 |
| 23900000000<br>6     | RTG & COMPANY, INC.<br>Unit 602 Tower 1 & Exchange Plaza Ayala Triangle,<br>Makati City<br>Metropolitan Manila<br>1200                      | Settlement<br>8919482                | Tax Identification Number<br>000-165-637-000 | Domestic<br>PHILIPPINES  | 15,000.00<br>NWT      |
| 23900000000<br>19    | RTG & COMPANY, INC.<br>Unit 602 Tower 1 & Exchange Plaza Ayala Triangle,<br>Makati City<br>Metropolitan Manila<br>1200                      | Settlement<br>8919482                | Tax Identification Number<br>000-165-637-000 | Domestic<br>PHILIPPINES  | 30,000.00<br>PH25     |
| 24000000000<br>5     | S.J. ROXAS & CO., INC.<br>Unit 612 Tower One,& Exchange Plaza, Ayala<br>Triangle, Ayala Avenue, Makati City<br>Metropolitan Manila<br>0     | Omnibus Without Client<br>848-5065   | Tax Identification Number<br>136             | Domestic<br>PHILIPPINES  | 1,796,750.00<br>PH10  |
| 24000000002<br>1     | S.J. ROXAS & CO.,INC.<br>Unit 612 Tower One, Ayala Triangle, Ayala Avenue,<br>Makati City<br>Metropolitan Manila<br>0                       | Client<br>8485065 TO 69              | Tax Identification Number<br>546             | Domestic<br>PHILIPPINES  | 100,000.00<br>NWT     |
| 24200000000<br>5     | SECURITIES SPECIALISTS, INC.<br>Unit 903 National Life Insurance Building,<br>6762 Ayala Avenue, Makati City<br>Metropolitan Manila<br>1000 | Omnibus Without Client<br>  523-5595 | Tax Identification Number<br>138             | Domestic<br>PHILIPPINES  | 371,050.00<br>PH10    |
| 24200000000<br>7     | SECURITIES SPECIALISTS, INC.<br>Unit 903 National Life Insurance Building,<br>6762 Ayala Avenue, Makati City<br>Metropolitan Manila<br>1000 | Own<br>  523-5595                    | Tax Identification Number<br>138             | Domestic<br>PHILIPPINES  | 125,000.00<br>NWT     |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                          | ACCOUNT TYPE<br>TELEPHONE NUMBER        | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE  |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------|--------------------------|----------------------|
| 24300000000<br>5     | FIDELITY SECURITIES, INC.<br>2103-B PSE Centre, Exchange Road, Ortigas, Pasig City<br>Metropolitan Manila<br>1600                                           | Omnibus Without Client<br>6345038       | Tax Identification Number<br>002-836-391-000 | Domestic<br>PHILIPPINES  | 116,000.00<br>PH10   |
| 24600000000<br>5     | SUMMIT SECURITIES, INC.<br>Unit 2102 B/C PSE Center Tektite Tower East<br>Exchange Road, Ortigas Center Pasig City<br>Metropolitan Manila<br>1600           | Omnibus Without Client<br>6311032 to 37 | Tax Identification Number<br>000-338-985-000 | Domestic<br>PHILIPPINES  | 2,421,800.00<br>PH10 |
| 24600000000<br>6     | SUMMIT SECURITIES, INC.<br>Unit 2102 B/C PSE Center Tektite Tower East<br>Exchange Road, Ortigas Center Pasig City<br>Metropolitan Manila<br>1600           | Settlement<br>6311032 to 37             | Tax Identification Number<br>000-338-985-000 | Domestic<br>PHILIPPINES  | 63,400.00<br>NWT     |
| 24700000000<br>5     | STANDARD SECURITIES CORPORATION<br>#34 Jefferson St., GHW, San Juan Metro Manila<br>Metropolitan Manila<br>00                                               | Omnibus Without Client<br>8486149       | Tax Identification Number<br>000-333-108     | Domestic<br>PHILIPPINES  | 376,500.00<br>PH10   |
| 24900000000<br>5     | SUPREME STOCKBROKERS, INC<br>UNIT G. GARDEN LEVEL, CORINTHIAN PLAZA<br>PASEO DE ROXAS AVENUE, LEGASPI VILLAGE<br>MAKATI CITY<br>Metropolitan Manila<br>1226 | Omnibus Without Client<br>5764384       | Tax Identification Number<br>000-166-867-000 | Domestic<br>PHILIPPINES  | 320,000.00<br>PH10   |
| 24900000000<br>7     | SUPREME STOCKBROKERS, INC<br>UNIT G. GARDEN LEVEL, CORINTHIAN PLAZA<br>PASEO DE ROXAS AVENUE, LEGASPI VILLAGE<br>MAKATI CITY<br>Metropolitan Manila<br>1226 | Own<br>5764384                          | Tax Identification Number<br>000-166-867-000 | Domestic<br>PHILIPPINES  | 7,200.00<br>NWT      |
| 25100000000<br>5     | TANSENGCO & CO., INC.<br>U-2308 World Trade Exchange Condominium 215 Ju<br>Luna St., Binondo, Manila<br>Metropolitan Manila<br>1006                         | Omnibus Without Client<br>241-7155      | Tax Identification Number<br>146             | Domestic<br>PHILIPPINES  | 269,500.00<br>PH10   |



| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                                             | ACCOUNT TYPE<br>TELEPHONE NUMBER        | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE   |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------|--------------------------|-----------------------|
| 25200000000<br>5     | THE FIRST RESOURCES MANAGEMENT &<br>SECURITIES CORP.<br>Rms. 801-802, PSE Tower 1 Ayala Ave., cor. Paseo d<br>Roxas,Ayala Triangle, Makati City<br>Metropolitan Manila<br>1200 | Omnibus Without Client<br>8486311 to 18 | Tax Identification Number<br>000-149-028-000 | Domestic<br>PHILIPPINES  | 1,111,900.00<br>PH10  |
| 25200000000<br>6     | THE FIRST RESOURCES MANAGEMENT &<br>SECURITIES CORP.<br>Rms. 801-802, PSE Tower 1 Ayala Ave., cor. Paseo d<br>Roxas,Ayala Triangle, Makati City<br>Metropolitan Manila<br>1200 | Settlement<br>8486311 to 18             | Tax Identification Number<br>000-149-028-000 | Domestic<br>PHILIPPINES  | 1,470,700.00<br>NWT   |
| 25200000000<br>7     | THE FIRST RESOURCES MANAGEMENT &<br>SECURITIES CORP.<br>Rms. 801-802, PSE Tower 1 Ayala Ave., cor. Paseo d<br>Roxas,Ayala Triangle, Makati City<br>Metropolitan Manila<br>1200 | Own<br>8486311 to 18                    | Tax Identification Number<br>000-149-028-000 | Domestic<br>PHILIPPINES  | 83,200.00<br>NWT      |
| 25300000000<br>1     | TOWER SECURITIES, INC.<br>1802-C Tektite Tower I Exchange Road, Ortigas Cent<br>Pasig City<br>Metropolitan Manila<br>1600                                                      | Omnibus Without Client<br>6354448       | Tax Identification Number<br>148             | Foreign<br>PHILIPPINES   | 50,000.00<br>FMX1     |
| 25300000000<br>5     | TOWER SECURITIES, INC.<br>1802-C Tektite Tower I Exchange Road, Ortigas Cent<br>Pasig City<br>Metropolitan Manila<br>1600                                                      | Omnibus Without Client<br>6354448       | Tax Identification Number<br>148             | Domestic<br>PHILIPPINES  | 11,502,200.00<br>PH10 |
| 25500000000<br>5     | APEX PHILIPPINES EQUITIES CORPORATION<br>Unit 902, Antel Corporate Center, No. 139 Valero St.,<br>Salcedo Vill., Makati City<br>Metropolitan Manila<br>1227                    | Omnibus Without Client<br>527-1555      | Tax Identification Number<br>150             | Domestic<br>PHILIPPINES  | 12,800.00<br>PH10     |
| 25700000000<br>5     | TRI-STATE SECURITIES, INC.<br>Unit 1007, 10/F Ayala Triangle Tower I, Ayala<br>Avenue, Makati City<br>Metropolitan Manila<br>1226                                              | Omnibus Without Client<br>8485042       | Tax Identification Number<br>000-704-920-000 | Domestic<br>PHILIPPINES  | 34,500.00<br>PH10     |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                       | ACCOUNT TYPE<br>TELEPHONE NUMBER  | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE  |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------|--------------------------|----------------------|
| 25700000000<br>6     | TRI-STATE SECURITIES, INC.<br>Unit 1007, 10/F Ayala Triangle Tower I, Ayala Avenue, Makati City<br>Metropolitan Manila<br>1226                           | Settlement<br>8485042             | Tax Identification Number<br>000-704-920-000 | Domestic<br>PHILIPPINES  | 3,000.00<br>NWT      |
| 25900000000<br>5     | UCPB SECURITIES, INC.<br>Suite 1612, 16/F Ayala Tower I Exchange Plaza, Ayala Ave. cor. Paseo de Roxas Makati City<br>Metropolitan Manila<br>1226        | Omnibus Without Client<br>8485678 | Tax Identification Number<br>154             | Domestic<br>PHILIPPINES  | 4,580,150.00<br>PH10 |
| 25900000000<br>6     | UCPB SECURITIES, INC.<br>Suite 1612, 16/F Ayala Tower I Exchange Plaza, Ayala Ave. cor. Paseo de Roxas Makati City<br>Metropolitan Manila<br>1226        | Settlement<br>8485678             | Tax Identification Number<br>154             | Domestic<br>PHILIPPINES  | 302,300.00<br>NWT    |
| 26100000004<br>1     | E.SECURITIES, INC. ITF VARIOUS CLIENTS<br>11/F Exportbank Plaza Chino Roces cor Sen. Gil J. Puyat Ave, Makati City<br>Metropolitan Manila<br>1251        | Client                            | Tax Identification Number<br>560             | Domestic<br>PHILIPPINES  | 150,000.00<br>PH10   |
| 26300000000<br>2     | VENTURE SECURITIES, INC.<br>Unit 811 Tower One & Exchange Plaza Ayala Triangle Ayala Ave. cor. Paseo de Roxas Makati City<br>Metropolitan Manila<br>1226 | Settlement<br>8486505             | Tax Identification Number<br>158             | Foreign<br>PHILIPPINES   | 20,000.00<br>FMX1    |
| 26300000000<br>5     | VENTURE SECURITIES, INC.<br>Unit 811 Tower One & Exchange Plaza Ayala Triangle Ayala Ave. cor. Paseo de Roxas Makati City<br>Metropolitan Manila<br>1226 | Omnibus Without Client<br>8486505 | Tax Identification Number<br>158             | Domestic<br>PHILIPPINES  | 995,250.00<br>PH10   |
| 26300000000<br>6     | VENTURE SECURITIES, INC.<br>Unit 811 Tower One & Exchange Plaza Ayala Triangle Ayala Ave. cor. Paseo de Roxas Makati City<br>Metropolitan Manila<br>1226 | Settlement<br>8486505             | Tax Identification Number<br>158             | Domestic<br>PHILIPPINES  | 2,792,600.00<br>NWT  |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                                      | ACCOUNT TYPE<br>TELEPHONE NUMBER      | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE  |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------|--------------------------|----------------------|
| 26300000000<br>19    | VENTURE SECURITIES, INC.<br>Unit 811 Tower One & Exchange Plaza Ayala Triangl<br>Ayala Ave. cor. Paseo de Roxas Makati City<br>Metropolitan Manila<br>1226              | Settlement<br>8486505                 | Tax Identification Number<br>158             | Foreign<br>PHILIPPINES   | 7,500.00<br>FTXN     |
| 26300000004<br>1     | PHILIPPINES FIRST INSURANCE CO., INC.<br>Unit 811 Tower One & Exchange Plaza Ayala Triangl<br>Ayala Ave. cor. Paseo de Roxas Makati City<br>Metropolitan Manila<br>1226 | Client<br>892-8888                    | Tax Identification Number<br>533             | Domestic<br>PHILIPPINES  | 20,000.00<br>NWT     |
| 26600000000<br>5     | VICSAL SECURITIES & STOCK BROKERAGE, IN<br>658 C. Palanca St., Quiapo, Manila<br>Metropolitan Manila<br>1001                                                            | Omnibus Without Client<br>7349771     | Tax Identification Number<br>000-089-167-000 | Domestic<br>PHILIPPINES  | 136,000.00<br>PH10   |
| 26600000000<br>6     | VICSAL SECURITIES & STOCK BROKERAGE, IN<br>658 C. Palanca St., Quiapo, Manila<br>Metropolitan Manila<br>1001                                                            | Settlement<br>7349771                 | Tax Identification Number<br>000-089-167-000 | Domestic<br>PHILIPPINES  | 450.00<br>NWT        |
| 26700000000<br>1     | FIRST METRO SECURITIES BROKERAGE CORP.<br>Unit 1515, 15/F Ayala Tower One Ayala Triangle,<br>Ayala Ave. cor Paseo de Roxas Makati City<br>Metropolitan Manila<br>1226   | Omnibus Without Client<br>759-4133/34 | Tax Identification Number<br>003-458-062-000 | Foreign<br>PHILIPPINES   | 180,350.00<br>FMX1   |
| 26700000000<br>2     | FIRST METRO SECURITIES BROKERAGE CORP.<br>Unit 1515, 15/F Ayala Tower One Ayala Triangle,<br>Ayala Ave. cor Paseo de Roxas Makati City<br>Metropolitan Manila<br>1226   | Settlement<br>759-4133/34             | Tax Identification Number<br>003-458-062-000 | Foreign<br>PHILIPPINES   | 4,000.00<br>FMX1     |
| 26700000000<br>5     | FIRST METRO SECURITIES BROKERAGE CORP.<br>Unit 1515, 15/F Ayala Tower One Ayala Triangle,<br>Ayala Ave. cor Paseo de Roxas Makati City<br>Metropolitan Manila<br>1226   | Omnibus Without Client<br>759-4133/34 | Tax Identification Number<br>003-458-062-000 | Domestic<br>PHILIPPINES  | 9,109,976.00<br>PH10 |
| 26700000000<br>6     | FIRST METRO SECURITIES BROKERAGE CORP.<br>Unit 1515, 15/F Ayala Tower One Ayala Triangle,<br>Ayala Ave. cor Paseo de Roxas Makati City<br>Metropolitan Manila<br>1226   | Settlement<br>759-4133/34             | Tax Identification Number<br>003-458-062-000 | Domestic<br>PHILIPPINES  | 1,954,262.00<br>NWT  |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                                    | ACCOUNT TYPE<br>TELEPHONE NUMBER   | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE  |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|--------------------------|----------------------|
| 26700000000<br>7     | FIRST METRO SECURITIES BROKERAGE CORP.<br>Unit 1515, 15/F Ayala Tower One Ayala Triangle,<br>Ayala Ave. cor Paseo de Roxas Makati City<br>Metropolitan Manila<br>1226 | Own<br>759-4133/34                 | Tax Identification Number<br>003-458-062-000 | Domestic<br>PHILIPPINES  | 86.00<br>NWT         |
| 26700000004<br>1     | CHARTER PING AN INSURANCE CORPORATIO<br>G/F SKYLAND PLAZA BLDG. SEN GIL PUYAT A<br>COR TINDALO ST., MAKATI CITY<br>Metropolitan Manila<br>1200                        | Client<br>580-6820-23              | Tax Identification Number<br>000487306000    | Domestic<br>PHILIPPINES  | 334,500.00<br>NWT    |
| 26900000000<br>1     | WEALTH SECURITIES, INC.<br>2103 PSE Centre, Exchange Road Ortigas Centre, Pas<br>City<br>Metropolitan Manila<br>1600                                                  | Omnibus Without Client<br>634-5038 | Tax Identification Number<br>000-330-678     | Foreign<br>PHILIPPINES   | 192,500.00<br>FMX1   |
| 26900000000<br>5     | WEALTH SECURITIES, INC.<br>2103 PSE Centre, Exchange Road Ortigas Centre, Pas<br>City<br>Metropolitan Manila<br>1600                                                  | Omnibus Without Client<br>634-5038 | Tax Identification Number<br>000-330-678     | Domestic<br>PHILIPPINES  | 8,906,350.00<br>PH10 |
| 26900000000<br>7     | WEALTH SECURITIES, INC.<br>2103 PSE Centre, Exchange Road Ortigas Centre, Pas<br>City<br>Metropolitan Manila<br>1600                                                  | Own<br>634-5038                    | Tax Identification Number<br>000-330-678     | Domestic<br>PHILIPPINES  | 285.00<br>NWT        |
| 26900000002<br>1     | WEALTH SECURITIES, INC.<br>2103 PSE Centre, Exchange Road Ortigas Centre, Pas<br>City<br>Metropolitan Manila<br>1600                                                  | Client<br>689-8080                 | Tax Identification Number<br>320             | Domestic<br>PHILIPPINES  | 11,958,195.00<br>NWT |
| 26900000003<br>1     | WEALTH SECURITIES, INC.<br>2103 PSE Centre, Exchange Road Ortigas Centre, Pas<br>City<br>Metropolitan Manila<br>1600                                                  | Client<br>689-8080                 | Tax Identification Number<br>321             | Domestic<br>PHILIPPINES  | 840,600.00<br>NWT    |

| BP ID            | BP NAME                                                                                                                                          | ACCOUNT TYPE                            | ID TYPE                                      | INVESTOR TYPE           | HOLDINGS              |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------|-------------------------|-----------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                                          | TELEPHONE NUMBER                        | ID NUMBER                                    | COUNTRY                 | TAXCODE               |
| 27000000000<br>5 | WESTLINK GLOBAL EQUITIES, INC.<br>6/F Philippine Stock Exchange Plaza Ayala Avenue,<br>Makati City<br>Metropolitan Manila<br>1200                | Omnibus Without Client<br>848-6231      | Tax Identification Number<br>000-334-828     | Domestic<br>PHILIPPINES | 141,900.00<br>PH10    |
| 27000000000<br>6 | WESTLINK GLOBAL EQUITIES, INC.<br>6/F Philippine Stock Exchange Plaza Ayala Avenue,<br>Makati City<br>Metropolitan Manila<br>1200                | Settlement<br>848-6231                  | Tax Identification Number<br>000-334-828     | Domestic<br>PHILIPPINES | 8,000.00<br>NWT       |
| 27200000000<br>5 | BERNAD SECURITIES, INC.<br>3/F 1033 M.H. del Pilar St. Ermita, Manila<br>Metropolitan Manila<br>1000                                             | Omnibus Without Client<br>5245186       | Tax Identification Number<br>002-919-761     | Domestic<br>PHILIPPINES | 1,265,000.00<br>PH10  |
| 27500000000<br>1 | YAO & ZIALCITA, INC.<br>Yao & Zialcita, Inc., 5G Vernida I Condominium, 120<br>Amorsolo St., Legaspi Village, Makati City<br>Metropolitan Manila | Omnibus Without Client<br>5274019 to 21 | Tax Identification Number<br>170             | Foreign<br>PHILIPPINES  | 100,000.00<br>FMX1    |
| 27500000000<br>5 | YAO & ZIALCITA, INC.<br>Yao & Zialcita, Inc., 5G Vernida I Condominium, 120<br>Amorsolo St., Legaspi Village, Makati City<br>Metropolitan Manila | Omnibus Without Client<br>5274019 to 21 | Tax Identification Number<br>170             | Domestic<br>PHILIPPINES | 1,410,000.00<br>PH10  |
| 27800000000<br>5 | YU & COMPANY, INC.<br>Unit E 1606-B Tektite Tower 1 Exchange Road, Ortiga<br>Center Pasig City<br>Metropolitan Manila<br>1600                    | Omnibus Without Client<br>634-6248      | Tax Identification Number<br>000-324-373-000 | Domestic<br>PHILIPPINES | 1,250,800.00<br>PH10  |
| 27900000000<br>1 | BDO SECURITIES CORPORATION<br>27/F Tower I & Exchange Plaza Ayala Ave., Makati<br>City<br>Metropolitan Manila<br>1226                            | Omnibus Without Client<br>759-41-44     | Tax Identification Number<br>004-814-885-000 | Foreign<br>PHILIPPINES  | 40,000.00<br>FMX1     |
| 27900000000<br>5 | BDO SECURITIES CORPORATION<br>27/F Tower I & Exchange Plaza Ayala Ave., Makati<br>City<br>Metropolitan Manila<br>1226                            | Omnibus Without Client<br>759-41-44     | Tax Identification Number<br>004-814-885-000 | Domestic<br>PHILIPPINES | 41,738,095.00<br>PH10 |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                   | ACCOUNT TYPE<br>TELEPHONE NUMBER        | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE  |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------|--------------------------|----------------------|
| 27900000000<br>6     | BDO SECURITIES CORPORATION<br>27/F Tower I & Exchange Plaza Ayala Ave., Makati City<br>Metropolitan Manila<br>1226                                   | Settlement<br>759-41-44                 | Tax Identification Number<br>004-814-885-000 | Domestic<br>PHILIPPINES  | 84,833,073.00<br>NWT |
| 28200000000<br>6     | PCCI SECURITIES BROKERS CORP.<br>3/F PCCI Corporate Centre 118 Alfaro St, Salcedo Village Makati City<br>Metropolitan Manila<br>1227                 | Settlement<br>893-3920                  | Tax Identification Number<br>177             | Domestic<br>PHILIPPINES  | 4,210,150.00<br>NWT  |
| 28200000000<br>8     | PCCI SECURITIES BROKERS CORP.<br>3/F PCCI Corporate Centre 118 Alfaro St, Salcedo Village Makati City<br>Metropolitan Manila<br>1227                 | Settlement<br>893-3920                  | Tax Identification Number<br>177             | Domestic<br>PHILIPPINES  | 12,000.00<br>NWT     |
| 28200000000<br>14    | PCCI SECURITIES BROKERS CORP.<br>3/F PCCI Corporate Centre 118 Alfaro St, Salcedo Village Makati City<br>Metropolitan Manila<br>1227                 | Settlement<br>893-3920                  | Tax Identification Number<br>177             | Domestic<br>PHILIPPINES  | 3,505,950.00<br>PH10 |
| 28300000000<br>5     | EAGLE EQUITIES, INC.<br>179 Kaimito St. Valle Verde II, Pasig City<br>Metropolitan Manila<br>1600                                                    | Omnibus Without Client<br>6363637 to 39 | Tax Identification Number<br>178             | Domestic<br>PHILIPPINES  | 110,050.00<br>PH10   |
| 28500000000<br>5     | GOLDEN TOWER SECURITIES & HOLDINGS, INC.<br>4-B Vernida I Condominium, 120 Amorsolo St., Legaspi Village, Makati City<br>Metropolitan Manila<br>1229 | Omnibus Without Client<br>8132839       | Tax Identification Number<br>179             | Domestic<br>PHILIPPINES  | 257,500.00<br>PH10   |
| 28500000000<br>7     | GOLDEN TOWER SECURITIES & HOLDINGS, INC.<br>4-B Vernida I Condominium, 120 Amorsolo St., Legaspi Village, Makati City<br>Metropolitan Manila<br>1229 | Own<br>8132839                          | Tax Identification Number<br>179             | Domestic<br>PHILIPPINES  | 80,000.00<br>NWT     |

| BP ID             | BP NAME                                                                                                                                                    | ACCOUNT TYPE                      | ID TYPE                                      | INVESTOR TYPE           | HOLDINGS           |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------------------|-------------------------|--------------------|
| ACCOUNT NO.       | ADDRESS                                                                                                                                                    | TELEPHONE NUMBER                  | ID NUMBER                                    | COUNTRY                 | TAXCODE            |
| 28600000000<br>5  | SOLAR SECURITIES, INC.<br>Unit 3002-A East Tower, Phil. Stock Exchange Centre<br>Exchange Road, Ortigas Complex, Pasig City<br>Metropolitan Manila<br>1605 | Omnibus Without Client<br>6366301 | Tax Identification Number<br>001-949-768-000 | Domestic<br>PHILIPPINES | 973,600.00<br>PH10 |
| 28800000000<br>5  | G.D. TAN & COMPANY, INC.<br>Unit 2203-A East Tower, PSE Center Exchange Road.<br>Ortigas Center, Pasig City<br>Metropolitan Manila<br>1600                 | Omnibus Without Client<br>6339989 | Tax Identification Number<br>000-121-113-000 | Domestic<br>PHILIPPINES | 34,010.00<br>PH10  |
| 28800000000<br>6  | G.D. TAN & COMPANY, INC.<br>Unit 2203-A East Tower, PSE Center Exchange Road.<br>Ortigas Center, Pasig City<br>Metropolitan Manila<br>1600                 | Settlement<br>6339989             | Tax Identification Number<br>000-121-113-000 | Domestic<br>PHILIPPINES | 15,000.00<br>NWT   |
| 28800000000<br>18 | G.D. TAN & COMPANY, INC.<br>Unit 2203-A East Tower, PSE Center Exchange Road.<br>Ortigas Center, Pasig City<br>Metropolitan Manila<br>1600                 | Settlement<br>6339989             | Tax Identification Number<br>000-121-113-000 | Foreign<br>PHILIPPINES  | 1,500.00<br>RA10   |
| 32300000000<br>4  | CLSA PHILIPPINES, INC.<br>Trafalgar Plaza, Unit 17-D, 105 H.V. dela Costa St.,<br>Salcedo Vill., Makati City<br>Metropolitan Manila<br>1227                | Settlement<br>848-3699            | Tax Identification Number<br>183             | Foreign<br>PHILIPPINES  | 291.00<br>RA02     |
| 32300000002<br>1  | CLSA PHILIPPINES, INC.<br>Trafalgar Plaza, Unit 17-D, 105 H.V. dela Costa St.,<br>Salcedo Vill., Makati City<br>Metropolitan Manila<br>1227                | Client                            | Tax Identification Number<br>425             | Domestic<br>PHILIPPINES | 242,850.00<br>NWT  |
| 33300000000<br>14 | UBS SECURITIES PHILIPPINES, INC.<br>19/F Ayala Tower One, Ayala Ave., Makati City<br>Metropolitan Manila<br>1200                                           | Settlement<br>754-8813            | Tax Identification Number<br>185             | Domestic<br>PHILIPPINES | 200,000.00<br>PH10 |

| BP ID             | BP NAME                                                                                                                                                | ACCOUNT TYPE                       | ID TYPE                                      | INVESTOR TYPE           | HOLDINGS             |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------------|-------------------------|----------------------|
| ACCOUNT NO.       | ADDRESS                                                                                                                                                | TELEPHONE NUMBER                   | ID NUMBER                                    | COUNTRY                 | TAXCODE              |
| 33800000000<br>8  | PHILIPPINE EQUITY PARTNERS, INC.<br>Unit 19C Citibank Tower Citibank Plaza 8741 Paseo c<br>Roxas Makati City<br>Metropolitan Manila<br>1226            | Settlement<br>8145788              | Tax Identification Number<br>213-130-068-000 | Domestic<br>PHILIPPINES | 299.00<br>NWT        |
| 34500000000<br>5  | UNICAPITAL SECURITIES INC.<br>4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi<br>Vill., Makati City<br>Metropolitan Manila<br>1200                 | Omnibus Without Client<br>750-2030 | Tax Identification Number<br>005-294-264-000 | Domestic<br>PHILIPPINES | 1,848,619.00<br>PH10 |
| 34500000000<br>6  | UNICAPITAL SECURITIES INC.<br>4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi<br>Vill., Makati City<br>Metropolitan Manila<br>1200                 | Settlement<br>750-2030             | Tax Identification Number<br>005-294-264-000 | Domestic<br>PHILIPPINES | 513,000.00<br>NWT    |
| 34500000000<br>7  | UNICAPITAL SECURITIES INC.<br>4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi<br>Vill., Makati City<br>Metropolitan Manila<br>1200                 | Own<br>750-2030                    | Tax Identification Number<br>005-294-264-000 | Domestic<br>PHILIPPINES | 222.00<br>NWT        |
| 34500000000<br>14 | UNICAPITAL SECURITIES INC.<br>4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi<br>Vill., Makati City<br>Metropolitan Manila<br>1200                 | Settlement<br>750-2030             | Tax Identification Number<br>005-294-264-000 | Domestic<br>PHILIPPINES | 4,100.00<br>PH10     |
| 34500000003<br>1  | UNICAPITAL SECURITIES INC.<br>4F Majalco Bldg Benavidez cor Trasierra Sts Legaspi<br>Vill., Makati City<br>Metropolitan Manila<br>1200                 | Client<br>8122514                  | Tax Identification Number<br>418             | Domestic<br>PHILIPPINES | 182,500.00<br>NWT    |
| 36800000000<br>5  | SunSecurities, Inc.<br>2703 27th Floor One Corporate Center, J. Vargas Cor.<br>Meralco Ave., Ortigas Center, Pasig City<br>Metropolitan Manila<br>1605 | Omnibus Without Client<br>477-6001 | Tax Identification Number<br>007-258-688     | Domestic<br>PHILIPPINES | 27,500.00<br>PH10    |



| BP ID         | BP NAME                                                                                                                                                                         | ACCOUNT TYPE                            | ID TYPE                                         | INVESTOR TYPE           | HOLDINGS             |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------|-------------------------|----------------------|
| ACCOUNT NO.   | ADDRESS                                                                                                                                                                         | TELEPHONE NUMBER                        | ID NUMBER                                       | COUNTRY                 | TAXCODE              |
| 388000000005  | ARMSTRONG SECURITIES, INC.<br>Unit 2205-A, 22/F PSE Centre Exchange Road, Ortigas Centre, Pasig City<br>Metropolitan Manila<br>1600                                             | Omnibus Without Client<br>6346337 to 39 | Tax Identification Number<br>191                | Domestic<br>PHILIPPINES | 80,000.00<br>PH10    |
| 389000000005  | KING'S POWER SECURITIES, INC.<br>RM 1602 FEDERAL TOWER DASMARINAS ST.,<br>BINONDO, MANILA<br>Metropolitan Manila<br>0                                                           | Omnibus Without Client                  | Tax Identification Number<br>205-495-236        | Domestic<br>PHILIPPINES | 284,500.00<br>PH10   |
| 488000000005  | TIMSON SECURITIES, INC.<br>UNIT 3310 ROBINSON'S EQUITABLE TOWER AI<br>AVE. CORNER POVEDA, ORTIGAS<br>Metropolitan Manila<br>STMT-E                                              | Omnibus Without Client<br>724-9639      | Tax Identification Number<br>008-502-210        | Domestic<br>PHILIPPINES | 5,000.00<br>PH10     |
| 528000000005  | STAR ALLIANCE SECURITIES CORP.<br>1201 ONE GLOBAL PLACE, 5TH AVE. COR. 25TH<br>ST., BONIFACIO GLOBAL CITY, TAGUIG CITY<br>Metropolitan Manila<br>1634                           | Omnibus Without Client<br>478-0107      | Tax Identification Number<br>008-323-446-000    | Domestic<br>PHILIPPINES | 10,000.00<br>PH10    |
| B10200000131  | PARAMOUNT LIFE & GENERAL INSURANCE CORPORATION<br>14/F SAGE HOUSE, 110 V.A. RUFINO ST. LEGASPI VILLAGE, MAKATI CITY<br>Metropolitan Manila<br>1229                              | Client<br>893-7921                      | Tax Identification Number<br>000-487-644        | Domestic<br>PHILIPPINES | 29,500.00<br>NWT     |
| BCDO20000001  | BANCO DE ORO - TRUST BANKING GROUP<br>17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City<br>Metropolitan Manila<br>1200             | Own<br>634 4660                         | Tax Identification Number<br>002-856-707-000.G5 | Domestic<br>PHILIPPINES | 11,744,681.00<br>NWT |
| BCDO200000051 | GENERALI PILIPINAS LIFE ASSURANCE COMPANY - GF<br>17/F, South Tower, BDO Corporate Centre cor H.V. Dela Costa and Makati Avenue Makati City City<br>Metropolitan Manila<br>1200 | Client<br>634 4660                      | Tax Identification Number<br>1242               | Domestic<br>PHILIPPINES | 5,433,450.00<br>NWT  |

| BP ID            | BP NAME                                                                                                                                                                              | ACCOUNT TYPE       | ID TYPE                           | INVESTOR TYPE           | HOLDINGS            |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------------------|-------------------------|---------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                                                                              | TELEPHONE NUMBER   | ID NUMBER                         | COUNTRY                 | TAXCODE             |
| BCDO2000007<br>1 | BANCO DE ORO - TRUST BANKING GROUP<br>17/F, South Tower, BDO Corporate Centre cor H.V.<br>Dela Costa and Makati Avenue Makati City City<br>Metropolitan Manila<br>1200               | Client<br>634 4660 | Tax Identification Number<br>1224 | Domestic<br>PHILIPPINES | 1,492,450.00<br>NWT |
| BCDO2000009<br>1 | BANCO DE ORO - TRUST BANKING GROUP<br>17/F, South Tower, BDO Corporate Centre cor H.V.<br>Dela Costa and Makati Avenue Makati City City<br>Metropolitan Manila<br>1200               | Client<br>634 4660 | Tax Identification Number<br>1222 | Domestic<br>PHILIPPINES | 2,021,000.00<br>NWT |
| BCDO2000010<br>1 | BANCO DE ORO - TRUST BANKING GROUP<br>17/F, South Tower, BDO Corporate Centre cor H.V.<br>Dela Costa and Makati Avenue Makati City City<br>Metropolitan Manila<br>1200               | Client<br>634 4660 | Tax Identification Number<br>1221 | Domestic<br>PHILIPPINES | 5,031,600.00<br>NWT |
| BCDO2000013<br>1 | BANCO DE ORO - TRUST BANKING GROUP<br>17/F, South Tower, BDO Corporate Centre cor H.V.<br>Dela Costa and Makati Avenue Makati City City<br>Metropolitan Manila<br>1200               | Client<br>634 4660 | Tax Identification Number<br>1225 | Domestic<br>PHILIPPINES | 8,100.00<br>NWT     |
| BCDO2000014<br>1 | BANCO DE ORO - TRUST BANKING GROUP<br>17/F, South Tower, BDO Corporate Centre cor H.V.<br>Dela Costa and Makati Avenue Makati City City<br>Metropolitan Manila<br>1200               | Client<br>634 4660 | Tax Identification Number<br>1226 | Domestic<br>PHILIPPINES | 18,970.00<br>NWT    |
| BCDO2000015<br>1 | BANCO DE ORO - TRUST BANKING GROUP<br>17/F, South Tower, BDO Corporate Centre cor H.V.<br>Dela Costa and Makati Avenue Makati City City<br>Metropolitan Manila<br>1200               | Client<br>634 4660 | Tax Identification Number<br>1227 | Domestic<br>PHILIPPINES | 23,680.00<br>NWT    |
| BCDO2000017<br>1 | CLIMBS LIFE AND GENERAL INSURANCE<br>COOPERATIVE<br>17/F, South Tower, BDO Corporate Centre cor H.V.<br>Dela Costa and Makati Avenue Makati City City<br>Metropolitan Manila<br>1200 | Client<br>634 4660 | Tax Identification Number<br>1314 | Domestic<br>PHILIPPINES | 41,300.00<br>NWT    |

| BP ID            | BP NAME                                                                                                                                                                | ACCOUNT TYPE       | ID TYPE                                   | INVESTOR TYPE           | HOLDINGS             |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------|-------------------------|----------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                                                                | TELEPHONE NUMBER   | ID NUMBER                                 | COUNTRY                 | TAXCODE              |
| BCDO2000023<br>1 | BANCO DE ORO - TRUST BANKING GROUP<br>17/F, South Tower, BDO Corporate Centre cor H.V.<br>Dela Costa and Makati Avenue Makati City City<br>Metropolitan Manila<br>1200 | Client<br>634 4660 | Tax Identification Number<br>1233         | Domestic<br>PHILIPPINES | 103,400.00<br>NWT    |
| BCDO2000026<br>1 | BANCO DE ORO - TRUST BANKING GROUP<br>17/F, South Tower, BDO Corporate Centre cor H.V.<br>Dela Costa and Makati Avenue Makati City City<br>Metropolitan Manila<br>1200 | Client<br>634 4660 | Tax Identification Number<br>1236         | Domestic<br>PHILIPPINES | 193,550.00<br>NWT    |
| BCDO2000028<br>1 | BANCO DE ORO - TRUST BANKING GROUP<br>17/F, South Tower, BDO Corporate Centre cor H.V.<br>Dela Costa and Makati Avenue Makati City City<br>Metropolitan Manila<br>1200 | Client<br>634 4660 | Tax Identification Number<br>1237         | Domestic<br>PHILIPPINES | 15,650.00<br>NWT     |
| BCDO2000033<br>1 | BANCO DE ORO - TRUST BANKING GROUP<br>17/F, South Tower, BDO Corporate Centre cor H.V.<br>Dela Costa and Makati Avenue Makati City City<br>Metropolitan Manila<br>1200 | Client<br>634 4660 | Tax Identification Number<br>1246         | Domestic<br>PHILIPPINES | 12,326,500.00<br>NWT |
| BCDO2000037<br>1 | BDO TRUST BANKING GROUP<br>16/F SOUTH TOWER, BDO CORPORATE CENTE<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila                                               | Client<br>8407000  | Commercial Registration Number<br>1246... | Domestic<br>PHILIPPINES | 10,150.00<br>NWT     |
| BCDO2000051<br>1 | BDO TRUST BANKING GROUP<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila                                               | Client<br>8407000  | Tax Identification Number<br>1246****     | Domestic<br>PHILIPPINES | 211,330.00<br>NWT    |
| BCDO2000052<br>1 | BDO TRUST BANKING GROUP<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila                                               | Client<br>8407000  | Tax Identification Number<br>1246*****    | Domestic<br>PHILIPPINES | 13,560.00<br>NWT     |
| BCDO2000063<br>1 | FEDERAL PHOENIX ASSURANCE CO., INC.<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>0726                           | Client<br>8407000  | Tax Identification Number<br>962!         | Domestic<br>PHILIPPINES | 418,500.00<br>NWT    |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                               | ACCOUNT TYPE<br>TELEPHONE NUMBER | ID TYPE<br>ID NUMBER                                  | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------------------------------|--------------------------|---------------------|
| BCDO2000064<br>1     | BDO TRUST BANKING GROUP<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>0726 | Client<br>8407000                | Certificate Of Incorporation<br>962'                  | Domestic<br>PHILIPPINES  | 161,790.00<br>NWT   |
| BCDO2000067<br>1     | IMA# 201-78065-7<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>0726        | Client<br>840-7000               | Tax Identification Number<br>002-856-707-000          | Domestic<br>PHILIPPINES  | 138,550.00<br>NWT   |
| BCDO2000068<br>1     | IMA# 208-78180-7<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>0726        | Client<br>840-7000               | Tax Identification Number<br>002-856-707-000*         | Domestic<br>PHILIPPINES  | 4,600.00<br>NWT     |
| BCDO2000069<br>2     | IMA# 201-78068<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>0726          | Client<br>840-7000               | Tax Identification Number<br>002-856-707-000...***... | Domestic<br>PHILIPPINES  | 16,880.00<br>NWT    |
| BCDO2000070<br>1     | IMA# 201-78069<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>0726          | Client<br>8407000                | Tax Identification Number<br>002-856-707-.000         | Domestic<br>PHILIPPINES  | 1,120.00<br>NWT     |
| BCDO2000071<br>1     | IMA#201-78074<br>16/F SOUTH TOWER, BDO CORPORATE CENTRI<br>7899 MAKATI AVENUE, MAKATI CITY<br>Metropolitan Manila<br>0726        | Client<br>840-7000               | Tax Identification Number<br>002-856-707-000?         | Domestic<br>PHILIPPINES  | 478,370.00<br>NWT   |
| BCDO2000072<br>1     | IMA# 201-78037<br>16/FLR SOUTH TOWER, BDO CORPORATE<br>CENTRE, 7899 MAKATI AVENUE, MAKATI CITY<br>Metropolitan Manila<br>0726    | Client<br>840-7000               | Tax Identification Number<br>002-856-707*-000         | Domestic<br>PHILIPPINES  | 38,800.00<br>NWT    |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                                                   | ACCOUNT TYPE<br>TELEPHONE NUMBER | ID TYPE<br>ID NUMBER                                  | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------------------------------|--------------------------|---------------------|
| BCDO2000074<br>1     | IMA#201-78071<br>16/F SOUTH TOWER, BDO CORPORATE CENTE<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>0726                                                               | Client<br>840-7000               | Certificate Of Incorporation<br>BCDO2000074           | Domestic<br>PHILIPPINES  | 39,900.00<br>NWT    |
| BCDO2000078<br>1     | IMA#201-78076<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila                                                                       | Client<br>840-7000               | Tax Identification Number<br>002-856-707-000TINNUMBER | Domestic<br>PHILIPPINES  | 13,980.00<br>NWT    |
| BCDO2000085<br>1     | IMA# 208-50271<br>16/F SOUTH TOWER, BDO CORPORATE CENTE<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>0726                                                              | Client<br>840-7000               | Tax Identification Number<br>002-856-707-000tg        | Domestic<br>PHILIPPINES  | 11,300.00<br>NWT    |
| BCDO2000086<br>1     | IMA# 201-78082<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>0726                                                              | Client<br>840-7000               | Tax Identification Number<br>002-856-707-000.fo       | Domestic<br>PHILIPPINES  | 155,830.00<br>NWT   |
| BCDO2000089<br>1     | IMA# 201-78086-3<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                                          | Client<br>840-7000               | Tax Identification Number<br>002-856-707-000.FR       | Domestic<br>PHILIPPINES  | 96,820.00<br>NWT    |
| BCDO2000090<br>1     | IMA#201-78090-5<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                                           | Client<br>840-7000               | Tax Identification Number<br>002-856-707-000.GB       | Domestic<br>PHILIPPINES  | 25,740.00<br>NWT    |
| BCDO2000091<br>1     | BDO TRUST FAO GENERALI PILIPINAS LIFE<br>ASSURANCE COMPANY- BALANCED FUND<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Tax Identification Number<br>002-856-707-000.JN       | Domestic<br>PHILIPPINES  | 14,600.00<br>NWT    |

| BP ID            | BP NAME                                                                                                                                                                            | ACCOUNT TYPE       | ID TYPE                                            | INVESTOR TYPE           | HOLDINGS            |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------------------------|-------------------------|---------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                                                                            | TELEPHONE NUMBER   | ID NUMBER                                          | COUNTRY                 | TAXCODE             |
| BCDO2000092<br>1 | BDO TRUST FAO GENERALI PILIPINAS LIFE<br>ASSURANCE COMPANY- EQUITY FUND<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>002-856-707-000.HB    | Domestic<br>PHILIPPINES | 1,359,050.00<br>NWT |
| BCDO2000093<br>1 | BLUE CROSS INSURANCE INC.<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                               | Client<br>840-7000 | Certificate Of Incorporation<br>002-856-707-000.JM | Domestic<br>PHILIPPINES | 460.00<br>NWT       |
| BCDO2000094<br>1 | IMA#101-78104-5<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                                         | Client<br>840-7000 | Tax Identification Number<br>002-856-707-000.HN    | Domestic<br>PHILIPPINES | 16,120.00<br>NWT    |
| BCDO2000095<br>1 | IMA#101-78105-1<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                                         | Client<br>840-7000 | Tax Identification Number<br>002-856-707-000.AZ    | Domestic<br>PHILIPPINES | 6,220.00<br>NWT     |
| BCDO2000097<br>1 | IMA#201-78093-9<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                                         | Client<br>840-7000 | Tax Identification Number<br>002-856-707-000.SX    | Domestic<br>PHILIPPINES | 1,700.00<br>NWT     |
| BCDO2000098<br>1 | IMA#201-78094-7<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                                         | Client<br>840-7000 | Tax Identification Number<br>002-856-707-000.QA    | Domestic<br>PHILIPPINES | 28,600.00<br>NWT    |
| BCDO2000099<br>1 | IMA#201-78098-8<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                                         | Client<br>840-7000 | Tax Identification Number<br>002-856-707-000AQ     | Domestic<br>PHILIPPINES | 5,760.00<br>NWT     |

| BP ID            | BP NAME                                                                                                                                  | ACCOUNT TYPE       | ID TYPE                                        | INVESTOR TYPE           | HOLDINGS            |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------------------------|-------------------------|---------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                                  | TELEPHONE NUMBER   | ID NUMBER                                      | COUNTRY                 | TAXCODE             |
| BCDO2000100<br>1 | BDO SUSTAINABLE DIVIDEND FUND<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>002-856-707-000A( | Domestic<br>PHILIPPINES | 1,499,150.00<br>NWT |
| BCDO2000103<br>1 | IMA#201-78107-7<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E               | Client<br>840-7000 | Tax Identification Number<br>BCDO2000103       | Domestic<br>PHILIPPINES | 29,800.00<br>NWT    |
| BCDO2000104<br>1 | IMA#201-78110-1<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E               | Client<br>840-7000 | Tax Identification Number<br>BCDO2000104       | Domestic<br>PHILIPPINES | 11,495.00<br>NWT    |
| BCDO2000106<br>1 | IMA#201-78116-8<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E               | Client<br>840-7000 | Tax Identification Number<br>BCDO2000106       | Domestic<br>PHILIPPINES | 40,520.00<br>NWT    |
| BCDO2000108<br>1 | IMA# 208-78693-9<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E              | Client<br>840-7000 | Tax Identification Number<br>BCDO2000108       | Domestic<br>PHILIPPINES | 133,650.00<br>NWT   |
| BCDO2000109<br>1 | IMA#208-78194-8<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E               | Client<br>840-7000 | Tax Identification Number<br>BCDO2000109       | Domestic<br>PHILIPPINES | 60,150.00<br>NWT    |
| BCDO2000110<br>1 | IMA#208-78197-1<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E               | Client<br>840-7000 | Tax Identification Number<br>BCDO2000110       | Domestic<br>PHILIPPINES | 137,960.00<br>NWT   |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                         | ACCOUNT TYPE<br>TELEPHONE NUMBER | ID TYPE<br>ID NUMBER                        | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE |
|----------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------------------|--------------------------|---------------------|
| BCDO2000111<br>1     | IMA#208-78199-7<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Tax Identification Number<br>BCDO2000111    | Domestic<br>PHILIPPINES  | 9,075.00<br>NWT     |
| BCDO2000114<br>1     | IMA#208-78691-3<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Tax Identification Number<br>BCDO2000114    | Domestic<br>PHILIPPINES  | 56,050.00<br>NWT    |
| BCDO2000122<br>1     | IMA#201-78031-9<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Tax Identification Number<br>BCDO2000122    | Domestic<br>PHILIPPINES  | 25,430.00<br>NWT    |
| BCDO2000123<br>1     | IMA#201-78047-9<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Tax Identification Number<br>BCDO2000123    | Domestic<br>PHILIPPINES  | 190,130.00<br>NWT   |
| BCDO2000129<br>1     | IMA#201-78127-5<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Certificate Of Incorporation<br>BCDO2000129 | Domestic<br>PHILIPPINES  | 80,400.00<br>NWT    |
| BCDO2000130<br>1     | IMA#201-78128-3<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Certificate Of Incorporation<br>BCDO2000130 | Domestic<br>PHILIPPINES  | 12,280.00<br>NWT    |
| BCDO2000135<br>1     | IMA#201-78135-8<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Certificate Of Incorporation<br>BCDO2000135 | Domestic<br>PHILIPPINES  | 75,270.00<br>NWT    |



| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                         | ACCOUNT TYPE<br>TELEPHONE NUMBER | ID TYPE<br>ID NUMBER                        | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE |
|----------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------------------|--------------------------|---------------------|
| BCDO2000137<br>1     | IMA#201-78142-7<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Certificate Of Incorporation<br>BCDO2000137 | Domestic<br>PHILIPPINES  | 14,990.00<br>NWT    |
| BCDO2000138<br>1     | IMA#201-78143-2<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Certificate Of Incorporation<br>BCDO2000138 | Domestic<br>PHILIPPINES  | 16,745.00<br>NWT    |
| BCDO2000139<br>1     | IMA#201-78145-7<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Certificate Of Incorporation<br>BCDO2000139 | Domestic<br>PHILIPPINES  | 11,810.00<br>NWT    |
| BCDO2000140<br>1     | IMA#201-78149-9<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Certificate Of Incorporation<br>BCDO2000140 | Domestic<br>PHILIPPINES  | 40,270.00<br>NWT    |
| BCDO2000141<br>1     | IMA#201-78151-5<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Certificate Of Incorporation<br>BCDO2000141 | Domestic<br>PHILIPPINES  | 5,930.00<br>NWT     |
| BCDO2000144<br>1     | IMA#201-78159-8<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Certificate Of Incorporation<br>BCDO2000144 | Domestic<br>PHILIPPINES  | 47,250.00<br>NWT    |
| BCDO2000145<br>1     | IMA#201-78160-6<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Certificate Of Incorporation<br>BCDO2000145 | Domestic<br>PHILIPPINES  | 23,000.00<br>NWT    |

| BP ID            | BP NAME                                                                                                                    | ACCOUNT TYPE       | ID TYPE                                     | INVESTOR TYPE           | HOLDINGS          |
|------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------|-------------------------|-------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                    | TELEPHONE NUMBER   | ID NUMBER                                   | COUNTRY                 | TAXCODE           |
| BCDO2000148<br>1 | IMA#201-78168-9<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Certificate Of Incorporation<br>BCDO2000148 | Domestic<br>PHILIPPINES | 13,920.00<br>NWT  |
| BCDO2000149<br>1 | IMA#201-78169-7<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Certificate Of Incorporation<br>BCDO2000149 | Domestic<br>PHILIPPINES | 445,150.00<br>NWT |
| BCDO2000150<br>1 | IMA#201-78174-7<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Certificate Of Incorporation<br>BCDO2000150 | Domestic<br>PHILIPPINES | 270,105.00<br>NWT |
| BCDO2000151<br>1 | IMA#201-78175-4<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Certificate Of Incorporation<br>BCDO2000151 | Domestic<br>PHILIPPINES | 40,920.00<br>NWT  |
| BCDO2000153<br>1 | IMA#201-78177-0<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Certificate Of Incorporation<br>BCDO2000153 | Domestic<br>PHILIPPINES | 230,550.00<br>NWT |
| BCDO2000154<br>1 | IMA#201-78178-8<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Certificate Of Incorporation<br>BCDO2000154 | Domestic<br>PHILIPPINES | 15,100.00<br>NWT  |
| BCDO2000155<br>1 | IMA#201-78179-6<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Certificate Of Incorporation<br>BCDO2000155 | Domestic<br>PHILIPPINES | 12,040.00<br>NWT  |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                         | ACCOUNT TYPE<br>TELEPHONE NUMBER | ID TYPE<br>ID NUMBER                        | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE |
|----------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------------------|--------------------------|---------------------|
| BCDO2000156<br>1     | IMA#201-78180-4<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Certificate Of Incorporation<br>BCDO2000156 | Domestic<br>PHILIPPINES  | 18,490.00<br>NWT    |
| BCDO2000158<br>1     | IMA#201-78182-0<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Certificate Of Incorporation<br>BCDO2000158 | Domestic<br>PHILIPPINES  | 990.00<br>NWT       |
| BCDO2000159<br>1     | IMA#201-78183-8<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Tax Identification Number<br>BCDO2000159    | Domestic<br>PHILIPPINES  | 1,760.00<br>NWT     |
| BCDO2000160<br>1     | IMA#201-78184-6<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Tax Identification Number<br>BCDO2000160    | Domestic<br>PHILIPPINES  | 1,780.00<br>NWT     |
| BCDO2000161<br>1     | IMA#201-78185-3<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Tax Identification Number<br>BCDO2000161    | Domestic<br>PHILIPPINES  | 4,775.00<br>NWT     |
| BCDO2000162<br>1     | IMA#201-78186-1<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Tax Identification Number<br>BCDO2000162    | Domestic<br>PHILIPPINES  | 5,230.00<br>NWT     |
| BCDO2000163<br>1     | IMA#201-78187-9<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Tax Identification Number<br>BCDO2000163    | Domestic<br>PHILIPPINES  | 1,075.00<br>NWT     |

| BP ID            | BP NAME                                                                                                                    | ACCOUNT TYPE       | ID TYPE                                     | INVESTOR TYPE           | HOLDINGS        |
|------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------|-------------------------|-----------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                    | TELEPHONE NUMBER   | ID NUMBER                                   | COUNTRY                 | TAXCODE         |
| BCDO2000164<br>1 | IMA#201-78188-7<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000164    | Domestic<br>PHILIPPINES | 350.00<br>NWT   |
| BCDO2000165<br>1 | IMA#201-78189-5<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000165    | Domestic<br>PHILIPPINES | 1,870.00<br>NWT |
| BCDO2000166<br>1 | IMA#201-78190-3<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000166    | Domestic<br>PHILIPPINES | 3,570.00<br>NWT |
| BCDO2000167<br>1 | IMA#201-78191-1<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000167    | Domestic<br>PHILIPPINES | 4,640.00<br>NWT |
| BCDO2000168<br>1 | IMA#201-78192-9<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Certificate Of Incorporation<br>BCDO2000168 | Domestic<br>PHILIPPINES | 1,900.00<br>NWT |
| BCDO2000169<br>1 | IMA#201-78193-7<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000169    | Domestic<br>PHILIPPINES | 880.00<br>NWT   |
| BCDO2000170<br>1 | IMA#201-78194-5<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000170    | Domestic<br>PHILIPPINES | 2,610.00<br>NWT |

| BP ID            | BP NAME                                                                                                                    | ACCOUNT TYPE       | ID TYPE                                  | INVESTOR TYPE           | HOLDINGS        |
|------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------------------|-------------------------|-----------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                    | TELEPHONE NUMBER   | ID NUMBER                                | COUNTRY                 | TAXCODE         |
| BCDO2000171<br>1 | IMA#201-78195-2<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000171 | Domestic<br>PHILIPPINES | 800.00<br>NWT   |
| BCDO2000172<br>1 | IMA#201-78196-0<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000172 | Domestic<br>PHILIPPINES | 1,405.00<br>NWT |
| BCDO2000173<br>1 | IMA#201-78197-8<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000173 | Domestic<br>PHILIPPINES | 6,480.00<br>NWT |
| BCDO2000174<br>1 | IMA#201-78198-6<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000174 | Domestic<br>PHILIPPINES | 3,640.00<br>NWT |
| BCDO2000175<br>1 | IMA#201-78200-0<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000175 | Domestic<br>PHILIPPINES | 485.00<br>NWT   |
| BCDO2000176<br>1 | IMA#201-78201-8<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000176 | Domestic<br>PHILIPPINES | 320.00<br>NWT   |
| BCDO2000177<br>1 | IMA#201-78202-6<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000177 | Domestic<br>PHILIPPINES | 455.00<br>NWT   |

| BP ID            | BP NAME                                                                                                                    | ACCOUNT TYPE       | ID TYPE                                  | INVESTOR TYPE           | HOLDINGS        |
|------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------------------|-------------------------|-----------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                    | TELEPHONE NUMBER   | ID NUMBER                                | COUNTRY                 | TAXCODE         |
| BCDO2000178<br>1 | IMA#201-78203-4<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000178 | Domestic<br>PHILIPPINES | 460.00<br>NWT   |
| BCDO2000179<br>1 | IMA#201-78204-2<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000179 | Domestic<br>PHILIPPINES | 3,735.00<br>NWT |
| BCDO2000180<br>1 | IMA#201-78205-9<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000180 | Domestic<br>PHILIPPINES | 1,740.00<br>NWT |
| BCDO2000181<br>1 | IMA#201-78206-7<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000181 | Domestic<br>PHILIPPINES | 1,780.00<br>NWT |
| BCDO2000182<br>1 | IMA#201-78207-5<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000182 | Domestic<br>PHILIPPINES | 1,790.00<br>NWT |
| BCDO2000184<br>1 | IMA#201-78209-1<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000184 | Domestic<br>PHILIPPINES | 1,830.00<br>NWT |
| BCDO2000186<br>1 | IMA#201-78211-7<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000186 | Domestic<br>PHILIPPINES | 1,830.00<br>NWT |

| BP ID            | BP NAME                                                                                                                    | ACCOUNT TYPE       | ID TYPE                                  | INVESTOR TYPE           | HOLDINGS         |
|------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------------------|-------------------------|------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                    | TELEPHONE NUMBER   | ID NUMBER                                | COUNTRY                 | TAXCODE          |
| BCDO2000188<br>1 | IMA#201-78214-1<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000188 | Domestic<br>PHILIPPINES | 1,385.00<br>NWT  |
| BCDO2000189<br>1 | IMA#201-78215-8<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000189 | Domestic<br>PHILIPPINES | 350.00<br>NWT    |
| BCDO2000190<br>1 | IMA#201-78216-6<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000190 | Domestic<br>PHILIPPINES | 1,260.00<br>NWT  |
| BCDO2000191<br>1 | IMA#201-78217-4<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000191 | Domestic<br>PHILIPPINES | 8,080.00<br>NWT  |
| BCDO2000192<br>1 | IMA#201-78218-2<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000192 | Domestic<br>PHILIPPINES | 17,160.00<br>NWT |
| BCDO2000193<br>1 | IMA#201-78219-0<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000193 | Domestic<br>PHILIPPINES | 5,780.00<br>NWT  |
| BCDO2000196<br>1 | IMA#201-78223-2<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000 | Tax Identification Number<br>BCDO2000196 | Domestic<br>PHILIPPINES | 1,040.00<br>NWT  |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                                                               | ACCOUNT TYPE<br>TELEPHONE NUMBER | ID TYPE<br>ID NUMBER                        | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------------------|--------------------------|---------------------|
| BCDO2000202<br>1     | IMA#201-78155-6<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                                                       | Client<br>840-7000               | Tax Identification Number<br>BCDO2000202    | Domestic<br>PHILIPPINES  | 15,530.00<br>NWT    |
| BCDO2000205<br>1     | IMA#201-78225-7<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                                                       | Client<br>840-7000               | Tax Identification Number<br>BCDO2000205    | Domestic<br>PHILIPPINES  | 6,500.00<br>NWT     |
| BCDO2000206<br>1     | IMA# 201-78087-1<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                                                      | Client<br>840-7000               | Tax Identification Number<br>BCDO2000206    | Domestic<br>PHILIPPINES  | 13,100.00<br>NWT    |
| BCDO2000207<br>1     | IMA#201-78227-3<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                                                       | Client<br>840-7000               | Certificate Of Incorporation<br>BCDO2000207 | Domestic<br>PHILIPPINES  | 13,600.00<br>NWT    |
| BCDO2000208<br>1     | IMA#201-78229-9<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                                                       | Client<br>840-7000               | Certificate Of Incorporation<br>BCDO2000208 | Domestic<br>PHILIPPINES  | 440.00<br>NWT       |
| BCDO2000210<br>1     | BDO EQIF<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                                                              | Client<br>840-7000               | Tax Identification Number<br>BCDO2000210    | Domestic<br>PHILIPPINES  | 814,040.00<br>NWT   |
| BCDO2000213<br>1     | BDO TRUST FAO GENERALI PILIPINAS LIFE<br>ASSURANCE COMPANY PESO DRAGON<br>EQUITY FUND<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>840-7000               | Tax Identification Number<br>BCDO2000213    | Domestic<br>PHILIPPINES  | 26,700.00<br>NWT    |



| BP ID            | BP NAME                                                                                                                                                                                         | ACCOUNT TYPE           | ID TYPE                                      | INVESTOR TYPE               | HOLDINGS             |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------------|-----------------------------|----------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                                                                                         | TELEPHONE NUMBER       | ID NUMBER                                    | COUNTRY                     | TAXCODE              |
| BCDO2000214<br>1 | BDO TRUST FAO GENERALI PILIPINAS LIFE<br>ASSURANCE COMPANY PESO EQUITY<br>INDEX FUND<br>16F SOUTH TOWER, BDO CORPORATE CENTER<br>7899 MAKATI AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br><br>840-7000 | Tax Identification Number<br><br>BCDO2000214 | Domestic<br><br>PHILIPPINES | 62,560.00<br><br>NWT |
| CCPI1000000<br>1 | COCOPLANS, INC.<br>5/F RUFINO PLAZA, AYALA AVE. COR. V.A.<br>RUFINO ST., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                                                           | Own<br>812-9015-256    | Tax Identification Number<br>003-829-244-000 | Domestic<br>PHILIPPINES     | 25,000.00<br>FTX     |
| CHBC1000000<br>1 | CHINA BANKING CORPORATION - TRUST GRO<br>8/F CBC Building, 8745 Paseo de Roxas cor. Villar<br>Streets Makati City<br>Metropolitan Manila<br>1200                                                | Own<br>817-7981        | Tax Identification Number<br>000-444-210-000 | Domestic<br>PHILIPPINES     | 105,565.00<br>NWT    |
| CHBC1000002<br>2 | CHINA BANKING CORPORATION TRUST GROU<br>8/F CBC BUILDING, 8745 PASEO DE ROXAS COI<br>VILLAR STS. MAKATI CITY<br>Metropolitan Manila<br>1200                                                     | Client<br>817-7981     | Tax Identification Number<br>247-652-919-000 | Domestic<br>PHILIPPINES     | 2,910.00<br>NWT      |
| CHBC1000003<br>2 | CHINA BANKING CORPORATION TRUST GROU<br>8/F CBC BUILDING, 8745 PASEO DE ROXAS COI<br>VILLAR STS. MAKATI CITY<br>Metropolitan Manila<br>1200..                                                   | Client<br>817-7981     | Tax Identification Number<br>241-764-024-000 | Domestic<br>PHILIPPINES     | 8,245.00<br>NWT      |
| CHBC1000004<br>2 | CHINA BANKING CORPORATION TRUST GROU<br>8/F CBC BUILDING, 8745 PASEO DE ROXAS COI<br>VILLAR STS. MAKATI CITY<br>Metropolitan Manila<br>1216....                                                 | Client<br>817-7981     | Tax Identification Number<br>255-041-988-000 | Domestic<br>PHILIPPINES     | 7,345.00<br>NWT      |
| CHBC1000005<br>2 | CHINA BANKING CORPORATION TRUST GROU<br>8/F CBC BUILDING, 8745 PASEO DE ROXAS COI<br>VILLAR STS. MAKATI CITY<br>Metropolitan Manila<br>1200.....                                                | Client<br>817-7981     | Tax Identification Number<br>286-236-248-000 | Domestic<br>PHILIPPINES     | 1,745.00<br>NWT      |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                | ACCOUNT TYPE<br>TELEPHONE NUMBER | ID TYPE<br>ID NUMBER                            | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE    |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------------------------|--------------------------|------------------------|
| CHBC1000010<br>2     | CHINA BANKING CORPORATION<br>8/F CBC BLDG., 8745 PASEO DE ROXAS COR.<br>VILLAR STS., MAKATI CITY<br>Metropolitan Manila                           | Client<br>8855854                | Tax Identification Number<br>000-444-210-000.L4 | Domestic<br>PHILIPPINES  | 515,000.00<br>PH10     |
| CHBC1000018<br>2     | CHINA BANKING CORPORATION<br>8/F CBC BLDG., 8745 PASEO DE ROXAS COR.<br>VILLA ST., MAKATI CITY<br>Metropolitan Manila<br>1226                     | Client<br>885-5854               | Tax Identification Number<br>000-444-210-000.K3 | Domestic<br>PHILIPPINES  | 967,400.00<br>PH10     |
| CHBC1000020<br>2     | CHINA BANKING CORPORATION<br>8/F CBC BLDG., 8745 PASEO DE ROXAS COR.<br>VILLAR ST., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                  | Client<br>885-5854               | Passport<br>CHBC1000020                         | Domestic<br>PHILIPPINES  | 800,000.00<br>PH10     |
| CITI1000000<br>1     | CITIBANK N.A.<br>11/F Citibank Tower Villar corner Valero Sts. Makati<br>City, MM<br>Metropolitan Manila<br>1200                                  | Own<br>8947841                   | Tax Identification Number<br>946                | Foreign<br>PHILIPPINES   | 141,436,529.00<br>FMX1 |
| CITI1000001<br>1     | CITIBANK N.A.<br>11/F Citibank Tower Villar corner Valero Sts. Makati<br>City, MM<br>Metropolitan Manila<br>1200                                  | Client<br>8947841                | Tax Identification Number<br>204-962-522-000    | Domestic<br>PHILIPPINES  | 91,773,440.00<br>NWT   |
| CITI1000004<br>1     | CITIBANK N.A.<br>11/F Citibank Tower Villar corner Valero Sts. Makati<br>City, MM<br>Metropolitan Manila<br>1200                                  | Client<br>8947841                | Tax Identification Number<br>803-117-000        | Foreign<br>PHILIPPINES   | 41,414,886.00<br>RA02  |
| CITI1000006<br>1     | CITIBANK FAO PHILIPPINE AXA WEALTH<br>BALANCED<br>11/F Citibank Tower Villar corner Valero Sts. Makati<br>City, MM<br>Metropolitan Manila<br>1200 | Client<br>8947841                | Tax Identification Number<br>000-485-226-000    | Domestic<br>PHILIPPINES  | 9,761,600.00<br>NWT    |

| BP ID       | BP NAME                                                                                    | ACCOUNT TYPE     | ID TYPE                      | INVESTOR TYPE | HOLDINGS       |
|-------------|--------------------------------------------------------------------------------------------|------------------|------------------------------|---------------|----------------|
| ACCOUNT NO. | ADDRESS                                                                                    | TELEPHONE NUMBER | ID NUMBER                    | COUNTRY       | TAXCODE        |
| CITI1000007 | CITIBANK FAO PHILIPPINE AXA WEALTH EQUITY                                                  | Client           | Tax Identification Number    | Domestic      | 21,704,650.00  |
| 1           | 11/F Citibank Tower Villar corner Valero Sts. Makati City, MM Metropolitan Manila 1200     | 8947841          | 000-485-226-000.             | PHILIPPINES   | NWT            |
| CITI1000010 | CITIBANK N.A.                                                                              | Client           | Tax Identification Number    | Domestic      | 67,452,078.00  |
| 1           | 11/F Citibank Tower Villar corner Valero Sts. Makati City, MM Metropolitan Manila 1200     | 8947841          | 1100                         | PHILIPPINES   | NWT            |
| CITI1000011 | CITIBANK FAO PHILIPPINE AXA OPPORTUNIT'                                                    | Client           | Tax Identification Number    | Domestic      | 4,582,000.00   |
| 1           | 2/F CITI TOWER, PASEO DE ROXAS, MAKATI CITY Metropolitan Manila 1226                       | 894-7714         | 000-485-226-000...           | PHILIPPINES   | NWT            |
| CITI1000012 | CITIBANK FAO AIU INSURANCE PHILS COMPANY                                                   | Client           | Tax Identification Number    | Domestic      | 264,050.00     |
| 1           | 2/F, CITI TOWER, PASEO DE ROXAS, MAKATI CITY Metropolitan Manila 1226                      | 894-7498         | 000-531-569-000              | PHILIPPINES   | NWT            |
| CITI1000014 | CITIBANK FAO PHILIPPINE AXA LIFE INSURANCE CORP.                                           | Client           | Certificate Of Incorporation | Domestic      | 972,550.00     |
| 1           | 2ND CITIBANK TOWER 8741 PASEO DE ROXAS MAKATI CITY Metropolitan Manila                     | 894-7200         | 000-485-226-000              | PHILIPPINES   | NWT            |
| CITI1000015 | CITIBANK FAO PHILIPPINE AXA CHINESE TYCOON                                                 | Client           | Certificate Of Incorporation | Domestic      | 51,931,350.00  |
| 1           | 2ND FLOOR CITIBANK TOWER SECURITIES AN FUNDS SERVICES MAKATI CITY Metropolitan Manila 1226 | 894-7200         | 000-485-226-000.             | PHILIPPINES   | NWT            |
| DEUB1000000 | DEUTSCHE BANK MANILA-CLIENTS A/C                                                           | Own              | Tax Identification Number    | Foreign       | 939,530,962.00 |
| 1           | 26/F Ayala Tower One Ayala Triangle, Makati City Metropolitan Manila 1226                  | 8946970          | DEUB1                        | PHILIPPINES   | FMX1           |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                                                                                              | ACCOUNT TYPE<br>TELEPHONE NUMBER | ID TYPE<br>ID NUMBER                            | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE    |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------------------------|--------------------------|------------------------|
| DEUB2000000<br>1     | DEUTSCHE BANK MANILA-CLIENTS A/C<br>26/F ayala Tower One, Ayala Triangle, Makati City<br>Metropolitan Manila<br>1226                                                                                                            | Own<br>894-6970                  | Tax Identification Number<br>949                | Domestic<br>PHILIPPINES  | 4,765,465.00<br>NWT    |
| DEUB2000007<br>1     | DEUTSCHE BANK AG MANILA BRANCH A/C<br>CLIENTS DEUB20<br>23F AYALA TOWER ONE AYALA AVE. MAKAT<br>CITY<br>Metropolitan Manila                                                                                                     | Client<br>8946989                | Certificate Of Incorporation<br>000-449-586-000 | Domestic<br>PHILIPPINES  | 3,894,095.00<br>PH10   |
| GSIS1000000<br>1     | GOVERNMENT SERVICE INSURANCE SYSTEM<br>GSIS Hqs., Financial Center Roxas Blvd., Pasay City<br>Metropolitan Manila<br>0                                                                                                          | Own<br>891-6346                  | Tax Identification Number<br>974                | Domestic<br>PHILIPPINES  | 179,986,400.00<br>NWT  |
| HSBC1000000<br>1     | THE HONGKONG AND SHANGHAI BANKING<br>CORP. LTD. -CLIENTS' ACCT.<br>HSBC Securities Services 12th Floor, The Enterprise<br>Center, Tower I 6766 Ayala Avenue corner Paseo de<br>Roxas Makati City<br>Metropolitan Manila<br>1200 | Own<br>8145200                   | Tax Identification Number<br>951                | Foreign<br>PHILIPPINES   | 521,889,344.00<br>FMX1 |
| HSBC1000010<br>1     | THE HONGKONG AND SHANGHAI BANKING<br>CORP. LTD. -CLIENTS' ACCT.<br>HSBC Securities Services 12th Floor, The Enterprise<br>Center, Tower I 6766 Ayala Avenue corner Paseo de<br>Roxas Makati City<br>Metropolitan Manila<br>1200 | Client<br>8145200                | Tax Identification Number<br>1066               | Foreign<br>PHILIPPINES   | 34,099,900.00<br>CH17  |
| HSBC1000013<br>1     | THE HONGKONG AND SHANGHAI BANKING<br>CORP. LTD. -CLIENTS' ACCT.<br>HSBC Securities Services 12th Floor, The Enterprise<br>Center, Tower I 6766 Ayala Avenue corner Paseo de<br>Roxas Makati City<br>Metropolitan Manila<br>1200 | Client<br>8145200                | Tax Identification Number<br>1069               | Foreign<br>PHILIPPINES   | 9,597,400.00<br>FR17   |

| BP ID       | BP NAME                                                                                                                                          | ACCOUNT TYPE     | ID TYPE                   | INVESTOR TYPE | HOLDINGS      |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------------|---------------|---------------|
| ACCOUNT NO. | ADDRESS                                                                                                                                          | TELEPHONE NUMBER | ID NUMBER                 | COUNTRY       | TAXCODE       |
| HSBC1000016 | THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.                                                                                     | Client           | Tax Identification Number | Foreign       | 11,222,950.00 |
| 1           | HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200 | 8145200          | 1085                      | PHILIPPINES   | HK18          |
| HSBC1000025 | THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.                                                                                     | Client           | Tax Identification Number | Foreign       | 42,158,500.00 |
| 1           | HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200 | 8145200          | 1288                      | PHILIPPINES   | NO15          |
| HSBC1000028 | THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.                                                                                     | Client           | Tax Identification Number | Foreign       | 98,967,450.00 |
| 1           | HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200 | 8145200          | 1077                      | PHILIPPINES   | SI15          |
| HSBC1000031 | THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.                                                                                     | Client           | Tax Identification Number | Foreign       | 3,096,600.00  |
| 1           | HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200 | 8145200          | 1079                      | PHILIPPINES   | SZ17          |
| HSBC1000032 | THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.                                                                                     | Client           | Tax Identification Number | Foreign       | 49,204,200.00 |
| 1           | HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200 | 8145200          | 1287                      | PHILIPPINES   | UA00          |

| BP ID       | BP NAME                                                                                                                                          | ACCOUNT TYPE     | ID TYPE                      | INVESTOR TYPE | HOLDINGS       |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------------|---------------|----------------|
| ACCOUNT NO. | ADDRESS                                                                                                                                          | TELEPHONE NUMBER | ID NUMBER                    | COUNTRY       | TAXCODE        |
| HSBC1000035 | THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.                                                                                     | Client           | Tax Identification Number    | Foreign       | 72,315,050.00  |
| 1           | HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200 | 8145200          | 1082                         | PHILIPPINES   | US21           |
| HSBC1000049 | THE HONGKONG AND SHANGHAI BANKING CORP. LTD.-CLIENTS ACCT.                                                                                       | Client           | Certificate Of Incorporation | Foreign       | 190,000.00     |
| 1           | HSBC CENTRE, 3058 FIFTH AVE. WEST, BONIFACIO GLOBAL CITY, TAGUIG CITY Metropolitan Manila                                                        | 8305300          | 1069**                       | PHILIPPINES   | FTXN           |
| HSBC2000000 | THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.                                                                                     | Own              | Tax Identification Number    | Domestic      | 112,666,570.00 |
| 1           | HSBC Securities Services 12th Floor, The Enterprise Center, Tower I 6766 Ayala Avenue corner Paseo de Roxas Makati City Metropolitan Manila 1200 | 814-5200         | 952                          | PHILIPPINES   | NWT            |
| HSBC2000005 | INSULAR LIFE ASSURANCE CO., LTD - VUL-EF                                                                                                         | Client           | Tax Identification Number    | Domestic      | 2,191,650.00   |
| 1           | HSBC Securities Services 7th Floor, HSBC Centre, 3058 Fifth Avenue West, Bonifacio Global City, Taguig City Metropolitan Manila                  | 581-8203         | 1054 -                       | PHILIPPINES   | NWT            |
| HSBC2000007 | THE INSULAR LIFE ASSURANCE COMPANY, L                                                                                                            | Client           | Certificate Of Incorporation | Domestic      | 300,000.00     |
| 1           | IL COPORATE CENTRE, INSULAR LIFE DRIVE, FILINVEST CORPORATE CITY, ALABANG MUNTINLUPA CITY Metropolitan Manila 1226                               | 582-1875         | 1054..                       | PHILIPPINES   | NWT            |
| HSBC2000008 | THE INSULAR LIFE ASSURANCE COMPANY, L                                                                                                            | Client           | Certificate Of Incorporation | Domestic      | 1,596,500.00   |
| 1           | IL CORPORATE CENTRE, INSULAR LIFE DRIVE FILINVEST CORPORATE CITY, ALABANG MUNTINLUPA CITY Metropolitan Manila STMT-D                             | 7711915          | 1054...                      | PHILIPPINES   | NWT            |

| BP ID            | BP NAME                                                                                                                                                                                                                  | ACCOUNT TYPE       | ID TYPE                                       | INVESTOR TYPE           | HOLDINGS             |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------------------------------|-------------------------|----------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                                                                                                                  | TELEPHONE NUMBER   | ID NUMBER                                     | COUNTRY                 | TAXCODE              |
| HSBC2000011<br>1 | SUN LIFE GREPA FINANCIAL, INC.<br>5/FLR SUNLIFE CENTRE 5TH AVENUE COR RIZ<br>DRIVE, BONIFACIO GLOBAL CITY, TAGUIG CI.<br>Metropolitan Manila<br>1634                                                                     | Client<br>555-8888 | Tax Identification Number<br>000-460-716-000  | Domestic<br>PHILIPPINES | 18,341,710.00<br>NWT |
| HSBC3000000<br>1 | THE HONGKONG & SHANGHAI BANKING COR<br>LTD. -OWN ACCOUNT<br>HSBC Securities Services 12th Floor, The Enterprise<br>Center, Tower I 6766 Ayala Avenue corner Paseo de<br>Roxas Makati City<br>Metropolitan Manila<br>1200 | Own<br>636-7370    | Tax Identification Number<br>953              | Foreign<br>PHILIPPINES  | 6,000.00<br>FMX1     |
| LBPT1000000<br>1 | LAND BANK OF THE PHILIPPINES-TRUST<br>BANKING GROUP<br>LBP PLAZA 1598 M.H. DEL PILAR COR DR. J.<br>QUINTOS STS., MALATE MANILA<br>Metropolitan Manila<br>1004                                                            | Own<br>405-7550    | Tax Identification Number<br>000-470-394-000  | Domestic<br>PHILIPPINES | 482,700.00<br>NWT    |
| LBPT1000009<br>1 | LBP-TBG AS AGENT FOR 28568 TA 01<br>LAND BANK OF THE PHILIPPINES COR. DR. J.<br>QUINTOS STS., MALATE, MANILA<br>Metropolitan Manila                                                                                      | Client<br>405-7554 | Tax Identification Number<br>004-628-891-000* | Domestic<br>PHILIPPINES | 15,350.00<br>NWT     |
| LBPT1000013<br>1 | LBP-TBG AS AGENT FOR 22594 TA 01<br>LANDBANK PLAZA M.H. DEL PILAR COR DR. J.<br>QUINTOS STS. MALATE MANILA<br>Metropolitan Manila<br>1004                                                                                | Client<br>405-7554 | Tax Identification Number<br>000-839-862-000  | Domestic<br>PHILIPPINES | 142,500.00<br>NWT    |
| LBPT1000015<br>1 | LBP-TBG AS AGENT FOR 49107 TA01<br>LANDBANK PLAZA M.H. DEL PILAR COR. DR. J<br>QUINTOS STS., MALATE MANILA<br>Metropolitan Manila<br>STMT-E                                                                              | Client<br>405-7554 | Certificate Of Incorporation<br>LBPT1000015   | Domestic<br>PHILIPPINES | 101,000.00<br>NWT    |
| LBPT1000016<br>1 | LBP-TBG AS AGENT FOR 31712TA02<br>LANDBANK PLAZA M.H. DEL PILAR DR. J.<br>QUINTOS STS., MALATE MANILA<br>Metropolitan Manila<br>STMT-E                                                                                   | Client<br>405-7554 | Certificate Of Incorporation<br>LBPT1000016   | Domestic<br>PHILIPPINES | 10,500.00<br>NWT     |

| BP ID            | BP NAME                                                                                                                                                                                                                            | ACCOUNT TYPE       | ID TYPE                                     | INVESTOR TYPE           | HOLDINGS           |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------|-------------------------|--------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                                                                                                                            | TELEPHONE NUMBER   | ID NUMBER                                   | COUNTRY                 | TAXCODE            |
| LBPT1000018<br>1 | LBP-TBG AS AGENT FOR 52477 TA01<br>LANDBANK PLAZA M.H. DEL PILAR DR. J.<br>QUINTOS STS., MALATE MANILA<br>Metropolitan Manila<br>STMT-E                                                                                            | Client<br>405-7554 | Certificate Of Incorporation<br>LBPT1000018 | Domestic<br>PHILIPPINES | 10,000.00<br>NWT   |
| OOVV1000000<br>1 | UCPB GENERAL INSURANCE CO., INC.<br>25th Floor, LKG Tower Ayala Avenue, Makati City<br>Metropolitan Manila<br>1226                                                                                                                 | Own<br>884-1225    | Tax Identification Number<br>1007           | Domestic<br>PHILIPPINES | 318,900.00<br>NWT  |
| PABC1000000<br>1 | AB CAPITAL & INVESTMENT CORP. - TRUST &<br>INVESTMENT DIV.<br>G/F, Asianbank Centre Bldg., Sen. Gil Puyat Extensio<br>cor. Tordesillas St., Salcedo Village Makati City<br>Metropolitan Manila<br>0                                | Own<br>8930373     | Tax Identification Number<br>899            | Domestic<br>PHILIPPINES | 650.00<br>NWT      |
| PABC1000001<br>1 | AB CAPITAL & INVESTMENT CORP. -<br>TID-VARIOUS NON RESIDENT ALLIEN<br>G/F, Asianbank Centre Bldg., Sen. Gil Puyat Extensio<br>cor. Tordesillas St., Salcedo Village Makati City<br>Metropolitan Manila                             | Client<br>8930373  | Tax Identification Number<br>899.           | Foreign<br>PHILIPPINES  | 4,250.00<br>FTXN   |
| PABC1000003<br>1 | AB CAPITAL & INVESTMENT CORP. -<br>TID-FILIPINO<br>G/F, Asianbank Centre Bldg., Sen. Gil Puyat Extensio<br>cor. Tordesillas St., Salcedo Village Makati City<br>Metropolitan Manila                                                | Client<br>8930373  | Tax Identification Number<br>899'           | Domestic<br>PHILIPPINES | 721,350.00<br>NWT  |
| PABC1000004<br>1 | AB CAPITAL & INVESTMENT CORP. -<br>TID-FILIPINO<br>G/F, Asianbank Centre Bldg., Sen. Gil Puyat Extensio<br>cor. Tordesillas St., Salcedo Village Makati City<br>Metropolitan Manila                                                | Client<br>8930373  | Tax Identification Number<br>899            | Domestic<br>PHILIPPINES | 330,750.00<br>PH10 |
| PABC1000006<br>1 | AB CAPITAL AND INVESTMENT<br>CORPORATION-TRUST AND INVESTMENT<br>DIVISION<br>(PHILIPPINE PRUDENTIAL LIFE INSURANCE)<br>10/F TOWER ONE & EXCHANGE PLAZA AYALA<br>TRIANGLE AYALA AVENUE MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>898-7568 | Tax Identification Number<br>PABC1000006    | Domestic<br>PHILIPPINES | 16,400.00<br>NWT   |



| BP ID       | BP NAME                                                                                                                          | ACCOUNT TYPE     | ID TYPE                      | INVESTOR TYPE | HOLDINGS      |
|-------------|----------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------------|---------------|---------------|
| ACCOUNT NO. | ADDRESS                                                                                                                          | TELEPHONE NUMBER | ID NUMBER                    | COUNTRY       | TAXCODE       |
| PAUB1000000 | ASIA UNITED BANK - TRUST & INVESTMENT GROUP                                                                                      | Own              | Tax Identification Number    | Domestic      | 322,000.00    |
| 1           | 347 G/F Morning Star Bldg. Sen. Gil Puyat, Makati City<br>Metropolitan Manila<br>1200                                            | 899-3485         | 901                          | PHILIPPINES   | NWT           |
| PAUBEIF0000 | PAUB1000000                                                                                                                      | Client           | Certificate Of Incorporation | Domestic      | 295,000.00    |
| 2           | 33/F JOY-NOLSTALG CENTER, ADB AVE. ORTIGAS, PASIG CITY<br>Metropolitan Manila                                                    | 470-9704         | PAUBEIF0000                  | PHILIPPINES   | NWT           |
| PF841000000 | SSS PROVIDENT FUND                                                                                                               | Own              | Certificate Of Incorporation | Domestic      | 3,286,700.00  |
| 1           | 8F SSS BLDG. EAST AVENUE, DILIMAN QUEZO CITY<br>Metropolitan Manila                                                              | 920-6401         | PF841000000                  | PHILIPPINES   | NWT           |
| PLII1000000 | PNB LIFE INSURANCE, INC.                                                                                                         | Own              | Tax Identification Number    | Domestic      | 1,234,350.00  |
| 1           | 10/F Allied Bank Center 6754 Ayala Avenue cor. Legazpi St., Makati City<br>Metropolitan Manila<br>1226                           | 818-5433         | 1009                         | PHILIPPINES   | NWT           |
| PNBC2000000 | PNB TRUST BANKING GROUP                                                                                                          | Own              | Tax Identification Number    | Domestic      | 6,886,960.00  |
| 1           | 3/F PNB Financial Center Roxas Blvd., Pasay City<br>Metropolitan Manila<br>1300                                                  | 5263059          | 986                          | PHILIPPINES   | NWT           |
| PNBC2000001 | PNB-TBG T-10820                                                                                                                  | Client           | Certificate Of Incorporation | Domestic      | 12,667,350.00 |
| 1           | PNB FINANCIAL CENTER 3RD FLOOR TRUST BANKING MACAPAGAL BOULEVARD, PASAY CITY<br>Metropolitan Manila<br>STMT-E                    | 573-4662         | PNBC2000001                  | PHILIPPINES   | NWT           |
| PNBC2000002 | PNB TRUST BANKING GROUP FAO PNB GENER                                                                                            | Client           | Tax Identification Number    | Domestic      | 206,500.00    |
| 1           | INSURERS CO INC<br>3F TRUST BANKING GROUP PNB FINANCIAL C<br>RES MACAPAGAL BLVD PASAY CITY 1300<br>Metropolitan Manila<br>STMT-E | 573-4647         | PNBC2000002                  | PHILIPPINES   | NWT           |

| BP ID       | BP NAME                                                                                                               | ACCOUNT TYPE     | ID TYPE                   | INVESTOR TYPE | HOLDINGS     |
|-------------|-----------------------------------------------------------------------------------------------------------------------|------------------|---------------------------|---------------|--------------|
| ACCOUNT NO. | ADDRESS                                                                                                               | TELEPHONE NUMBER | ID NUMBER                 | COUNTRY       | TAXCODE      |
| PSMC2000000 | SAN MIGUEL CORPORATION RETIREMENT PLAN-STP                                                                            | Own              | Tax Identification Number | Domestic      | 6,568,300.00 |
| 1           | San Miguel Corporation Retirement Plan 40 San Miguel Avenue, Ortigas Center Mandaluyong City Metropolitan Manila 1550 | 632-3000         | 929                       | PHILIPPINES   | NWT          |
| RCBC1000000 | RCBC TRUST & INVESTMENT DIVISION                                                                                      | Own              | Tax Identification Number | Domestic      | 4,928,600.00 |
| 1           | 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200                                                       | 894-9017/18      | 273-303-335-000           | PHILIPPINES   | NWT          |
| RCBC1000004 | RCBC TRUST & INVESTMENT DIVISION                                                                                      | Client           | Tax Identification Number | Domestic      | 1,162,000.00 |
| 1           | 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200                                                       | 894-9017/18      | 273-304-449-000           | PHILIPPINES   | NWT          |
| RCBC1000011 | RCBC TRUST & INVESTMENT DIVISION                                                                                      | Client           | Tax Identification Number | Domestic      | 116,450.00   |
| 1           | 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200                                                       | 894-9017         | 419-825-846-000           | PHILIPPINES   | NWT          |
| RCBC1000029 | RCBC TRUST & INVESTMENT DIVISION                                                                                      | Client           | Tax Identification Number | Domestic      | 55,500.00    |
| 1           | 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200                                                       | 894-9017         | 229-278-165-000           | PHILIPPINES   | NWT          |
| RCBC1000036 | RCBC TRUST & INVESTMENT DIVISION                                                                                      | Client           | Tax Identification Number | Domestic      | 32,000.00    |
| 1           | 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200                                                       | 894-9017         | 222-520-076-000           | PHILIPPINES   | NWT          |
| RCBC1000043 | RCBC TRUST & INVESTMENT DIVISION                                                                                      | Client           | Tax Identification Number | Domestic      | 64,000.00    |
| 1           | 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200                                                       | 894-9017         | 225-174-863-000           | PHILIPPINES   | NWT          |
| RCBC1000048 | RCBC TRUST & INVESTMENT DIVISION                                                                                      | Client           | Tax Identification Number | Domestic      | 74,900.00    |
| 1           | 333 Sen. Gil J. Puyat Ave. Makati City Metropolitan Manila 1200                                                       | 894-9017         | 222-866-304-000           | PHILIPPINES   | NWT          |

| BP ID       | BP NAME                                                                                                          | ACCOUNT TYPE     | ID TYPE                      | INVESTOR TYPE | HOLDINGS     |
|-------------|------------------------------------------------------------------------------------------------------------------|------------------|------------------------------|---------------|--------------|
| ACCOUNT NO. | ADDRESS                                                                                                          | TELEPHONE NUMBER | ID NUMBER                    | COUNTRY       | TAXCODE      |
| RCBC1000052 | RCBC IMA NO. 80-185-2 FAO NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES                                    | Client           | Tax Identification Number    | Domestic      | 800,000.00   |
| 1           | 9TH FLOOR TOWER I, RCBC PLAZA 6819 AYAL AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                       | 878-3325         | 000-480-869-000              | PHILIPPINES   | NWT          |
| RCBC1000053 | RCBC IMA NO. 82-541-7                                                                                            | Client           | Tax Identification Number    | Domestic      | 1,000,000.00 |
| 1           | 9TH FLOOR TOWER 1, RCBC PLAZA, 6819 AYAL AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                      | 878-3325         | 000-599-760-000...           | PHILIPPINES   | NWT          |
| RCBC1000056 | RCBC TRUST & INVESTMENT GROUP FAO 45-120-7 (T/E)                                                                 | Client           | Certificate Of Incorporation | Domestic      | 1,000,000.00 |
| 1           | 9TH FLOOR TOWER 1, RCBC PLAZA, 6819 AYAL AVENUE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                   | 878-3325         | RCBC1000056                  | PHILIPPINES   | NWT          |
| RCBC1000100 | RCBC - TRUST GROUP                                                                                               | Client           | Tax Identification Number    | Domestic      | 122,000.00   |
| 1           | 9TH FLOOR TOWER 1, RCBC PLAZA, 6819 AYAL AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                      | 878-3325         | 000-599-760-000....          | PHILIPPINES   | NWT          |
| RCBC3000000 | RCBC TRUST & INVESTMENT DIVISION - VARIOUS TAXABLE ACCTS                                                         | Own              | Tax Identification Number    | Domestic      | 1,094,750.00 |
| 1           | 333 SEN. GIL J. PUYAT AVE., MAKATI CITY<br>Metropolitan Manila                                                   | 8783326          | 987.                         | PHILIPPINES   | PH10         |
| RCBC3000011 | RCBC IMA NO. 81-034-7                                                                                            | Client           | Passport                     | Domestic      | 850.00       |
| 1           | 9TH FLOOR TOWER 1, RCBC PLAZA, 6819 AYAL AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E                      | 878-3325         | RCBC3000011                  | PHILIPPINES   | PH10         |
| RCBC3000012 | RCBC TRUST & INVESTMENT GROUP FAO 93-0                                                                           | Client           | Tax Identification Number    | Domestic      | 730,000.00   |
| 1           | RIZAL EQUITY FUND<br>9TH FLOOR TOWER 1, RCBC PLAZA, 6819 AYAL AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | 878-3326         | RCBC3000012                  | PHILIPPINES   | PH10         |

| BP ID       | BP NAME                                                                                                               | ACCOUNT TYPE     | ID TYPE                        | INVESTOR TYPE | HOLDINGS       |
|-------------|-----------------------------------------------------------------------------------------------------------------------|------------------|--------------------------------|---------------|----------------|
| ACCOUNT NO. | ADDRESS                                                                                                               | TELEPHONE NUMBER | ID NUMBER                      | COUNTRY       | TAXCODE        |
| RCBC3000013 | RCBC TRUST & INVESTMENT GROUP FAO 93-0 Client                                                                         |                  | Tax Identification Number      | Domestic      | 940,000.00     |
| 1           | RIZAL BALANCED FUND<br>9TH FLOOR TOWER 1, RCBC PLAZA, 6819 AYAL<br>AVE., MAKATI CITY<br>Metropolitan Manila<br>STMT-E | 878-3326         | RCBC3000013                    | PHILIPPINES   | PH10           |
| SCBK1000000 | STANDARD CHARTERED BANK                                                                                               | Own              | Tax Identification Number      | Foreign       | 103,197,737.00 |
| 1           | 6756 Ayala Avenue Makati City<br>Metropolitan Manila<br>1200                                                          | 878-2879         | 957                            | PHILIPPINES   | FMX1           |
| SCBK1000050 | PRU LIFE INSURANCE CORP. OF UK - LINKED Client                                                                        |                  | Commercial Registration Number | Domestic      | 38,305,000.00  |
| 1           | FUND<br>5TH FLOOR 6788 AYALA AVENUE MAKATI CIT<br>Metropolitan Manila<br>1200                                         | 878-2124         | AS096-0511                     | PHILIPPINES   | NWT            |
| SCBK1000053 | IBM PHILIPPINES RET. PLAN - ACCT 2 - PH EQ Client                                                                     |                  | Certificate Of Incorporation   | Domestic      | 39,800.00      |
| 1           | 5/F STANDARD CHARTERED BANK, SKYPLAZ/<br>BUILDING 6788 AYALA AVE. MAKATI CITY<br>Metropolitan Manila<br>STMT-E        | 830-1117         | SCBK1000053                    | PHILIPPINES   | NWT            |
| SCTD1000000 | MBTC - TRUST BANKING GROUP                                                                                            | Own              | Tax Identification Number      | Domestic      | 36,592,330.00  |
| 1           | 5/F Metrobank Plaza Sen. Gil J. Puyat Ave. Makati<br>City<br>Metropolitan Manila<br>1200                              | 894-8888         | 990                            | PHILIPPINES   | NWT            |
| SCTD1000004 | MBTC TBG AS IM FOR 3012-00022-07                                                                                      | Client           | Tax Identification Number      | Domestic      | 86,350.00      |
| 1           | 17TH FLR. GT TOWER INTL AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila                                             | 857-5299         | 990.*.****                     | PHILIPPINES   | PH10           |
| SCTD1000005 | MBTC TBG AS IM FOR MAPUA INSTITUTE OF                                                                                 | Client           | Certificate Of Incorporation   | Domestic      | 9,149.00       |
| 1           | TECHNOLOGY RET. FUND<br>17TH FLR. GT TOWER INTL AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila                     | 857-5299         | 990....                        | PHILIPPINES   | NWT            |
| SCTD1000008 | MBTC TBG AS IM FOR WESTMONT RET PLAN                                                                                  | Client           | Certificate Of Incorporation   | Domestic      | 50,400.00      |
| 1           | 17TH FLR. GT TOWER INTL AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila                                             | 857-5299         | 990'''                         | PHILIPPINES   | NWT            |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                 | ACCOUNT TYPE<br>TELEPHONE NUMBER | ID TYPE<br>ID NUMBER                     | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------------|--------------------------|---------------------|
| SCTD1000009<br>1     | MBTC TBG AS IM FOR MEDICHEM RET PLAN<br>17TH FLR. GT TOWER INTL AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila                                  | Client<br>857-5299               | Certificate Of Incorporation<br>990``    | Domestic<br>PHILIPPINES  | 22,000.00<br>NWT    |
| SCTD1000010<br>1     | MBTC TBG AS IM FOR PEDIATRICA RET PLAN<br>17TH FLR. GT TOWER INTL AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila                                | Client<br>857-5299               | Certificate Of Incorporation<br>990`     | Domestic<br>PHILIPPINES  | 16,700.00<br>NWT    |
| SCTD1000011<br>1     | MBTC TBG AS IM FOR MFI FOUNDATION, INC.<br>17TH FLR. GT TOWER INTL AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila                               | Client<br>857-5299               | Certificate Of Incorporation<br>990***** | Domestic<br>PHILIPPINES  | 7,500.00<br>NWT     |
| SCTD1000012<br>1     | MBTC TBG AS IM FOR TAKING CARE OF<br>BUSINESS CORP.<br>17TH FLR. GT TOWER INTL AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila                   | Client<br>857-5299               | Certificate Of Incorporation<br>990****  | Domestic<br>PHILIPPINES  | 20,000.00<br>NWT    |
| SCTD1000013<br>1     | MBTC TBG AS IM FOR CARITAS HEALTH SHIELD<br>INC.<br>17TH FLR. GT TOWER INTL AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila                      | Client<br>857-5299               | Certificate Of Incorporation<br>990***   | Domestic<br>PHILIPPINES  | 46,500.00<br>NWT    |
| SCTD1000014<br>1     | MBTC TBG AS IM FOR BOARD OF TRUSTEES OF<br>PERAA RET FUND<br>17TH FLR. GT TOWER INTL AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila             | Client<br>857-5299               | Certificate Of Incorporation<br>990**    | Domestic<br>PHILIPPINES  | 258,300.00<br>NWT   |
| SCTD1000015<br>1     | MBTC TBG AS IM FOR BOARD OF TRUSTEES -<br>STANDARD CHARTERED RET PLAN<br>17TH FLR. GT TOWER INTL AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila | Client<br>857-5299               | Certificate Of Incorporation<br>990..... | Domestic<br>PHILIPPINES  | 93,400.00<br>NWT    |
| SCTD1000016<br>1     | MBTC TBG AS IM FOR GOVT SERVICE<br>INSURANCE SYSTEM<br>17TH FLR. GT TOWER INTL AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila                   | Client<br>857-5299               | Certificate Of Incorporation<br>990*     | Domestic<br>PHILIPPINES  | 5,473,250.00<br>NWT |

| BP ID            | BP NAME                                                                                                                                                                   | ACCOUNT TYPE       | ID TYPE                                            | INVESTOR TYPE               | HOLDINGS                |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------------------------|-----------------------------|-------------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                                                                   | TELEPHONE NUMBER   | ID NUMBER                                          | COUNTRY                     | TAXCODE                 |
| SCTD1000017<br>1 | MBTC TBG AS INV MGR FOR MERCURY GROU<br>17TH FLR. GT TOWER INTL AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila<br>1200                                                 | Client<br>857-5299 | Tax Identification Number<br>990*                  | Domestic<br>PHILIPPINES     | 125,000.00<br>NWT       |
| SCTD1000019<br>1 | MBTC-TBG AS INV MGR FLG MANAGEMENT &<br>DEVT. CORP.<br>17TH FLR GT TOWER INTL, AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila<br>STMT-D                                | Client<br>8575299  | Certificate Of Incorporation<br><br>FLG MGNT NO ID | Domestic<br><br>PHILIPPINES | 1,046,850.00<br><br>NWT |
| SCTD1000022<br>1 | MBTC-TBG AS INV MGR FOR PHILIPPINE STOC<br>EXCHANGE<br>17TH FLR GT TOWER INTL AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila<br>1200                                   | Client<br>8575299  | Tax Identification Number<br><br>000477863000.     | Domestic<br><br>PHILIPPINES | 419,400.00<br><br>NWT   |
| SCTD1000023<br>1 | MBTC-TBG AS INV MGR FOR MAJENT AGRO<br>INDUSTRIAL CORP. - CAROLINA BAMBOO<br>GARDENS<br>17TH FLR GT TOWER INTL, AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila<br>1200 | Client<br>8575299  | Tax Identification Number<br><br>000 477 863 000.  | Domestic<br><br>PHILIPPINES | 80,000.00<br><br>NWT    |
| SCTD1000029<br>1 | MBTC TBG AS IM FOR NARRA PRINCETON<br>HOLDINGS LIMITED<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila                             | Client<br>857-5299 | Certificate Of Incorporation<br><br>SCTD1000029    | Foreign<br><br>PHILIPPINES  | 217,700.00<br><br>VI24  |
| SCTD1000031<br>1 | MBTC TBG AS INVT. MNGR. FOR 3011-00305-08<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila                                          | Client<br>857-5299 | Tax Identification Number<br>000-477-863-000}      | Domestic<br>PHILIPPINES     | 120,000.00<br>NWT       |
| SCTD1000032<br>1 | MBTC TBG AS IM FOR HOLY ANGEL UNIVERSI<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>1200                                     | Client<br>857-5299 | Tax Identification Number<br>000772540000          | Domestic<br>PHILIPPINES     | 52,738.00<br>NWT        |

| BP ID       | BP NAME                                                                                    | ACCOUNT TYPE     | ID TYPE                      | INVESTOR TYPE | HOLDINGS   |
|-------------|--------------------------------------------------------------------------------------------|------------------|------------------------------|---------------|------------|
| ACCOUNT NO. | ADDRESS                                                                                    | TELEPHONE NUMBER | ID NUMBER                    | COUNTRY       | TAXCODE    |
| SCTD1000038 | MBTC TBG AS IM FOR ATENEO DE MANILA UNIVERSITY (QUEZON CITY), INC.                         | Client           | Certificate Of Incorporation | Domestic      | 200,000.00 |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | 857-5299         | 000-707-229-000              | PHILIPPINES   | NWT        |
| SCTD1000042 | MBTC TBG AS IM FOR SECURITIES INVESTORS PROTECTION FUNDS, INC.                             | Client           | Certificate Of Incorporation | Domestic      | 46,800.00  |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | 857-5299         | SCTD1000042                  | PHILIPPINES   | NWT        |
| SCTD1000043 | MBTC TBG AS IM FOR SURE PLUS VANTAGE, INC.                                                 | Client           | Certificate Of Incorporation | Domestic      | 39,500.00  |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | 857-5299         | SCTD1000043                  | PHILIPPINES   | NWT        |
| SCTD1000044 | MBTC TBG AS IM FOR ASIAN HOLDINGS CORPORATION                                              | Client           | Certificate Of Incorporation | Domestic      | 231,400.00 |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | 857-5299         | SCTD1000044                  | PHILIPPINES   | NWT        |
| SCTD1000045 | MBTC TBG AS IM FOR AUGUSTO E. TYCANGCO OR LILIA C. TYCANGCO                                | Client           | Passport                     | Domestic      | 20,000.00  |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | 857-5299         | SCTD1000045                  | PHILIPPINES   | NWT        |
| SCTD1000052 | MBTC TBG AS IM FOR ST PETER LIFE PLAN INC.                                                 | Client           | Certificate Of Incorporation | Domestic      | 845,000.00 |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | 857-5299         | SCTD1000052                  | PHILIPPINES   | NWT        |

| BP ID       | BP NAME                                                                                    | ACCOUNT TYPE     | ID TYPE                      | INVESTOR TYPE | HOLDINGS   |
|-------------|--------------------------------------------------------------------------------------------|------------------|------------------------------|---------------|------------|
| ACCOUNT NO. | ADDRESS                                                                                    | TELEPHONE NUMBER | ID NUMBER                    | COUNTRY       | TAXCODE    |
| SCTD1000053 | MBTC TBG AS IM FOR CENTER FOR EDUCATIONAL MEASUREMENT, INC.                                | Client           | Certificate Of Incorporation | Domestic      | 23,600.00  |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | 857-5299         | SCTD1000053                  | PHILIPPINES   | NWT        |
| SCTD1000054 | MBTC TBG AS IM FOR ARMED FORCES AND POLICE MUTUAL BENEFIT ASSOCIATION INC.                 | Client           | Certificate Of Incorporation | Domestic      | 143,700.00 |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | 857-5299         | SCTD1000054                  | PHILIPPINES   | NWT        |
| SCTD1000055 | MBTC TBG AS IM FOR PHILIPPINE LIFE FINANCIAL ASSURANCE CORPORATION FUND                    | Client           | Tax Identification Number    | Domestic      | 28,900.00  |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | 857-5299         | SCTD1000055                  | PHILIPPINES   | NWT        |
| SCTD1000056 | MBTC TBG AS IM FOR PHILIPPINE LIFE FINANCIAL ASSURANCE CORPORATION FUND                    | Client           | Tax Identification Number    | Domestic      | 48,900.00  |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | 857-5299         | SCTD1000056                  | PHILIPPINES   | NWT        |
| SCTD1000058 | MBTC TBG AS IM FOR MA JIMENEZ ENTERPRISES INC                                              | Client           | Tax Identification Number    | Domestic      | 370,000.00 |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | 857-5299         | SCTD1000058                  | PHILIPPINES   | NWT        |
| SCTD1000059 | MBTC TBG AS IM FOR ST. SCHOLASTICA'S COLLEGE, MANILA                                       | Client           | Tax Identification Number    | Domestic      | 22,800.00  |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | 857-5299         | SCTD1000059                  | PHILIPPINES   | NWT        |



| BP ID            | BP NAME                                                                                                                                                           | ACCOUNT TYPE       | ID TYPE                                  | INVESTOR TYPE           | HOLDINGS          |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------------------|-------------------------|-------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                                                           | TELEPHONE NUMBER   | ID NUMBER                                | COUNTRY                 | TAXCODE           |
| SCTD1000061<br>1 | MBTC TBG AS IM FOR KENOBE INC<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                    | Client<br>857-5299 | Tax Identification Number<br>SCTD1000061 | Domestic<br>PHILIPPINES | 18,500.00<br>NWT  |
| SCTD1000062<br>1 | MBTC TBG AS IM FOR FOUNDATION FOR A<br>SUSTAINABLE SOCIETY, INC.<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>857-5299 | Tax Identification Number<br>SCTD1000062 | Domestic<br>PHILIPPINES | 24,000.00<br>NWT  |
| SCTD1000063<br>1 | MBTC TBG AS IM FOR GOZON FOUNDATION I<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E                            | Client<br>857-5299 | Tax Identification Number<br>SCTD1000063 | Domestic<br>PHILIPPINES | 6,000.00<br>NWT   |
| SCTD1000064<br>1 | MBTC TBG AS IM FOR GOZON DEVELOPMENT<br>CORPORATION<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E              | Client<br>857-5299 | Tax Identification Number<br>SCTD1000064 | Domestic<br>PHILIPPINES | 6,200.00<br>NWT   |
| SCTD1000066<br>1 | MBTC TBG AS IM FOR AIM SCIENTIFIC<br>RESEARCH FOUNDATION, INC<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E    | Client<br>857-5299 | Tax Identification Number<br>SCTD1000066 | Domestic<br>PHILIPPINES | 31,300.00<br>NWT  |
| SCTD1000067<br>1 | MBTC TBG AS IM FOR PAR INVESTMENT AND<br>REALTY CORPORATION<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E      | Client<br>857-5299 | Tax Identification Number<br>SCTD1000067 | Domestic<br>PHILIPPINES | 104,200.00<br>NWT |

| BP ID            | BP NAME                                                                                                                                                              | ACCOUNT TYPE       | ID TYPE                                  | INVESTOR TYPE           | HOLDINGS          |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------------------|-------------------------|-------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                                                              | TELEPHONE NUMBER   | ID NUMBER                                | COUNTRY                 | TAXCODE           |
| SCTD1000068<br>1 | MBTC TBG AS IM FOR C-31-0811E<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                       | Client<br>857-5299 | Tax Identification Number<br>SCTD1000068 | Domestic<br>PHILIPPINES | 65,000.00<br>PH10 |
| SCTD1000070<br>1 | MBTC TBG AS IM FOR RMSANTIAGO 01E<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E                                   | Client<br>857-9706 | Tax Identification Number<br>SCTD1000070 | Domestic<br>PHILIPPINES | 11,000.00<br>PH10 |
| SCTD1000071<br>1 | MBTC TBG AS IM FOR CLIMBS LIFE AND<br>GENERAL INSURANCE COOPERATIVE<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | Client<br>857-9706 | Tax Identification Number<br>SCTD1000071 | Domestic<br>PHILIPPINES | 55,000.00<br>NWT  |
| SCTD1000073<br>1 | MBTC TBG AS IM FOR MAKATI COMMERCIAL<br>ESTATE ASSOCIATION INC<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E      | Client<br>857-9706 | Tax Identification Number<br>SCTD1000073 | Domestic<br>PHILIPPINES | 52,500.00<br>NWT  |
| SCTD1000074<br>1 | MBTC TBG AS IM FOR GROUP MANAGEMENT<br>AND DEVELOPMENT INC<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E          | Client<br>857-9706 | Tax Identification Number<br>SCTD1000074 | Domestic<br>PHILIPPINES | 105,000.00<br>NWT |
| SCTD1000076<br>1 | MBTC TBG AS IM FOR TRES MONTES HOLDING<br>INC<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E                       | Client<br>857-9706 | Tax Identification Number<br>SCTD1000076 | Domestic<br>PHILIPPINES | 175,700.00<br>NWT |

| BP ID       | BP NAME                                                                                                                | ACCOUNT TYPE     | ID TYPE                      | INVESTOR TYPE | HOLDINGS  |
|-------------|------------------------------------------------------------------------------------------------------------------------|------------------|------------------------------|---------------|-----------|
| ACCOUNT NO. | ADDRESS                                                                                                                | TELEPHONE NUMBER | ID NUMBER                    | COUNTRY       | TAXCODE   |
| SCTD1000078 | MBTC TBG AS IM FOR PHILIPPINE LIFE FINANCIAL ASSURANCE CORPORATION                                                     | Client           | Tax Identification Number    | Domestic      | 31,700.00 |
| 1           | FUND A- OPPORTUNITY FUND<br>17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E | 857-9706         | SCTD1000078                  | PHILIPPINES   | NWT       |
| SCTD1000079 | MBTC TBG AS IM FOR AFP GENERAL INSURANCE CORPORATION                                                                   | Client           | Tax Identification Number    | Domestic      | 20,600.00 |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E                             | 857-9706         | SCTD1000079                  | PHILIPPINES   | NWT       |
| SCTD1000080 | MBTC TBG AS IM FOR CARITAS MANILA, INC.                                                                                | Client           | Tax Identification Number    | Domestic      | 18,700.00 |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E                             | 857-9706         | SCTD1000080                  | PHILIPPINES   | NWT       |
| SCTD1000081 | MBTC TBG AS IM FOR MASS-SPECC COOPERATIVE DEVELOPMENT CENTER                                                           | Client           | Certificate Of Incorporation | Domestic      | 37,900.00 |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E                             | 857-9706         | SCTD1000081                  | PHILIPPINES   | NWT       |
| SCTD1000082 | MBTC TBG AS IM FOR EASYSTRIDE INCORPORATED                                                                             | Client           | Certificate Of Incorporation | Domestic      | 34,200.00 |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E                             | 857-9706         | SCTD1000082                  | PHILIPPINES   | NWT       |
| SCTD1000083 | MBTC TBG AS IM FOR SCHUHFIT INCORPORATED                                                                               | Client           | Certificate Of Incorporation | Domestic      | 38,600.00 |
| 1           | 17TH FLR GT TOWER INTERNATIONAL AYALA AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E                             | 857-9706         | SCTD1000083                  | PHILIPPINES   | NWT       |

| BP ID            | BP NAME                                                                                                                                               | ACCOUNT TYPE       | ID TYPE                                       | INVESTOR TYPE           | HOLDINGS          |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------------------------------|-------------------------|-------------------|
| ACCOUNT NO.      | ADDRESS                                                                                                                                               | TELEPHONE NUMBER   | ID NUMBER                                     | COUNTRY                 | TAXCODE           |
| SCTD1000084<br>1 | MBTC TBG AS IM FOR TENDENCE CORPORATI<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E                | Client<br>857-9706 | Certificate Of Incorporation<br>SCTD1000084   | Domestic<br>PHILIPPINES | 54,400.00<br>NWT  |
| SCTD1000085<br>1 | MBTC TBG AS IM FOR MARKETREACH<br>CORPORATION<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E        | Client<br>857-9706 | Certificate Of Incorporation<br>SCTD1000085   | Domestic<br>PHILIPPINES | 20,500.00<br>NWT  |
| SCTD1000086<br>1 | MBTC TBG AS IM FOR VIVENDI CORPORATION<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E               | Client<br>857-9706 | Certificate Of Incorporation<br>SCTD1000086   | Domestic<br>PHILIPPINES | 40,900.00<br>NWT  |
| SCTD1000087<br>1 | MBTC TBG AS IM FOR AVEENA INCORPORATE<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E                | Client<br>857-9706 | Certificate Of Incorporation<br>SCTD1000087   | Domestic<br>PHILIPPINES | 19,800.00<br>NWT  |
| SCTD1000088<br>1 | MBTC TBG AS IM FOR YUTEEKIONGJD01E<br>17TH FLR GT TOWER INTERNATIONAL AYALA<br>AVENUE, MAKATI CITY<br>Metropolitan Manila<br>STMT-E                   | Client<br>857-9706 | Passport<br>SCTD1000088                       | Domestic<br>PHILIPPINES | 41,500.00<br>PH10 |
| SCTD1000P40<br>1 | MBTC TBG AS IM FOR 3011-00202-10<br>CARLOS EJERCITO, JR.<br>17TH FLR GT TOWER INTL AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila<br>1200          | Client<br>8575299  | Tax Identification Number<br>000477863000:    | Domestic<br>PHILIPPINES | 11,000.00<br>PH10 |
| SCTD1000P56<br>1 | MBTC - TBG AS INV MGR FOR TELEVISION<br>INTERNATIONAL CORPORATION<br>17TH FLR GT TOWER INTL AYALA AVE.,<br>MAKATI CITY<br>Metropolitan Manila<br>1200 | Client<br>8575299  | Tax Identification Number<br>000 477 863 000! | Domestic<br>PHILIPPINES | 540,000.00<br>NWT |

| BP ID<br>ACCOUNT NO. | BP NAME<br>ADDRESS                                                                                                                                                                                                                    | ACCOUNT TYPE<br>TELEPHONE NUMBER | ID TYPE<br>ID NUMBER                         | INVESTOR TYPE<br>COUNTRY | HOLDINGS<br>TAXCODE   |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------|--------------------------|-----------------------|
| SSSI1000000<br>1     | SOCIAL SECURITY SYSTEM<br>SSS Bldg., East Ave., Diliman, Quezon City<br>Metropolitan Manila<br>0                                                                                                                                      | Own<br>926-1644                  | Tax Identification Number<br>994             | Domestic<br>PHILIPPINES  | 167,566,150.00<br>NWT |
| SSSI1000001<br>1     | SOCIAL SECURITY SYSTEM ASSIGNED TO<br>EMPLOYEES' COMPENSATION<br>COMMISSION FUND (SSS ASSIGNED TO EC FUN<br>C/O GRD FLR., SSS MAIN OFFICE TREASURY<br>DIVISION, EAST AVENUE, DILIMAN, QUEZON<br>CITY<br>Metropolitan Manila<br>STMT-E | Client<br>920-6401-5139          | Tax Identification Number<br>SSSI1000001     | Domestic<br>PHILIPPINES  | 42,271,250.00<br>NWT  |
| UCPB1000000<br>1     | UNITED COCONUT PLANTERS BANK-TRUST<br>BANKING<br>5/F, UCPB Bldg., Makati Ave. Makati City<br>Metropolitan Manila<br>0                                                                                                                 | Own<br>8119500                   | Tax Identification Number<br>000-507-736     | Domestic<br>PHILIPPINES  | 5,099,100.00<br>NWT   |
| UFIO1000000<br>1     | UNITED FUND, INC.<br>Cocolife Building, Ayala Avenue, Makati City<br>Metropolitan Manila<br>1226                                                                                                                                      | Own<br>8106944                   | Tax Identification Number<br>003-829-892-000 | Domestic<br>PHILIPPINES  | 400,000.00<br>NWT     |
| Total Holdings       |                                                                                                                                                                                                                                       |                                  |                                              | :                        | 3,626,423,978.00      |
| Grand Total          |                                                                                                                                                                                                                                       |                                  |                                              | :                        | 3,626,423,978.00      |

If no written notice of any error or correction is received by PDTC within five (5) calendar days from receipt hereof, you shall be deemed to have accepted the accuracy and completeness of the details indicated in this report.

This document is computer generated and requires no signature.



**Management Report  
Pursuant To SRC Rule 20 (4)**

- I. **INCORPORATED HEREIN ARE THE AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015 AND THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER MARCH 31, 2016 OF DMCI HOLDINGS, INC. (“The Corporation”).**
- II. **CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

There has been no change or disagreements with certifying accountants.

- III. **MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION**

## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD DECEMBER 31, 2015**

### **Full Year 2015 vs Full Year 2014**

#### **I. RESULTS OF OPERATIONS**

Below is a table on the net income contributions of the Company's businesses for 2015 and 2014:

#### **NET INCOME AFTER NON-CONTROLLING INTERESTS**

| <b>(in Php Millions)</b>              | <b>For the Year</b> |                | <b>Variance</b> |            |
|---------------------------------------|---------------------|----------------|-----------------|------------|
|                                       | <b>2015</b>         | <b>2014</b>    | <b>Amount</b>   | <b>%</b>   |
| SEMIRARA MINING AND POWER CORPORATION | P4,813              | P4,067         | P746            | 18%        |
| DMCI HOMES                            | 3,587               | 3,241          | 346             | 11%        |
| MAYNILAD                              | 2,312               | 1,968          | 344             | 17%        |
| D.M. CONSUNJI, INC.                   | 628                 | 464            | 164             | 35%        |
| DMCI MINING                           | 501                 | 362            | 139             | 38%        |
| DMCI POWER (SPUG)                     | 382                 | 243            | 139             | 57%        |
| PARENT & OTHERS                       | 82                  | (89)           | 171             | 192%       |
| <b>CORE NET INCOME</b>                | <b>12,305</b>       | <b>10,256</b>  | <b>2,049</b>    | <b>20%</b> |
| ONE TIME GAIN                         | 530                 | 519            | 11              | 2%         |
| <b>TOTAL</b>                          | <b>P12,835</b>      | <b>P10,775</b> | <b>P2,060</b>   | <b>19%</b> |

The consolidated net income of DMCI Holdings, Inc. (the “Company”) rose by 19% to P12.8 billion in 2015, from P10.8 billion reported in 2014. The strong double-digit growth was driven by the robust performance of all business units.

Excluding the P530 million one-time gain on the sale of its stake in Private Infra Dev Corp. (PIDC) to Rapid Thoroughfares Inc. of San Miguel Corporation, the core net income of the Company grew 20% to P12.3 billion from P10.3 billion. PIDC is the concessionaire for the Tarlac-Pangasinan-La Union Expressway.

Due to the strong operating performance of all business segments, consolidated core EBITDA improved 30% percent to P23.7 billion from P18.2 billion the previous year.

Semirara Mining and Power Corporation (SMPC) contributed P4.8 billion to DMC's bottom line, an 18% increase from the P4.1 billion reported last year. This was due to the improved output and sales of its power generation segment.

Gross power generation of SMPC's Calaca power units surged 39% to 3,959 GWh from 2,840 GWh while cost of power sales decreased 52% year-on-year to P4.1 billion from P8.7 billion. With its power units operating reliably this year, SMPC was able to keep its costs at normal levels.

DMCI Homes continued to deliver robust growth due to recognition of sales from completed high-rise projects. Its net income contribution improved by 11% from P3.2 billion to P3.6 billion. Excluding the effect of a gain on sale of undeveloped lot in 2014, net income actually rose by 18% compared to last year.

Continued improvement in operational performance and a 4% increase in billed volume in 2015 pushed net earnings contribution of affiliate Maynilad to grow 17%, to P2.3 billion from P2.0 billion.

Construction-arm D.M. Consunji, Inc. contributed P628 million, a 35% jump from the P464 million reported in 2014 due mainly to improved margins realized from completed projects in 2015.

Net income contributions from DMCI Mining expanded 38% to P501 million, compared to P362 million in 2014. Higher sales volume and streamlined operating costs helped mitigate the impact of declining nickel ore prices on the company's bottom line.

Meanwhile, off-grid power business, lodged under DMCI Power, reported a 57% higher net earnings from P243 million to P382 million. Higher electricity sales in Oriental Mindoro, Masbate and Palawan accounted for the significant growth.

## **SEMIRARA MINING AND POWER CORPORATION**

### **Full Years 2015-2014**

Below is SMPC's management discussion and analysis of the financial results for the period ended December 31, 2015 as lifted from its 17A report with the SEC and PSE.

#### **I. PRODUCTION – COMPARATIVE REPORT 2015 vs 2014**

##### **Coal**

Coal production dropped 1% YoY to 7.98 million metric tons (MTs) from 8.08 million MTs in 2014, with strip ratio registering at 10.39:1, improved by 15% from last year's 12.26:1.

The company voluntarily suspended its operation immediately following a slide in the northern edge of Panian mine on 17 July before the receipt of the Department of Energy (DOE) suspension order later in the day. The Department of Environment and Natural Resources (DENR), on the other hand, issued a Cease and Desist Order on 21 July. Nine of the company's personnel perished, while five dump trucks, one excavator and one wheel dozer were damaged in the accident. The suspension orders were lifted after thorough investigation showed that the Company has complied with the strengthened mining



safety protocols recommended by the DOE and experts. DENR lifted its suspension on 10 August, while DOE rescinded their suspension order on 18 September.

Due to the temporary halt in operations, total materials moved decreased 14% YoY to 88.62 million bank cubic meters (bcm) from 103.30 million bcm in 2014. This volume is inclusive of 6.7 million bcm of materials unloaded as additional safety measure in compliance with the new pit slope safety parameters recommended by DOE and the safety consultants engaged by the Company after the slide.

Safety equipment and personnel were augmented to intensify mine safety efforts. Two units of Slope Stability Radar (SSR) systems were acquired to complement the existing Robotic Total Station for real time, 24-hour slope movement monitoring. The SSR is a state-of-the-art technology for monitoring mine walls and general slopes and is now a generally-accepted tool for high-risk slope management.

Mine safety protocol was also revised and improved with the hiring of a full time geotechnical consultant and additional safety personnel. Safety training hours during the year constituted 70% or 26,898 out of the 38,576 training hours.

Coal sales volume dropped by 5% YoY at 8.43 million MTs from 8.89 million MTs in 2014. Lower sales resulted to higher ending inventory at 829 thousand MTs, 115% higher than last year's 386 thousand MTs.

The table below shows the comparative production data for FY 2015 and 2014.

| COMPARATIVE PRODUCTION DATA<br>(in '000, except Strip Ratio) |         |         |        |        |         |         |        |        |         |         |             |
|--------------------------------------------------------------|---------|---------|--------|--------|---------|---------|--------|--------|---------|---------|-------------|
|                                                              | Q1 '15  | Q2 '15  | Q3 '15 | Q4 '15 | FY '15  | Q1 '14  | Q2 '14 | Q3 '14 | Q4 '14  | FY '14  | % Inc (Dec) |
| Total Materials (bcm)                                        | 26,284  | 27,800  | 9,529  | 25,005 | 88,618  | 28,135  | 26,385 | 22,745 | 26,032  | 103,297 | -14%        |
| Gross Product Coal (MT)                                      | 2,325   | 2,134   | 1,113  | 2,408  | 7,979   | 2,353   | 2,513  | 2,145  | 950     | 7,961   | 0%          |
| Strip Ratio                                                  | 10.59:1 | 12.31:1 | 7.85:1 | 9.67:1 | 10.39:1 | 10.69:1 | 9.20:1 | 9.09:1 | 24.60:1 | 12.26:1 | -15%        |
| Net TPC (MT)                                                 | 2,302   | 2,112   | 1,182  | 2,384  | 7,980   | 2,329   | 2,488  | 2,123  | 1,144   | 8,084   | -1%         |
| Begin Inventory (MTs)                                        | 386     | 317     | 634    | 748    | 386     | 1,277   | 1,279  | 1,623  | 1,968   | 1,277   | -70%        |
| End Inventory (MTs)                                          | 317     | 634     | 748    | 829    | 829     | 1,279   | 1,623  | 1,968  | 386     | 386     | 115%        |

## SCPC

Both power units were operating reliably in 2015, registering record high gross generation which increased 39% YoY at 3,959 GWh from 2,840 GWh last year. The significantly lower generation in 2014 was due to the prolonged shut down for maintenance and installation of the new Distribution Control System (DCS) of Unit 2 last year which lasted to around six months.

## Unit One

Gross generation of Unit 1 increased 7% YoY to 1,819 GWh from 1,698 GWh generation last year. Average capacity decreased this year to 228 MW from 230 MW in 2014. High grade coal from Semirara improved the capacity of the plant in the first half of the year, however average capacity slightly dropped to 202 MW in second half of the year due to the slagging/fouling observed in the unit. Capacity factor is also up at 69% as of the end of current year, as against 65% last year.

Availability of the plant increased 8% YoY to 91% this year from 84% in 2014. Unplanned outages significantly dropped by 68% YoY to 429 hours from 1,335 hours last year when the plant incurred more downtimes in April and June for tube leaks repairs.

## Unit Two

Gross generation of Unit 2 surged 87% YoY to 2,140 GWh from 1,141 GWh last year as availability and average capacity registered record high. Conversely, generation in 2014 was low as the planned outage, mainly to give way for the installation of a new Distribution Control System (DCS) was prolonged. The commissioning of the plant was delayed and it only started to synchronize to the grid on 13 June as problems on the installation and fine tuning of the DCS were encountered. The unit only stabilized in the second half of the year, with dependable capacity reaching its rated capacity of 300 MW. Average capacity improved to 291 MW this year from 259 MW last year. Capacity factor also improved, registering at 81% this year from only 43% in 2014.

Availability of the plant increased to 84% in the current period from only 50% last year. Unplanned outages this year registered at 673 hours.

The table below shows the comparative production data for 2015 and 2014.

| COMPARATIVE PLANT PERFORMANCE DATA |              |              |            |            |              |            |            |            |              |              |             |
|------------------------------------|--------------|--------------|------------|------------|--------------|------------|------------|------------|--------------|--------------|-------------|
| CUSTOMER                           | Q1 '15       | Q2 '15       | Q3 '15     | Q4 '15     | FY '15       | Q1 '14     | Q2 '14     | Q3 '14     | Q4 '14       | FY '14       | % Inc (Dec) |
| <b>Gross Generation, GWh</b>       |              |              |            |            |              |            |            |            |              |              |             |
| Unit 1                             | 456          | 495          | 450        | 419        | 1,819        | 455        | 327        | 428        | 489          | 1,698        | 7%          |
| Unit 2                             | 558          | 656          | 549        | 376        | 2,140        | 33         | 77         | 428        | 603          | 1,141        | 87%         |
| <b>Total Plant</b>                 | <b>1,014</b> | <b>1,151</b> | <b>998</b> | <b>795</b> | <b>3,959</b> | <b>489</b> | <b>404</b> | <b>855</b> | <b>1,092</b> | <b>2,840</b> | <b>39%</b>  |
| <b>% Availability</b>              |              |              |            |            |              |            |            |            |              |              |             |
| Unit 1                             | 77%          | 91%          | 96%        | 100%       | 91%          | 89%        | 63%        | 85%        | 100%         | 84%          | 8%          |
| Unit 2                             | 91%          | 100%         | 85%        | 60%        | 84%          | 6%         | 20%        | 76%        | 98%          | 50%          | 67%         |
| <b>Total Plant</b>                 | <b>84%</b>   | <b>96%</b>   | <b>90%</b> | <b>80%</b> | <b>87%</b>   | <b>48%</b> | <b>41%</b> | <b>81%</b> | <b>99%</b>   | <b>67%</b>   | <b>30%</b>  |
| <b>Capacity Factor</b>             |              |              |            |            |              |            |            |            |              |              |             |
| Unit 1                             | 70%          | 75%          | 68%        | 64%        | 69%          | 70%        | 49%        | 65%        | 75%          | 65%          | 7%          |
| Unit 2                             | 86%          | 99%          | 83%        | 57%        | 81%          | 5%         | 12%        | 65%        | 92%          | 43%          | 87%         |
| <b>Total Plant</b>                 | <b>78%</b>   | <b>87%</b>   | <b>75%</b> | <b>61%</b> | <b>75%</b>   | <b>38%</b> | <b>30%</b> | <b>65%</b> | <b>83%</b>   | <b>54%</b>   | <b>39%</b>  |

## SLPGC

The 2 x 150 MW power plants started testing and commissioning in 2015. The first and second units were synchronized to the grid on 7 July and 16 August, respectively.

While on testing and commissioning, both units generated a total of 211 GWh. Although, the two units reached their maximum capacity of 150MW in September and December, respectively, this was not sustained, thus both units are still on commissioning and have not been officially declared commercial operations and achieved TOC (Turn-over Certificate) or final acceptance.

## II. MARKETING – COMPARATIVE REPORT YTD 2015 vs. YTD 2014

### Coal

Coal sales declined 5% YoY to 8.43 million MTs from 8.89 million MTs in 2014.

Sales to local customers increased 46% YoY to 5.32 million MTs from 3.64 million MTs in 2014, while export sales dropped by 41% YoY to 3.11 million MTs from 5.25 million MTs last year.

Power plant sales took up the biggest market share this year of 47% at 3.93 million MTs, up by 68% YoY from only 2.34 million MTs of coal sold to power plants in 2014. Deliveries to Calaca surged by 78% YoY

to 2.70 million MTs from 1.51 million MTs last year as power Units 1 and 2 are operating with minimal downtime in the current period as compared to the previous year. Sales to other power plants likewise increased significantly by 50% YoY to 1.24 million MTs from 825 thousand MTs last year. The growth mainly came from additional capacities and increase in the plants' usage ratio between Semirara coal and imported coal.

Cement companies also increased their volume by 17% YoY to 1.03 million MTs from 875.04 thousand last year due to higher demand for cement this year for infrastructure projects as well as increase in blend ratio of Semirara coal against imported coal. Cement industry's market share rose from 10% last year to 12% of total sales this year.

On the contrary sales to other industrial plants decreased by 16% YoY to 362 thousand MTs from 432 thousand MTs last year with lesser off-take by some customers.

Market share of export sales dropped to 37% from 59% last year. Domestic demand was significantly lower last year as Calaca Unit 2 was on protracted shutdown, hence more coal was available for export. Moreover, local deliveries were given priority over existing inventory as export shipment were put on hold while the mining operations were suspended after the incident, in compliance with the directive issued by DOE.

Composite average FOB price per MT decreased 9% YoY to PHP1,943 from PHP2,127 last year as global coal prices continue to drop.

The table below shows the comparative sales volume data for 2015 and 2014.

| CUSTOMER                | Q1 '15       | Q2 '15       | Q3 '15       | Q4 '15       | FY '15       | %           | Q1 '14       | Q2 '14       | Q3 '14       | Q4 '14       | FY '14       | %           | % Inc (Dec) |
|-------------------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| <b>Power Plants</b>     |              |              |              |              |              |             |              |              |              |              |              |             |             |
| Calaca                  | 666          | 626          | 661          | 743          | 2,696        | 32%         | 334          | 238          | 377          | 562          | 1,510        | 17%         | 78%         |
| Other PPs               | 313          | 307          | 306          | 312          | 1,237        | 15%         | 165          | 175          | 243          | 242          | 825          | 9%          | 50%         |
| <b>TOTAL PPs</b>        | <b>980</b>   | <b>932</b>   | <b>966</b>   | <b>1,055</b> | <b>3,933</b> | <b>47%</b>  | <b>499</b>   | <b>413</b>   | <b>620</b>   | <b>804</b>   | <b>2,336</b> | <b>26%</b>  | <b>68%</b>  |
| <b>Other Industries</b> |              |              |              |              |              |             |              |              |              |              |              |             |             |
| Cement                  | 278          | 246          | 278          | 224          | 1,027        | 12%         | 242          | 219          | 178          | 236          | 875          | 10%         | 17%         |
| Others                  | 93           | 114          | 91           | 65           | 362          | 4%          | 106          | 85           | 114          | 127          | 432          | 5%          | -16%        |
| <b>Total Others</b>     | <b>371</b>   | <b>360</b>   | <b>369</b>   | <b>289</b>   | <b>1,389</b> | <b>16%</b>  | <b>348</b>   | <b>304</b>   | <b>292</b>   | <b>363</b>   | <b>1,307</b> | <b>15%</b>  | <b>6%</b>   |
| <b>TOTAL LOCAL</b>      | <b>1,351</b> | <b>1,292</b> | <b>1,336</b> | <b>1,344</b> | <b>5,323</b> | <b>63%</b>  | <b>847</b>   | <b>716</b>   | <b>912</b>   | <b>1,167</b> | <b>3,643</b> | <b>41%</b>  | <b>46%</b>  |
| <b>EXPORT</b>           | <b>1,054</b> | <b>534</b>   | <b>562</b>   | <b>956</b>   | <b>3,105</b> | <b>37%</b>  | <b>1,462</b> | <b>1,407</b> | <b>846</b>   | <b>1,531</b> | <b>5,246</b> | <b>59%</b>  | <b>-41%</b> |
| <b>GRAND TOTAL</b>      | <b>2,404</b> | <b>1,826</b> | <b>1,898</b> | <b>2,300</b> | <b>8,428</b> | <b>100%</b> | <b>2,309</b> | <b>2,124</b> | <b>1,758</b> | <b>2,698</b> | <b>8,889</b> | <b>100%</b> | <b>-5%</b>  |

## POWER

SCPC's sales increased 11% YoY to 3,754 GWh from 3,383 GWh last year as both power plants are fully operational this year. The lower energy generation last year is a result of the prolonged testing and commissioning of the DCS for Unit 2 and higher forced outage for Unit 1.

Of the total energy sold, 95% or 3,581 GWh were sold to bilateral contracts and the remaining 5% to the spot market.

MERALCO remained to be the single biggest customer, accounting for 82% of the total energy sales of the bilateral contracts; BATELEC I and Trans-Asia comprised 5% and 8%, respectively.

Spot Market Sales is higher by 226% YoY at 173 GWh against 53 GWh last year.

Of the total energy sold, 99.4% was sourced from own generation, while only 0.6% was purchased from the spot market. SCPC procured power from the spot market during hour intervals where power units

were down, or when the plants were running at de-rated capacities, in order to be able to supply committed capacity to some of its customers.

Average price for bilateral contracts dropped 6% YoY to PHP3.33/KWh in the current year from PHP3.55/KWh last year. The contracts index Newcastle prices has been declining in the current semester against last year.

The table below shows the comparative marketing data for 2015 and 2014.

| COMPARATIVE PLANT PERFORMANCE DATA<br>(in GWh ; PHP) |            |              |            |            |              |            |            |            |              |              |               |
|------------------------------------------------------|------------|--------------|------------|------------|--------------|------------|------------|------------|--------------|--------------|---------------|
| CUSTOMER                                             | Q1 '14     | Q2 '14       | Q3 '14     | Q4 '14     | FY '14       | Q1 '14     | Q2 '14     | Q3 '14     | Q4 '14       | FY '14       | %Inc<br>(Dec) |
| Bilateral Contracts                                  | 902        | 1,031        | 937        | 710        | 3,581        | 413        | 886        | 966        | 1,065        | 3,330        | 8%            |
| Spot Sales                                           | 80         | 65           | 20         | 8          | 173          | 11         | -          | 15         | 27           | 53           | 226%          |
| <b>Grand Total</b>                                   | <b>982</b> | <b>1,096</b> | <b>957</b> | <b>719</b> | <b>3,754</b> | <b>425</b> | <b>886</b> | <b>981</b> | <b>1,091</b> | <b>3,383</b> | <b>11%</b>    |
| Composite Ave. Price                                 | 3.56       | 3.37         | 3.30       | 3.40       | 3.41         | 4.40       | 3.73       | 3.50       | 3.40         | 3.64         | -6%           |

### SLPGC

While on testing and commissioning, SLPGC sold the power generated by both plants to the spot market. As the two units were expected to be commercially available by second half of 2015, power supply contracts were already negotiated to put them in place just in time for its commercial operation. The delay of the commissioning prompted the company to serve a replacement power contract out of the generated power while still on commissioning, through a non-firm supply contract.

Total energy sold recorded at 209 GWh at an average composite price of PHP3.51/KWh.

The Company already secured supply contracts during the period with three customers totaling to 222 MWs. The contract terms range between two to five years.

## III. FINANCE

### A. Sales and Profitability

Consolidated Revenues, net of eliminating entries, dropped 14% YoY at PHP24.68 billion in 2015 from PHP28.59 billion in the previous year. Before eliminations, Coal Revenues decreased 28% YoY at PHP16.37 billion from PHP18.91billion last year. The decrease is due to lower sales volume by 5% and decline in composite average price to PHP1,943 from PHP2,127 last year. On the contrary, higher energy sales pushed SCPC Revenues up by 5% YoY at PHP 12.80 billion from PHP12.31 billion despite lower average price per KWh at PHP3.41 against PHP3.64/KWh last year. The pre-operating Southwest Luzon Power Generation Corp. (SLPGC), a wholly-owned subsidiary of the Company incorporated to expand its power capacity with the construction of 2 x 150 MW power plants generated Revenues of PHP110.09 million this year while on testing and commissioning.

Consolidated Cost of Sales dropped 44% YoY to PH10.54 billion from PHP18.93 billion last year. Depreciation dropped 12% YoY to PHP1.74 billion from PHP1.98 billion last year.

Before eliminations, coal Cost of Sales decreased 29% YoY to PHP8.63 billion from PHP12.23 billion last year. This is due to lower strip ratio, the decline in volume sold combined with lower shipping costs and

drop in oil prices. Cost of coal sold per MT reduced by 29% YoY at PHP1,062 from PHP1,376 last year. Coal depreciation decreased 39% YoY to PHP702.59 million from PHP1,154.69 million last year.

SCPC's Cost of Sales before elimination decreased 32% YoY to PHP6.35 billion from PHP9.35 billion; and 52% YoY after elimination to PHP4.13 billion from PHP8.70 billion last year. The Company was exposed to higher cost of replacement power in 2014 and incurred net loss of PHP2.1 billion from replacement power, when the plants used up the allowable downtime provided by the terms of the power supply contracts. Since both power units are operating reliably this year, costs are kept at their normal levels. Cost of Sales per Kwh is 38% lower YoY at PHP1.69 from PHP2.75 last year. SCPC's depreciation increased 10% YoY at PHP1.02 billion from PHP0.93 billion last year.

The resulting consolidated Gross Profit increased 47% YoY to PHP14.14 billion, with coal, SCPC and SLPGC each contributing PHP5.39 billion, PHP8.66 billion and PHP108.96 million, respectively. Last year's consolidated Gross Profit stood at PHP9.66 billion, PHP5.28 billion from coal and PHP1.59 billion from SCPC. Consolidated Gross profit margin rose to 57% from 34% last year.

Consolidated Operating Expenses (OPEX) increased by 36% YoY to PHP4.39 billion from PHP3.22 billion. Net of eliminating entries, the coal segment's OPEX increased 3% YoY to PHP2.32 billion from PHP2.27 billion last year. This mainly accounts for the tax assessment for year 2010 and 2011 totalling to PHP81.70. Meanwhile, SCPC's OPEX after elimination, which is mainly comprised of management fees and taxes and licenses, increased by 113% YoY to PHP1.98 billion from PHP926.36 million last year mainly due to full provision for allowance for the questioned PEMC receivables on electricity sold on spot last November and December 2013 amounting to P896.14 million. SLPGC incurred PHP91.37 million in OPEX, 132% up from 2014 OPEX of PHP39.33 million, representing non-capitalizable expenses recorded during each respective period. Other pre-operating subsidiaries incurred combined OPEX of PHP4.56 million.

Consolidated Forex Losses stood at PHP300.06 million, almost five times higher YoY from PHP52.14 million last year due to unrealized valuation losses. The peso is weaker this year, closing at USD1: PHP47.06, as against USD1: PHP44.72 as at end of 2014. Coal recorded Forex losses of PHP327.98 million as against PHP61.85 million last year as a result of the valuation of its USD denominated loans and foreign currency denominated transactions. SCPC meanwhile recorded gains this year of PHP 30.47 million versus losses of PHP14.45 million last year on its foreign currency denominated transactions. SLPGC also incurred FOREX losses of PHP2.55 million in the current period, as against gains of PHP24.15 million last year.

Higher cash levels offset lower placement interest rates, resulting to 39% increase YoY on consolidated Finance Income to PHP57.56 million from PHP41.45 million last year. Coal, SCPC and SLPGC earned PHP22.52 million, PHP16.56 million and PHP18.18 million Finance Income, respectively.

Consolidated Finance Costs dropped 14% YoY to PHP278.19 million from PHP323.23 million last year due to continuous repayment of loans. The Company only started accumulating loans again in the second half of 2015.

Coal's interest-bearing loans rose 20% YoY to PHP6.21 billion from PHP5.15 billion last year, resulting to a 8% increase YoY in Finance Cost to PHP129.65 million from PHP119.94 million last year. Meanwhile, after servicing its long-term loan and paying off its short-term loans, SCPC's interest-bearing loans declined 62% YoY to PHP2.30 billion from PHP3.82 billion last year; its Finance Cost decreased 26% YoY to PHP147.23 million from PHP197.73 million last. The benchmark of SCPC's long-term loan is changed to

PDST-R2 from PDST-F, while margin is increased from 100bps to 120bps. On the contrary, SLPGC's loans increased 14% YoY to PHP11.50 billion from PHP10.09 billion last year, but Finance Cost dropped 66% to PHP1.78 million from PHP5.26 million last year due to capitalization of interest expenses.

Consolidated Other Income increased 114% YoY to PHP440.68 million from PHP205.49 million last year. The coal segment's Other Income in the current period rose 170% to PHP248.34 million from PHP92.01 million last year; this mainly accounted for insurance recoveries and gain on sale of miscellaneous assets. SCPC's Other Income likewise increased 10% YoY to PHP125.19 million from PHP113.48 million last year. Both power units are operating regularly this year, unlike last year, thus producing more fly ash that is marketed as cement additive. SLPGC also recorded other income of PHP58.33 million representing power sold during plant commissioning.

The resulting consolidated Net Income Before Tax (NIBT) increased 53% YoY to PHP9.67 billion from PHP6.31 billion in 2014.

Consolidated Provision for Income Tax surged to PHP1.18 billion from net deferred tax of PHP552.87 million last year. Coal continues to enjoy Income Tax Holiday (ITH) as a Board of Investments-registered company, while SCPC is now in a tax position. As a result, coal's tax provision remained minimal at PHP37.78 million, while SCPC recognized tax exposure of PHP1.22 billion in 2015. Notably however, SCPC has Deferred Tax Assets as at end 2014 amounting to PHP635.64 million to partially cover the tax liability in the current period. SLPGC recorded final income tax of PHP3.64 million.

The resulting consolidated Net Income After Tax (NIAT) increased 24% YoY to PHP8.47 billion from PHP6.85 billion last year. Net of eliminations, coal generated net income of PHP2.91 billion, while SCPC generated PHP5.50 billion. Pre-operating SLPGC recorded PHP85.89 million income after generating sales while on commissioning; last year it recorded non-capitalizable project expensed of PHP29.26 million. Before eliminations, coal and SCPC recorded NIAT of PHP6.75 billion and PHP3.32 billion, respectively. With higher outstanding shares after a 200% stock dividend declaration in Q3 last year, Earnings per Share (EPS) stood at PHP7.94, 23% more than same period last year's adjusted EPS of PHP6.42.

### **DMCI HOMES**

Net income of wholly-owned subsidiary DMCI Project Developer's Inc. (PDI) rose by 11% to P3.6 billion. The strong revenues from completed high-rise projects coupled with stable gross margins pushed net earnings higher compared last year. Excluding the effect of a gain on sale of undeveloped lot last year, net income rose by 18% in 2015.

Revenues climbed **9.5%** to P13.7 billion due to completion of Sorrel Tower, La Verti Residences, Verawood Residences, The Amaryllis and One Castilla Place.

Unlike local industry practice of using percentage-of-completion accounting, the company adopts a more conservative approach to recognizing real estate revenues by realizing sales only when the unit is fully completed and at least 15% of contract price has been collected.

In spite of a more challenging market, sales and reservations for the period was reported at P18.8 billion, a dip of 1% from last year. Sustained demand for residential condominium units in new and existing

projects such as Ivorywood, Lumiere Residences, Sheridan Towers contributed to the sustained sales take up.

Capital expenditures went down by 19% to P9.9 billion from P12.2 billion in 2014. Of the amount spent in 2015, 32% went to land acquisition, 68% went to development cost.

## **MAYNILAD**

The Company's investment in the water business is recognized mainly through its equity investment in the partnership with Metro Pacific Investments Corporation (MPIC), with the actual operations under Maynilad Water Services, Inc. (Maynilad).

Maynilad handles the water distribution and sewer services for the western side of Metro Manila and parts of Cavite.

Operating efficiencies continued to improve in 2015, as Maynilad reported higher income from operations. From 10.95 billion, income from operations climbed 8% to P11.85 billion in 2015.

Consolidated revenues from water and sewer services for the full year 2015 grew 4.3% to P18.7 billion from P17.94 billion last year. The increase in revenues was primarily driven by the 4.3% increase in billed volume, coupled with 0.1% increase in average effective tariff. Meanwhile, Consolidated revenues from operations amounted to P19.1 billion, a 4% increase from P18.36 billion last year.

Consolidated cash operating expenses decreased 3.0% to P5.18 billion versus P5.34 billion last year primarily due to lower personnel costs driven by the one-time Special Opportunity Package (SOP) implemented last year to improve employee productivity, as well as savings on major expense items such as light and power and repairs and maintenance costs.

Amortization of intangible assets increased 12.9% to P2.04 billion from P1.8 billion in the prior year, in line with the company's continuing capital expenditure program.

Reported consolidated net income grew at an even higher pace of 15.7% to P9.55 billion from P8.26 billion in the prior year, due to lower interest expense.

After adjustments at the consortium company level, the Company's equity in net earnings reported a 17% increase from P1.9 billion last year to P2.3 billion this year.

## **Rate Rebasing Update**

On 29th December 2014, Maynilad received a favorable award in its arbitration regarding its 2013-2017 water tariff. The new rate results in a 9.8% increase in the 2013 average basic water charge of P31.28 per cubic meter. However, to date, the MWSS has refused to abide by this legally binding arbitration award. Acting in accordance with the provisions of its concession, Maynilad has therefore notified the Republic of the Philippines ("Republic") that it is calling on the Republic's undertaking to compensate Maynilad for losses arising from delayed implementation of the new tariff. As this has also not been acted upon, on March 27, 2015 Maynilad served Notice of Arbitration against the Republic. In the fourth quarter of 2015,

the Arbitration Tribunal was constituted. Hearings are expected to begin in 2016.

### **D.M. CONSUNJI, INC.**

D.M Consunji, Inc. reported P628 million net income in 2015, an improvement of 35% due mainly to higher percentage-of-completion revenue from ongoing projects and better margins realized from completed projects. Despite the challenges of right-of-way and utility relocation issues, construction revenues from external customers improved by 12% to P13.2 billion mainly coming from infrastructure projects. Meanwhile, total construction costs (under cost of services and operating expenses) grew at a slower pace of 9% reaching P12.3 billion in 2015 from P11.3 billion in 2014. The recognized cost in 2014 was adversely affected by the cost overruns in its engineering, procurement and construction (EPC) contract for a power plant.

The company reported a total orderbook (balance of work) of P29.2 billion at the end of December 2015, from P18.5 billion at the close of 2014. Awarded projects and contract adjustments in 2015 totaled P24.4 billion. This includes the civil works of LRT 2 East Extension (Masinag) and Sections 1 & 2 of the Skyway Stage 3. These projects are expected to boost the revenues of the company in the next few years.

Ongoing and new projects in the orderbook include among others, the NAIA Expressway of Vertex Tollways Dev. Inc. (a unit of San Miguel Holdings Corporation), The Skyway Stage 3 of Citra Central Expressway Corp. (a unit of San Miguel Corporation), The Runway of Travellers International Hotel Group, The Viridian, The Royalton and The Imperium of Ortigas & Company, The Areté of the Ateneo de Manila University, Phase 2 office expansion of TV5 Network Inc., Second unit of 135MW coal-fired power plant of South Luzon Thermal Energy Corp., 2x150MW coal-fired power units of Southwest Luzon Power Generation Corp. and the Paranaque Sewer Network of Maynilad.

### **DMCI POWER (SPUG)**

An added growth area of the power segment is under DMCI Power Corporation, a wholly-owned subsidiary of DMCI Holdings, Inc. DMCI Power is focused on getting power supply contracts with the electric cooperatives situated in the off-grid areas.

As of December 31, 2015, the total installed rated capacity is 78.04MW. Out of the total, 24.4MW (12.4 MW bunker-fired and 12 MW diesel) is at Masbate, 38.08MW (diesel) in Palawan and a 4x3.89 MW bunker-fired plant which started commercial operations (February 2015) in Mindoro Oriental.

Due to increase in energy dispatch of the electric cooperatives to our plants and operation, sales volume reported in Masbate (86 GWh) and Palawan (78 GWh) rose by 8% and 47%, respectively, year-on-year. Average price/kwh in Masbate is P11.52/kwh and P9.27/kwh in Palawan. Ten months operations in Mindoro Oriental produced sales volume of 46 GWh at P9.89/kwh average price.



Consequently, the total off-grid generation revenue and net income went up by 19% and 57%, respectively. Revenue increased to P2.2 billion in 2015 compared to P1.8 billion in 2014. Meanwhile, net income went up to P382 million compared to last year's P243 million.

## **DMCI MINING**

The nickel and metals (non-coal) mining business is reported under DMCI Mining Corporation, a wholly-owned subsidiary of DMCI Holdings, Inc.

Despite a weak and volatile global nickel ore price, DMCI Mining was able to generate a net income of P501 million in 2015, an upsurge of 38% from P362 million in 2014. The increase was attributed to higher sales volume and streamlined operating costs. In addition, the Company's EBITDA has climbed 102% year-on-year to P1.6 billion.

On a full year comparative basis, revenues amounted to P3.1 billion in 2015, up 21% from P2.6 billion in 2014 mainly due to more volume and higher ore grade shipments. Sales volume in 2015 reached 1.65 million wet metric tons (WMT) compared to 1.21 million WMT last year. Average ore grade in 2015 is 1.63% compared to 1.43% in 2014. Despite the higher average ore grade, composite average price was P1,894 per WMT in 2015 compared to P2,142 per WMT in 2014, indicative of the nickel commodity market conditions for the year.

The segment's total depletion, depreciation and amortization amounted to P436 million in 2015 compared to P512 million in 2014. Total operating cash cost per WMT (under cost of sales and operating expenses) decreased by 37% to P961/WMT compared to P1,508/WMT in 2014.

## **Explanation of movement in consolidated income statement accounts:**

### **Revenue**

Consolidated revenue slightly increased by 1% to P57.2 billion during the year compared to P56.6 billion last year. The increase came from the Company's power, real estate, construction and nickel mining businesses.

### **Cost of Sales and Services**

It decreased by 16% despite higher sales volume in almost all business segments mainly due to higher cost of replacement power in 2014.

### **Operating Expenses**

Consolidated operating expenses increased by 6% primarily due to provisions on long outstanding power receivables in 2015.

### **Equity in Net Earnings**

It increased by 18% mainly caused by higher profits of Maynilad.

### **Finance Income**

Consolidated finance income increased by 7% mainly due to reporting of real estate installment financing income.

#### Finance Costs

Consolidated finance costs increased by 17% mainly attributable to additional corporate notes issuances of the real estate segment.

#### Other Income-net

It decreased by 34% mainly due to lesser forfeitures of real estate contracts during the year and recognition of a gain on sale of undeveloped lot in 2014.

#### Provision for Income Tax

It increased by 231% because of income tax expense in Sem-Calaca power since its income tax holiday expired end of 2014. Higher income tax expense in nickel mining, real estate and construction segments also contributed to the increase in consolidated provision for income tax mainly due to higher taxable profits during the period.

## **II. CONSOLIDATED FINANCIAL CONDITION**

### **December 31, 2015 (Audited) vs December 31, 2014 (Audited)**

The Company's financial condition for the period improved as consolidated total assets and total equity amounted to P149 billion and P75 billion, respectively as of December 31, 2015. This is an improvement of 8% and 12%, respectively

Consolidated cash expanded by 26% from P15.2 billion in December 31, 2014 to P19.2 billion in December 31, 2015 due mainly to higher operating income for the year and issuances of corporate notes of the real estate segment. This is despite payment of dividends and higher income taxes in 2015.

Available for sale financial assets increased by 13% from P68 million to P77 million due to mark-to-market gain recognized in equity.

Total receivables (current and non-current) slightly increased by 1% from P15.9 billion to P16 billion mainly attributed to higher billed construction receivables. This was driven by higher accomplishments from ongoing projects during the year as compared to last year.

Consolidated inventories grew by 20% from P28.6 billion to P34.4 billion coming mainly from land acquisition and continuing work in progress in the real estate segment.

Other current assets decreased by 21% mainly due to recoupment of advances from suppliers and subcontractors and the realization of net input VAT and creditable taxes of the construction and nickel mining segments.

Investments in associates and joint ventures slightly increased by 5% despite the sale of shares in Private Infra Dev Corporation (PIDC). The increase is attributable to higher equity in net earnings in Maynilad.

Property plant & equipment reached P49.4 billion, up 5% mainly due to equipment and parts acquisitions in coal and power segments.

Investment properties increased by 19% mainly due to acquisition of property by the real estate segment during the period.

Exploration and evaluation asset rose by 52% to P3.2 billion from P2.1 billion last year. This accounted for the exploratory drilling and pre-stripping activities in Narra mine (previously Bobog mine).

Other noncurrent assets decreased by 13% which is due to the reclassification of the investment in sinking fund of Sem Calaca to current asset. Such sinking fund was reclassified because of the planned prepayment of loan to which the account is attached.

Accounts & other payables decreased by 11% mainly attributed to payments of normal trade transactions with suppliers and subcontractors in the construction and coal segments.

Customers' advances and deposits slightly increased by 2% due to payments received from real estate customers, the corresponding revenue of which has yet to be realized under full completion method of accounting.

Income tax payable increased by 452% due to higher taxable income of the nickel mining segment during the year as compared to last year. Also, Sem-Calaca power has started to pay income taxes during the year since its income tax holiday expired end of 2014.

Liabilities for purchased land increased by 38% mainly due to the acquisition of land for real estate development.

The increase in short-term debt by 83% from P2 billion to P3.7 billion mainly pertains to working capital loans of the coal segment.

Long term debt grew by 5% from P35.4 billion to P37.1 billion attributed to additional corporate notes issuances of the real estate segment.

Deferred tax liabilities increased by 20% mainly due to the excess of book over tax income in real estate sales.

Other noncurrent liabilities increased by 12% mainly due to advances from contract owners which are not due to be settled within twelve months after the end of the reporting period. The increase in mine rehabilitation contingency of the coal segment due to intensified and expanded rehabilitation plan also contributed to the increase in other noncurrent liabilities.

After generating a net income of P12.8 billion and payment of cash dividends of P6.4 billion, consolidated retained earnings increased by 17% from P37.2 billion in 2014 to P43.7 billion in 2015.

Non-controlling interest increased by 18% as a result of the non-controlling share in the consolidated net income of Semirara, net of its share in the dividends declared during the period.

### III. KEY PERFORMANCE INDICATORS

The Company and its Subsidiaries (the “Group”) use the following key performance indicators to evaluate its performance:

- (a) Segment Revenues
- (b) Segment Net Income (after Non-controlling Interests)
- (c) Earnings Per Share
- (d) Current Ratio
- (e) Net Debt to Equity Ratio

#### SEGMENT REVENUES

| <b>(in Php Millions)</b>              | <b>For the Period</b> |                | <b>Variance</b> |           |
|---------------------------------------|-----------------------|----------------|-----------------|-----------|
|                                       | <b>2015</b>           | <b>2014</b>    | <b>Amount</b>   | <b>%</b>  |
| SEMIRARA MINING AND POWER CORPORATION | P24,680               | P28,585        | (P3,905)        | -14%      |
| DMCI HOMES                            | 13,677                | 12,494         | 1,183           | 9%        |
| D.M. CONSUNJI, INC.                   | 13,249                | 11,853         | 1,395           | 12%       |
| DMCI MINING                           | 3,139                 | 1,516          | 1,623           | 107%      |
| DMCI POWER (SPUG)                     | 2,169                 | 1,828          | 341             | 19%       |
| PARENT & OTHERS                       | 290                   | 285            | 5               | 2%        |
| <b>TOTAL</b>                          | <b>P57,204</b>        | <b>P56,561</b> | <b>P642</b>     | <b>1%</b> |

The initial indicator of the Company’s gross business results are seen in the movements in the different business segment revenues. As illustrated above, the Company’s nickel mining, construction, real estate and off grid power businesses posted higher revenues during the year as compared to last year. Revenue from Semirara was down mainly due to lower sales volume and decline in composite average price of its coal business. (See Part I. Results of Operations – different segments for a detailed discussion per business).

#### NET INCOME AFTER NON-CONTROLLING INTERESTS

| <b>(in Php Millions)</b> | <b>For the Period</b> |             | <b>Variance</b> |          |
|--------------------------|-----------------------|-------------|-----------------|----------|
|                          | <b>2015</b>           | <b>2014</b> | <b>Amount</b>   | <b>%</b> |

|                                       |                |                |               |            |
|---------------------------------------|----------------|----------------|---------------|------------|
| SEMIRARA MINING AND POWER CORPORATION | P4,813         | P4,067         | P746          | 18%        |
| DMCI HOMES                            | 3,587          | 3,241          | 346           | 11%        |
| MAYNILAD                              | 2,312          | 1,968          | 344           | 17%        |
| D.M. CONSUNJI, INC.                   | 628            | 464            | 164           | 35%        |
| DMCI MINING                           | 501            | 362            | 139           | 38%        |
| DMCI POWER (SPUG)                     | 382            | 243            | 139           | 57%        |
| PARENT & OTHERS                       | 82             | (89)           | 171           | 192%       |
| <b>CORE NET INCOME</b>                | <b>12,305</b>  | <b>10,256</b>  | <b>2,049</b>  | <b>20%</b> |
| ONE TIME GAIN                         | 530            | 519            | 11            | 2%         |
| <b>TOTAL</b>                          | <b>P12,835</b> | <b>P10,775</b> | <b>P2,060</b> | <b>19%</b> |

The net income (after non-controlling interest) or bottom line results from operations of the Company have multiple drivers for growth from different business segments. For the year ended, all of the Company's business segments have posted strong growth in earnings despite a challenging business environment faced during the year. (See Part I. Results of Operations – different segments for a detailed discussion per business).

#### **EARNINGS PER SHARE**

Earnings per share (EPS) pertains to the company's income allocated to each outstanding share of common stock. It serves as an indicator of the company's profitability.

The Company's consolidated basic and diluted EPS for the year was P0.97/share accounting for a 20% increase from the P0.81/share EPS last year attributed to strong growth of all the business segments in 2015. (See Part I. Results of Operations – different segments for a detailed discussion per business).

#### **CURRENT RATIO**

Liquidity is an essential character of any organization, and the Company, including the Group as a whole, should indicate acceptable levels of liquidity. The initial test of liquidity is the current ratio, which will display a company's ability to satisfy current obligations with current resources. Current ratio is arrived at by dividing the current assets over the current liabilities. The Company uses this test and compares it with industry balances to determine its ability to satisfy current obligations with respect to its competitors

Consolidated cash and cash equivalents amounted to P19.2 billion, resulting in a current ratio of 185% for 2015. (See Part II. Financial Condition for a detailed discussion).

#### **NET DEBT TO EQUITY RATIO**

As a stockholder/investor, financial position and stability would be an important aspect. The Company tests its financial position through the net debt to equity ratio. This test indicates the Company's ownership of creditors vs. owners/investors. In addition, net debt to equity or debt to equity ratio maintenance is a requirement set by creditors as a standard for extending credit. Net debt to equity ratio is computed by dividing the interest-bearing loans net of cash and cash equivalents over total equity

Total borrowings stood at P40.8 billion from P37.4 billion last year, which resulted to a net debt to equity ratio of 29%. (See Part II. Financial Condition for a detailed discussion).

**OTHER RELEVANT FINANCIAL SOUNDNESS RATIOS**

|                          | December 31, 2015         | December 31, 2014        |
|--------------------------|---------------------------|--------------------------|
| Current Ratio            | 185%                      | 212%                     |
| Net Debt to Equity Ratio | 29%                       | 33%                      |
| Asset to Equity Ratio    | 199%                      | 206%                     |
| Return on Assets         | 12.2%<br>11.9%*           | 10.9%<br>10.5%**         |
| Return on Parent Equity  | 21.6%<br>20.7%*           | 20.1%<br>19.1%**         |
| Interest Coverage Ratio  | 11.4 times<br>11.1 times* | 9.0 times<br>8.7 times** |
| Gross Margin (%)         | 44.4%                     | 32.8%                    |
| Net Profit Margin (%)    | 29.6%<br>28.7%*           | 24.4%<br>23.5%**         |

\* Excluding one time gain of P530 million pertaining to sale of PIDC share

\*\* Excluding one time gain of P519 million pertaining to acquisition of nickel mining entities

| BALANCE SHEET                                  | CAUSES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                | December 31, 2015 – December 31, 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>ASSETS</b>                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <i>Cash and cash equivalents</i>               | Consolidated cash and cash equivalents expanded by 26% from P15.2 billion in December 31, 2014 vs. P19.2 billion in December 31, 2015 due mainly to higher cash generated from operations during the year (P17.3 billion) and additional loan availments (P3.3 billion net of payments). This is despite payment of dividends (P8.6 billion), capital expenditures for equipment and parts acquisition in coal and power segments (P6.3 billion) and higher income taxes paid in 2015 (P2.7 billion). |
| <i>Receivables – current &amp; non-current</i> | Total receivables (current and non-current) slightly increased by 1% from P15.9 billion to P16 billion mainly attributed to higher billed construction receivables. This was driven by higher accomplishments from ongoing projects during the year as compared to last year.                                                                                                                                                                                                                         |
| <i>Inventories</i>                             | Consolidated inventories grew by 20% from P28.6 billion to P34.4 billion coming mainly from land acquisition and continuing work in progress in the real estate segment.                                                                                                                                                                                                                                                                                                                              |
| <i>Other current assets</i>                    | Other current assets decreased by 21% from P8.9 billion to P7 billion mainly due to recoupment of advances from suppliers and subcontractors and the realization of net input VAT and creditable taxes of the construction and                                                                                                                                                                                                                                                                        |

|                                                                        |                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                        | nickel mining segments.                                                                                                                                                                                                                                                                                                                                                         |
| <i>Investments in associates, jointly-controlled entity and others</i> | Investments in associates and joint ventures slightly increased by 5% from P10.9 billion to P11.5 billion despite the sale of shares in Private Infra Dev Corporation (PIDC). The increase is attributable to higher equity in net earnings in Maynilad.                                                                                                                        |
| <i>Property, plant and equipment - net</i>                             | Property plant & equipment reached P49.4 billion, up 5% from P46.9 billion last year mainly due to equipment and parts acquisitions in coal and power segments.                                                                                                                                                                                                                 |
| <i>Exploration and evaluation asset</i>                                | Exploration and evaluation asset rose by 52% to P3.2 billion from P2.1 billion last year. This accounted for the exploratory drilling and pre-stripping activities in Narra mine (previously Bobog mine).                                                                                                                                                                       |
|                                                                        |                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>LIABILITIES AND EQUITY</b>                                          |                                                                                                                                                                                                                                                                                                                                                                                 |
| <i>Accounts and other payables</i>                                     | Accounts & other payables decreased by 11% mainly attributed to payments of normal trade transactions with suppliers and subcontractors in the construction and coal segments.                                                                                                                                                                                                  |
| <i>Customers' advances and deposits</i>                                | Customers' advances and deposits slightly increased by 2% due to payments received from real estate customers, the corresponding revenue of which has yet to be realized under full completion method of accounting.                                                                                                                                                            |
| <i>Short-term debt</i>                                                 | The increase in short-term debt by 83% from P2 billion to P3.7 billion mainly pertains to working capital loans of the coal segment.                                                                                                                                                                                                                                            |
| <i>Long-term debt</i>                                                  | Long term debt grew by 5% from P35.4 billion to P37.1 billion attributed to additional corporate notes issuances of the real estate segment.                                                                                                                                                                                                                                    |
| <i>Deferred tax liabilities</i>                                        | Deferred tax liabilities increased by 20% mainly due to the excess of book over tax income in real estate sales.                                                                                                                                                                                                                                                                |
| <i>Other noncurrent liabilities</i>                                    | Other noncurrent liabilities increased by 12% mainly due to advances from contract owners which are not due to be settled within twelve months after the end of the reporting period. The increase in mine rehabilitation contingency of the coal segment due to intensified and expanded rehabilitation plan also contributed to the increase in other noncurrent liabilities. |
| <i>Retained earnings</i>                                               | After generating a net income of P12.8 billion and payment of cash dividends of P6.4 billion, consolidated retained earnings increased by 17% from P37.2 billion in 2014 to P43.7 billion in 2015.                                                                                                                                                                              |

| INCOME STATEMENT                   | CAUSES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    | 2015-2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2014-2013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>REVENUE</b>                     | Consolidated revenue slightly increased by 1% to P57.2 billion during the year compared to P56.6 billion last year. The Company's nickel mining, construction, real estate and power businesses posted higher revenues during the year as compared to last year. The growth was mainly due to higher volume and completion of projects during the year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Revenues went up slightly by 1% to reach P56.6 billion. Higher sales volume of the Coal and Nickel segments carried reported revenues despite lower power generation sales due to prolonged power plant maintenance and decline in construction revenues due to delayed implementation of major public infrastructure projects because right-of-way and utility relocation issues for most of its road infrastructure projects.                                                                                                                                                                                                                                                                                     |
| <b>COSTS OF SALES AND SERVICES</b> | It decreased by 16% despite higher sales volume mainly due to coal and on grid power businesses. Lower strip ratio, decline in volume sold combined with lower shipping costs and drop in oil prices dragged down the cost of coal sales by 36% while higher cost of replacement power in 2014 brought the on grid power cost of sales down by 49% this year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | It increased by 11% mainly due to higher sales volume in coal segment and the cost of replacement power purchases.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>GROSS PROFIT</b>                | <p>Gross profit grew by 37% due to strong operating performance of all business units.</p> <p>The biggest chunk of the growth in gross profit came from Semirara. With its power units operating reliably this year, it was able to increase the output and sales as well as keeping its costs at normal levels. Meanwhile, gross profit from the construction segment has increased by 46% from last year figure which was mainly due to improved margins of completed projects in 2015. The real estate segment was also able to deliver robust growth as seen in the increase of its gross profit by 15% which is attributed to the recognition of sales from completed high-rise projects. Higher sales volume and streamlined operating costs resulted to the increased gross profit margin of the nickel segment. Gross profit of the off grid power business has increased by 103% due mainly to higher electricity sales in</p> | <p>Gross profit went down by 15% due mainly to the weakened operating results of the power and construction businesses.</p> <p>Technical problems during the installation and fine-tuning of the Distribution Control System (DCS) and commissioning delays resulted in extended outages in one of the Calaca power units. This exposed the power business to high Wholesale Electricity Spot Market (WESM) prices for its replacement power during the first half of the year.</p> <p>Meanwhile, earnings from the construction business were dragged down by cost overruns in its engineering, procurement, and construction (EPC) contract for a power plant, and the delayed implementation of major public</p> |



|                                                                                    |                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                    | Oriental Mindoro, Masbate and Palawan.                                                                                                                                                                                                                                               | infrastructure projects due to right-of-way and utility relocation issues.                                                                                                                                                                                                                                                                                                                                |
| <b>OPERATING EXPENSES</b>                                                          | Consolidated operating expenses increased by 6% primarily due to provisions on long outstanding power receivables in 2015. Without the provision in 2015, operating expenses is down by 5% attributed mainly to streamlined expenses and decreased government share in coal segment. | It decreased by 11% primarily due to repairs and additional depreciation charges in Calaca power units in 2013 and Calaca receivable provision recognized also in 2013. Without the additional charges and provisions in 2013, operating expenses is higher by 7% mainly due to increased government share in coal segment.                                                                               |
| <b>Gain on Sale of Investment</b>                                                  | This is the one time gain (gross of tax) recognized on the sale of shares in Private Infra Dev Corporation.                                                                                                                                                                          | None.                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Net Gain on Business Combinations</b>                                           | None.                                                                                                                                                                                                                                                                                | Purchase price allocation for the acquisitions of ENK Plc. and Toledo Mining Corporation (TMC) resulted to a net gain of P519 million in 2014.                                                                                                                                                                                                                                                            |
| <b>EQUITY IN NET EARNINGS OF ASSOCIATES, JOINTY CONTROLLED EQUITIES AND OTHERS</b> | It increased by 18% mainly caused by higher profits of Maynilad.                                                                                                                                                                                                                     | It increased by 14% mainly caused by higher profits of Maynilad.                                                                                                                                                                                                                                                                                                                                          |
| <b>FINANCE INCOME/ (COSTS)</b>                                                     | Consolidated finance income increased by 7% mainly due to reporting of real estate installment financing income.<br><br>Consolidated finance costs increased by 17% mainly attributable to additional corporate notes issuance of the real estate segment.                           | Consolidated finance income decreased by 33% mainly due to lower interest rates for short-term placements and more real estate customers availing of bank financing due to lower interest rates compared to in-house financing.<br><br>Consolidated interest expense decreased by 50% mainly due to lower borrowing rates and required capitalization of interest costs during asset construction period. |
| <b>PROVISION FOR INCOME TAX</b>                                                    | It increased by 231% because of corporate income tax in Sem-Calaca power since its income tax holiday expired end of 2014. Higher income tax expense in nickel mining, real estate and construction segments also contributed to the increase in consolidated                        | It decreased by 48% because of the one-time payment of capital gains tax on the Maynilad sale in 2013.                                                                                                                                                                                                                                                                                                    |

|  |                                                                                  |  |
|--|----------------------------------------------------------------------------------|--|
|  | provision for income tax mainly due to higher taxable profits during the period. |  |
|--|----------------------------------------------------------------------------------|--|

## PART II--OTHER INFORMATION

1. The Company's operation is a continuous process. It is not dependent on any cycle or season;
2. Economic and infrastructure developments in the country may affect construction business; Interest rate movements may affect the performance of the real estate industry; Mining activities are generally hinge on the commodities market. Businesses not affected by known cycle, trends or uncertainties are power and water.
3. On May 14, 2015, the BOD of the Parent Company has declared cash dividends amounting P0.24 regular dividends and P0.24 special cash dividends in favor of the stockholders of record as of May 29, 2015. This was paid on June 10, 2015 with a total amount of P6,373 million.
4. There were no undisclosed material subsequent events and transferring of assets not in the normal course of business that have not been disclosed for the period that the company have knowledge of;
5. There are no material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation has been disclosed in the notes to financial statements.
6. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period
7. Except for interest payments on loans, which the Company can fully service, the only significant commitment that would have a material impact on liquidity are construction guarantees. These are usually required from contractors in case of any damage / destruction to a completed project.
8. Any known trends or any known demands, commitments, events or uncertainties that will result in or that will have a material impact on the registrant's liquidity. - None
9. The Group does not have any offering of rights, granting of stock options and corresponding plans therefore.
10. All necessary disclosures were made under SEC Form 17-C.

## FIRST QUARTER REPORT FOR THE PERIOD MARCH 31, 2016

The Financial Statements for the quarter and period ended **March 31, 2016** are contained herein.

### MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF CONSOLIDATED OPERATIONS AND CONSOLIDATED FINANCIAL CONDITION FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2016.

#### March 31, 2016 vs March 31, 2015

#### I. RESULTS OF OPERATIONS

Below is a table on the net income contributions of the Company's businesses for 2016 and 2015:

##### NET INCOME AFTER NON-CONTROLLING INTERESTS

| <i>(in Php Millions)</i>              | For the Period |               | Variance     |            |
|---------------------------------------|----------------|---------------|--------------|------------|
|                                       | 2016           | 2015          | Amount       | %          |
| SEMIRARA MINING AND POWER CORPORATION | P1,642         | P1,421        | P221         | 16%        |
| DMCI HOMES                            | 665            | 845           | (180)        | -21%       |
| MAYNILAD                              | 403            | 527           | (124)        | -24%       |
| D.M. CONSUNJI, INC.                   | 197            | 191           | 6            | 3%         |
| DMCI POWER (SPUG)                     | 98             | 74            | 24           | 32%        |
| DMCI MINING                           | (100)          | (24)          | (76)         | -321%      |
| PARENT & OTHERS                       | 20             | 25            | (5)          | 20%        |
| <b>CORE NET INCOME</b>                | <b>2,925</b>   | <b>P3,059</b> | <b>(134)</b> | <b>-4%</b> |
| ONE TIME GAIN                         | 111            | —             | 111          | 100%       |
| <b>TOTAL</b>                          | <b>P3,036</b>  | <b>P3,059</b> | <b>(P23)</b> | <b>-1%</b> |

DMCI Holdings, Inc. (the "Company") reported flat earnings at P3 billion in the first three months of 2016. This includes the P111 million one-time gain on partial sale of its 10% share in Subic Water and Sewerage Company.

Excluding this non-recurring item, core net income stood at P2.93 billion, a 4% dip from P3.06 billion last year. Consolidated core EBITDA likewise dipped 4% to P6.01 billion from P6.25 billion the previous year.

Reduced profitability of its two major income contributors accounted for the flattish growth of the Company.

From P845 million, net income contributions from DMCI Homes dropped by 21% to P665 million due to higher costs on materials and labor, paid commissions and increase in finance costs and documentary stamps from its bond issuance.

Meanwhile, despite the improvement in operational performance, Maynilad posted a 24% drop from P527 million to P403 million, following the expiration of its income tax holiday in December 2015.

Seasonality in the shipping window and lower shipment volume due to depressed nickel ore prices led to a wider loss for DMCI Mining Corporation.

From a first quarter net loss of P24 million in 2015, the company's bottom line further receded by 321% to P100 million during the same period this year.

The power and construction businesses fared better during the first reporting period. Semirara Mining and Power Corporation (SMPC) contributed P1.6 billion, a 16% improvement from the P1.4 billion recorded in the first three months of 2015. On a stand-alone basis, coal and on-grid power contributed net income of P1.8 billion and P1.1 billion, respectively.

Off-grid supplier DMCI Power Corporation delivered P98 million, a 32% increase from P74 million last year. Higher electricity sales in Oriental Mindoro, Palawan and Masbate and the commercial operations of a 3x1.23 MW plant in Sultan Kudarat beginning January accounted for the income growth.

Despite a 12% drop in revenue, income contribution from D.M. Consunji, Inc. rose 3% from P191 million to P197 million, as total construction costs fell at a faster pace. From P3.1 billion the previous year, first quarter total construction costs declined by 14% to P2.7 billion.

## **SEMIRARA MINING AND POWER CORPORATION**

Below is SMC's management discussion and analysis of results of operations and financial condition for the period ending and as of March 31, 2016 as lifted from its first quarter financial report with the SEC and PSE.

### **I. PRODUCTION – COMPARATIVE REPORT Q1 2016 vs Q1 2015**

#### **COAL**

Continued dry weather condition in the current period benefited mining operations in the mine site. Total materials increased by 17% YoY to 30.79 million bank cubic meters (bcm) from 26.28 million in Q1 2015. With lower strip ratio at 8.27:1 compared to 10.59:1 last year, total product coal (clean coal) increased by 47% to 3.43 million metric tons (tons) from 2.33 million tons last year. Unwashed coal dropped by 29% YoY to 272 thousand tons from 382 thousand tons last year.

On 12 February 2016, the Department of Environment and Natural Resource (DENR) approved the Company's request to amend our Environmental Clearance Certificate (ECC) allowing us to increase our mining capacity from 8 million tons to 12 million tons.

In light with this positive development, the Company started construction of an additional conveyor system, parallel to the existing line, in anticipation of the increase in coal production.

Meanwhile, the Board of Investments (BOI) approved the registration of a new mine, Molave mine on 24 February 2016. Like the Narra Mine, as a BOI-registered project, revenues from Molave mine production will be entitled to full or 100% income tax holiday (ITH). Molave contains higher quality coal which can be sold to local plants that are designed to use coal fuel higher than our average 5,300 kcal coal.

Also in Q1, improvement of shipyard facilities were completed. One of the three shiploaders of the Company can now accommodate 70,000-ton Panamax vessels used in our export sales. Before dredging activities were completed, coal loading is done mid-stream with the aid of coal barges. Now that our port facilities can accommodate a Panamax vessel, the Company saves around \$2 barging cost for mid-stream loading. Loading efficiency also improved.

Coal sales volume increased by 21% YoY to 2.91 million tons record high from 2.40 million tons last year. Ending inventory closed at 1.80 million tons, more than five times Q1 2015 ending inventory level of 290 thousand tons.

The table below shows the comparative production data for Q1 2016 and Q1 2015.

|                                   | Q1 '16 | Q1 '15  | Inc (Dec) | % Inc (Dec) |
|-----------------------------------|--------|---------|-----------|-------------|
| <b>PRODUCTION</b>                 |        |         |           |             |
| <b>Total Materials ('000 bcm)</b> | 30,787 | 26,284  | 4,503     | 17%         |
| <b>Clean Coal ('000 MT)</b>       | 3,426  | 2,325   | 1,101     | 47%         |
| <b>Unwashed Coal ('000 MT)</b>    | 272    | 382     | (110)     | -29%        |
| <b>Strip Ratio</b>                | 8.27:1 | 10.59:1 | (2)       | -22%        |
| <b>Saleable Coal ('000 MTs)</b>   | 3,415  | 2,282   | 1,132     | 50%         |
|                                   |        |         |           |             |
| <b>Beg. Inventory ('000 MTs)</b>  | 829    | 386     | 443       | 115%        |
| <b>End Inventory ('000 MTs)</b>   | 1,805  | 290     | 1,515     | 522%        |

## **POWER**

### **SEM-CALACA POWER GENERATION CORP (SCPC)**

Unit 2 was down in Q1 2015 for scheduled maintenance which started in December 2015. This was originally scheduled for a 60-day maintenance shutdown but was extended to allow additional maintenance works to ensure power unit availability during the summer months. The scheduled regular maintenance for 2016 was moved earlier instead. Hence, there will be no more planned outage for Unit 2 for the rest of the year. As a result, generation, capacity, and capacity factor all dropped by 66%.

Without Unit 2, total plants' availability fell by 49% quarter-on-quarter.

#### **Unit One**

Unit 1 generated 346 GWh in the current period, 24% lower than last year's generation of 456 GWh. Average capacity dropped to 188 MW from 274 MW last year. Unlike last year, Semirara did not produce

high grade coal in the current quarter, thus plant capacity and generation is lower. Capacity factor is recorded at 53%.

Notably, Unit 1's operating hours increased this year to 1,837 compared to Q1 2015's 1,662 hours.

## Unit Two

Unit 2 did not generate any power in Q1 2016 while on maintenance. The maintenance shutdown which started on 19 November 2015 was originally scheduled for two months. However, it lasted until 12 April 2016.

The table below shows the comparative production data for Q1 2016 and Q1 2015.

| COMPARATIVE PLANT PERFORMANCE DATA<br>AO Q1'16 VS AO Q1'15 |               |               |                    |
|------------------------------------------------------------|---------------|---------------|--------------------|
|                                                            | <u>Q1 '16</u> | <u>Q1 '15</u> | <u>% Inc (Dec)</u> |
| <b>Gross Generation, Gwh</b>                               |               |               |                    |
| <b>Unit 1</b>                                              | 346           | 456           | -24%               |
| <b>Unit 2</b>                                              | -             | 558           | -100%              |
| <b>Total Plant</b>                                         | <b>346</b>    | <b>1,014</b>  | <b>-66%</b>        |
| <b>% Availability</b>                                      |               |               |                    |
| <b>Unit 1</b>                                              | 84%           | 77%           | 9%                 |
| <b>Unit 2</b>                                              | 0%            | 91%           | -100%              |
| <b>Total Plant</b>                                         | <b>42%</b>    | <b>84%</b>    | <b>-50%</b>        |
| <b>Capacity Factor</b>                                     |               |               |                    |
| <b>Unit 1</b>                                              | 53%           | 70%           | -25%               |
| <b>Unit 2</b>                                              | 0%            | 86%           | -100%              |
| <b>Total Plant</b>                                         | <b>26%</b>    | <b>78%</b>    | <b>-66%</b>        |

## SOUTHWEST LUZON POWER GENERATION CORP. (SLPGC)

The 2x150 MW power plants of SLPGC generated a total of 217 GWh while on testing and commissioning in the current quarter. The first unit ran at an average capacity of 71 MW, while the other unit averaged at 119 MW. Combined capacity factor of both plants stood at 33%.

Combined operating hours of both units was recorded at 2,184 hours during the quarter. Both plants are operating more reliably since February.

The table below shows the comparative production data for Q1 2016 and Q1 2015.

| COMPARATIVE PLANT PERFORMANCE DATA |            |         |
|------------------------------------|------------|---------|
| <i>Q1 '16 VS Q1 '15</i>            |            |         |
|                                    | Q1 2016    | Q1 2015 |
| <b>Gross Generation, Gwh</b>       |            |         |
| Unit 3                             | 65         | -       |
| Unit 4                             | 152        | -       |
| <b>Total Plant</b>                 | <b>217</b> | -       |
|                                    |            |         |
| <b>% Availability</b>              |            |         |
| Unit 3                             | 43%        | -       |
| Unit 4                             | 59%        | -       |
| <b>Total Plant</b>                 | <b>51%</b> | -       |
|                                    |            |         |
| <b>Capacity Factor</b>             |            |         |
| Unit 3                             | 20%        | -       |
| Unit 4                             | 47%        | -       |
| <b>Total Plant</b>                 | <b>33%</b> | -       |

## II. MARKETING – COMPARATIVE REPORT Q1 2015 vs. Q1 2014

### COAL

Coal sales volume increased by 21% YoY at 2.91 million tons from 2.40 million tons in Q1 last year.

Export sales accounted for 58% of total coal sales in the current period at 1.67 million tons, increasing by 59% from Q1 2015's volume of 1.05 million tons. Increase in coal production allowed the Company to service more demand from export markets.

On the contrary, local sales dropped by 8% YoY to 1.24 million tons from 1.35 million tons last year, inclusive of unwashed and/or waste coal of 437 thousand tons in the current quarter and none in Q1 2015. While power customers increased, primarily due to delivery of unwashed and/or waste coal to SLPGC whose 2 x 150 MW plants are already operating during the current quarter, off-take from cement plants and other industrial plants dropped.

Sales to cement plants decreased by 47% YoY to 147 thousand tons from 278 thousand tons last year.

Meanwhile, sales to other industrial plants also decreased by 26% YoY to 69 thousand tons from 93 thousand tons last year.

Some cement plants and customers with small boilers used alternative fuel in the current quarter, thus explaining the drop in off-take of cement and other industrial plants.

Composite average FOB price per ton dropped by 28% YoY to PHP1,593 from PHP2,204 due to lower price of washable and/or waste coal which is sold at an average price per ton of PHP655 and PHP491 in 2015 and 2016, respectively. Clean coal, on the other hand, is sold at an average price per ton of PHP2,221 and PHP1,808 in 2015 and 2016, respectively.

The table below shows the comparative sales volume data for Q1 2016 and Q1 2015.

| <b>CUSTOMER</b>         | <b>Q1 '16</b> | <b>%</b>    | <b>Q1 '15</b> | <b>%</b>    | <b>Inc (Dec)</b> | <b>Inc (Dec)</b> |
|-------------------------|---------------|-------------|---------------|-------------|------------------|------------------|
| <b>Power Plants</b>     |               |             |               |             |                  |                  |
| Calaca*                 | 716           | 25%         | 666           | 28%         | <b>50</b>        | <b>8%</b>        |
| Other PPs               | 307           | 11%         | 313           | 13%         | <b>(6)</b>       | <b>-2%</b>       |
| <b>TOTAL PPs</b>        | <b>1,023</b>  | <b>35%</b>  | <b>980</b>    | <b>41%</b>  | <b>43</b>        | <b>4%</b>        |
| <b>Other Industries</b> |               |             |               |             |                  |                  |
| Cement                  | 147           | 5%          | 278           | 12%         | <b>(131)</b>     | <b>-47%</b>      |
| Others                  | 69            | 2%          | 93            | 4%          | <b>(24)</b>      | <b>-26%</b>      |
| <b>Total Others</b>     | <b>216</b>    | <b>7%</b>   | <b>371</b>    | <b>15%</b>  | <b>(155)</b>     | <b>-42%</b>      |
| <b>TOTAL LOCAL</b>      | <b>1,239</b>  | <b>43%</b>  | <b>1,351</b>  | <b>56%</b>  | <b>(112)</b>     | <b>-8%</b>       |
| <b>EXPORT</b>           | <b>1,674</b>  | <b>57%</b>  | <b>1,054</b>  | <b>44%</b>  | <b>620</b>       | <b>59%</b>       |
| <b>GRAND TOTAL</b>      | <b>2,913</b>  | <b>100%</b> | <b>2,404</b>  | <b>100%</b> | <b>509</b>       | <b>21%</b>       |

## **POWER**

### **SCPC**

Total energy sold by SCPC decreased by 57% to 424 GWh from 982 GWh in Q1 2015. Composite average price per Kwh is however higher by 10% at PHP3.90 from PHP3.56 in Q1 2015 due to lower generation during the period.

Of the total energy sold, 99% or 422 GWh were sold to bilateral contracts, while the remaining 1% were sold to the spot market.

MERALCO remained to be the single biggest customer, accounting for 83% of the total energy sales of the bilateral contracts; BATELEC I and Trans-Asia comprised 8% and 6% of total sales, respectively.

Spot Market Sales dropped by 97% YoY to 2 GWh against 80 GWh last year.

Of the total energy sold, 93% was sourced from own generation, while 7% was purchased from the spot market. SCPC procured power from the spot market during hour intervals where power units were down, or when the plants were running at a de-rated capacity, in order to be able to supply committed capacity to some of its customers.



The table below shows the comparative marketing data for Q1 2016 and Q1 2015.

| COMPARATIVE SALES DATA<br>(in GWh ; PHP) |               |               |                       |
|------------------------------------------|---------------|---------------|-----------------------|
| CUSTOMER                                 | <u>Q1 '16</u> | <u>Q1 '15</u> | <u>%Inc<br/>(Dec)</u> |
| Bilateral Contracts                      | 422           | 902           | -53%                  |
| Spot Sales                               | 2             | 80            | -97%                  |
| <b>Grand Total</b>                       | <b>424</b>    | <b>982</b>    | <b>-57%</b>           |
| Composite Ave. Price                     | 3.90          | 3.56          | 10%                   |

#### SLPGC

SLPGC has a total contracted capacity of 222 MW. Starting end last year, two contracts totaling to 102 MW are already effective. Most of the plants' generated energy or 208 GWh served SLPGC's contracts and 41 GWh were sold to spot. Composite average price for the period is PHP4.22/KWh.

Distribution of energy sold while commissioning are 60%, 24% and 17% to contracted, replacement power to Sem-Calaca as allowable downtime was already consumed and to spot market, respectively.

The table below shows the comparative marketing data for Q1 2016 and Q1 2015.

| COMPARATIVE SALES DATA<br>(in GWh ; PHP) |               |               |                       |
|------------------------------------------|---------------|---------------|-----------------------|
| CUSTOMER                                 | <u>Q1 '16</u> | <u>Q1 '15</u> | <u>%Inc<br/>(Dec)</u> |
| Bilateral Contracts                      | 208           | -             |                       |
| Spot Sales                               | 41            | -             |                       |
| <b>Grand Total</b>                       | <b>250</b>    | <b>-</b>      |                       |
| Composite Ave. Price                     | 4.22          | -             |                       |

### III. FINANCE

#### A. Sales and Profitability

Consolidated Revenues, net of eliminating entries, decreased by 8% YoY to PHP6.64 billion from PHP7.25 billion in the previous year. Before elimination, Coal Revenues stood at PHP5.47 billion. Increase in sales volume by 509 thousand tons offset the 28% decline in composite average price from PHP2,204 to PHP1,593 (net effective average price inclusive of the unwashed/waste coal). Meanwhile, SCPC Revenues dropped by 52% YoY to PHP1.68 billion from PHP3.52 billion last year. Low generation due to outage of Unit 2 brought down sales. SLPGC on the other hand started to contribute during testing and commissioning. It generated PHP1.06 billion in Revenues before eliminations.

Consolidated Cost of Sales dropped 27% YoY to PH2.28 billion from PHP3.11 billion last year. Depreciation dropped by 17% YoY to PHP664.03 million from PHP565.27 million last year.

Coal Cost of Sales before elimination dropped by 35% YoY to PHP1.90 billion from PHP2.91 billion last year, due to increased mining efficiencies and valuation of low grade coal inventory. Lower strip ratio also contributed to lower cost of coal sold per ton at PHP651, almost half of last year's cost of PHP1,209/ton. Coal depreciation increased by 28% YoY to PHP395.00 million from PHP308.17 million last year.

SCPC's Cost of Sales before elimination decreased by 57% YoY to PHP805 million from PHP1.87 billion; and 49% YoY after elimination to PHP490.43 million from PHP959.91 million last year. Generation more than halved YoY as Unit 2 was down for maintenance in Q1 this year. Cost of Sales per KWh however remained at the same level of PHP1.90 this year and last year.

SLPGC incurred PHP147.21 million costs representing spot purchases to fulfill its contractual obligation with VECO and GN Power.

The resulting consolidated Gross Profit increased 5% YoY to PHP4.36 billion, with the coal and power segments each contributing PHP2.30 billion and PHP2.06 billion, respectively. Last year's consolidated Gross Profit stood at PHP4.14 billion, PHP1.61 billion from coal and PHP2.53 billion from SCPC. Consolidated Gross profit margin rose to 66% from 57% last year.

Consolidated Operating Expenses (OPEX) remained flat YoY at PHP1.25 billion. Net of eliminating entries, the coal segment's OPEX dropped 6% YoY to PHP925.33 million from PHP980.76 million last year; this is mainly comprised of provision for government royalties which decreased by 21% YoY to PHP692.51 million from PHP880.71 million last year. Meanwhile, SCPC's General and Administrative Expense after elimination, accounted under OPEX, increased by 26% YoY to PHP318.97 million from PHP252.43 million last year. SLPGC incurred non-capitalizable expenses during the period of PHP8.37 million this quarter, 39% lower than last year's PHP13.76 million. Other pre-operating subsidiaries incurred combined OPEX of PHP102.43 thousand.

Consolidated Forex Gains stood at PHP36.46 million, 20% lower than Q1 2015's gains of PHP45.74 million. The peso is slightly stronger this year, closing at USD1: PHP46.07, as against USD1: PHP47.06 as at end of December 2015. Bulk of this year's Forex Gains, amounting to PHP35.91 million resulted from the valuation of the coal segment's USD denominated loans; last year the business segment accounted for Forex gains of PHP36.14 million. SCPC recorded gains of PHP 521.33 thousand in the current period and

PHP9.61 million last year on its foreign currency denominated transactions. SLPGC recognized gains of 26.24 thousand this year.

Healthier cash balances during the period resulted to 133% increase YoY on consolidated Finance Income to PHP19.29 million from PHP8.26 million last year. Coal, SCPC, and SLPGC earned PHP8.28 million, PHP4.67 million, and PHP6.27 million Finance Income, respectively.

Consolidated Finance Costs rose by 14% YoY to PHP73.12 million from PHP63.95 million last year. Coal's interest-bearing loans increased 20% YoY to PHP5.79 billion from PHP4.81 billion last year, resulting to an 95% increase YoY in Finance Cost to PHP51.24 million from PHP26.21 million last year. Meanwhile, after servicing its long-term loan, SCPC's interest-bearing loans declined 79% YoY to PHP1.92 billion from PHP3.44 billion last year, resulting to a 43% drop in Finance Cost YoY to PHP21.42 million from PHP37.37 million last year. Meanwhile SLPGC's loans slightly increased by 1% YoY to PHP10.69 billion from PHP10.49 billion last year. Finance Cost increased by 26% to PHP460.77 thousand from PHP365.83 thousand last year.

Consolidated Other Income dropped by 51% YoY to PHP21.98 million from PHP44.77 million last year. The coal segment's Other Income in the current period of PHP2.42 million accounted for insurance recoveries and gain on sale of miscellaneous assets. SCPC's Other Income decreased by 26% YoY to PHP19.57 million from PHP26.39 million last year. Since Unit 2 was down in Q1 this year, less fly ash that is sold as cement additive.

The resulting consolidated Net Income Before Tax (NIBT) increased by 6% YoY to PHP3.11 billion from PHP2.93 billion last year.

Consolidated Provision for Income Tax dropped by 52% to PHP197.76 million from PHP413.85 million last year. Coal continues to enjoy Income Tax Holiday (ITH) as a Board of Investments-registered company, while SCPC is now in a tax position. As a result, coal's tax provision remained minimal at PHP1.55 million, while SCPC recognized tax exposure of PHP162.54 million, as against PHP412.86 million last year. SCPC's drop in profitability due to the shutdown of Unit 2 correspondingly pulls down taxable income. SLPGC recorded final income tax of PHP33.66 million, mostly for trading income earned from buying power from the spot to fulfill its bilateral contracts.

The resulting consolidated Net Income After Tax (NIAT) increased by 16% YoY to PHP2.91 billion from PHP2.51 billion last year. Net of eliminations, coal generated net income of PHP1.37 billion, while SCPC and SLPGC generated PHP6.87.41 million and PHP856.21 million, respectively. Before eliminations, coal, SCPC, and SLPGC recorded NIAT of PHP1.81 billion, PHP376.39 million and PHP727.52 million, respectively. Earnings per Share (EPS) stood at PHP2.72, 16% more than same period last year's EPS of PHP2.35.

### **DMCI HOMES**

Net income of wholly-owned subsidiary DMCI Project Developer's Inc. (PDI) declined by 21% from P845 million to P665 million in the first quarter of 2016, mainly due to higher costs on materials and labor, paid commissions, and increase in finance costs and documentary stamps from its bond issuance.

Unlike local industry practice of using percentage-of-completion accounting, the company adopts a more conservative approach to recognizing real estate revenues by realizing sales only when the unit is fully completed and at least 15% of contract price has been collected.

First quarter sales and reservations dropped 10% from P6.55 billion in 2015 to P6.01 billion the following year as no new projects were launched in the market during the first three months of 2016. Buying activity typically slows down when there are no new projects being launched. Last year, high-rise project Ivorywood boosted sales and reservations after its 965 units were offered to the market. Excluding the effect of that project in both periods, sales and reservations actually grew 14% from P5.06 billion in Q12015 to P5.77 billion in Q12016.

Capital expenditures dropped by 50% to P1.8 billion from P3.6 billion in 2015. Of the amount spent in 2016, 93% went to development cost and the rest to land and asset acquisition.

### **MAYNILAD**

The Company's investment in the water business is recognized mainly through its equity investment in the partnership with Metro Pacific Investments Corporation (MPIC), with the actual operations under Maynilad Water Services, Inc. (Maynilad).

Maynilad handles the water distribution and sewer services for the western side of Metro Manila and parts of Cavite.

Operating efficiencies continued to improve in 2016, as Maynilad reported higher income from operations. From P2.74 billion, income from operations climbed 5% to P2.87 billion in first quarter of 2016.

Billed volume grew 4.9% despite an effective 0.5% reduction in water supply. Average non-revenue water for the year-to-date improved to 30.59% compared to last year's 34.11%.

Continued expansion into the southern areas of Muntinlupa, Las Piñas and Cavite brought connections up to a total of 1,275,902 billed services, a 5.3% growth from the end of the same period last year.

As a result, Maynilad's water service revenue for the year rose by 10.2% from P3.69 billion in 2015 to P4.07 billion in 2016. Total revenues from operations, including other fees and services such as sewer services, amounted to P4.89 billion, a 10.0% increase from P4.45 billion last year.

Reported net income, however, declined 25.9% to P1.64 billion due to the expiry of the company's income tax holiday in 2015.

After adjustments at the consortium company level, the Company's equity in net earnings reported a 24% decrease from P527 million last year to P403 million this year.

### Rate Rebasing Update

On 5 January 2015, Maynilad officially received the Appeals Panel's award dated 29 December 2014 (the "Award") upholding Maynilad's alternative rebasing adjustment. Due to the integration of the P1.00 Currency Exchange Rate Adjustment (CERA) into the basic water charge, the net impact of the increase was effectively only P3.06. However, to date, the MWSS has refused to abide by this legally binding arbitration award. Acting in accordance with the provisions of its concession, Maynilad has therefore notified the Republic of the Philippines ("Republic") that it is calling on the Republic's undertaking to compensate Maynilad for losses arising from delayed implementation of the new tariff. As this has also not been acted upon, on March 27, 2015 Maynilad served a Notice of Arbitration and Statement of Claim upon the Republic, through the Department of Finance. As of 31 March 2016, Maynilad has submitted its updated Statement of Claim to the arbitral tribunal constituted October last year.

### **D.M. CONSUNJI, INC.**

Despite a 12% drop in revenue, income contribution from D.M. Consunji, Inc. rose 3% from P191 million to P197 million, as total construction costs fell at a faster pace. From P3.1 billion the previous year, first quarter total construction costs declined 14% to P2.7 billion. The recognized cost in the first quarter of 2015 was adversely affected by the cost overruns in its engineering, procurement and construction (EPC) contract for a power plant. In addition, the reported revenue using percentage of completion was still affected by the delayed implementation of major public infrastructure projects due to right-of-way and utility relocation issues.

The company reported a total order book (balance of work) of P30.1 billion at the end of first quarter 2016, from P29.2 billion at the close of 2015. Awarded projects and contract adjustments in Q1 2016 totaled P3.7 billion. Among its newly-signed projects is City Gate, a mixed-use development of Ayala Land in the Makati Central Business District, a 50ML water reservoir in Quezon City and a 2X23MW gas turbine plant in Batangas.

Major ongoing projects in the orderbook include among others, the NAIA Expressway of Vertex Tollways Dev. Inc. (a unit of San Miguel Holdings Corporation), The Skyway Stage 3 of Citra Central Expressway Corp. (a unit of San Miguel Corporation), The Runway of Travellers International Hotel Group, The Viridian, The Royalton and The Imperium of Ortigas & Company, The Areté of the Ateneo de Manila University, Phase 2 office expansion of TV5 Network Inc., Second unit of 135MW coal-fired power plant of South Luzon Thermal Energy Corp., 2x150MW coal-fired power units of Southwest Luzon Power Generation Corp. and the Paranaque Sewer Network of Maynilad.

### **DMCI POWER (SPUG)**

An added growth area of the power segment is under DMCI Power Corporation (DPC), a wholly-owned subsidiary of DMCI Holdings, Inc. DPC is focused on getting power supply contracts with the electric cooperatives situated in the off-grid areas.

As of March 31, 2016, the total installed rated capacity is 74.38MW. Out of the total, 27.61MW (12.40MW bunker-fired and 15.21MW diesel) is at Masbate, 27.52MW (diesel) in Palawan, a 4x3.89

(15.56) MW bunker-fired plant which started commercial operations on February 2015 in Oriental Mindoro and a 3x1.23 (3.69) MW diesel-fired in Sultan Kudarat. On June 2015, Sultan Kudarat Electric Cooperative (SUKELCO) and DPC entered into an Electric Supply Agreement (ESA) covering a three-year period starting on the commercial operation date of January 2016.

Due to increase in energy dispatch of the electric cooperatives to our plants and full quarter operation of the 4X3.89MW bunker-fired plant in Oriental Mindoro, sales volume reported in Masbate (20.9 GW), Palawan (20.5 GW), Mindoro (11.0GW) and Sultan Kudarat (0.8GW) totaled 53.2GW, an increase of 32% from a total of 40.2GW last year. Average tariff or selling price/kWh in Masbate is P10.55/kWh, Palawan is P7.45/kWh, and Mindoro is P8.58/kWh. In Sultan Kudarat, average price of P18.47 is relatively high due to the fixed components of the tariff.

Consequently, the total off-grid generation revenue and net income went up by 11% and 32%, respectively. Revenue increased to P482 million in the first quarter of 2016 compared to P433 million in 2015. Meanwhile, net income went up to P98 million compared to last year's P74 million.

## **DMCI MINING**

The nickel and metals (non-coal) mining business is reported under DMCI Mining Corporation, a wholly-owned subsidiary of DMCI Holdings, Inc.

Seasonality in the shipping window and lower shipment volume due to depressed nickel ore prices led to a wider loss for DMCI Mining Corporation. From a first quarter net loss of P24 million in 2015, the company reported a P100 million net loss during the same period this year.

Revenues only amounted to P90 million in first quarter of 2016 compared to P423 million in 2015 as a result of fewer nickel ore shipments which totaled 110 thousand wet metric tons (WMT) compared to last year's 319 thousand WMT. The ore shipments came from Berong at a composite average price of P818 per WMT. The average ore grade remained at 1.30% year-on-year.

The segment's total depletion, depreciation and amortization amounted to P61 million in 2016 compared to P155 million in 2015 as a result of lower production using the output method of depletion accounting. Total company cash cost per WMT (under cost of sales and operating expenses) amounted to P1,341/WMT in 2016 compared to P940 in 2015.

## **Explanation of movement in consolidated income statement accounts:**

### **Revenue**

Consolidated revenue has declined by 15% to P13.5 billion during the period compared to P15.9 billion during the same period last year. The decrease came from the Company's on grid power, construction and nickel mining businesses which is due to lower sales volume or completion.

### **Cost of Sales and Services**

Consolidated cost of sales and services also dropped by 15% period to period, which is in line with the decline in the Company's consolidated revenues.

#### Operating Expenses

It slightly increased by 2% primarily due to higher commission and documentary stamp tax paid during the period of the real estate segment.

#### Equity in Net Earnings

Equity in net earnings of associate dropped by 23% mainly due to lower income of Maynilad following the expiration of its income tax holiday in December 2015.

#### Finance Income

Consolidated finance income was down by 7% primarily due to lower real estate in-house financing income reported during the period as buyers have shifted more to bank financing.

#### Finance Costs

Consolidated finance costs increased by 29% mainly attributable to additional corporate notes issuances of the real estate segment.

#### Other Income-net

The upsurge in consolidated other income by 373% during the first quarter of the year was mainly attributed to the sale of generated power of Units 3 and 4 plant of Semirara.

#### Provision for Income Tax

Lower taxable profits during the period for the Company's real estate and on grid power businesses dragged down consolidated provision for income tax by 41% during the period.

## **II. CONSOLIDATED FINANCIAL CONDITION**

### **March 31, 2016 (Unaudited) vs December 31, 2015 (Audited)**

The Company's financial condition for the period improved as consolidated total assets and total equity amounted to P152 billion and P79 billion, respectively as of March 31, 2016. This is an improvement of 2% and 6%, respectively

Consolidated cash expanded by 4% from P19.2 billion in December 31, 2015 to P19.9 billion in March 31, 2016 due mainly coming from cash flows generated from operations despite repayment of loan obligations and capital expenditures on expansion.

Total receivables (current and non-current) increased by 5% from P16 billion to P16.8 billion mainly attributed to higher billed construction receivables particularly in the infrastructure projects.

Consolidated inventories slightly increased by 1% from P34.4 billion to P34.7 billion coming mainly from higher ending coal inventory due to increased production during the period. This was offset by lower inventory of the real estate segment during the period.

Other current assets grew by 12% mainly attributed to higher advances in the construction segment which are expected to be recouped during the construction of the projects.

Investments in associates and joint ventures slightly dropped by 1% mainly due to dividends received from Maynilad and the partial sale of Subic Water shares during the period. A gain on sale (net of taxes) amounting to P111 million was recognized in relation to the partial sale of Subic Water. The Company's remaining share in Subic Water is 30% as of the end of the period.

Property plant & equipment stood at P49.4 billion, the same balance as of last year. The Company incurred additional capital expenditures for expansion in the power segment which was somehow offset by the depreciation, depletion and amortization charges during the period.

Other noncurrent assets expanded by 15% mainly attributed to increase in the noncurrent portion of refundable deposits of the real estate segment.

Accounts & other payables decreased by 5% mainly attributed to payments of normal trade transactions with suppliers and subcontractors in the construction and nickel mining segments.

Customers' advances and deposits slightly increased by 2% due to payments received from real estate customers, the corresponding revenue of which has yet to be realized under full completion method of accounting.

Income tax payable dropped by 41% due to payments of income taxes due during the period

Liabilities for purchased land decreased by 24% mainly due to the payments made by the real estate segment.

The decrease in short-term debt by 8% from P3.7 billion to P3.4 billion mainly pertains to loan repayments of the coal segment.

Long term debt decreased by 2% from P37.1 billion to P36.4 billion attributed also to repayments made by coal, power and real estate segments net of additional loan availments made during the period.

Deferred tax liabilities increased by 5% mainly due to the excess of book over tax income in real estate sales.

Other noncurrent liabilities slightly increased by 2% mainly due to advances from contract owners which are not due to be settled within twelve months after the end of the reporting period.

After generating a net income of P3 billion, consolidated retained earnings increased by 7% from P43.7 billion in 2015 to P46.7 billion as of the end of the first quarter of 2016.

Non-controlling interest increased by 10% as a result of the non-controlling share in the consolidated net income of Semirara during the period.



### III. KEY PERFORMANCE INDICATORS

The Company and its Subsidiaries (the “Group”) use the following key performance indicators to evaluate its performance:

- (f) Segment Revenues
- (g) Segment Net Income (after Non-controlling Interests)
- (h) Earnings Per Share
- (i) Current Ratio
- (j) Net Debt to Equity Ratio

| <i>(in Php Millions)</i>              | For the Period |               | Variance     |            |
|---------------------------------------|----------------|---------------|--------------|------------|
|                                       | 2016           | 2015          | Amount       | %          |
| SEMIRARA MINING AND POWER CORPORATION | P1,642         | P1,421        | P221         | 16%        |
| DMCI HOMES                            | 665            | 845           | (180)        | -21%       |
| MAYNILAD                              | 403            | 527           | (124)        | -24%       |
| D.M. CONSUNJI, INC.                   | 197            | 191           | 6            | 3%         |
| DMCI POWER (SPUG)                     | 98             | 74            | 24           | 32%        |
| DMCI MINING                           | (100)          | (24)          | (76)         | -321%      |
| PARENT & OTHERS                       | 20             | 25            | (5)          | 20%        |
| <b>CORE NET INCOME</b>                | <b>2,925</b>   | <b>P3,059</b> | <b>(134)</b> | <b>-4%</b> |
| ONE TIME GAIN                         | 111            | —             | 111          | 100%       |
| <b>TOTAL</b>                          | <b>P3,036</b>  | <b>P3,059</b> | <b>(P23)</b> | <b>-1%</b> |

#### SEGMENT REVENUES

| <i>(in Php Millions)</i>              | For the Period |                | Variance        |             |
|---------------------------------------|----------------|----------------|-----------------|-------------|
|                                       | 2016           | 2015           | Amount          | %           |
| SEMIRARA MINING AND POWER CORPORATION | P5,596         | P7,245         | (P1,649)        | -23%        |
| DMCI HOMES                            | 4,349          | 4,330          | 19              | 0%          |
| D.M. CONSUNJI, INC.                   | 2,957          | 3,363          | (406)           | -12%        |
| DMCI POWER (SPUG)                     | 482            | 433            | 49              | 11%         |
| DMCI MINING                           | 90             | 423            | (333)           | -79%        |
| PARENT & OTHERS                       | 55             | 73             | (18)            | -25%        |
| <b>TOTAL</b>                          | <b>P13,529</b> | <b>P15,867</b> | <b>(P2,338)</b> | <b>-15%</b> |

The initial indicator of the Company’s gross business results are seen in the movements in the different business segment revenues. As illustrated above, consolidated revenues dropped 15% period to period mainly coming from Company’s on grid power, construction and nickel mining businesses. (See Part I. Results of Operations – different segments for a detailed discussion per business).

The net income (after non-controlling interest) or bottom line results from operations of the Company have multiple drivers for growth from different business segments. For the period ended, the Company reported flat earnings at P3 billion. The reduced profitability of its two major contributors, namely the real estate and water businesses, accounted for the flattish growth of the Company. (See Part I. Results of Operations – different segments for a detailed discussion per business).

#### **EARNINGS PER SHARE**

Earnings per share (EPS) pertains to the company's income allocated to each outstanding share of common stock. It serves as an indicator of the company's profitability.

For the period ended, the Company reported the same consolidated basic and diluted EPS at P0.23/share. The flattish growth on the Company's EPS is attributed mainly to the reduced profitability of its two major contributors for the period. (See Part I. Results of Operations – different segments for a detailed discussion per business).

#### **CURRENT RATIO**

Liquidity is an essential character of any organization, and the Company, including the Group as a whole, should indicate acceptable levels of liquidity. The initial test of liquidity is the current ratio, which will display a company's ability to satisfy current obligations with current resources. Current ratio is arrived at by dividing the current assets over the current liabilities. The Company uses this test and compares it with industry balances to determine its ability to satisfy current obligations with respect to its competitors

Consolidated cash and cash equivalents amounted to P19.9 billion, resulting in a current ratio of 238% as of the first quarter of 2016. (See Part II. Financial Condition for a detailed discussion).

#### **NET DEBT TO EQUITY RATIO**

As a stockholder/investor, financial position and stability would be an important aspect. The Company tests its financial position through the net debt to equity ratio. This test indicates the Company's ownership of creditors vs. owners/investors. In addition, net debt to equity or debt to equity ratio maintenance is a requirement set by creditors as a standard for extending credit. Net debt to equity ratio is computed by dividing the interest-bearing loans net of cash and cash equivalents over total equity

Total borrowings stood at P39.8 billion from P40.8 billion last year, which resulted to a net debt to equity ratio of 25%. (See Part II. Financial Condition for a detailed discussion).

**OTHER RELEVANT FINANCIAL SOUNDNESS RATIOS**

|                          | March 31, 2016            | December 31, 2015 |
|--------------------------|---------------------------|-------------------|
| Current Ratio            | 238%                      | 185%              |
| Net Debt to Equity Ratio | 25%                       | 29%               |
| Asset to Equity Ratio    | 192%                      | 199%              |
|                          | March 31, 2016            | March 31, 2015    |
| Return on Assets         | 3.1%<br>3.0%*             | 3.2%              |
| Return on Parent Equity  | 4.7%<br>4.6%*             | 5.3%              |
| Interest Coverage Ratio  | 14.5 times<br>14.2 times* | 17.4 times        |
| Gross Margin (%)         | 42.2%                     | 42.1%             |
| Net Profit Margin (%)    | 31.7%<br>30.9%*           | 26.2%             |

\* Excluding one time gain of P111 million pertaining to partial sale of Subic Water share

**PART II--OTHER INFORMATION**

1. The Company's operation is a continuous process. It is not dependent on any cycle or season;
2. Economic and infrastructure developments in the country may affect construction business; Interest rate movements may affect the performance of the real estate industry; Mining activities are generally hinge on the commodities market. Businesses not affected by known cycle, trends or uncertainties are power and water.
3. On May 11, 2016, the BOD of the Parent Company has declared cash dividends amounting P0.24 regular dividends and P0.24 special cash dividends in favor of the stockholders of record as of May 27, 2016. This is due to be paid on June 10, 2016 with a total amount of P6,373 million.
4. There were no undisclosed material subsequent events and transferring of assets not in the normal course of business that have not been disclosed for the period that the company have knowledge of;
5. There are no material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation has been disclosed in the notes to financial statements.
6. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period
7. Except for interest payments on loans, which the Company can fully service, the only significant commitment that would have a material impact on liquidity are construction guarantees. These are usually required from contractors in case of any damage / destruction to a completed project.
8. Any known trends or any known demands, commitments, events or uncertainties that will result in or that will have a material impact on the registrant's liquidity. – None

9. The Group does not have any offering of rights, granting of stock options and corresponding plans therefore.
10. All necessary disclosures were made under SEC Form 17-C.

## EXTERNAL AUDIT FEES

### 1. Audit and Audit Related Fees

Below are the External Audit Fees of the Company and its subsidiaries for two fiscal years:

|                                                         | 2015         | 2014         |
|---------------------------------------------------------|--------------|--------------|
|                                                         | Fee          | Fee          |
| Beta Electric Corporation                               | 463,108.80   | 441,056.00   |
| D. M. Consunji, Inc.                                    | 1,378,125.00 | 1,312,500.00 |
| DMCI Holdings, Inc.                                     | 3,583,272.00 | 3,583,272.00 |
| DMCI Homes Inc.                                         | 490,876      | 471,995.00   |
| DMCI Homes Property Management Corporation              | 92,400       | 73,920.00    |
| DMCI Masbate Power Corporation                          | 387,156.00   | 368,676.00   |
| DMCI Mining Corporation                                 | 409,948.00   | 372,680.00   |
| DMCI Palawan Power Corporation                          | 12,320       | 12,320.00    |
| DMCI Power Corporation                                  | 288,904      | 250,958.00   |
| DMCI Project Developers Inc.                            | 2,850,245    | 2,740,621.00 |
| Enickel Berhold                                         | 102,499.64   | 102,499.64   |
| Enickel Holdings                                        | 101,778.89   | 92,281.34    |
| European Nickel PLC-ROHQ (Enickel Services Philippines) | 102,499.64   | 94,558.60    |
| Fil-Asian Strategic Resources & Prop. Corp.             | 178,825.16   | 184,671.07   |
| Fil-Euro Asia Nickel Corp*                              | 135,507.31   | 129,298.60   |
| Hampstead Gardens Corporation                           | -            | 60,000.00    |
| Heraan Holdings                                         | 102,499.64   | 92,349.20    |
| Montague Resources Phil. Corp                           | 101,778.89   | 92,281.34    |
| Montemina Resources Corp*                               | 129,347.89   | 123,052.03   |
| Mt. Lanat Metals Corp.                                  | 98,550.77    | 92,369.75    |
| PDI Hotels, Inc.                                        | 174,181      | 167,482.00   |
| Riviera Land Corporation                                | 61,600       | 61,600       |
| Sem Balayan Power Generation Corp.                      | 30,800.00    | 30,800.00    |
| Sem Calaca RES Corporation                              | 36,960.00    | 36,960.00    |
| Sem-Cal Industrial Park Developers, Inc.                | 36,960.00    | 36,960.00    |
| Sem-Calaca Power Corporation                            | 2,137,520.00 | 2,032,800.00 |
| Semirara Claystone Inc.                                 | 49,280.00    | 49,280.00    |
| Semirara Energy Utilities , Inc.                        | 30,800.00    | 30,800.00    |
| Semirara Mining and Power Corporation                   | 2,445,520.00 | 2,328,480.00 |

|                                          |                   |                   |
|------------------------------------------|-------------------|-------------------|
| Southwest Luzon Power Corporation        | 554,400.00        | 338,800.00        |
| St. Raphael Power Power Generation Corp. | 30,800.00         | 30,800.00         |
| TMM Management Inc.                      | 101,137.00        | 206,080.00        |
| Ulugan Nickel Corporation                | 108,831.00        | 109,480.00        |
| Wire Rope Corporation of the Philippines | 516,208.00        | 491,568.00        |
| Zambales Chromite Mining Company, Inc.   | 185,226.91        | 186,091.05        |
| Zambales Diversified Metals Corp.        | 757,429.41        | 695,041.85        |
| Zambales Nickel Processing Corp.         | 98,550.77         | 92,268.75         |
| ZamNorth Holdings Corp.                  | 98,550.77         | 92,354.41         |
| ZDMC Holdings*                           | 101,778.89        | 92,281.34         |
| Zenith Mobility Solutions Services, Inc  | 61,600.00         | -                 |
| Berong Nickel Corporation*               | 1,413,087.54      | 1,054,500.00      |
| Nickeline Resources Holdings, Inc. *     |                   | 109,480.00        |
| Ulugan Resources Holdings, Inc. *        |                   | 109,480.01        |
| <b>Total</b>                             | <b>20,040,864</b> | <b>19,074,747</b> |

*\*Group fees*

2. Other assurance and related services by the external auditor that are reasonable related to the performance of the audit review of the Company's financial statements – NONE
3. Tax Fees – **NONE**
4. All other fees – **Php488,320.00 (non-audit fees)**
5. The Audit Committee has checked all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements. They have pre-approved all audit plans, scope and frequency one (1) month before the conduct of external audit. The financial statement was then presented to and approved by the Audit Committee and Board of Directors. Payments and fees related to the services by the external auditor were discussed and approved by Audit Committee, Internal Auditor and Accounting group.

#### **IV. BUSINESS AND GENERAL INFORMATION**

The Company was incorporated on March 8, 1995 as a holding company to consolidate all construction business, construction component companies and related interests of the Consunji Family. It was listed on the Philippine Stock Exchange on December 18, 1995.

In only a few years after incorporation, the Company has expanded its business organization to include four major subsidiaries, namely: D.M. Consunji, Inc. (DMCI), DMCI Project Developers,

Inc. (PDI), and Semirara Mining Corporation [(SMC) (formerly Semirara Coal Corporation)]. In 2006, the Company has entered into a 50-50 consortium with Metro Pacific Investments Corporation who won the bid to acquire 84% stake in Maynilad Water Services, Inc. (MWSI). In 2007, the company has established a wholly-owned power generation subsidiary to engage in the construction, operation and maintenance of power plants. Late in 2009, the Company, thru SMC, acquired a 2 by 300 megawatt nominal capacity coal fired power plant located in the province of Calaca, Batangas.

**DMCI**, a wholly owned subsidiary, is engaged in general construction services– the Group’s core business. It is also engaged in various construction component businesses such as the production and trading of concrete products and electrical and foundation works. Incorporated and founded in 1954, DMCI is currently one of the leaders in the Philippine construction industry, noted for quality projects delivered on time and its pioneering application of advanced engineering methodology. In addition, DMCI, together with its affiliate PDI, is actively engaged in real estate sales and development, launching its housing component - **DMCI Homes**, in early 2002.

**PDI**, another wholly owned subsidiary incorporated in 1995, is engaged in construction business-generating investments primarily through its equity participation in various project and infrastructure development activities. These ventures generate not only investment income but also construction business for DMCI. In 2000, PDI launched its housing division, DMCI Homes, that consolidates all housing construction and developments of the company.

**SMC**, a 56%-owned publicly listed company established in 1980 is engaged in the exploration, mining, development and sales of coal resources on Semirara Island in Caluya, Antique. It is currently the Philippines’ largest coal-producing company with a guaranteed long-term market by virtue of its supply contract with state-run National Power Corporation (NPC). SMC is currently exporting coal to China, India, and Hong Kong.

**Sem-Calaca Power Corporation (SCPC)** is a wholly-owned subsidiary of Semirara Mining Corp. incorporated on November 19, 2009, primarily to acquire, expand and maintain power generating plants, develop fuel for generation of electricity, and sell electricity to any person or entity through electricity markets, among others.

**DMCI Power Corporation (DMCI PC)**, is wholly-owned subsidiary of HI and is engaged in the business of a generation company which designs, constructs, invest in, and operate power plants. On January 15, 2007, the National Power Corporation (NPC) awarded to DPC the Masbate Power Generation, one of the small utilities group (SPUG) of NPC. DPC shall take over of the power supply obligation in Masbate with a 15-year Power Supply Agreement with Masbate Electric Cooperative (MASELCO). Masbate Power Generation has a total contract of 13,000 KW of Guaranteed Dependable Capacity (GDC).

**Maynilad Water Holding Company, Inc. (Maynilad)** *(formerly DMCI-MPIC Water Co.)* is a consortium with Metro Pacific Investments Corporation and Marubeni Philippines Corp. which owns 93% equity at Maynilad Water Services, Inc. (Maynilad). The Company's economic interest in MWSI decreased to 25% from 41%, after Marubeni acquired 20% of economic interest in Maynilad last February 2013.

**DMCI Mining Corporation (DMCI MC)** is 100%-owned subsidiary engaged in ore and mineral mining and exploration. It was incorporated on May 29, 2007. It has entered into joint venture with Rusina Mining Ltd., a listed company in Australia, in which the Corporation agreed to be the independent contractor to directly undertake the mining operations of old Acoje mine located in the municipalities of Sta. Cruz and Candelaria in Zambales. The mining operation is an open pit extraction of nickel, chromite, and iron laterite for direct shipping.

**Competition.** – Among the publicly listed companies, DMCI Holdings, Inc. is the only holding company which has construction for its primary investment, Its construction business is primarily conducted by wholly-owned subsidiary, D.M. Consunji, Inc. (DMCI), which has, for its competitors, numerous construction contracting companies, both local and foreign, currently operating in the country. It has been an acknowledged trend that the state of construction industry depends mainly on prevailing economic conditions. Thus, the currently weak economic growth explains the continued slump in the construction industry. Given this trend, DMCI has been focusing on selected markets where construction demand has remained relatively strong, particularly, in housing and civil works. This is where the company believes it can compete effectively given its strong construction capabilities, equipment and manpower complement, and track record. The Company's coal mining is the largest coal producer in the country. Competition is insignificant as far as domestic coal mine is concerned. The real estate business, on the other hand, is targeted for the middle income families. As far as local sales in concerned, DMCI Homes is well-positioned to capture the end-user market with much lower price for the same market with that of its competitor.

**Dependence on a few customers.** – Not applicable

**Transactions with and/or dependence on related parties.** - Aside from inter-company transactions within the group of companies, the Company, through DMCI, has contracts with Maynilad for major and big-ticket engineering and construction works.

**Need for governmental approval of products and services.** – Not applicable

**Effect of existing or probable governmental regulations to the business.** – Aside from the normal tax regulations prevalent in all businesses of the Company and the government royalties recognized in the coal mining business, the Company now foresees the regulations in the power sector as having a great effect on operations.

**Estimate of amount spent for research and development activities.** – Not applicable

**Costs and effects of compliance with environmental laws.** - Costs vary depending on the size and nature of a project or venture (construction projects, power plant operations). Failure to

comply with the terms of the ECC (environmental compliance certificate) can lead to imposition of fines and temporary cessation of operations.

**Total number of employees and number of full time employees.**

|                        |    |
|------------------------|----|
| Total No. of Employees | 12 |
| Fulltime Employees     | 12 |

**V. DIRECTORS AND EXECUTIVE OFFICERS**

Identify Directors, Including Independent Directors, and Executive Officers

| Name                     | Position                                                                 | Age | Citizenship |
|--------------------------|--------------------------------------------------------------------------|-----|-------------|
| Isidro A. Consunji       | Chairman of the Board<br>President/Chief Executive Officer               | 67  | Filipino    |
| Cesar A. Buenaventura    | Vice-Chairman of the Board                                               | 86  | Filipino    |
| Herbert M. Consunji      | Vice President & Chief Finance<br>Officer/Director/Compliance<br>Officer | 63  | Filipino    |
| Ma. Edwina C. Laperal    | Treasurer                                                                | 54  | Filipino    |
| Cristina C. Gotianun     | Assistant Treasurer                                                      | 61  | Filipino    |
| Jorge A. Consunji        | Director                                                                 | 63  | Filipino    |
| Victor A. Consunji       | Director                                                                 | 64  | Filipino    |
| Antonio Jose U. Periquet | Director (Independent)                                                   | 54  | Filipino    |
| Honorio O. Reyes-Lao     | Director (Independent)                                                   | 71  | Filipino    |
| Victor S. Limlingan      | Managing Director                                                        | 72  | Filipino    |
| Noel A. Laman            | Corporate Secretary                                                      | 75  | Filipino    |
| Pilar P. Gutierrez       | Asst. Corporate Secretary                                                | 39  | Filipino    |
| Ma. Luisa D. Austria     | Administration/Accounting Officer                                        | 64  | Filipino    |
| Brian T. Lim             | Finance Officer                                                          | 30  | Filipino    |
| Tara Ann C. Reyes        | Investor Relations Officer                                               | 38  | Filipino    |
| Cherubim O. Mojica       | Corporate Communications Head                                            | 38  | Filipino    |

**V.1 REGULAR DIRECTORS**

**Isidro A. Consunji** – is 67 years old; has served the Corporation as a regular director for twenty one (21) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corp. and Atlas Consolidated Mining and Development Corp.; **(Non-listed)** D. M. Consunji, Inc., DMCI Project Developers, Inc., DMCI Mining Corp., DMCI Power Corp., DMCI Masbate Corp., Maynilad Water Holdings, Co. Inc., Maynilad Water Services, Inc., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem-Calaca Res Corp., Sem-Cal Industrial Park Developers, Inc., Dacon Corp., DFC Holdings, Inc.,



Beta Electric Corp. and Crown Equities, Inc. **Education.** Bachelor of Science in Engineering (University of the Philippines), Master of Business Economics (Center for Research and Communication), Master of Business Management (Asian Institute of Management), Advanced Management (IESE School, Barcelona, Spain). **Civic Affiliations.** Philippine Overseas Construction Board, *Chairman*, Construction Industry Authority of the Philippines, *Board Member*, Philippine Constructors Association, *Past President*, Philippine Chamber of Coal Mines, *Past President*, Asian Institute of Management Alumni Association, *Member*, UP Alumni Engineers, *Member*, UP Aces Alumni Association, *Member*.

**Cesar A. Buenaventura** – is 86 years old; has served the Corporation as a regular director for twenty one (21) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corp., iPeople Inc., Petroenergy Resources Corp., Concepcion Industrial Corp; **(Non-listed)** D.M. Consunji, Inc., Pilipinas Shell Petroleum Corp., Manila International Airport Authority, Mitsubishi-Hitachi Phils, Inc. **Education.** Bachelor of Science in Civil Engineering (University of the Philippines), Masters Degree in Civil Engineering, Major in Structures (Lehigh University, Bethlehem, Pennsylvania). **Civic Affiliations.** Pilipinas Shell Foundation, *Founding Member*, Makati Business Club, *Board of Trustee* University of the Philippines, *Former Board of Regents*, Asian Institute of Management, *Former Board of Trustee*, Benigno Aquino Foundation, *Past President*, Honorary Officer, Order of the British Empire (OBE) by Her Majesty Queen Elizabeth II.

**Herbert M. Consunji** – is 63 years old; has served the Corporation as a regular director for twenty one (21) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corporation; **(Non-listed)** Subic Water and Sewerage Company, Inc., DMCI Mining Corp., Sem-Calaca Res Corporation, DMCI Power Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem-Cal Industrial Park Developers, Inc. **Education.** Bachelor of Science in Commerce, Major in Accounting (De La Salle University), Certified Public Accountant (CPA). **Civic Affiliations.** Philippine Institute of Certified Public Accountants, *Member*.

**Jorge A. Consunji** – is 64 years old; has served the Corporation as a regular director for twenty one (21) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corp.; **(Non-listed)** D.M. Consunji Inc., DMCI Project Developers, Inc., DMCI Mining Corp., DMCI Power Corp., DMCI Masbate Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., DMCI Concepcion Power Corp., Maynilad Water Holdings, Co. Inc., Maynilad Water Services, Inc., Dacon Corp., DFC Holdings, Inc., Beta Electric Corporation, Wire Rope Corporation, Private Infra Dev Corp., Manila Herbal Corporation, Sirawai Plywood & Lumber Co., M&S Company, Inc. **Education.** Bachelor of Science in Industrial Engineering (De La Salle University); Attended the Advanced Management Program Seminar at the University of Asia and the Pacific and Top Management Program at the Asian Institute of Management. **Civic Affiliations.** Construction Industry Authority of the Phils, *Board Member*, Asean Constructors Federation, *Former Chairman*, Phil. Constructors Association, *Past President/Chairman*, Phil. Contractors Accreditation Board, *Former Chairman*, Association of Carriers & Equipment Lessors, *Past President*.

**Victor A. Consunji** - is 65 years old; has served the Corporation as a regular director for twenty one (21) years since March 1995; is a regular Director of the following: **(Listed)** Semirara Mining and Power Corp.;

**(Non-listed)** DMCI Power Corp., Sem-Calaca Power Corp., Southwest Luzon Power Generation Corp., Sem Calaca Res Corporation, Dacon Corp., DMCI Masbate Corp., DMCI Mining Corp. , D.M. Consunji Inc. , DFC Holdings, Inc., M&S Company, Inc., Sodaco Agricultural Corporation, Ecoland Properties Development Corporation., DMC Urban Properties Development Inc., Sirawai Plywood & Lumber Corp., Royal Star Aviation, Inc., Zanorte Palm-Rubber Plantation, Inc. **Education.** AB Political Science (Ateneo de Manila and Ateneo de Davao); Chevalier College, Australia (secondary); San Beda College, Manila (elementary).

**Ma. Edwina C. Laperal** - is 54 years old; has served the Corporation as a regular director from March 1995 to July 2006 (11years and 4 months) and from July 2008 to present (7 years and 2 months); is a regular Director of the following: **(Listed)** Semirara Mining and Power Corporation; **(Non-listed)** D.M. Consunji, Inc., DMCI Project Developers, Inc., Dacon Corporation, DMCI Urban Property Developers, Inc, Sem-Calaca Power Corp., DFC Holdings, Inc. **Education.** BS Architecture (University of the Philippines), Masters in Business Administration (University of the Philippines). **Civic Affiliations.** UP College of Architecture Alumni Foundation Inc., *Member*; United Architects of the Philippines, *Member*; Guild of Real Estate Entrepreneurs And Professionals (GREENPRO) formerly Society of Industrial-Residential-Commercial Realty Organizations, *Member*; Institute of Corporate Directors, *Fellow*.

**Luz Consuelo A. Consunji** – is 62 years old; a regular director of the following: **(Non-listed)** South Davao Development Corp., Dacon Corp. and Zanorte Palm-Rubber Plantation, Inc.; **Education.** Bachelor's Degree in Commerce, Major in Management (Assumption College), Master's in Business Economics (University of Asia and the Pacific). **Civic Affiliations.** Mary Mother of the Poor Foundation, *Treasurer* (May 2012-July 2014), Missionaries of Mary Mother of the Poor, *Treasurer* (May 2012 – present).

## V.2 INDEPENDENT DIRECTORS

**Honorio O. Reyes-Lao** - is 71 years old; has served the Corporation as an Independent Director for six (6) years and eight (8) months since July 2009; is director of Philippine Business Bank **(Listed)**; **Non-Listed (Past Positions)** Gold Venture Lease and Management Services Inc. (2008-2009), First Sovereign Asset Management Corporation (2004-2006, CBC Forex Corporation (1998-2002) , CBC Insurance Brokers, Inc. (1998-2004), CBC Properties and Computers Center, Inc. (1993-2006); **Education.** Bachelor of Arts, Major in Economics (De La Salle University), Bachelor of Science in Commerce, Major in Accounting (De La Salle University), Masters Degree in Business Management (Asian Institute of Management); **Civic Affiliations.** Institute of Corporate Directors, *Fellow*, Rotary Club of Makati West, *Member/Treasurer*, Makati Chamber of Commerce and Industries, *Past President*.

**Antonio Jose U. Periquet** is 54 years old; has served the Corporation as an Independent Director for five (5) years and 7 months since August 2010; he is director of the following: **(Listed)** ABS-CBN Corporation, ABS-CBN Holdings Corp., Ayala Corporation , Bank of the Philippine Islands , Max's Group of Companies, Philippine Seven Corporation, Inc.; **(Non-listed)** Albizia ASEAN Tenggara Fund, Campden Hill Group, Inc., Campden Hill Advisors, Inc., Pacific Main Holdings, Lyceum of the Philippines University, The Straits Wine Company, Inc., BPI Capital Corporation, BPI Family Savings Bank, Inc.; **Education.** MBA, Darden Graduate School of Business Administration, University of Virginia, USA (1990); Master of Science (Econ), Oxford University, UK (1988); Bachelor of Arts (Econ), Ateneo de Manila University (1982); **Civic**

**Affiliations.** Global Advisory Council, Darden Graduate School of Business Administration, University of Virginia, *Member*; Finance and Budget Committee of the Board, Ateneo de Manila University, *Member*; Finance Committee, Philippine Jesuit Provincial, *Member*.

## VI. MARKET PRICE OF AND DIVIDENDS ON REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

### 1. Market Information

Both common and preferred shares of DMCI Holdings, Inc. are traded on the Philippine Stock Exchange.

The high and low sales prices of the Company's equity at the Philippine Stock Exchange for each quarter of the last two fiscal years and the first quarter of 2015 are set forth below.

#### Common Share Prices

|      |                 | High  | Low   |
|------|-----------------|-------|-------|
| 2014 | First Quarter   | 73.00 | 55.55 |
|      | Second Quarter  | 81.00 | 68.00 |
|      | Third Quarter   | 84.00 | 72.10 |
|      | Fourth Quarter* | 80.30 | 14.50 |
| 2015 | First Quarter   | 16.06 | 14.66 |
|      | Second Quarter  | 15.84 | 12.80 |
|      | Third Quarter   | 14.00 | 10.40 |
|      | Fourth Quarter  | 14.06 | 12.10 |
| 2016 | First Quarter   | 13.90 | 10.62 |
|      |                 |       |       |

#### Preferred Share Prices

|      |                | High | Low |
|------|----------------|------|-----|
| 2014 | First Quarter  | 0    | 0   |
|      | Second Quarter | 0    | 0   |
|      | Third Quarter  | 0    | 0   |
|      | Fourth Quarter | 0    | 0   |
| 2015 | First Quarter  | 0    | 0   |
|      | Second Quarter | 0    | 0   |
|      | Third Quarter  | 0    | 0   |
|      | Fourth Quarter | 0    | 0   |
| 2016 | First Quarter  | 0    | 0   |
|      |                |      |     |

Price information as of the latest practicable trading date: As of May 17, 2016:

|                  | High  | Low   | Close | Volume    |
|------------------|-------|-------|-------|-----------|
| Common Shares    | 13.00 | 12.76 | 12.92 | 9,296,900 |
| Preferred Shares | 0.00  | 0.00  | 0.00  | 0.00      |

If the information called for by the aforementioned paragraph is being presented in a registration statement relating to a class of common equity for which at the time of filing there is no established public trading market in the Philippines, indicate the amounts of common equity – **Not applicable**

## 2. Holders

As of **April 30, 2016** the Company had a total of 715 shareholders of which 701 were holders of a total of 13,277,470,000 common shares and 14 were holders of a total of 3,780 preferred shares. The following table sets forth the list of the Top 20 common shareholders of the Corporation as of April 30, 2016 indicating the number of shares held by each and the percentage to the total outstanding shares

|     | NAME                                  | No. Of Shares         | PERCENTAGE     |
|-----|---------------------------------------|-----------------------|----------------|
| 1.  | DACON CORPORATION                     | 6,838,807,440         | 51.51%         |
| 2.  | DFC HOLDINGS, INC.                    | 2,380,442,010         | 17.93%         |
| 3.  | PCD NOMINEE CORPORATION (FOREIGN)     | 2,076,321,775         | 15.64%         |
| 4.  | PCD NOMINEE CORPORATION (FILIPINO)    | 1,550,102,203         | 11.67%         |
| 5.  | DMCI RETIREMENT PLAN                  | 99,900,000            | 0.75%          |
| 6.  | BERIT HOLDINGS CORPORATION            | 99,694,000            | 0.75%          |
| 7.  | FERNWOOD INVESTMENT, INC.             | 74,859,030            | 0.56%          |
| 8.  | GUADALUPE HOLDINGS CORPORATION        | 54,588,045            | 0.41%          |
| 9.  | DOUBLE SPRING INVESTMENTS CORPORATION | 19,693,745            | 0.15%          |
| 10. | AUGUSTA HOLDINGS, INC.                | 19,039,670            | 0.14%          |
| 11. | DMCI RETIREMENT FUND                  | 13,000,000            | 0.10%          |
| 12. | MA. EDWINA/MIGUEL DAVID C. LAPERAL    | 2,750,000             | 0.02%          |
| 13. | YNTALCO REALTY DEVT. CORPORATION      | 2,500,000             | 0.02%          |
| 14. | BENIGNO DELA VEGA                     | 2,050,000             | 0.01%          |
| 15. | WINDERMERE HOLDINGS, INC.             | 1,905,715             | 0.01%          |
| 16. | AO ZHENG                              | 1,840,000             | 0.01%          |
| 17. | XIUFEN LI                             | 1,830,000             | 0.01%          |
| 18. | MAKATI SUPERMARKET CORP.              | 1,727,500             | 0.01%          |
| 19. | ENRIQUE G. FILAMOR                    | 1,570,000             | 0.01%          |
| 20. | JABBERWOCK HOLDINGS INC.              | 1,277,414             | 0.01%          |
|     | <b>TOTAL</b>                          | <b>13,234,069,845</b> | <b>99.673%</b> |

### 3. Dividends

Set forth below are cash dividends declared on each class of its common equity by the Company for the two most recent fiscal years and any subsequent interim period for which financial statements are required to be presented by SRC Rule 68:

- (1) On April 7, 1999, the Company paid the semi-annual dividend of 2.5 % for last semester of the second year to the holders of the preferred shares.
- (2) On October 7, 1999, the Company paid the semi-annual dividend of 3.6 % for the first semester of the third year to the holders of the preferred shares.
- (3) On April 7, 2000, the Company paid the semi-annual dividend of 3.6% for last semester of the third year to the holders of the preferred shares.
- (4) On October 7, 2000, the Company paid the semi-annual dividend of 3.6% for the first semester of the fourth year to the holders of the preferred shares.
- (5) On July 20, 2006, the Company paid cash dividends at the amount of PhP 0.10 per outstanding common share to the shareholders of record of June 30, 2006.
- (6) On May 28, 2007, the Company paid cash dividends at the amount of Php 0.10 per outstanding common share to the shareholders of record of April 30, 2007
- (7) On May 30, 2008, the Company paid cash dividends at the amount of Pho 0.10 per outstanding common share to the shareholders of record of May 12, 2008.
- (8) On June 30, 2009, the Company paid cash dividends at the amount of Php 0.20 per outstanding common share to the shareholders of record of June 5, 2009.
- (9) On July 15, 2010, the Company paid cash dividends at the amount of Php 0.50 per outstanding common share to the shareholders of record of June 22, 2010.
- (10) On July 7, 2011, the Company paid cash dividends at the amount of Php 1.00 per outstanding common share to the shareholders of record of June 15, 2011.
- (11) On May 15, 2012, the Company paid cash dividends at the amount of Php 1.20 per outstanding common share to the shareholders of record of June 15, 2012.
- (12) On April 11, 2013, the Company declared cash dividends of Php 1.20 per common share and special cash dividends of Php 1.00 per common share to the shareholders of record of April 26, 2013.
- (13) On November 14, 2013, the Company declared a special cash dividends of P1.20 per common share to the shareholders of record of November 29, 2013.
- (14) On May 15, 2014, the Company declared a regular cash dividend of P1.20 per common share and a special cash dividend of P1.20 per common share to the shareholders of record of May 30, 2014.
- (15) On May 15, 2014, The Board approved the declaration of (1) **regular cash dividends** in the amount of P1.20 per common share or a total of P3,186,592,800.00; and (2) **special cash dividends** of P1.20 per common share or a total of P3,186,592,800.00, or a grand total of P6,373,185,600.00 out of the unrestricted retained earnings of the Corporation as of December 31, 2013, in favor of the common stockholders of record as of May 30, 2014, and payable on June 13, 2014.
- (16) On May 14, 2015, the BOD of the Parent Company has declared cash dividends amounting P0.24 regular dividends and P0.24 special cash dividends in favor of the stockholders of record as of May 29, 2015. This is due to be paid on June 10, 2015 with a total amount of P6,373 million.
- (17) On May 11, 2016, the BOD of the Parent Company has declared cash dividends amounting P0.24 regular dividends and P0.24 special cash dividends in favor of the stockholders of record as of May 27, 2016. This is due to be paid on June 10, 2016 with a total amount of P6,373 million.

There are no contractual or other restrictions on the Company's ability to pay dividends. However, the ability of the Company to pay dividends will depend upon the amount of distributions, if any, received from the Company's operating subsidiaries and joint venture investments and the availability of unrestricted retained earnings. The Company's operating subsidiaries however are restricted on the declaration and payment of dividends, as limited by negative covenants entered into by the operating subsidiaries with outside parties.

4. Recent Sales of Unregistered or Exempt Securities Including Recent Issuance of Securities Constituting an Exempt Transaction - **NONE**

## **VII. DISCUSSION ON COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE**

1. The Company has adopted the Manual on Corporate Governance and complied therewith the leading practices and principles on good corporate governance.
2. The Company has adopted and complied with the guidelines and leading practices and principles of the Manual on Corporate Governance;
3. The Independent Directors of the Company have submitted their Certificate of Qualifications as required by Securities and Exchange Commission in the promotion of meaningful compliance with Section 38 of the Securities Regulation Code (SRC);
4. The Corporation has adapted the following policies to adhere with the best practices of Corporate Governance – Dividend Policy, Insider Trading Policy, Related Party Transactions Policy, Conflict of Interest, Whistle Blower Policy, Health, Safety and General Welfare Policy, Board Diversity Policy, Executive Succession Policy, and Creditors' Rights Policy. Likewise, the Board developed its Charter in accordance with the Corporation Code, Manual on Corporate Governance and other applicable laws. The Board also created additional committee, the Corporate Governance Committee, to provide adequate support in fulfilling the Board's oversight function in relation to compliance and good governance best practices.
5. The Corporation has revised its Manual on Corporate Governance and submitted it on March 10, 2016. Likewise, the Board amended the following policies: Code of Business Conduct and Ethics, Community Interaction Policy, Environmentally Friendly Value Chain Policy, Related Party Transactions Policy, and Supplier Contractor Policy.
6. The Corporation has set up all committees set forth under the Manual of Corporate Governance to strictly adhere with the rules governing the Manual.
7. The Corporation has developed a corporate website ([www.dmciholdings.com](http://www.dmciholdings.com)) wherein corporate information and updates, disclosures, and financial information are being uploaded for investors' and shareholders' information.
8. There are no major deviations from the adopted Manual on Corporate Governance

VIII. UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE CORPORATION WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE CORPORATION'S ANNUAL REPORT IN SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.



**DMCI HOLDINGS**  
I N C O R P O R A T E D

3rd floor  
DAICON Building  
2281 Don Chino Rocas Ave.  
(formerly Pasong Tama Ext.)  
Makati City 1231, Philippines

(632) 888 • 3000

Facsimile

(632) 816 • 7362

E-Mail

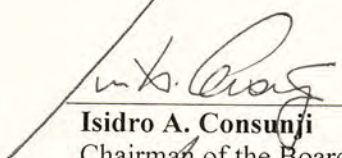
investor\_inquiries@dmcinet.com

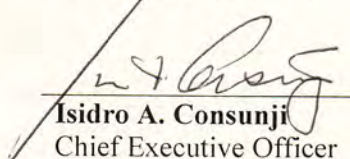
## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

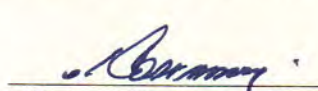
The management of **DMCI HOLDINGS, INC. AND SUBSIDIARIES** is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2015 and 2014, including the additional components attached therein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

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

  
**Isidro A. Consunji**  
Chairman of the Board

  
**Isidro A. Consunji**  
Chief Executive Officer

  
**Herbert M. Consunji**  
Chief Financial Officer

*Signed this March 31, 2016*

Subsidiaries:  
D.M. Consunji, Inc.  
DMCI Project Developers, Inc.  
DMCI Power Corporation  
DMCI Mining Corporation  
Semirara Mining Corporation  
DMCHVPC Water Co., Inc.  
Wire Rope Corporation of the Phils.

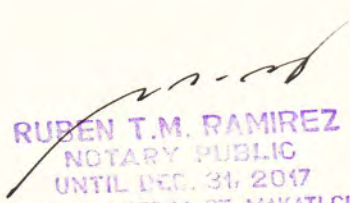


SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public for and in

MAKATI CITY, this 13 day of APR 2016.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal on the date and place above written.

Doc No. 251  
Page No. 12  
Book No. 372  
Series No. 26/6

  
**RUBEN T.M. RAMIREZ**  
NOTARY PUBLIC  
UNTIL DEC. 31, 2017  
2734 M. AURORA ST., MAKATI CITY  
APPT. NO. N-23 (2015-2017)  
ISS. NO. 1009530 Y-2015 / S. 04-15  
REG. NO. 25872 J-1 NO. 0006624/5-19-12  
PTR NO. MTR. 5523578/1-4-15 MAKATI CITY

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
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| 1 |   | D | O | N |   | C | H | I | N | O |   | R | O | C | E | S |   | A | V | E | N | U | E | , |   | M | A | K | A |
| T | I |   | C | I | T | Y |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
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Form Type

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Department requiring the report

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Secondary License Type, If Applicable

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|---|---|---|--|
| N | / | A |  |
|---|---|---|--|

## COMPANY INFORMATION

Company's Email Address

**dmcihicorp.gov@gmail.com**

Company's Telephone Number

**888-3000**

Mobile Number

**0918 988 3462**

No. of Stockholders

**702**

Annual Meeting (Month / Day)

**07/27**

Fiscal Year (Month / Day)

**31-Dec**

## CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

**Herbert M. Consunji**

Email Address

**dmcihicorp.gov@gmail.com**

Telephone Number/s

**888-3000**

Mobile Number

**0918 988 3462**

## CONTACT PERSON'S ADDRESS

**3<sup>rd</sup> floor Dacon Building, 2281 Don Chino Roces Avenue, Makati City**

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (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. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



## **INDEPENDENT AUDITORS' REPORT**

The Stockholders and the Board of Directors  
DMCI Holdings, Inc.  
3rd Floor, Dacon Building  
2281 Don Chino Roces Avenue  
Makati City

We have audited the accompanying consolidated financial statements of DMCI Holdings, Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, and the consolidated statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

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

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

### ***Auditors' Responsibility***

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

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

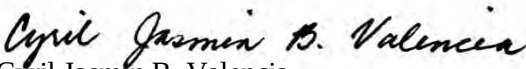
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of DMCI Holdings, Inc. and its subsidiaries as at December 31, 2015 and 2014, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2015 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

  
Cyril Jasmin B. Valencia

Partner

CPA Certificate No. 90787

SEC Accreditation No. 1229-AR-1 (Group A),

May 12, 2015, valid until May 11, 2018

Tax Identification No. 162-410-623

BIR Accreditation No. 08-001998-74-2015,

February 27, 2015, valid until February 26, 2018

PTR No. 5321703, January 4, 2016, Makati City

March 31, 2016



**DMCI HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Amounts in Thousands)

|                                                                                      | <b>December 31</b>  |              |
|--------------------------------------------------------------------------------------|---------------------|--------------|
|                                                                                      | <b>2015</b>         | <b>2014</b>  |
| <b>ASSETS</b>                                                                        |                     |              |
| <b>Current Assets</b>                                                                |                     |              |
| Cash and cash equivalents (Notes 4 and 36)                                           | <b>₱19,150,603</b>  | ₱15,229,768  |
| Financial assets at fair value through profit or loss (Notes 5 and 36)               | —                   | 70,630       |
| Available-for-sale financial assets (Notes 6 and 36)                                 | <b>76,900</b>       | 68,300       |
| Receivables - net (Notes 7, 21 and 36)                                               | <b>12,836,956</b>   | 13,025,326   |
| Costs and estimated earnings in excess of billings on uncompleted contracts (Note 8) | <b>2,015,033</b>    | 2,067,517    |
| Inventories (Note 9)                                                                 | <b>34,407,763</b>   | 28,619,668   |
| Other current assets (Notes 10 and 36)                                               | <b>7,030,352</b>    | 8,890,957    |
| Total Current Assets                                                                 | <b>75,517,607</b>   | 67,972,166   |
| <b>Noncurrent Assets</b>                                                             |                     |              |
| Noncurrent receivables (Notes 7 and 36)                                              | <b>3,162,701</b>    | 2,826,041    |
| Investments in associates, joint ventures and others (Note 11)                       | <b>11,457,732</b>   | 10,911,490   |
| Investment properties (Note 12)                                                      | <b>288,542</b>      | 242,790      |
| Property, plant and equipment (Note 13)                                              | <b>49,440,223</b>   | 46,880,188   |
| Exploration and evaluation asset (Note 14)                                           | <b>3,238,442</b>    | 2,136,837    |
| Goodwill (Notes 2 and 33)                                                            | <b>1,637,430</b>    | 1,637,430    |
| Deferred tax assets - net (Note 29)                                                  | <b>543,859</b>      | 724,453      |
| Pension assets - net (Note 23)                                                       | <b>958,979</b>      | 1,178,058    |
| Other noncurrent assets (Notes 14 and 36)                                            | <b>2,311,660</b>    | 2,647,452    |
| Total Noncurrent Assets                                                              | <b>73,039,568</b>   | 69,184,739   |
|                                                                                      | <b>₱148,557,175</b> | ₱137,156,905 |
| <b>LIABILITIES AND EQUITY</b>                                                        |                     |              |
| <b>Current Liabilities</b>                                                           |                     |              |
| Short-term debt (Notes 15 and 36)                                                    | <b>₱3,707,354</b>   | ₱2,026,582   |
| Current portion of liabilities for purchased land (Notes 16 and 36)                  | <b>2,201,291</b>    | 1,866,257    |
| Accounts and other payables (Notes 17 and 36)                                        | <b>15,176,119</b>   | 17,014,127   |
| Billings in excess of costs and estimated earnings on uncompleted contracts (Note 8) | <b>2,095,481</b>    | 2,553,814    |
| Customers' advances and deposits (Note 18)                                           | <b>5,692,271</b>    | 5,607,028    |
| Current portion of long-term debt (Notes 19 and 36)                                  | <b>11,291,955</b>   | 2,577,233    |
| Income tax payable                                                                   | <b>448,439</b>      | 81,210       |
| Payable to related parties (Notes 21 and 36)                                         | <b>217,628</b>      | 261,790      |
| Total Current Liabilities                                                            | <b>40,830,538</b>   | 31,988,041   |

(Forward)



|                                                                              | December 31         |              |
|------------------------------------------------------------------------------|---------------------|--------------|
|                                                                              | 2015                | 2014         |
| <b>Noncurrent Liabilities</b>                                                |                     |              |
| Long-term debt - net of current portion (Notes 19 and 36)                    | <b>₱25,763,651</b>  | ₱32,822,191  |
| Liabilities for purchased land - net of current portion<br>(Notes 16 and 36) | <b>816,135</b>      | 312,929      |
| Deferred tax liabilities - net (Note 29)                                     | <b>3,629,076</b>    | 3,015,945    |
| Pension liabilities - net (Note 23)                                          | <b>142,200</b>      | 97,364       |
| Other noncurrent liabilities (Notes 20 and 36)                               | <b>2,600,395</b>    | 2,327,977    |
| Total Noncurrent Liabilities                                                 | <b>32,951,457</b>   | 38,576,406   |
| Total Liabilities                                                            | <b>73,781,995</b>   | 70,564,447   |
| <b>Equity (Note 22)</b>                                                      |                     |              |
| Equity attributable to equity holders of the Parent Company:                 |                     |              |
| Paid-in capital                                                              | <b>17,949,868</b>   | 17,949,868   |
| Retained earnings                                                            | <b>43,709,847</b>   | 37,248,367   |
| Premium on acquisition of non-controlling interests                          | <b>(161,033)</b>    | (161,033)    |
| Remeasurements on retirement plans - net of tax (Note 23)                    | <b>699,491</b>      | 877,774      |
| Net accumulated unrealized gains on AFS financial assets                     | <b>21,435</b>       | 13,057       |
| Cumulative translation adjustment (Note 34)                                  | <b>285,105</b>      | 260,252      |
|                                                                              | <b>62,504,713</b>   | 56,188,285   |
| Non-controlling interests                                                    | <b>12,270,467</b>   | 10,404,173   |
| Total Equity                                                                 | <b>74,775,180</b>   | 66,592,458   |
|                                                                              | <b>₱148,557,175</b> | ₱137,156,905 |

See accompanying Notes to Consolidated Financial Statements.



**DMCI HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Amounts in Thousands, except for Earnings Per Share figures)

|                                                                                                               | Years Ended December 31 |             |             |
|---------------------------------------------------------------------------------------------------------------|-------------------------|-------------|-------------|
|                                                                                                               | 2015                    | 2014        | 2013        |
| <b>REVENUE</b>                                                                                                |                         |             |             |
| Electricity sales                                                                                             | ₱15,067,372             | ₱14,136,842 | ₱16,606,674 |
| Real estate sales                                                                                             | 13,676,990              | 12,493,636  | 12,165,988  |
| Construction contracts                                                                                        | 13,247,380              | 11,852,523  | 14,112,676  |
| Coal mining                                                                                                   | 11,781,825              | 16,276,930  | 12,573,569  |
| Nickel mining                                                                                                 | 3,138,852               | 1,516,461   | 264,897     |
| Merchandise sales and others                                                                                  | 291,502                 | 284,562     | 246,826     |
|                                                                                                               | 57,203,921              | 56,560,954  | 55,970,630  |
| <b>COSTS OF SALES AND SERVICES</b> (Note 24)                                                                  |                         |             |             |
| Electricity sales                                                                                             | 5,559,033               | 10,015,060  | 6,453,641   |
| Real estate sales                                                                                             | 6,803,570               | 6,524,383   | 6,670,706   |
| Construction contracts                                                                                        | 11,977,790              | 10,980,312  | 11,943,602  |
| Coal mining                                                                                                   | 6,318,151               | 9,930,220   | 8,664,871   |
| Nickel mining                                                                                                 | 916,460                 | 354,312     | 338,924     |
| Merchandise sales and others                                                                                  | 228,762                 | 193,680     | 153,224     |
|                                                                                                               | 31,803,766              | 37,997,967  | 34,224,968  |
| <b>GROSS PROFIT</b>                                                                                           | 25,400,155              | 18,562,987  | 21,745,662  |
| <b>OPERATING EXPENSES</b> (Note 25)                                                                           | 8,546,868               | 8,090,223   | 9,072,109   |
|                                                                                                               | 16,853,287              | 10,472,764  | 12,673,553  |
| <b>OTHER INCOME (EXPENSES)</b>                                                                                |                         |             |             |
| Equity in net earnings of associates (Note 11)                                                                | 2,376,424               | 2,015,703   | 1,764,822   |
| Gain on sale of investments (Notes 11 and 20)                                                                 | 562,727                 | —           | 9,157,413   |
| Finance income (Notes 4, 14 and 26)                                                                           | 467,506                 | 438,148     | 658,777     |
| Gains (losses) on remeasurement of previously held interest (Note 33)                                         | —                       | 261,084     | (42,623)    |
| Gain on bargain purchase (Note 33)                                                                            | —                       | 257,497     | —           |
| Foreign exchange gains (losses)                                                                               | (188,615)               | 395,213     | (356,121)   |
| Finance costs (Note 27)                                                                                       | (545,716)               | (467,088)   | (929,328)   |
| Other income - net (Note 28)                                                                                  | 1,002,033               | 1,517,455   | 1,361,252   |
| <b>INCOME BEFORE INCOME TAX</b>                                                                               | 20,527,646              | 14,890,776  | 24,287,745  |
| <b>PROVISION FOR INCOME TAX</b> (Note 29)                                                                     | 3,604,830               | 1,088,276   | 2,104,650   |
| <b>NET INCOME</b> (Note 35)                                                                                   | ₱16,922,816             | ₱13,802,500 | ₱22,183,095 |
| <b>NET INCOME ATTRIBUTABLE TO</b>                                                                             |                         |             |             |
| Equity holders of the Parent Company                                                                          | ₱12,834,666             | ₱10,775,334 | ₱18,863,716 |
| Non-controlling interests                                                                                     | 4,088,150               | 3,027,166   | 3,319,379   |
|                                                                                                               | ₱16,922,816             | ₱13,802,500 | ₱22,183,095 |
| <b>Basic/diluted earnings per share attributable to the equity holders of the Parent Company</b><br>(Note 30) | ₱0.97                   | ₱0.81       | ₱1.42       |

See accompanying Notes to Consolidated Financial Statements.



**DMCI HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Amounts in Thousands)

|                                                                             | Years Ended December 31 |                    |                    |
|-----------------------------------------------------------------------------|-------------------------|--------------------|--------------------|
|                                                                             | 2015                    | 2014               | 2013               |
| <b>NET INCOME</b>                                                           | <b>₱16,922,816</b>      | <b>₱13,802,500</b> | <b>₱22,183,095</b> |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>                                    |                         |                    |                    |
| <b>Items to be reclassified subsequently to profit or loss</b>              |                         |                    |                    |
| Cumulative translation adjustment (Note 34)                                 | 24,853                  | 292,628            | (32,376)           |
| Changes in fair values of AFS financial assets (Note 6)                     | 8,600                   | 6,589              | (22,016)           |
|                                                                             | 33,453                  | 299,217            | (54,392)           |
| <b>Items not to be reclassified to profit or loss in subsequent periods</b> |                         |                    |                    |
| Remeasurement gains (losses) on retirement plans (Note 23)                  | (212,035)               | 405,519            | 164,272            |
| Income tax effect                                                           | 25,611                  | (40,195)           | (20,320)           |
|                                                                             | (186,424)               | 365,324            | 143,952            |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>                                    | <b>(152,971)</b>        | <b>664,541</b>     | <b>89,560</b>      |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                           | <b>₱16,769,845</b>      | <b>₱14,467,041</b> | <b>₱22,272,655</b> |
| <b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>                          |                         |                    |                    |
| Equity holders of the Parent Company                                        | ₱12,689,614             | ₱11,435,288        | ₱18,942,803        |
| Non-controlling interests                                                   | 4,080,231               | 3,031,753          | 3,329,852          |
|                                                                             | ₱16,769,845             | ₱14,467,041        | ₱22,272,655        |

*See accompanying Notes to Consolidated Financial Statements.*





DMCI HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

|                                                        | Attributable to Equity Holders of the Parent Company |                                               |                                          |                                                     |                                                   |                                                                 |                                                       |                                                                                             |                                                      |             |                                           |                 |
|--------------------------------------------------------|------------------------------------------------------|-----------------------------------------------|------------------------------------------|-----------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------------------------|-------------|-------------------------------------------|-----------------|
|                                                        | Capital Stock<br>(Note 22)                           | Additional<br>Paid-in<br>Capital<br>(Note 22) | Total<br>Paid-in<br>Capital<br>(Note 22) | Unappropriated<br>Retained<br>Earnings<br>(Note 22) | Appropriated<br>Retained<br>Earnings<br>(Note 22) | Premium<br>on Acquisition<br>of Non-<br>controlling<br>Interest | Remeasurements<br>on Retirement<br>Plans<br>(Note 23) | Net<br>Accumulated<br>Gain (Loss) on<br>Available-for-<br>Sale Financial<br>Assets (Note 6) | Cumulative<br>Translation<br>Adjustment<br>(Note 34) |             | Non-controlling<br>Interests<br>(Note 22) | Total<br>Equity |
|                                                        |                                                      |                                               |                                          |                                                     |                                                   |                                                                 |                                                       |                                                                                             |                                                      | Total       |                                           |                 |
| For the Year Ended December 31, 2015                   |                                                      |                                               |                                          |                                                     |                                                   |                                                                 |                                                       |                                                                                             |                                                      |             |                                           |                 |
| Balances as of January 1, 2015                         | ₱13,277,474                                          | ₱4,672,394                                    | ₱17,949,868                              | ₱37,248,367                                         | ₱–                                                | (₱161,033)                                                      | ₱877,774                                              | ₱13,057                                                                                     | ₱260,252                                             | ₱56,188,285 | ₱10,404,173                               | ₱66,592,458     |
| Comprehensive income                                   |                                                      |                                               |                                          |                                                     |                                                   |                                                                 |                                                       |                                                                                             |                                                      |             |                                           |                 |
| Net income                                             | –                                                    | –                                             | –                                        | 12,834,666                                          | –                                                 | –                                                               | –                                                     | –                                                                                           | –                                                    | 12,834,666  | 4,088,150                                 | 16,922,816      |
| Other comprehensive income (loss)                      | –                                                    | –                                             | –                                        | –                                                   | –                                                 | –                                                               | (178,283)                                             | 8,378                                                                                       | 24,853                                               | (145,052)   | (7,919)                                   | (152,971)       |
| Total comprehensive income                             | –                                                    | –                                             | –                                        | 12,834,666                                          | –                                                 | –                                                               | (178,283)                                             | 8,378                                                                                       | 24,853                                               | 12,689,614  | 4,080,231                                 | 16,769,845      |
| Cash dividends declared (Note 22)                      | –                                                    | –                                             | –                                        | (6,373,186)                                         | –                                                 | –                                                               | –                                                     | –                                                                                           | –                                                    | (6,373,186) | (2,213,937)                               | (8,587,123)     |
| Balances at December 31, 2015                          | ₱13,277,474                                          | ₱4,672,394                                    | ₱17,949,868                              | ₱43,709,847                                         | ₱–                                                | (₱161,033)                                                      | ₱699,491                                              | ₱21,435                                                                                     | ₱285,105                                             | ₱62,504,713 | ₱12,270,467                               | ₱74,775,180     |
| For the Year Ended December 31, 2014                   |                                                      |                                               |                                          |                                                     |                                                   |                                                                 |                                                       |                                                                                             |                                                      |             |                                           |                 |
| Balances as of January 1, 2014, as previously reported | ₱2,655,498                                           | ₱4,765,317                                    | ₱7,420,815                               | ₱41,441,859                                         | ₱2,100,000                                        | (₱161,033)                                                      | ₱516,675                                              | ₱6,830                                                                                      | (₱32,376)                                            | ₱51,292,770 | ₱8,910,307                                | ₱60,203,077     |
| Effect of business combination (Note 33)               | –                                                    | –                                             | –                                        | (73,664)                                            | –                                                 | –                                                               | –                                                     | –                                                                                           | –                                                    | (73,664)    | –                                         | (73,664)        |
| Balances as of January 1, 2014, as restated            | 2,655,498                                            | 4,765,317                                     | 7,420,815                                | 41,368,195                                          | 2,100,000                                         | (161,033)                                                       | 516,675                                               | 6,830                                                                                       | (32,376)                                             | 51,219,106  | 8,910,307                                 | 60,129,413      |
| Comprehensive income                                   |                                                      |                                               |                                          |                                                     |                                                   |                                                                 |                                                       |                                                                                             |                                                      |             |                                           |                 |
| Net income                                             | –                                                    | –                                             | –                                        | 10,775,334                                          | –                                                 | –                                                               | –                                                     | –                                                                                           | –                                                    | 10,775,334  | 3,027,166                                 | 13,802,500      |
| Other comprehensive income                             | –                                                    | –                                             | –                                        | –                                                   | –                                                 | –                                                               | 361,099                                               | 6,227                                                                                       | 292,628                                              | 659,954     | 4,587                                     | 664,541         |
| Total comprehensive income                             | –                                                    | –                                             | –                                        | 10,775,334                                          | –                                                 | –                                                               | 361,099                                               | 6,227                                                                                       | 292,628                                              | 11,435,288  | 3,031,753                                 | 14,467,041      |
| Effect of business combination                         | –                                                    | –                                             | –                                        | –                                                   | –                                                 | –                                                               | –                                                     | –                                                                                           | –                                                    | –           | 333,243                                   | 333,243         |
| Reversal of appropriation                              | –                                                    | –                                             | –                                        | 2,100,000                                           | (2,100,000)                                       | –                                                               | –                                                     | –                                                                                           | –                                                    | –           | –                                         | –               |
| Stock dividends declared (Note 22)                     | 10,621,976                                           | (92,923)                                      | 10,529,053                               | (10,621,976)                                        | –                                                 | –                                                               | –                                                     | –                                                                                           | –                                                    | (92,923)    | –                                         | (92,923)        |
| Cash dividends declared (Note 22)                      | –                                                    | –                                             | –                                        | (6,373,186)                                         | –                                                 | –                                                               | –                                                     | –                                                                                           | –                                                    | (6,373,186) | (1,871,130)                               | (8,244,316)     |
| Balances at December 31, 2014                          | ₱13,277,474                                          | ₱4,672,394                                    | ₱17,949,868                              | ₱37,248,367                                         | ₱–                                                | (₱161,033)                                                      | ₱877,774                                              | ₱13,057                                                                                     | ₱260,252                                             | ₱56,188,285 | ₱10,404,173                               | ₱66,592,458     |



| Attributable to Equity Holders of the Parent Company   |                                               |                                          |                                                     |                                                   |                                                             |                                                       |                                                                                             |                                                      |           |                                           |                 |              |
|--------------------------------------------------------|-----------------------------------------------|------------------------------------------|-----------------------------------------------------|---------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------------------------|-----------|-------------------------------------------|-----------------|--------------|
| Capital Stock<br>(Note 22)                             | Additional<br>Paid-in<br>Capital<br>(Note 22) | Total<br>Paid-in<br>Capital<br>(Note 22) | Unappropriated<br>Retained<br>Earnings<br>(Note 22) | Appropriated<br>Retained<br>Earnings<br>(Note 22) | Premium<br>on Acquisition<br>of Non-controlling<br>Interest | Remeasurements<br>on Retirement<br>Plans<br>(Note 23) | Net<br>Accumulated<br>Gain (Loss) on<br>Available-for-<br>Sale Financial<br>Assets (Note 6) | Cumulative<br>Translation<br>Adjustment<br>(Note 34) | Total     | Non-controlling<br>Interests<br>(Note 22) | Total<br>Equity |              |
| For the Year Ended December 31, 2013                   |                                               |                                          |                                                     |                                                   |                                                             |                                                       |                                                                                             |                                                      |           |                                           |                 |              |
| Balances as of January 1, 2013, as previously reported | ₱2,655,498                                    | ₱4,765,317                               | ₱7,420,815                                          | ₱29,033,159                                       | ₱4,600,000                                                  | (₱161,033)                                            | ₱383,132                                                                                    | ₱28,910                                              | ₱–        | ₱41,304,983                               | ₱7,451,109      | ₱48,756,092  |
| Comprehensive income                                   |                                               |                                          |                                                     |                                                   |                                                             |                                                       |                                                                                             |                                                      |           |                                           |                 |              |
| Net income, as previously reported                     | –                                             | –                                        | –                                                   | 18,937,380                                        | –                                                           | –                                                     | –                                                                                           | –                                                    | –         | 18,937,380                                | 3,319,379       | 22,256,759   |
| Effect of business combination (Note 33)               | –                                             | –                                        | –                                                   | (73,664)                                          | –                                                           | –                                                     | –                                                                                           | –                                                    | –         | (73,664)                                  | –               | (73,664)     |
| Net income, as restated                                | –                                             | –                                        | –                                                   | 18,863,716                                        | –                                                           | –                                                     | –                                                                                           | –                                                    | –         | 18,863,716                                | 3,319,379       | 22,183,095   |
| Other comprehensive income (loss)                      | –                                             | –                                        | –                                                   | –                                                 | –                                                           | –                                                     | 133,543                                                                                     | (22,080)                                             | (32,376)  | 79,087                                    | 10,473          | 89,560       |
| Total comprehensive income, as restated                | –                                             | –                                        | –                                                   | 18,863,716                                        | –                                                           | –                                                     | 133,543                                                                                     | (22,080)                                             | (32,376)  | 18,942,803                                | 3,329,852       | 22,272,655   |
| Reversal of appropriation                              | –                                             | –                                        | –                                                   | 3,800,000                                         | (3,800,000)                                                 | –                                                     | –                                                                                           | –                                                    | –         | –                                         | –               | –            |
| Appropriation                                          | –                                             | –                                        | –                                                   | (1,300,000)                                       | 1,300,000                                                   | –                                                     | –                                                                                           | –                                                    | –         | –                                         | –               | –            |
| Dividends declared (Note 22)                           | –                                             | –                                        | –                                                   | (9,028,680)                                       | –                                                           | –                                                     | –                                                                                           | –                                                    | –         | (9,028,680)                               | (1,870,654)     | (10,899,334) |
| Balances at December 31, 2013, as restated             | ₱2,655,498                                    | ₱4,765,317                               | ₱7,420,815                                          | ₱41,368,195                                       | ₱2,100,000                                                  | (₱161,033)                                            | ₱516,675                                                                                    | ₱6,830                                               | (₱32,376) | ₱51,219,106                               | ₱8,910,307      | ₱60,129,413  |

See accompanying Notes to Consolidated Financial Statements.



**DMCI HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in Thousands)

|                                                                                         | Years Ended December 31 |             |             |
|-----------------------------------------------------------------------------------------|-------------------------|-------------|-------------|
|                                                                                         | 2015                    | 2014        | 2013        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                             |                         |             |             |
| Income before income tax                                                                | <b>₱20,527,646</b>      | ₱14,890,776 | ₱24,287,745 |
| Adjustments for:                                                                        |                         |             |             |
| Depreciation, depletion and amortization (Notes 12, 13, 14, 24 and 25)                  | <b>3,634,594</b>        | 3,887,077   | 4,186,062   |
| Provisions for doubtful accounts, probable losses and loss on sale of assets (Note 25)  | <b>960,954</b>          | 514,248     | 443,650     |
| Finance costs (Note 27)                                                                 | <b>545,716</b>          | 467,088     | 929,328     |
| Net unrealized foreign exchange loss (gain)                                             | <b>214,450</b>          | 116,919     | (296,407)   |
| Loss on writedown of property, plant and equipment (Notes 13 and 25)                    | <b>16,088</b>           | 111         | 443,349     |
| Dividend income (Notes 5, 6, 11 and 28)                                                 | <b>(4,288)</b>          | (7,000)     | (4,291)     |
| Movement in net pension asset                                                           | <b>(49,421)</b>         | (16,637)    | 39,438      |
| Gain on sale of property, plant and equipment and investment properties - net (Note 28) | <b>(90,922)</b>         | (127,201)   | (144,855)   |
| Finance income (Note 26)                                                                | <b>(467,506)</b>        | (438,148)   | (658,777)   |
| Gain on sale of investments (Note 11)                                                   | <b>(562,727)</b>        | —           | (9,157,413) |
| Equity in net earnings of associates and joint ventures (Note 11)                       | <b>(2,376,424)</b>      | (2,015,703) | (1,764,822) |
| Unrealized market loss (gain) on financial assets at FVPL (Note 5)                      | —                       | 2,520       | (1,890)     |
| Gain on sale of undeveloped land (Notes 9 and 28)                                       | —                       | (284,287)   | —           |
| Gains (losses) on remeasurement of previously held interest (Note 33)                   | —                       | (261,084)   | 42,623      |
| Gain on bargain purchase (Note 33)                                                      | —                       | (257,497)   | —           |
| Reversal of impairment on other noncurrent assets (Note 14)                             | —                       | —           | (61,549)    |
| Writedown on investments in joint ventures (Note 11)                                    | —                       | —           | 409         |
| Operating income before changes in working capital                                      | <b>22,348,160</b>       | 16,471,182  | 18,282,600  |
| Decrease (increase) in:                                                                 |                         |             |             |
| Receivables                                                                             | <b>(1,098,032)</b>      | 4,266,347   | (1,794,532) |
| Inventories                                                                             | <b>(4,824,339)</b>      | (4,599,476) | (535,209)   |
| Costs and estimated earnings in excess of billings on uncompleted contracts             | <b>52,484</b>           | (1,081,158) | (66,427)    |
| Other current assets                                                                    | <b>2,002,045</b>        | (1,683,488) | (1,678,720) |

(Forward)



|                                                                             | Years Ended December 31 |             |             |
|-----------------------------------------------------------------------------|-------------------------|-------------|-------------|
|                                                                             | 2015                    | 2014        | 2013        |
| Increase (decrease) in:                                                     |                         |             |             |
| Accounts and other payables                                                 | (P1,637,690)            | P2,898,977  | P2,799,891  |
| Billings in excess of costs and estimated earnings on uncompleted contracts | (458,333)               | (1,126,951) | 348,200     |
| Liabilities for purchased land                                              | 838,241                 | 806,709     | 217,979     |
| Customers' advances and deposits                                            | 85,242                  | 677,327     | 1,573,806   |
| Cash generated from operations                                              | 17,307,778              | 16,629,469  | 19,147,588  |
| Interest received                                                           | 405,224                 | 456,317     | 325,147     |
| Income taxes paid                                                           | (2,723,212)             | (1,317,699) | (1,328,752) |
| Interest paid and capitalized as cost of inventory (Notes 9 and 19)         | (856,620)               | (936,344)   | (672,582)   |
| Net cash provided by operating activities                                   | 14,133,170              | 14,831,743  | 17,471,401  |

#### CASH FLOWS FROM INVESTING ACTIVITIES

|                                                                                  |             |              |              |
|----------------------------------------------------------------------------------|-------------|--------------|--------------|
| Additions to:                                                                    |             |              |              |
| Investment properties (Note 12)                                                  | (77,869)    | (49,008)     | (25,939)     |
| Exploration and evaluation asset (Note 14)                                       | (718,652)   | (1,566,287)  | –            |
| Property, plant and equipment (Notes 3 and 13)                                   | (6,327,499) | (14,168,994) | (10,410,820) |
| Investments in associates, joint ventures and others (Note 11)                   | –           | (517,013)    | (810,909)    |
| Proceeds from disposals of:                                                      |             |              |              |
| Property, plant and equipment                                                    | 166,341     | 305,060      | 381,556      |
| Investments in associates, joint ventures and others (Note 11)                   | 76,835      | 1,569        | 8,227,483    |
| Undeveloped land (Note 9)                                                        | –           | 747,639      | –            |
| Dividends received                                                               | 562,710     | 284,280      | 5,225,306    |
| Deposit received for future sale of investment (Note 11)                         | –           | 1,758,651    | –            |
| Acquisition of a business - net of cash acquired (Notes 11 and 33)               | –           | (2,027,381)  | (1,622,171)  |
| Interest paid and capitalized as cost of property, plant and equipment (Note 13) | (455,707)   | (304,367)    | (101,380)    |
| Decrease (increase) in other noncurrent assets                                   | 303,758     | (77,894)     | (1,480,444)  |
| Net cash used in investing activities                                            | (6,470,083) | (15,613,745) | (617,318)    |

(Forward)



|                                                                     | Years Ended December 31 |             |              |
|---------------------------------------------------------------------|-------------------------|-------------|--------------|
|                                                                     | 2015                    | 2014        | 2013         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                         |                         |             |              |
| Proceeds from:                                                      |                         |             |              |
| Long-term debt                                                      | <b>₱7,475,784</b>       | ₱10,173,755 | ₱29,021,785  |
| Short-term debt                                                     | <b>8,313,038</b>        | 1,658,753   | 1,943,995    |
| Payments of:                                                        |                         |             |              |
| Long-term debt                                                      | <b>(5,859,510)</b>      | (9,119,799) | (18,938,899) |
| Short-term debt                                                     | <b>(6,632,891)</b>      | (2,050,842) | (457,670)    |
| Dividends paid to equity holders of the Parent Company              | <b>(6,373,185)</b>      | (6,366,867) | (10,895,773) |
| Dividends paid to non-controlling interests (Note 22)               | <b>(2,213,937)</b>      | (1,871,130) | (1,870,654)  |
| Interest                                                            | <b>(589,982)</b>        | (169,072)   | (735,102)    |
| Stock issue costs                                                   | —                       | (92,923)    | —            |
| Increase (decrease) in:                                             |                         |             |              |
| Payable to related parties (Note 21)                                | <b>(44,162)</b>         | 227,798     | (27,223)     |
| Other noncurrent liabilities                                        | <b>2,120,741</b>        | (1,146,633) | 164,692      |
| Net cash used in financing activities                               | <b>(3,804,104)</b>      | (8,756,960) | (1,794,849)  |
| <b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b> | <b>61,852</b>           | (5,765)     | (1,781)      |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>         | <b>3,920,835</b>        | (9,544,727) | 15,057,453   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>               | <b>15,229,768</b>       | 24,774,495  | 9,717,042    |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)</b>            | <b>₱19,150,603</b>      | ₱15,229,768 | ₱24,774,495  |

See accompanying Notes to Consolidated Financial Statements.



# DMCI HOLDINGS, INC. AND SUBSIDIARIES

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 1. Corporate Information

DMCI Holdings, Inc. (the Parent Company) was incorporated on March 8, 1995 and is domiciled in the Philippines. The Parent Company's registered office address and principal place of business is at 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City.

The Parent Company and its subsidiaries (collectively referred to herein as the Group) is primarily engaged in general construction, coal and nickel mining, power generation, infrastructure, real estate development, water concession and manufacturing.

The Parent Company's shares of stock are listed and are currently traded at the Philippine Stock Exchange (PSE).

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD) on March 31, 2016.

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### 2. Summary of Significant Accounting Policies

#### Basis of Preparation

The consolidated financial statements of the Group have been prepared using the historical cost basis, except for available-for-sale (AFS) financial assets and financial assets at fair value through profit or loss (FVPL) that have been measured at fair value. The Group's presentation currency is the Philippine Peso (₱). All amounts are rounded to the nearest thousand (₱000), unless otherwise indicated.

#### Statement of Compliance

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

#### Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2015 and 2014, and for each of the three years in the period ended December 31, 2015.

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

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns



Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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 or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Non-controlling interests (NCI) pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. NCI represent the portion of profit or loss and net assets in subsidiaries not wholly owned by the Group and are presented separately in the consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of changes in equity and within equity in the consolidated statement of financial position, separately from equity holders' of the Parent Company.

Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests including preferred shares.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the NCI, even if this results in the NCI having a deficit balance. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other similar events. When necessary, adjustments are made to the financial statements of subsidiaries to bring their 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any NCI
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the Parent Company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities



The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (which are all incorporated in the Philippines, except for ENK Plc. and some of the related entities which are incorporated in England and Wales and Netherlands):

|                                                                              | 2015            |               |                    | 2014   |          |                    |
|------------------------------------------------------------------------------|-----------------|---------------|--------------------|--------|----------|--------------------|
|                                                                              | Direct          | Indirect      | Effective Interest | Direct | Indirect | Effective Interest |
|                                                                              | (In percentage) |               |                    |        |          |                    |
| <u>General Construction:</u>                                                 |                 |               |                    |        |          |                    |
| <b>D.M. Consunji, Inc. (DMCI)</b>                                            | <b>100.00</b>   | —             | <b>100.00</b>      | 100.00 | —        | 100.00             |
| Beta Electric Corporation (Beta Electric) <sup>1</sup>                       | —               | <b>53.95</b>  | <b>53.95</b>       | —      | 53.95    | 53.95              |
| Raco Haven Automation Philippines, Inc. (Raco) <sup>1</sup>                  | —               | <b>50.14</b>  | <b>50.14</b>       | —      | 50.14    | 50.14              |
| <u>Manufacturing and others:</u>                                             |                 |               |                    |        |          |                    |
| Oriken Dynamix Company, Inc. (Oriken) <sup>1*</sup>                          | —               | <b>89.00</b>  | <b>89.00</b>       | —      | 89.00    | 89.00              |
| DMCI Technical Training Center (DMCI Training) <sup>1</sup>                  | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |
| <u>Coal Mining</u>                                                           |                 |               |                    |        |          |                    |
| <b>Semirara Mining and Power Corporation (SMPC)</b>                          | <b>56.32</b>    | —             | <b>56.32</b>       | 56.32  | —        | 56.32              |
| <u>On-Grid Power</u>                                                         |                 |               |                    |        |          |                    |
| Sem-Calaca Power Corporation (SCPC) <sup>3</sup>                             | —               | <b>56.32</b>  | <b>56.32</b>       | —      | 56.32    | 56.32              |
| Southwest Luzon Power Generation Corporation (SLPGC) <sup>3*</sup>           | —               | <b>56.32</b>  | <b>56.32</b>       | —      | 56.32    | 56.32              |
| Sem-Calaca Res Corporation (SCRC) <sup>3*</sup>                              | —               | <b>56.32</b>  | <b>56.32</b>       | —      | 56.32    | 56.32              |
| SEM-Cal Industrial Park Developers, Inc. (SIPDI) <sup>3*</sup>               | —               | <b>56.32</b>  | <b>56.32</b>       | —      | 56.32    | 56.32              |
| Semirara Energy Utilities, Inc. (SEUI) <sup>3*</sup>                         | —               | <b>56.32</b>  | <b>56.32</b>       | —      | 56.32    | 56.32              |
| St. Raphael Power Generation Corporation (SRPGC) <sup>3*</sup>               | —               | <b>56.32</b>  | <b>56.32</b>       | —      | 56.32    | 56.32              |
| SEM-Balayan Power Generation Corporation (SBPGC) <sup>3*</sup>               | —               | <b>56.32</b>  | <b>56.32</b>       | —      | 56.32    | 56.32              |
| <u>Manufacturing</u>                                                         |                 |               |                    |        |          |                    |
| Semirara Claystone, Inc. (SCI) <sup>3*</sup>                                 | —               | <b>56.32</b>  | <b>56.32</b>       | —      | 56.32    | 56.32              |
| <u>Off-Grid Power</u>                                                        |                 |               |                    |        |          |                    |
| <b>DMCI Power Corporation (DPC)</b>                                          | <b>100.00</b>   | —             | <b>100.00</b>      | 100.00 | —        | 100.00             |
| DMCI Masbate Power Corporation (DMCI Masbate) <sup>4</sup>                   | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |
| DMCI Palawan Power Corporation (DMCI Palawan) <sup>4</sup>                   | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |
| <u>Nickel Mining:</u>                                                        |                 |               |                    |        |          |                    |
| <b>DMCI Mining Corporation (DMC)</b>                                         | <b>100.00</b>   | —             | <b>100.00</b>      | 100.00 | —        | 100.00             |
| Berong Nickel Corporation (BNC) <sup>5</sup>                                 | —               | <b>74.80</b>  | <b>74.80</b>       | —      | 74.80    | 74.80              |
| Ulugan Resources Holdings, Inc. (URHI) <sup>5</sup>                          | —               | <b>30.00</b>  | <b>30.00</b>       | —      | 30.00    | 30.00              |
| Ulugan Nickel Corporation (UNC) <sup>5</sup>                                 | —               | <b>58.00</b>  | <b>58.00</b>       | —      | 58.00    | 58.00              |
| Nickeline Resources Holdings, Inc. (NRHI) <sup>5</sup>                       | —               | <b>58.00</b>  | <b>58.00</b>       | —      | 58.00    | 58.00              |
| TMM Management, Inc. (TMM) <sup>5</sup>                                      | —               | <b>40.00</b>  | <b>40.00</b>       | —      | 40.00    | 40.00              |
| Zambales Diversified Metals Corporation (ZDMC) <sup>5</sup>                  | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |
| Zambales Chromite Mining Company Inc. (ZCMC) <sup>5</sup>                    | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |
| Fil-Asian Strategic Resources & Properties Corporation (FASRPC) <sup>5</sup> | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |
| Montague Resources Philippines Corporation (MRPC) <sup>5</sup>               | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |
| Montemina Resources Corporation (MRC) <sup>5</sup>                           | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |
| Mt. Lanat Metals Corporation (MLMC) <sup>5</sup>                             | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |
| Fil-Euro Asia Nickel Corporation (FEANC) <sup>5</sup>                        | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |
| Heraan Holdings, Inc. (HHI) <sup>5</sup>                                     | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |
| <b>ENK Plc. (ENK)</b>                                                        | <b>100.00</b>   | —             | <b>100.00</b>      | 100.00 | —        | 100.00             |
| European Nickel Iberia SL (EN Iberia) <sup>6</sup>                           | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |
| European Nickel Spain SL (EN Spain) <sup>6</sup>                             | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |
| Rusina Mining Ltd. (Rusina) <sup>6</sup>                                     | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |
| European Nickel Holland BV (EN Holland) <sup>6</sup>                         | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |
| European Nickel Philland BV (EN Philland) <sup>6</sup>                       | —               | <b>100.00</b> | <b>100.00</b>      | —      | 100.00   | 100.00             |

(Forward)





|                                                                              | 2015   |          |                                       | 2014   |          |                    |
|------------------------------------------------------------------------------|--------|----------|---------------------------------------|--------|----------|--------------------|
|                                                                              | Direct | Indirect | Effective Interest<br>(In percentage) | Direct | Indirect | Effective Interest |
| European Nickel PLC - Regional Operating Headquarters (EN ROHQ) <sup>6</sup> | -      | 100.00   | 100.00                                | -      | 100.00   | 100.00             |
| Enickel Holdings, Inc. (EHI) <sup>6*</sup>                                   | -      | 100.00   | 100.00                                | -      | 100.00   | 100.00             |
| Enickel Berhold, Inc. (EBI) <sup>6</sup>                                     | -      | 100.00   | 100.00                                | -      | 100.00   | 100.00             |
| Zambales Nickel Processing Corporation (ZNPC) <sup>6</sup>                   | -      | 100.00   | 100.00                                | -      | 100.00   | 100.00             |
| Zamnorth Holdings Corporation (ZHC) <sup>6</sup>                             | -      | 100.00   | 100.00                                | -      | 100.00   | 100.00             |
| ZDMC Holdings Corporation (ZDMCHC) <sup>6</sup>                              | -      | 100.00   | 100.00                                | -      | 100.00   | 100.00             |
| <u>Real Estate Development:</u>                                              |        |          |                                       |        |          |                    |
| <b>DMCI Project Developers, Inc. (PDI)</b>                                   | 100.00 | -        | 100.00                                | 100.00 | -        | 100.00             |
| Hampstead Gardens Corporation (Hampstead) <sup>2</sup>                       | -      | 100.00   | 100.00                                | -      | 100.00   | 100.00             |
| Riviera Land Corporation (Riviera) <sup>2</sup>                              | -      | 100.00   | 100.00                                | -      | 100.00   | 100.00             |
| DMCI-PDI Hotels, Inc. (PDI Hotels) <sup>2</sup>                              | -      | 100.00   | 100.00                                | -      | 100.00   | 100.00             |
| DMCI Homes Property Management Corporation (DPMC) <sup>2</sup>               | -      | 100.00   | 100.00                                | -      | 100.00   | 100.00             |
| Zenith Mobility Solutions Services, Inc.                                     | -      | 51.00    | 51.00                                 | -      | -        | -                  |
| <u>Marketing Arm:</u>                                                        |        |          |                                       |        |          |                    |
| DMCI Homes, Inc. (DMCI Homes) <sup>2</sup>                                   | -      | 100.00   | 100.00                                | -      | 100.00   | 100.00             |
| <u>Manufacturing:</u>                                                        |        |          |                                       |        |          |                    |
| <b>Semirara Cement Corporation (SemCem) *</b>                                | 100.00 | -        | 100.00                                | 100.00 | -        | 100.00             |
| <b>Wire Rope Corporation of the Philippines (Wire Rope)</b>                  | 45.68  | 16.02    | 61.70                                 | 45.68  | 16.02    | 61.70              |

\* Have not yet started commercial operations as of December 31, 2015 and 2014

<sup>1</sup> DMCI's subsidiaries

<sup>2</sup> PDI's subsidiaries

<sup>3</sup> SMPC's subsidiaries

<sup>4</sup> DPC's subsidiaries

<sup>5</sup> DMC's subsidiaries

<sup>6</sup> ENK's subsidiaries

## General Construction

### *DMCI*

DMCI was incorporated in the Philippines on December 24, 1954 primarily to engage in and carry on the trade and business of engineering, general building and contracting. DMCI's secondary purpose, among others, is to engage in the real estate business.

### *Beta Electric*

Beta Electric is a domestic corporation incorporated and registered with the Securities and Exchange Commission (SEC) on March 21, 1973. Beta Electric is primarily engaged in the installation of electrical backbone and related systems thereto for building construction. It is also engaged in the general business of trading, buying or selling of electrical equipment items and commodities related thereto.

## Manufacturing and others

### *Oriken*

Oriken Dynamix Company, Inc. (Oriken) was registered with the SEC on September 16, 2005. Oriken's primary purpose is to manufacture, buy and sell ready mix concrete of every class and description. As of December 31, 2015 and 2014, Oriken is non-operational.

### *DMCI Training*

DMCI Training was registered with the SEC on August 15, 2006. The primary purpose of DMCI Training is to establish, promote, and operate training centers and or institutions in the field of science, technology, vocational and other apprenticeable trades and occupations in which qualified and deserving persons regardless of gender may be taught, developed and trained in a well-rounded theoretical and practical method.



### Coal Mining

#### SMPC

SMPC was incorporated and domiciled in the Philippines on February 26, 1980 primarily to search for, prospect, explore, dig and drill, mine, exploit, extract, produce, mill, purchase or otherwise acquire, store, hold transport, use experiment with, market, distribute, exchange, sell and otherwise dispose of, import, export and handle, trade, and generally deal in, ship coal, coke, and other coal products of all grades, kinds, forms, descriptions and combinations and in general the products and by-products which may be derived, produced, prepared, developed, compounded, made or manufactured there; to acquire, own, maintain and exercise the rights and privileges under the coal operating contract within the purview of Presidential Decree No. 972, *“The Coal Development Act of 1976”*, and any amendments thereto. SMPC is a publicly listed entity in the Philippines. It has coal mining operations in Semirara Island in Caluya, Antique.

On August 18, 2014, the SEC approved the change in the corporate name of Semirara Mining Corporation to “Semirara Mining and Power Corporation”. This change was sought to reflect the forward integration of the SMPC’s business as a coal supplier or producer to power generation through its wholly-owned subsidiaries.

### On-Grid Power

#### SCPC

SCPC, a wholly-owned subsidiary of SMPC, was registered with the SEC on November 19, 2009. It is primarily engaged to acquire, expand, rehabilitate and maintain power generating plants, develop fuel for generation of electricity and sell electricity to any person or entity through electricity markets among others. It currently operates 2 units of coal-fired power plants located in Calaca, Batangas with a combined operating capacity of 600 MW.

#### SLPGC

On August 31, 2011, SLP GC, a wholly-owned subsidiary of SMPC, was incorporated to operate electric power plants and to engage in business of a power generation company. Its 2x150 MW plant is located in Calaca, Batangas and is undergoing commissioning as of December 31, 2015.

#### SCRC

SCRC is a stock corporation registered with the SEC on September 14, 2009, primarily to sell electricity to any person or entity through electricity markets, by trading, or by contract, to administer, conserve and manage the electricity generated by power-generating plants, owned by its affiliates or by a third party, to invest in or acquire corporations or entities engaged in any of the foregoing activities.

#### SIPDI

On April 24, 2011, SIPDI was incorporated to acquire, develop, construct, invest in, operate and maintain an economic zone capable of providing infrastructures and other support facilities for export manufacturing enterprises, information technology enterprises, tourism economic zone enterprises, medical tourism economic zone enterprises, retirement economic zone enterprises and/or agro-industrial enterprises, inclusive of the required facilities and utilities, such as light and power system, water supply and distribution system, sewerage and drainage system, pollution control devices, communication facilities, paved road network, and administration building as well as amenities required by professionals and workers involved in such enterprises, in accordance with R.A. No. 7916, as amended by R.A. No. 8748, otherwise known as the Special Economic Zone Act of 1995.



#### *SEUI*

On February 18, 2013, SEUI was incorporated to perform Qualified Third Party (QTP) functions pursuant to Section 9 of Republic Act 9136, otherwise known as the Electric Power Industry Reform Act (EPIRA) and its “Implementing Rules & Regulations”. DOE-Circular No. 2004-06-006 of the Department of Energy defines QTP as an alternative service provider authorized to serve remote and unviable areas pursuant to Section 59 of the EPIRA Law. SEUI intends to act as the QTP over Barangays of Semirara, Tinogboc and Alegria, all located at Semirara Island, Caluya, Antique.

#### *SRPGC*

On September 10, 2013, SRPGC was incorporated to acquire, construct, erect, assemble, rehabilitate, expand, commission, operate and maintain power-generating plants and related facilities for the generation of electricity, including facilities to purchase, manufacture, develop or process fuel for the generation of such electricity; to sell electricity to any person or entity through electricity markets, by trading, or by contract; to administer, conserve and manage the electricity generated by power-generating plants, owned by SRPGC or by a third party, to invest in or acquire corporations or entities engaged in any of the foregoing activities.

#### *SBPGC*

On September 9, 2013, SBPGC was incorporated to acquire, construct, erect, assemble, rehabilitate, expand, commission, operate and maintain power-generating plants and related facilities for the generation of electricity, including facilities to purchase, manufacture, develop or process fuel for the generation of such electricity, to sell electricity to any person or entity through electricity markets, by trading, or by contract, to administer, conserve and manage the electricity generated by power-generating plants, owned by SBPGC or by a third party, to invest in or acquire corporations or entities engaged in any of the foregoing activities.

#### Manufacturing

##### *SCI*

On November 29, 2012, SCI was incorporated to engage in, conduct, and carry on the business of manufacturing, buying, selling, distributing, marketing at wholesale and retail insofar as may be permitted by law, all kinds of goods, commodities, wares and merchandise of every kind and description including pottery earthenware, stoneware, bricks, tiles, roofs and other merchandise produce from clay; to enter into all contracts for export, import, purchase requisition, sale at wholesale or retail and other disposition for its own account as principal or in representative capacity as manufacturer’s representative, merchandise broker, indenter, commission merchant, factors or agents, upon consignment of all goods, wares, merchandise or products natural or artificial.

#### Off-Grid Power

##### *DPC*

DPC was incorporated and registered with the SEC on October 16, 2006 to engage in acquiring, designing, constructing, investing in and operating electric power plants, and engaging in the business of a generation company in accordance with Republic Act (RA) No. 9136 otherwise known as the EPIRA of 2001. It currently has 25MW modular diesel generation sets in Palawan and 4x3.889MW bunker-fired power plant in Mindoro.

##### *DMCI Masbate*

DMCI Masbate was incorporated and registered with the SEC on November 13, 2007 primarily to acquire, design, develop, construct, invest in and operate power generating plants in the province of Masbate and engage in the business of a generation company in accordance with RA No. 9136 otherwise known as the EPIRA and its implementing rules and regulations, and to design, develop,



assemble and operate other power related facilities, appliances and devices. It currently has 24.4MW diesel-powered power plant in Mobo, Masbate, 3MW diesel-powered generation sets in Aroroy, Masbate and 4MW diesel-powered generation sets in Cataingan, Masbate.

#### *DMCI Palawan*

DMCI Palawan was incorporated and registered with the SEC on September 12, 2012 primarily to acquire, design, develop, construct, invest in and operate power generating plants in the province of Palawan and engage in the business of a generation company in accordance with RA No. 9136, otherwise known as EPIRA and its implementing rules and regulations, and to design, develop, assemble and operate other power related facilities, appliances and devices. DMCI Palawan has not yet started commercial operations as of December 31, 2015.

#### Nickel Mining

##### *DMC*

DMC was incorporated on May 29, 2007 primarily to carry on the business of mining, developing, exploiting, extracting, milling, concentrating, preparing for market, manufacturing, buying, shipping and transporting, all kinds of ores, metals and minerals. It involves surface mining and direct shipping of nickel laterite ore and is conducted through simple benching operation using excavators and trucks in Sta. Cruz and Candelaria, Zambales.

##### *Toledo Mining Corporation (TMC)*

In October 2012, DMC acquired the 17.01% ownership interest of Daintree Resources Limited in TMC for GBP 3.4 million. Such investment was accounted for as an associate as of December 31, 2012.

In 2013, DMC increased its ownership interest in TMC by acquiring additional shares through a mandatory cash offer to TMC's shareholders representing additional 81.05% ownership interest.

On December 20, 2013, after establishing the 98.06% voting rights and gaining majority seats in the BOD of TMC, DMC obtained control over TMC. TMC subsequently delisted on the London Stock Exchange - Alternative Investment Market (AIM) after the resolution for the matter has been approved on the General Meeting of Shareholders.

As of December 31, 2013, DMC holds 49.15 million shares and voting rights representing 98.06% of voting rights and the remaining 1.94% is covered by mandatory call option. In 2014, the remaining price for the 1.94% of TMC was paid by DMC. In 2013, the business combination transaction was initially accounted provisionally as allowed under PFRS 3. The business combination of the purchase of TMC shares was finalized in 2014 (see Note 33).

As of June 18, 2014, the Group (through combined TMC and DMC ownerships) has the following investments in associates (collectively called mining entities).

- |    |                                           |                                                                        |
|----|-------------------------------------------|------------------------------------------------------------------------|
| a) | Ulugan Resources Holdings, Inc. (URHI)    | - 30% direct interest                                                  |
| b) | Nickeline Resources Holdings, Inc. (NRHI) | - 58% effective interest (40% direct, 18% through URHI)                |
| c) | Ulugan Nickel Corporation (UNC)           | - 58% effective interest (40% direct, 18% through URHI)                |
| d) | Berong Nickel Corporation (BNC)           | - 74.80% effective interest (40% direct, 34.80% through URHI and NRHI) |
| e) | TMM Management, Inc. (TMM)                | - 40% direct interest                                                  |
| f) | Ipilan Nickel Corporation (INC)           | - 52% effective interest (40% direct, 12% through NLRI)                |
| g) | Nickel Laterite Resources, Inc. (NLRI)    | - 20% direct interest                                                  |



The remaining ownership of the above associates are owned by Atlas Consolidated Mining Corp. (Atlas), a third party.

In June 2014, organizational meetings were held for the above entities, wherein the voting rights held by Atlas were assigned to the representative of the Group. In that same meeting, management team from the Group were assigned as key officers of the above entities. Further, on July 11, 2014, a Memorandum of Agreement (MOA) was entered between TMC and Atlas, which set out the material terms under which the parties have agreed to hold their respective investments in respect of the exploration, development and utilization of Berong Mineral Properties [mining tenements or Mineral Production Sharing Agreement (MPSA) applications underlying the Berong Nickel Project, as well as all surface rights or rights of way and easements within or around the Berong Nickel Project necessary for operations] defined in the joint venture agreement dated January 9, 2005. The said MOA sets out the rights of each of Atlas and TMC including the assignment of board seats, majority of which were assigned to TMC and delegation to TMC of the day to day operations and critical decision making in running the mining operations. Due to these factors, the Group believes that they have control over the above mining entities and were accounted for as subsidiaries, instead of associates. Consequently, Atlas deconsolidated the above entities. Gain on bargain purchase recognized from the business combination amounted to ₱257.50 million (see Note 33).

On August 8, 2014, the following shares of mining entities owned by TMC were transferred to DMC as part of the re-organization:

- a) 40% of BNC
- b) 30% of URHI
- c) 40% of UNC
- d) 9% of NRHI
- e) 40% of TMM

On December 1, 2014, TMC transferred the following shares to DMC:

- 1. 40% of INC
- 2. 20% of NLRI

The above re-organization effectively transferred all the investments in shares of mining entities by TMC to DMC and did not change the existing total and effective ownership of the Group.

On December 1, 2014, DMC sold the following to Southeast Palawan Nickel Ventures, Inc. (an outside party):

- 1) Sale of 40% shares of INC and 20% shares of NLRI at book value of ₱1.50 million.
- 2) Sale of receivables from INC and NLRI with proceeds amounting to ₱617.30 million.

On December 19, 2014, DMC sold its investment in TMC to a third party individual with proceeds amounting to GBP1,000.

As of December 31, 2015, the Deeds of Transfer and payment of corresponding Documentary Stamp Tax (DST) have been already completed and paid. DMC obtained the Certificate Authorizing Registration (CAR) in 2015.



Below are the nature of operations of the nickel mining subsidiaries:

*Berong Nickel Corporation (BNC)*

BNC was registered with the SEC on September 27, 2004, for the purpose of exploring, developing and mining the Berong Mineral Properties located in Barangay Berong, Quezon, province of Palawan. BNC shall have the exclusive privilege and right to explore, develop, mine, operate, produce, utilize, process and dispose of all the minerals and the products or by-products that may be produced, extracted, gathered, recovered, unearthed or found within the Mineral Properties, inclusive of Direct Shipping Project, under the MPSA with the Government of the Philippines or under any appropriate rights granted by law or the Government of the Philippines.

*Ulugan Resources Holdings, Inc. (URHI)*

URHI was registered with the SEC on June 23, 2005 for the purpose of generally dealing in and with personal properties and securities of every kind and description of any government, municipality, political subdivision or agency, corporation, association or entity; exercising any and all interest in respect of any of such securities; and promoting, managing, and participating in and act as agent for the purchase and sale of any securities as may be allowed by law.

*Ulugan Nickel Corporation (UNC)*

UNC was registered with the SEC on June 23, 2005 for the purpose of exploring, developing and mining Ulugan Mineral Properties and the exclusive privilege and right to explore, develop, mine, operate, produce, utilize, process and dispose of all the minerals and the products or by-products that may be produced, extracted, gathered, recovered, unearthed, or found within the mineral properties, inclusive of direct shipping project, under the MPSA with the Government of the Philippines or under any appropriate rights granted by law or the Government of the Philippines.

*Nickeline Resources Holdings, Inc. (NRHI)*

NRHI was registered with the SEC on August 15, 2005 primarily to subscribe for, receive, purchase or otherwise acquire, obtain an interest in, own, hold, pledge, hypothecate, mortgage, assign, deposit, create trusts with respect to, deal in, exchange, sell and otherwise dispose of, alone or in syndicates or otherwise in conjunction with others, and generally deal in and with any kind of shares and securities and to exercise all the rights, powers and privileges of ownership or interest in respect to them.

*TMM Management Inc. (TMM)*

TMM was registered with the SEC on September 28, 2004, primarily to act as managers or managing agents of persons, firms, associations, corporations, partnership and other entities, to provide management, investment and technical advice for commercial, industrial, manufacturing and other kinds of enterprises, and to undertake, carry on or participate in the promotion, organization, management, liquidation or reorganization of operations, partnerships and other entities, except the management of funds, securities, portfolios and other similar assets of the managed entity.

*ENK Plc. (ENK)*

ENK (an entity incorporated in London, United Kingdom) was previously treated as a joint venture investment between the Parent Company and D&A Income Ltd (D&A). The Parent Company owns 60% of ENK as of December 31, 2013. ENK has the following 100% owned foreign and local subsidiaries:



The foreign wholly-owned subsidiaries include: (a) European Nickel Iberia SL; (b) European Nickel Spain SL; (c) Rusina Mining Ltd. (Rusina); (d) European Nickel Holland BV; and (e) European Nickel Philland BV.

The local wholly-owned subsidiaries include: (a) European Nickel PLC-Regional Operating Headquarters; (b) Enickel Holdings, Inc.; (c) Enickel Berhold, Inc.; (d) Heraan Holdings, Inc.; (e) Asian Nickel Research and Technology Corporation; (f) Zambales Nickel Processing Corporation; (g) Zamnorth Holdings Corporation; (h) ZDMC Holdings Corporation; (i) Fil-Euro Asia Nickel Corporation; (j) Fil-Asian Strategic Resources & Properties Corporation; (k) Montemina Resources Corporation; (l) Montague Resources Philippines Corporation; (m) Mt. Lanat Metals Corporation; (n) Zambales Chromite Mining Company, Inc.; and (o) Zambales Diversified Metals Corp.

On March 25, 2014, the Parent Company purchased from D&A the remaining 40% interest in ENK and its subsidiaries for approximately ₱3.12 billion, making ENK and its wholly-owned foreign and local subsidiaries, wholly-owned subsidiaries of the Parent Company. The business combination was completed on April 3, 2014 when the directors representing D&A resigned and the positions were occupied by the representatives of the Parent Company. Goodwill recognized from the business combination amounted to ₱1,637.43 million. (see Note 33)

Below are the nature of operations of the subsidiaries:

*Foreign Subsidiaries*

The following entities were acquired in 2014 and were organized primarily to participate in, to cooperate with or manage finance other enterprises and to have an interest, in whatever way, in other enterprises, as well as guarantee the debts of third parties:

- (a) European Nickel Iberia SL
- (b) European Nickel Spain SL
- (c) Rusina Mining Ltd.
- (d) European Nickel Holland BV (Netherlands)
- (e) European Nickel Philland BV (Netherlands)

*Local Subsidiaries*

- (a) European Nickel PLC-ROHQ (EN ROHQ)

The EN ROHQ was established to engage in general administration and planning; business planning and coordination; sourcing/procurement of raw materials and components; corporate finance advisory services; marketing control and sales promotion; training and personnel management; logistic services; research and development services and product development; technical support and maintenance; data processing and communication; and business development, solely for its own affiliates, subsidiaries or branches in the Philippines and other foreign markets as declared in its registration with the SEC. The SEC registration does not allow the EN ROHQ to directly or indirectly engage in the sale and distribution of goods and services of its mother company, branches, affiliates, subsidiaries or any other company.

- (b) Enickel Holdings, Inc. (EHI)

EHI was incorporated in the Philippines and registered with the SEC on April 28, 2008 in accordance with the Corporation Code of the Philippines and the Foreign Investment Act of 1991, as amended. Its primary purpose is to operate as a domestic market enterprise which produces goods for sale, or renders services or otherwise engages in any business in the Philippines. As at December 31, 2015, EHI has not yet started commercial operations.



(c) Enickel Berhold, Inc. (EBI)

EBI was registered with the SEC on October 14, 2008 in accordance with the Corporation Code of the Philippines and the Foreign Investments Act of 1991, primarily to invest in, purchase, or otherwise acquire and own, hold, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of properties of every kind and description, except land, including shares of stock, membership certificates, bonds, debentures, notes, evidences of indebtedness, and other securities of obligations of any domestic or foreign corporations, for whatever lawful purposes.

(d) Heraan Holdings, Inc.(HHI)

HHI was registered with the SEC on February 27, 2008 to invest in, purchase, or otherwise acquire and own, hold, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stock, membership certificates, bonds, debentures, notes, evidences of indebtedness, and other securities, provided, that the corporation shall not engage in the business of a stock broker or dealer in securities.

(e) Asian Nickel Research and Technology Corporation (ANRTC)

ANRTC was incorporated and registered with the SEC on October 9, 2007 to operate a research laboratory and nickel and cobalt enrichment demonstration facility, to engage in the processing, milling, crushing, refining, smelting, concentrating, amalgamating, and beneficiating mineral resources, and the products or by-products thereof and to buy, sell at wholesale, and exchanging mineral resources and the products or by-products thereof, without engaging in mining.

(f) Zambales Nickel Processing Corporation (ZNPC)

ZNPC was incorporated in the Philippines and registered with the SEC on October 21, 2009 primarily to own, hold, sell, exchange, lease, mortgage or otherwise dispose of, deal in, and operate plants for processing, reducing, concentrating, smelting, converting, refining, preparing for market, or otherwise treating metals, minerals and mined products to be used in the production of nickel and cobalt products, and any and all ingredients, products and by-products of any thereof, and to produce, manufacture, process, refine, treat, sell, use, deal in, distribute, market and otherwise turn to account nickel and cobalt products and all ingredients, products and by-products of any thereof.

(g) Zamnorth Holdings Corporation (ZHC)

ZHC was incorporated in the Philippines and registered with the SEC on June 19, 2009 and started commercial operations on July 1, 2009. ZHC is primarily engaged in acquiring and disposing investments and exercise in respect thereof all the rights, powers and privileges of ownership. ZHC is also engaged in acquiring real properties and obtaining contracts, franchises and licenses from the government, corporation or person as may deemed conducive to the objects of the corporation.

(h) ZDMC Holdings Corporation (ZDMCHC)

ZDMCHC was incorporated and registered with the SEC on August 28, 2006. ZDMCHC is primarily engaged in acquiring and disposing investment and exercise in respect thereof all the rights, powers and privileges of ownership. ZDMCHC is also engaged in acquiring real properties and obtaining contracts, franchises and licenses from the government, corporation or person as may deemed conducive to the objects of the corporation.





(i) Fil-Euro Asia Nickel Corporation (FEANC)

FEANC was incorporated in the Philippines and registered with the SEC on November 7, 2008 and started operations immediately thereafter. FEANC is primarily engaged in exploring for and evaluation of mining resources. FEANC also renders financial assistance to individuals, partnerships, corporations and associations engaged in mining and to local mineral or exploration enterprises.

(j) Fil-Asian Strategic Resources & Properties Corporation (FASRPC)

FASRPC was incorporated and registered in the SEC on May 15, 2006 with the primary purpose of engaging in mining activities including the acquisition, exploration and evaluation of opportunities in gold, base metals, other minerals and diatomaceous earth.

(k) Montemina Resources Corporation (MRC)

MRC was incorporated in the Philippines and registered with the SEC on August 11, 2008 and started operations immediately thereafter. MRC is primarily engaged in exploring for and evaluation of mining resources in the Philippines. MRC also renders application of mineral production sharing agreements or financial assistance to individuals, partnerships, corporations and associations engaged in mining and to give financial assistance to local mineral or exploration enterprises.

(l) Montague Resources Phil. Corp. (MRPC)

MRPC was incorporated in the Philippines and registered with the SEC on April 9, 2002. Its primary purpose is to carry out the business of operating mines, and of prospecting, exploration and of mining, milling, concentrating, converting, smelting, treating, refining, preparing for market, manufacturing, buying, selling and exchanging ores and mineral resources and to enter into contracts with local mineral tenement owners, mineral exploration enterprises and mining enterprises in connection with the mining activities.

(j) Mt. Lanat Metals Corp. (MLMC)

MLMC was incorporated in the Philippines and registered with the SEC on November 4, 2008 and started operations immediately thereafter. MLMC is primarily engaged in exploring for and evaluation of mining resources here in the Philippines. MLMC also renders application of mineral production sharing agreements or financial assistance to individuals, partnerships, corporations and associations engaged in mining and to give financial assistance to local mineral or exploration enterprises.

(k) Zambales Chromite Mining Company, Inc. (ZCMC)

ZCMC was incorporated and registered in the Philippines with the Philippine Securities and Exchange Commission (SEC) on May 21, 1935 with its corporate life renewed in 1985. ZCMC is primarily engaged in exploring for and evaluation of mining resources in the Philippines.

(l) Zambales Diversified Metals Corp. (ZDMC)

ZDMC was incorporated and registered with the SEC on September 14, 2007. ZDMC is primarily engaged in rendering exploration work for the purpose of determining and evaluating the existence of mineral resources, development potential, extent, quality and quantity and the feasibility of mining them for profit or of applying for exploration permit, mineral processing permit, mineral production sharing agreements, and financial or technical assistance agreement, to individuals, partnerships, associations and corporations engaged in mining; or, in any manner, to engage in the acquisition, conveyance, storage, marketing, processing, refining and distribution of minerals; to give financial assistance to local mining enterprises or corporations; to extend financial assistance to local mineral exploration enterprises and mineral tenement owners through contracts without engaging in financing activity as defined in Republic Act No. 5980; and to acquire an interest in or



shares of stocks of mining companies, to lease, option, locate or otherwise deal in mines, mining claims, and other property except lands to the extent allowed by law; to enter into contracts with local mineral tenement owners, mineral exploration enterprises, mining and mineral processing enterprises in connection with the above activities; and to provide technical and/or financial assistance for the large-scale exploration, development and utilization of minerals, petroleum and other mineral oils under Mineral Production Sharing Agreements (MPSA) or Financial or Technical Assistance Agreements with the government of the Philippines; and to carry on, either solely or in co-venture with others, mining, milling, concentrating, converting, smelting, treating, refining, preparing for market, manufacturing, buying, selling, exchanging and otherwise producing and dealing in all kinds of ores, metals, minerals, hydrocarbons, acids and, chemicals, and in the products and by-products of every kind and description and by whatsoever process, the same can be or may hereafter be produced.

After the acquisition, the following re-organization was implemented in various dates in 2014 and 2015:

- a) In 2014, 100% of ZCMC was transferred from ZNHC and FEANC to DMC
- b) In 2014, 100% of ZDMC was transferred from ZDMCHC and FEANC to DMC
- c) In 2014, 100% of FASRPC was transferred from Rusina to DMC
- d) In 2014, 99% of MRC was transferred from third party sellers to DMC
- e) In 2015, 100% of FEANC was transferred from Rusina and EHI to DMC.

On August 18, 2014, ANRTC was sold to third parties resulting to a gain of ₱55.55 million which is presented net of the loss on sale of investments under Operating expenses in the consolidated statements of income (Note 25).

#### Real estate development

##### *PDI*

PDI was incorporated and registered with the SEC on April 27, 1995. PDI is organized to deal and engage in the development of residential subdivisions and construction of condominium and housing units. PDI offers range of products from middle-income to high-end housing and condominium projects.

Below are the subsidiaries of PDI and the nature of their operations:

- a) Hampstead Gardens Corporation - real estate developer
- b) DMCI Homes, Inc. - real estate brokerage
- c) Riviera Land Corporation - real estate developer
- d) DMCI Homes Property Management Corporation - real estate developer
- e) DMCI-PDI Hotels, Inc. - hotel operator
- f) Zenith Mobility Solution Services, Inc. - mobility services provider of the Group incorporated in 2015



#### Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended standards and improvements to PFRS which the Group has adopted starting January 1, 2015. Unless otherwise indicated, the adoption did not have any significant impact on the consolidated financial statements of the Group.

- Amendments to Philippine Accounting Standards (PAS) 19, *Defined Benefit Plans: Employee Contributions*
- Annual Improvements to PFRSs 2010 - 2012 Cycle
  - PFRS 2, *Share-based Payment - Definition of Vesting Condition*
  - PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*
  - PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
  - PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*
  - PAS 24, *Related Party Disclosures - Key Management Personnel*
- Annual Improvements to PFRSs 2011 - 2013 Cycle
  - PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*
  - PFRS 13, *Fair Value Measurement - Portfolio Exception*
  - PAS 40, *Investment Property*

#### Standards Issued But Not Yet Effective

The Group has not applied the following PFRS, PAS and Philippine Interpretations which are not yet effective as of December 31, 2015. This list consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective. Unless otherwise indicated, adoption of these standards and interpretations are not expected to have any significant impact on the consolidated financial statements.

*No definite adoption date prescribed by the SEC and Financial Reporting Standards Council (FRSC)*

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

#### Effective January 1, 2016

- PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception (Amendments)*
- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests (Amendments)*
- PFRS 14, *Regulatory Deferral Accounts*
- PAS 1, *Presentation of Financial Statements - Disclosure Initiative (Amendments)*
- PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants*
- PAS 16, *Property, Plant and Equipment* and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)*
- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements (Amendments)*
- Annual Improvements to PFRSs (2012-2014 cycle)
  - PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
  - PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*



- PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
- PAS 19, *Employee Benefits - Regional Market Issue regarding Discount Rate*
- PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*

*Effective January 1, 2018*

- PFRS 9, *Financial Instruments*

In July 2014, the International Accounting Standards Board (IASB) issued the final version of International Financial Reporting Standards (IFRS) 9, *Financial Instruments*. The new standard (renamed as 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. Early application of previous versions of PFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The Group did not early adopt PFRS 9.

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 Group is currently assessing the impact of adopting this standard.

In addition, the IASB has issued the following new standards that have not yet been adopted locally by the SEC and FRSC. The Group is currently assessing the impact of these new standards and plans to adopt them on their required effective dates once adopted locally.

- IFRS 15, *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 by the IASB and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principals in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

The Group is engaged in selling activities of real estate projects while construction is in progress or even before it has started. The standard is expected to impact the revenue recognition on these precompleted real estate sales whether revenue will be recognized at a point-in-time or over time. If there will be a change in revenue recognition, this will also impact the corresponding costs, and the related trade receivables, deferred tax liabilities and retained earnings account. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.



- IFRS 16, *Leases*

On January 13, 2016, the IASB issued its new standard, IFRS 16, *Leases*, which replaces IAS 17, the current leases standard, and the related Interpretations.

Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with IAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their statements of financial position, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under IAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

The new standard is effective for annual periods beginning on or after January 1, 2019. Entities may early adopt IFRS 16 but only if they have also adopted IFRS 15. When adopting IFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs. The Group is currently assessing the impact IFRS 16 and plans to adopt the new standard on the required effective date once adopted locally.

### Significant Accounting Policies

#### Current and Noncurrent Classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/noncurrent classification. An asset is current when:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after reporting date.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.



### Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from the date of placement and that are subject to an insignificant risk of changes in value.

### Financial Instruments

#### *Date of Recognition*

The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

#### *Initial Recognition of Financial Instruments*

All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets at FVPL, the initial measurement of financial assets includes transaction costs. The Group classifies its financial assets in the following categories: financial assets at FVPL, held-to-maturity (HTM) investments, AFS financial assets, and loans and receivables. The Group classifies its financial liabilities as financial liabilities at FVPL and other financial liabilities. The classification depends on the purpose for which the investments were acquired and whether these are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity net of any related income tax benefits.

The Group's financial instruments are classified as AFS financial assets, financial assets at FVPL, loans and receivables and other financial liabilities.

### Fair Value Measurement

The Group measures AFS financial assets and financial assets at FVPL at fair value at each reporting date. Also, fair values of loans and receivables, other financial liabilities and non-financial assets measured at cost such as investment properties are disclosed in Notes 12 and 36.

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.



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

The 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 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.

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

#### *'Day 1' Difference*

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

#### Financial Assets and Financial Liabilities at FVPL

Financial assets and financial liabilities at FVPL include financial assets and financial liabilities held for trading and financial assets and financial liabilities designated upon initial recognition as at FVPL.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets or financial liabilities held for trading are recorded in the consolidated statement of financial position at fair value. Changes in fair value relating to the held for trading positions are recognized in "Other income - net" account in the consolidated statement of income. Interest earned or incurred is recorded in interest income or expense, respectively, while dividend income is recorded when the right to receive payment has been established.



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

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis; or
- The assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative that would need to be separately recorded.

The Group's financial asset at FVPL pertains to investment in quoted equity securities (Note 5). The Group does not have any financial liability at FVPL.

#### Loans and Receivables

Loans and receivables are nonderivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. These are not entered into with the intention of immediate or short-term resale and are not designated as financial assets at FVPL or AFS financial assets. These are included in current assets if maturity is within 12 months from the reporting date; otherwise, these are classified as noncurrent assets. This accounting policy relates to the consolidated statement of financial position captions "Cash and cash equivalents", "Receivables", "Noncurrent receivables" and refundable and security deposits included under "Other current assets" and "Other noncurrent assets".

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate (EIR) and transaction costs. The amortization is included in "Finance income" in the consolidated statement of income. The losses arising from impairment of such loans and receivables are recognized under "Other expenses" in the consolidated statement of income.

#### AFS Financial Assets

AFS financial assets are those which are designated as such or do not qualify to be classified or designated as at FVPL, HTM or loans and receivables. After initial measurement, AFS financial assets are measured at fair value with unrealized gains or losses being recognized in the consolidated statement of comprehensive income and are reported as "Net accumulated unrealized gains (losses) on AFS financial assets" in equity. When the investment is disposed of, the cumulative gain or loss previously recorded in equity is recognized in the consolidated statement of income. Interest earned or paid on the investments is reported as interest income or expense using the EIR. Dividends earned on investments are recognized in the consolidated statement of income when the right to receive payment has been established. The losses arising from impairment of such investments are recognized under "Other income - net" in the consolidated statement of income.

AFS financial assets are classified as current asset if verified to be realized within 12 months from reporting date.

When the fair value of AFS financial assets cannot be measured reliably because of lack of reliable estimates of future cash flows and discount rates necessary to calculate the fair values of unquoted equity instruments, then instruments are carried at cost less any allowance for impairment losses.





The Group's AFS financial assets pertain to quoted and unquoted equity securities (Note 6).

#### Other Financial Liabilities

Issued financial instruments or their components, which are not designated as at FVPL are classified as other financial liabilities where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral parts of the EIR. Any effects of restatement of foreign currency-denominated liabilities are recognized in the consolidated statement of income.

Other financial liabilities relate to the consolidated statement of financial position captions, "Accounts and other payables", "Liabilities for purchased land", "Payable to related parties", "Short-term and Long-term debt" and "Other noncurrent liabilities".

#### Deferred Financing Costs

Deferred financing costs represent debt issue costs arising from the fees incurred to obtain project financing. This is included in the initial measurement of the related debt. The deferred financing costs are treated as a discount on the related debt and are amortized using the effective interest method over the term of the related debt.

#### Impairment of Financial Assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers 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 measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### *Loans and Receivables*

For loans and receivables carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment.



If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets' original EIR (i.e., the EIR computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is charged to the consolidated statement of income during the period in which it arises. Interest income continues to be recognized based on the original EIR of the asset. Receivables, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of 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 the consolidated statement of income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as industry, customer type, customer location, past-due status and term. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for estimating future cash flows are reviewed annually by the Group to reduce any differences between loss estimates and actual loss experience.

#### *AFS Financial Assets*

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

In case of equity investments classified as AFS financial assets, impairment would include a significant or prolonged decline in the fair value of the investments below its cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated statement of income, is removed from equity and recognized in the consolidated statement of income under "Other income - net" account. Impairment losses on equity investments are not reversed through the consolidated statement of income. Increases in fair value after impairment are recognized directly in the consolidated statement of comprehensive income.

#### *Financial Assets Carried at Cost*

If there is an objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.



### Derecognition of Financial Assets and Liabilities

#### *Financial Asset*

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

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risk 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 carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### *Financial Liability*

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

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

### Offsetting Financial Instruments

Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

### Embedded Derivative

The Group assesses the existence of an embedded derivative on the date it first becomes a party to the contract, and performs re-assessment where there is a change to the contract that significantly modifies the cash flows.

Embedded derivatives are bifurcated from their host contracts and carried at fair value with fair value changes recognized in the consolidated statement of income, when the entire hybrid contracts (composed of both the host contract and the embedded derivative) are not accounted for as financial instruments designated at FVPL; when their economic risks and characteristics are not clearly and closely related to those of their respective host contracts; and when a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.



As of December 31, 2015 and 2014, the Group's identified embedded derivatives consists of prepayment options that are not required to be bifurcated from the host instruments as these were assessed to be clearly and closely related to the host contracts.

#### Customers' Advances and Deposits

Customers' advances and deposits represent payment from buyers which have not yet reached the minimum required percentage for recording real estate transactions. When the level of required payment is reached and the revenue recognition criteria is met, sales are recognized and these deposits and downpayments will be applied against the related receivables. This account also includes advance payment of customers for coal and nickel ore purchases which will be applied against the receivable upon consummation of the related sales transaction.

#### Inventories

##### *Real Estate Held for Sale and Development*

Real estate held for sale and development consists of condominium units and subdivision land for sale and development.

Condominium units and subdivision land for sale are carried at the lower of aggregate cost and net realizable value (NRV). Costs include acquisition costs of the land plus costs incurred for the construction, development and improvement of residential units. Borrowing costs are capitalized while the development and construction of the real estate projects are in progress, and to the extent that these are expected to be recovered in the future. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Undeveloped land is carried at lower of cost and NRV.

The costs of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Valuation allowance is provided for real estate held for sale and development when the NRV of the properties are less than their carrying amounts.

##### *Coal Inventory*

The cost of coal inventory is carried at the lower of cost and NRV and determined using the weighted average production cost method. The cost of extracted coal includes all stripping costs and other mine related costs incurred during the period and allocated on per metric ton basis by dividing the total production cost with the total volume of coal produced. Except for shiploading cost, which is a period cost, all other production related costs are charged to production cost. NRV is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale for coal inventory.

##### *Nickel Ore Inventory*

Nickel ore inventories are valued at the lower of cost and NRV. Cost of beneficiated nickel ore or nickeliferous laterite ore is determined by the moving average production cost and comprise of outside services, production overhead, personnel cost and depreciation, amortization and depletion that are directly attributable in bringing the beneficiated nickel ore or nickeliferous laterite ore in its saleable condition. NRV for beneficiated nickel ore or nickeliferous laterite ore is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Stockpile tonnages are verified by periodic surveys.



*Materials-in-Transit*

Cost is determined using the specific identification basis.

*Equipment Parts and Supplies*

The cost of equipment parts, materials and supplies is determined principally by the average cost method (either by moving average or weighted average production cost).

Equipment parts and supplies are transferred from inventories to property, plant and equipment when the use of such supplies is expected to extend the useful life of the asset and increase its economic benefit. Transfers between inventories to property, plant and equipment do not change the carrying amount of the inventories transferred and they do not change the cost of that inventory for measurement or disclosure purposes.

Equipment parts and supplies used for repairs and maintenance of the equipment are recognized in the consolidated statements of income when consumed.

NRV for supplies and fuel is the current replacement cost. For supplies and fuel, cost is also determined using the moving average method and composed of purchase price, transport, handling and other costs directly attributable to its acquisition. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision or obsolescence.

Investments in Associates, Joint Ventures and Others

An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in associates and joint ventures are accounted for using the equity method.

Under the equity method, the investments in associate or joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized and is not tested for impairment individually.

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.



The aggregate of the Group's share of profit or loss of an associate and joint venture is shown on the face of the consolidated statement of income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture. If the Group's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share to the extent of the interest in associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognizes the loss as 'Equity in net earnings of associates and joint ventures' in the consolidated statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in consolidated statement of income.

#### Investment Properties

Investment properties comprise completed property and property under construction or redevelopment that are held to earn rentals or capital appreciation or both and that are not occupied by the Group.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties, except land, are stated at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of income in the period of derecognition.

Depreciation and amortization is calculated on a straight-line basis using the following estimated useful lives (EUL) from the time of acquisition of the investment properties:

|                                     | Years |
|-------------------------------------|-------|
| Buildings and building improvements | 5-20  |
| Condominium units                   | 25    |



The assets' residual value, useful life and depreciation and amortization methods are reviewed periodically to ensure that the period and method of depreciation and amortizations are consistent with the expected pattern of economic benefits from items of investment properties.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. A transfer is made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

#### Exploration and Evaluation Asset and Mining Properties

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation activity includes:

- Researching and analyzing historical exploration data
- Gathering exploration data through geophysical studies
- Exploratory drilling and sampling
- Determining and examining the volume and grade of the resource
- Surveying transportation and infrastructure requirements
- Conducting market and finance studies

License costs paid in connection with a right to explore in an existing exploration area are capitalized and amortized over the term of the permit. Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to consolidated statement of income as incurred, unless the Group's management concludes that a future economic benefit is more likely than not to be realized. These costs include materials and fuel used, surveying costs, drilling costs and payments made to contractors.

In evaluating whether the expenditures meet the criteria to be capitalized, several different sources of information are used. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

Expenditure is transferred from 'Exploration and evaluation asset' to 'Mining properties' which is a subcategory of 'Property, plant and equipment' once the work completed to date supports the future development of the property and such development receives appropriate approvals. After transfer of the exploration and evaluation asset, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized in 'Mining properties'. Development expenditure is net of proceeds from the sale of ore extracted during the development phase.

#### Stripping Costs

As part of its mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of a mine, before the production phase commences (development stripping), are capitalized as part of the cost of mining properties and subsequently amortized over its useful life using units of production method. The capitalization of development stripping costs ceases when the mine/component is commissioned and ready for use as intended by management.



After the commencement of production further development of the mine may require a phase of unusually high stripping that is similar in nature to development phase stripping. The costs of such stripping are accounted for in the same way as development stripping (as discussed above).

Stripping costs incurred during the production phase are generally considered to create two benefits, being either the production of inventory or improved access to the coal body to be mined in the future. Where the benefits are realized in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories.

Where the benefits are realized in the form of improved access to ore to be mined in the future, the costs are recognized as a noncurrent asset, referred to as a stripping activity asset, if the following criteria are met:

- Future economic benefits (being improved access to the coal body) are probable;
- The component of the coal body for which access will be improved can be accurately identified; and
- The costs associated with the improved access can be reliably measured.

If all of the criteria are not met, the production stripping costs are charged to the consolidated statement of income as operating costs as they are incurred.

In identifying components of the body, the Group works closely with the mining operations department for each mining operation to analyze each of the mine plans. Generally, a component will be a subset of the total body, and a mine may have several components. The mine plans, and therefore the identification of components, can vary between mines for a number of reasons. These include, but are not limited to: the type of commodity, the geological characteristics of the ore/coal body, the geographical location, and/or financial considerations.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore/coal body, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset. If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the ore/coal body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is included as part of 'Mining properties' under 'Property, plant and equipment' in the consolidated statement of financial position. This forms part of the total investment in the relevant cash generating unit (CGU), which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

The stripping activity asset is subsequently depreciated using the units of production method over the life of the identified component of the coal body that became more accessible as a result of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the ore/coal body. The stripping activity asset is then carried at cost less depreciation and any impairment losses.





### Property, Plant and Equipment

Property, plant and equipment, except land, are stated at cost less accumulated depreciation, depletion and amortization, and any impairment in value. Land is stated at cost, less any impairment in value.

The initial cost of property, plant and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Costs also include decommissioning and site rehabilitation cost. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property, plant and equipment.

Construction in progress included in property, plant and equipment is stated at cost. This includes the cost of the construction of property, plant and equipment and other direct costs. Construction in-progress is not depreciated until such time that the relevant assets are completed and put into operational use.

Depreciation, depletion and amortization of assets commences once the assets are put into operational use.

Depreciation, depletion and amortization of property, plant and equipment are calculated on a straight-line basis over the following EUL of the respective assets or the remaining contract period, whichever is shorter:

|                                                  | Years |
|--------------------------------------------------|-------|
| Land improvements                                | 5-17  |
| Power plant, buildings and building improvements | 5-25  |
| Construction equipment, machinery and tools      | 5-10  |
| Office furniture, fixtures and equipment         | 3-5   |
| Transportation equipment                         | 4-5   |
| Coal mining properties and equipment             | 2-13  |
| Nickel mining properties and equipment           | 2-5   |
| Leasehold improvements                           | 5-7   |

The EUL and depreciation, depletion and amortization methods are reviewed periodically to ensure that the period and methods of depreciation, depletion and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

An item of property, plant and equipment is 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 derecognition 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 income in the year the item is derecognized.

Mining properties consists of mine development costs, capitalized cost of mine rehabilitation and decommissioning (refer to accounting policy on “Provision for mine rehabilitation and decommissioning”) and mining rights. Mine development costs consist of capitalized costs previously carried under “Exploration and Evaluation Asset”, which were transferred to property,



plant and equipment upon start of commercial operations. Mining rights are expenditures for the acquisition of property rights that are capitalized.

The net carrying amount of mining properties is depleted using unit-of-production method based on the estimated economically recoverable mining reserves of the mine concerned and are written-off if the property is abandoned.

#### Mining Reserves

Mining reserves are estimates of the amount of ore/coal that can be economically and legally extracted from mining properties. The Group estimates its mining reserves based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore/coal body, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore/coal body. Changes in the reserve estimates may impact upon the carrying value of property, plant and equipment, provision for decommissioning and site rehabilitation, recognition of deferred tax assets, and depreciation charges.

#### Intangible Assets

Intangible assets and software costs acquired separately are capitalized at cost and are shown as part of the “Other noncurrent assets” account in the consolidated statement of financial position. Following initial recognition, intangible assets are measured at cost less accumulated amortization and provisions for impairment losses, if any. The useful lives of intangible assets with finite life are assessed at the individual asset level. Intangible assets with finite life are amortized over their EUL. The periods and method of amortization for intangible assets with finite useful lives are reviewed annually or earlier where an indicator of impairment exists.

Costs incurred to acquire and bring the computer software (not an integral part of its related hardware) to its intended use are capitalized as part of intangible assets. These costs are amortized over their EUL ranging from 3 to 5 years. Costs directly associated with the development of identifiable computer software that generate expected future benefits to the Group are recognized as intangible assets. All other costs of developing and maintaining computer software programs are recognized as expense when incurred.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized.

#### *Research and development costs*

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generated



Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded as part of cost of sales in the consolidated statement of comprehensive income. During the period of development, the asset is tested for impairment annually.

The Group has assessed the useful life of the development costs based on the expected usage of the asset. The useful life of capitalized development costs for clay business is twenty (20) years.

#### Impairment of Nonfinancial Assets

This accounting policy applies primarily to the Group's property, plant and equipment, investment properties, investments in associates and jointly controlled entities and intangible assets.

#### *Property and Equipment, Investment Properties and Intangible Assets*

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

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 depreciation, depletion and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

#### *Inventories*

NRV tests are performed at least annually and represent the estimated sales price based on prevailing price at reporting date, less estimated cost necessary to make the sale for coal inventory or replacement costs for spare parts and supplies. If there is any objective evidence that the inventories are impaired, impairment losses are recognized in the consolidated statement of comprehensive income, in those expense categories consistent with the function of the assets, as being the difference between the cost and NRV of inventories.

#### *Exploration and evaluation assets*

Exploration and evaluation assets should be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Under PFRS 6 one or more of the following facts and circumstances could indicate that an impairment test is required. The list is not intended to be exhaustive: (a) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (c) exploration for and evaluation of mineral resources in the specific area have not led to



the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

*Investment in associates and joint ventures*

For investments in associates and joint ventures, after application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in associates or jointly controlled entities is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the fair value and the carrying value of the investee company and recognizes the difference in the consolidated statement of income.

Liabilities for Purchased Land

Liabilities for purchased of land represents unpaid portion of the acquisition costs of raw land for future development, including other costs and expenses incurred to effect the transfer of title of the property. Noncurrent portion of the carrying amount is discounted using the applicable interest rate for similar type of liabilities at the inception of the transactions.

Other Assets

Other assets pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group.

Equity

Capital stock is measured at par value for all shares issued. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at a premium, the difference between the proceeds and the par value is credited to "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received.

Direct cost incurred related to the equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are charged to "Additional paid-in capital" account.

Retained earnings represent accumulated earnings of the Group, and any other adjustments to it as required by other standards, less dividends declared. The individual accumulated earnings of the subsidiaries are available for dividend declaration when these are declared as dividends by the subsidiaries as approved by their respective Board of Directors.

Dividends on common shares are deducted from retained earnings when declared and approved by the BOD or shareholders of the Parent Company. Dividends payable are recorded as liability until paid. Dividends for the year that are declared and approved after the reporting date, if any, are dealt with as an event after the reporting date and disclosed accordingly.

Redeemed shares represent own equity instruments which are reacquired and are subsequently retired by the Group. No gain or loss is recognized in the consolidated statement of income upon retirement of the own equity instruments. When the assets are retired, the capital stock account is reduced by its par value and the excess of cost over par value is debited to additional paid-in capital recognized when the shares were issued and to retained earnings for the remaining balance.



The Parent Company's retained earnings available for dividend declaration as of December 31, 2015 and 2014 amounted to ₱7,438.63 million and ₱8,610.21 million, respectively.

#### Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in operating expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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 consolidated statement of income. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with PAS 39 either in consolidated statement of income or as a change to OCI. If the contingent consideration is not within the scope of PAS 39, it is measured in accordance with the appropriate PFRS. Contingent consideration that is classified as equity is not measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit 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.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the acquirer shall account for the combination using those provisional values. The acquirer shall recognize any adjustments to those provisional values as a result of completing the initial accounting within twelve months of the acquisition date as follows: (i) the carrying amount of the identifiable asset, liability or contingent liability that is recognized or adjusted as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date; (ii) goodwill or any gain recognized shall be adjusted by an amount equal to the adjustment to the fair value at the



acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted; and (iii) comparative information presented for the periods before the initial accounting for the combination is complete shall be presented as if the initial accounting has been completed from the acquisition date.

#### Revenue and Cost Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

##### *Coal Mining*

Revenue from coal mining is recognized upon acceptance of the goods delivered upon which the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably. Revenue from local and export coal sales are denominated in Philippine Peso and US Dollar, respectively.

Cost of coal includes expenses, which include directly related to the production and sale of coal such as cost of fuel and lubricants, materials and supplies, depreciation and depletion and other related costs, are recognized when incurred.

##### *Nickel Mining*

Revenue from sale of beneficiated nickel ore/nickeliferous laterite ore is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which coincides with the loading of the ores onto the buyer vessel.

Cost of nickel includes cost of outside services, production overhead, personnel cost and depreciation, amortization and depletion that are directly attributable in bringing the inventory to its saleable condition. These are recognized in the period when the goods are delivered.

##### *Construction Contracts*

Revenue from construction contracts is recognized using the percentage-of-completion method of accounting and is measured principally on the basis of the estimated in proportion to costs incurred to date over the total budget for the construction (Cost-to-cost method). Contracts to manage, supervise, or coordinate the construction activity of others and those contracts wherein the materials and services are supplied by contract owners are recognized only to the extent of the contracted fee revenue using percentage of completion. Revenue from cost plus contracts is recognized by reference to the recoverable costs incurred during the period plus the fee earned, measured by the proportion that costs incurred to date bear to the estimated total costs of the contract. Contract revenue is comprised of amount of revenue agreed in the contract and variations in contract work, claims and incentive payments.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. The amount of such loss is determined irrespective of whether or not work has commenced on the contract; the stage of completion of contract activity; or the amount of profits expected to arise on other contracts, which are not treated as a single construction contract. Changes in contract performance, contract



conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements that may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined. Profit incentives are recognized as revenue when their realization is reasonably assured.

The asset "Costs and estimated earnings in excess of billings on uncompleted contracts" represents total costs incurred and estimated earnings recognized in excess of amounts billed. The liability "Billings in excess of costs and estimated earnings on uncompleted contracts" represents billings in excess of total costs incurred and estimated earnings recognized. Contract retentions are presented as part of "Trade receivables" under the "Receivables" account in the consolidated statement of financial position.

#### *Electricity Sales*

Revenue from sale of electricity is derived from its primary function of providing and selling electricity to customers of the generated and purchased electricity. Revenue derived from the generation and/or supply of electricity is recognized based on the actual electricity nominated or received by the customer, net of adjustments, as agreed upon between parties.

Revenue from spot electricity sales derived from the sale to the spot market of excess generated electricity over the contracted energy using price determined by the spot market, also known as Wholesale Electricity Spot Market (WESM), the market where electricity is traded, as mandated by Republic Act (RA) No. 9136 of the Department of Energy (DOE).

Cost of electricity sales includes expenses directly related to the production and sale of electricity such as cost of coal, fuel, depreciation and other related costs. Cost of coal and fuel are recognized at the time the related coal and fuel inventories are consumed for the production of electricity. Cost of energy also includes electricity purchased from the spot market and the related market fees. It is recognized as expense when the Group receives the electricity and simultaneously sells to its customers.

#### *Real Estate Sales*

Real estate sales are generally accounted for under the full accrual method. Under this method, the gain on sale is recognized when: (a) the collectibility of the sales price is reasonably assured; (b) the earnings process is virtually complete; and (c) the seller does not have a substantial continuing involvement with the subject properties. The collectibility of the sales price is considered reasonably assured when: (a) the buyers have actually confirmed their acceptance of the related loan applications after the same have been delivered to and approved by either the banks or other financing institutions for externally-financed accounts; or (b) the full down payment comprising a substantial portion of the contract price is received and the capacity to pay and credit worthiness of buyers have been reasonably established for sales under the deferred cash payment arrangement.

If the above criteria is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the "Customers' advances and deposits" account in the liabilities section of the consolidated statement of financial position.

#### *Cancellation of real estate sales*

Income from cancellation of real estate sales is recognized once the sale has been cancelled and the related refundable portions of paid amortizations have been paid to the buyer. This is included in the "Other income - net" account under the consolidated statement of income. Such is also



recognized, subject to the provisions of Republic Act 6552, *Realty Installment Buyer Act*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of real estate sales includes acquisition cost of land, amount paid to contractors, development costs, capitalized borrowing costs and other costs attributable to bringing the real estate inventories to saleable condition.

#### *Sales and services*

Revenue from room rentals, food and beverage sales and other departments are recognized when the related sales and services are rendered.

#### *Merchandise Sales*

Revenue from merchandise sales is recognized upon delivery of the goods to and acceptance by the buyer and when the risks and rewards are passed on to the buyers.

#### *Dividend Income*

Revenue is recognized when the Group's right to receive payment is established, which is generally when shareholders approve the dividend.

#### *Rental Income*

Rental income arising from operating leases on investment properties and construction equipment is accounted for on a straight-line basis over the lease terms.

#### *Interest Income*

Revenue is recognized as interest accrues using the effective interest method.

#### Operating Expenses

Operating expenses are expenses that arise in the course of the ordinary operations of the Group. These usually take the form of an outflow or depletion of assets such as cash and cash equivalents, supplies, investment properties and property, plant and equipment. Expenses are recognized in the consolidated statement of income.

#### Borrowing Costs

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

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Borrowing costs are also capitalized on the purchased cost of a site property acquired specially for development but only where activities necessary to prepare the asset for development are in progress.





#### Foreign Currency Translations and Transactions

The consolidated financial statements are presented in Philippine Peso. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate at the reporting date. All differences are taken to consolidated statement of income. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currency of the Group's subsidiaries, Toledo Mining Corporation in 2013 (sold in 2014) and ENK Plc., are UK Pounds and United States Dollar, respectively. As at reporting date, the assets and liabilities of foreign subsidiaries are translated into the presentation currency of the Parent Company (the Philippine Peso) at the closing rate as at the reporting date, and the consolidated statement of income accounts are translated at monthly weighted average exchange rate. The exchange differences arising on the translation are taken directly to a separate component of equity under "Cumulative translation adjustment" account.

Upon disposal of a foreign subsidiary, the deferred cumulative amount recognized in OCI relating to that particular foreign operation is recognized in the consolidated statement of income.

#### Commission Expense

The Group recognizes commission expense for services rendered by brokers. The commission expense is recognized upon receipt of down payment from the buyer comprising a substantial portion of the contract price and the capacity to pay and credit worthiness of buyers have been reasonably established for sales under the deferred cash payment arrangement. Commission expense is recorded under "Operating expense" account in the consolidated statement of income.

#### Pension Cost

The Group has a noncontributory defined benefit retirement plan.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.



Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

#### *Termination Benefit*

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

#### *Employee Leave Entitlement*

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

#### Leases

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

- (a) There is a change in contractual terms, other than a renewal or extension of the arrangement;



- (b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
- (c) There is a change in the determination of whether fulfillment is dependent on a specified asset; or
- (d) There is substantial change to the asset.

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

#### *Operating Lease - Group as a Lessee*

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating lease. Operating lease payments are recognized as an expense in the consolidated statement of income on a straight-line basis over the lease term.

#### *Operating Lease - Group as a Lessor*

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

### Income Taxes

#### *Current Tax*

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

#### *Deferred Tax*

Deferred tax is provided, using the liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences with certain exception. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefit of unused tax credits from excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from MCIT and NOLCO can be utilized.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic associates and investments in joint ventures.

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



Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantially enacted at the financial reporting date. Movements in the deferred income tax assets and liabilities arising from changes in tax rates are charged against or credited to income for the period.

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

For periods where the income tax holiday (ITH) is in effect, no deferred taxes are recognized in the consolidated financial statements as the ITH status of the subsidiary neither results in a deductible temporary difference or temporary taxable difference. However, for temporary differences that are expected to reverse beyond the ITH, deferred taxes are recognized.

#### Earnings Per Share (EPS)

Basic EPS is computed by dividing the net income for the year attributable to common shareholders (net income for the period less dividends on convertible redeemable preferred shares) by the weighted average number of common shares issued and outstanding during the year and adjusted to give retroactive effect to any stock dividends declared during the period.

Diluted EPS is computed by dividing the net income for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year adjusted for the effects of dilutive convertible redeemable preferred shares. Diluted EPS assumes the conversion of the outstanding preferred shares. When the effect of the conversion of such preferred shares is anti-dilutive, no diluted EPS is presented.

#### Operating Segment

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group generally accounts for intersegment revenues and expenses at agreed transfer prices. Income and expenses from discontinued operations are reported separate from normal income and expenses down to the level of income after taxes. Financial information on operating segments is presented in Note 35 to the consolidated financial statements.

#### Provisions

Provisions are recognized only when the Group has: (a) a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) 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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

#### *Provision for Decommissioning and Site Rehabilitation Costs*

The Group records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.



The obligation generally arises when the asset is installed or the ground environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statements of income as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in the consolidated statement of income.

#### Contingencies

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

#### Events After the Reporting Period

Post year-end events up to the date of the auditors' report that provide additional information about the Group's position at reporting date (adjusting events) are reflected in the consolidated financial statements. Any post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

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### **3. Significant Accounting Judgments and Estimates**

The preparation of the consolidated financial statements in conformity with PFRS requires the Group to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements, as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ for such estimates.

#### Judgments

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:

##### *Real Estate Revenue Recognition*

Selecting an appropriate revenue recognition method for a real estate sale transaction requires certain judgments based on buyer's commitment on sale which may be ascertained through the significance of the buyer's initial payments and completion of development. The buyers' commitment is evaluated based on collections, credit standing on buyers and location of property. Completion of project development is determined on engineer's judgment and estimates on the physical portion of contract work done and that development is beyond the preliminary stage.



#### *Collectibility of the Sales Price*

In determining whether the sales prices are collectible, the Group considers that initial and continuing investments by the buyer of about 15% would demonstrate the buyer's commitment to pay.

#### *Impairment of AFS Financial Assets*

The Group determines that AFS financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in the share price. In addition, particularly for unquoted AFS securities, impairment may be appropriate when there is evidence of deterioration in the financial condition of the investee, industry and sector performance like changes in operational and financial cash flows. Any indication of deterioration in the above factors can have a negative impact on the fair value. Had there been a significant or prolonged decline in the fair value over its cost, the Group should recognize realized loss from AFS financial assets in the consolidated statements of income.

#### *Financial Assets not Quoted in an Active Market*

The Group classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arm's length basis.

#### *Exploration and Evaluation Asset*

The application of the Group's accounting policy for exploration and evaluation asset requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

#### *Stripping Costs*

The Group incurs waste removal costs (stripping costs) during the development and production phases of its surface mining operations. During the production phase, stripping costs (production stripping costs) can be incurred both in relation to the production of inventory in that period and the creation of improved access and mining flexibility in relation to ore to be mined in the future. The former are included as part of the costs of inventory, while the latter are capitalized as a stripping activity asset, where certain criteria are met. Significant judgment is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of inventory and what relates to the creation of a stripping activity asset.

Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components of the coal bodies for each of its mining operations. An identifiable component is a specific volume of the coal body that is made more accessible by the stripping activity. Significant judgment is required to identify and define these components, and also to determine the expected volumes of waste to be stripped and coal body to be mined in each of these components. These assessments are undertaken for each individual mining operation based on the information available in the mine plan. The mine plans and, therefore, the identification of components, will vary between mines for a number of reasons. These include, but are not limited to, the type of commodity, the geological characteristics of the coal body, the geographical location and/or financial considerations.



Judgment is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The Group considers that the ratio of the expected volume of waste to be stripped for an expected volume of ore to be mined for a specific component of the coal body, is the most suitable production measure. Furthermore, judgments and estimates are also used to apply the units of production method in determining the depreciable lives of the stripping activity asset.

*Distinction of between Investment Properties and Real Estate Inventories*

The Group determines whether a property will be classified as real estate inventories or undeveloped land classified under investment properties. In making this judgment, the Group considers whether the property is held for sale in the ordinary course of business (real estate inventories) or which are held primarily to earn rental and capital appreciation and are not occupied substantially for use by, or in the operations of the Group (investment properties).

*Distinction between Investment Properties and Owner-Occupied Properties*

The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

*Evaluation and Reassessment of Control*

The Group refers to the guidance in PFRS 10 when determining whether the Group controls an investee. Particularly, the Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group considers the purpose and design of the investee, its relevant activities and how decisions about those activities are made and whether the rights give it the current ability to direct the relevant activities.

The Group controls an investee if and only if it has all the following:

- a. power over the investee;
- b. exposure, or rights, to variable returns from its involvement with the investee; and
- c. the ability to use its power over the investee to affect the amount of the investor's returns.

On January 18, 2008, DMCI has entered into a Joint Venture (JV) Agreement with First Balfour, Inc. with 51% interest. DMFB Joint Venture, an incorporated joint venture, was formed for the construction of the Light Rail Transit (LRT) Line 1 North Extension Project (the Project). The Project was started on June 7, 2008 and was completed on October 23, 2010. DMCI's interest in DMFB Joint Venture is a joint arrangement accounted for as joint venture because the significant activities of the JV will require unanimous consent from both parties. As of December 31, 2015 and 2014, ownership interests in URHI and TMM represent 30% and 40%, respectively but were accounted for as subsidiaries because the Group has established that through the Memorandum of Understanding (MOU) signed with Atlas, the Group has existing rights that give it the current ability to direct the relevant activities of the investee and it has the



ability to use its power over the investees to affect its returns considering that critical positions are occupied by the representatives of the Group (see Note 2).

*Property Acquisitions or Business Combinations*

At the time of acquisition, the Group considers whether the acquisition represents the acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of ancillary services provided by the subsidiary (e.g., maintenance, cleaning, security, bookkeeping, hotel services, etc.). The significance of any process is judged with reference to the guidance in PAS 40 on ancillary services.

When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

*Operating Lease Commitments - Group as Lessee*

The Group has entered into various leases for its occupied offices and mining and transportation equipment. The Group has determined that all significant risks and rewards of ownership are retained by the respective lessors on the offices and equipment it leases under operating leases.

*Operating Lease Commitments - Group as Lessor*

The Group has entered into property lease agreements on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties as the Group considered, among others, the length of the lease term compared with the estimated life of the assets.

In determining whether a lease contract is cancellable or not, the Group considered, among others, the significance of the penalty including the economic consequence to the lessee.

*Assessing Production Start Date*

The Group assesses the stage of each mine development project to determine when a mine moves into the production stage. The criteria used to assess the start date of a mine are determined based on the unique nature of each mine development project. The Group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production phase.

Some of the criteria include, but are not limited to the following:

- the level of capital expenditure compared to construction cost estimates;
- completion of a reasonable period of testing of the property and equipment;
- ability to produce ore in saleable form; and
- ability to sustain ongoing production of ore.

When a mine development project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for capitalizable costs related to mining asset additions or improvements, mine development or mineable reserve development. It is also at this point that depreciation or depletion commences.





### Management's Use of Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the 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:

#### a.) Mining

##### *Revenue Recognition - Coal*

The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of the revenues and receivables. The Group's coal sales arrangement with its customers includes reductions of invoice price to take into consideration charges for penalties and upward adjustments due to quality of coal. These price adjustments may arise from the actual quantity and quality of delivered coal.

There is no assurance that the use of estimates may not result in material adjustments in future periods. Revenue from coal mining amounted to ₱11,781.83 million, ₱16,276.93 million and ₱12,573.57 million in 2015, 2014 and 2013, respectively.

##### *Revenue Recognition - Nickel*

Revenue is recognized when the significant risks and rewards of ownerships of the goods have passed to the buyer, which coincides with the loading of the ores onto the buyer's vessel. Under the terms of the arrangements with customers, the Group bills the remaining ten percent (10%) of the total cost of the ores shipped based on the result of assay tests, performed by a third party, or as agreed by both the Group and the customers. When the assay tests are not yet available as at the end of the reporting period, the Group accrues for the remaining ten percent (10%) of the revenue based on the amount of the initial billing made which is the Group's basis of estimation.

There is no assurance that the use of estimates may not result in material adjustments in future periods. Revenue from nickel mining amounted to ₱3,138.85 million, ₱1,516.46 million and ₱264.90 million in 2015, 2014 and 2013, respectively.

##### *Estimating Mine Reserves*

Mining reserves are estimates of the amount of coal that can be economically and legally extracted from the Group's mining properties. The Group estimates its mining coal and ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the coal body, and require complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the coal and ore bodies. Changes in the reserve or resource estimates may impact the carrying value of exploration and evaluation asset, mining properties, property, plant and equipment, provision for decommissioning and site rehabilitation and depreciation and amortization charges.

The carrying values of mining properties and mining rights, included in property, plant and equipment as presented in the consolidated statements of financial position amounted to ₱7,748.38 million and ₱6,989.17 million in 2015 and 2014, respectively (see Note 13).



*Estimating Coal Stock Pile Inventory Quantities*

The Group estimates the stock pile inventory of clean and unwashed coal by conducting a topographic survey which is performed by in-house and third party surveyors. The survey is conducted on a monthly basis with a reconfirmatory survey at year end. The process of estimation involves a predefined formula which considers an acceptable margin of error of plus or minus 5%. Thus, an increase or decrease in the estimation threshold for any period would differ if the Group utilized different estimates and this would either increase or decrease the profit for the year. The coal inventory as of December 31, 2015 and 2014 amounted to ₱1,647.63 million and ₱551.47 million, respectively (see Note 9).

*Estimating Decommissioning and Mine Site Rehabilitation - Coal*

The Group is legally required to fulfill certain obligations under its Environmental Compliance Certificate (ECC) issued by Department of Environment and Natural Resources (DENR) when it abandons depleted mine pits. These costs are accrued based on in-house estimate, which incorporates estimates of the amount of obligations and interest rates, if appropriate. The Group recognizes the present value of the liability for these obligations and capitalizes the present value of these costs as part of the balance of the related property, plant and equipment accounts, which are being depreciated, depleted and amortized on a straight line basis over the EUL of the related asset or the lease term. Assumptions used to compute the decommissioning and site rehabilitation costs are reviewed and updated annually. The amount and timing of the recorded obligations for any period would differ if different judgments were made or different estimates were utilized. An increase in decommissioning and site rehabilitation costs would increase the recorded operating expenses and increase noncurrent liabilities.

As of December 31, 2015 and 2014, the provision for decommissioning and site rehabilitation for coal mining activities amounted to ₱501.11 million and ₱163.73 million, respectively (see Note 20).

*Estimating Decommissioning and Mine Site Rehabilitation - Ore*

The Group assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

As at December 31, 2015 and 2014, provision for ore mine rehabilitation and decommissioning amounted to ₱26.00 million and ₱24.97 million, respectively (see Note 20).

b.) Construction

*Revenue Recognition - Construction Contracts*

The Group's revenue from construction contracts are recognized based on the percentage-of-completion, measured principally on the basis of the actual cost incurred to date over the estimated total cost of the project.



When it is probable that total contract costs will exceed total contract revenue, the expected loss shall be recognised as an expense immediately. The amount of such a loss is determined irrespective of:

- (a) whether work has commenced on the contract;
- (b) the stage of completion of contract activity; or
- (c) the amount of profits expected to arise on other contracts which are not treated as a single construction contract.

The Group reviewed its on-going construction projects and used the above guidance in determining whether there are projects with contract cost exceeding contract revenues. Based on the best estimate of the Group, adjustments were made in the books for those projects with expected losses in 2015 and 2014. There is no assurance that the use of estimates may not result in material adjustments in future periods. Revenue from construction contracts amounted to ₱13,247.38 million, ₱11,852.52 million and ₱14,112.68 million in 2015, 2014 and 2013, respectively.

c.) Real estate

*Revenue Recognition - Real Estate Sales*

Selecting an appropriate revenue recognition method for a particular real estate sale transaction requires certain judgments based on, among others:

- Buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment; and
- Stage of completion of the project.

*Evaluation of Net Realizable Value of Inventories*

Inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories' selling price in the ordinary course of business, cost of completion and costs necessary to make a sale to determine the NRV.

For real estate inventories, the Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the real estate inventories. In determining the recoverability of the inventories, management considers whether those inventories are damaged or if their selling prices have declined.

For inventories such as equipment parts, materials in transit and supplies, the Group's estimate of the NRV of inventories is based on evidence available at the time the estimates are made of the amount that these inventories are expected to be realized. These estimates consider the fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at reporting date. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. In the event that NRV is lower than the cost, the decline is recognized as an expense. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

Inventories carried at cost amounted to ₱31,557.58 million and ₱26,278.34 million as of December 31, 2015 and 2014, respectively. Inventories carried at NRV amounted to ₱2,850.18 million and ₱2,341.33 million as of December 31, 2015 and 2014, respectively (see Note 9).



d.) Power

*Estimating Decommissioning and Site Rehabilitation*

The Group is contractually required to fulfill certain obligations under Section 8 of the Land Lease Agreement (LLA) upon its termination or cancellation. Significant estimates and assumptions are made in determining the provision for site rehabilitation as there are numerous factors that will affect the ultimate liability. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. An increase in decommissioning and site rehabilitation costs would increase the property, plant and equipment and increase noncurrent liabilities. The provision at the reporting date represents management's best estimate of the present value of the future rehabilitation costs required. Assumptions used to compute the decommissioning and site rehabilitation costs are reviewed and updated annually.

As of December 31, 2015 and 2014, the estimated provision for decommissioning and site rehabilitation amounted to ₱12.59 million and ₱11.57 million, respectively (see Note 20).

*Allowance for Doubtful Accounts*

The Group maintains an allowance for doubtful accounts at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the management on the basis of factors that affect the collectibility of the accounts. These factors include, but are not limited to, the debtors' ability to pay all amounts due according to the contractual terms of the receivables being evaluated, the length of relationship with the customer, the customer's payment behavior and known market factors. The Group reviews the age and status of receivables, and identifies accounts that are to be provided with allowances on a continuous basis. The Group provides full allowance for receivables that it deems uncollectible.

The amount and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in the allowance for doubtful accounts on receivables would increase recorded operating expenses and decrease total assets.

Provision for doubtful accounts of the Group amounted to ₱925.15 million, ₱40.88 million and ₱443.65 million in 2015, 2014 and 2013, respectively (see Notes 7 and 25). Receivables of the Group that were impaired and fully provided with allowance amounted to ₱1,539.83 million and ₱614.68 million as of December 31, 2015 and 2014, respectively (see Note 7).

*Estimating Useful Lives of Investment Properties, Property, Plant and Equipment and Intangible Assets*

The Group estimated the useful lives of its property, plant and equipment, investment properties and intangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment, investment properties and intangible assets are reviewed at least annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, investment properties and intangible assets would increase depreciation, depletion and amortization expense and decrease noncurrent assets.



In 2013, management has determined that components of its Unit II of its power plant will have to be dismantled and repaired in the first quarter of 2014. These components have original remaining lives of 2-15 years in the books. Because of the planned activity, management has accelerated the depreciation of these components and recognized an additional depreciation of ₱1.11 billion in 2013.

The Group incurred a loss from property, plant and equipment writedown due to the replacement of generation units and retirement of mining equipment amounting to ₱16.09 million and ₱0.11 million in 2015 and 2014, respectively (Notes 13 and 25).

The carrying value of property, plant and equipment of the Group amounted to ₱49,440.22 million and ₱46,880.19 million as of December 31, 2015 and 2014, respectively (see Note 13). The carrying value of investment properties of the Group amounted to ₱288.54 million and ₱242.79 million as of December 31, 2015 and 2014, respectively (see Note 12). The carrying value of software cost of the Group amounted to ₱82.42 million and ₱80.84 million, respectively (see Note 14).

#### *Impairment of Nonfinancial Assets*

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

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

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's 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.

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

As of December 31, 2015 and 2014, the balances of the Group's nonfinancial assets, net of accumulated depreciation, depletion and amortization and accumulated provisions for impairment losses follow:

|                                                                 | 2015               | 2014        |
|-----------------------------------------------------------------|--------------------|-------------|
| Property, plant and equipment (Note 13)                         | <b>₱49,440,223</b> | ₱46,880,188 |
| Investments in associates, jointly venture and others (Note 11) | <b>11,457,732</b>  | 10,911,490  |
| Investment properties (Note 12)                                 | <b>288,542</b>     | 242,790     |
| Software cost - net (Note 14)                                   | <b>82,423</b>      | 80,842      |



### *Impairment Testing of Goodwill*

The Group performed its annual impairment test as of December 31, 2015. The CGU are concluded to be the entire entities invested in.

The recoverable amount of the CGU has been determined based on a discounted cash flows (DCF) calculation using cash flow projections from financial budgets approved by senior management. The projected cash flows have been developed to reflect the expected mine production over the life of the mine adjusted by the effects of other factors such as inflation rate. The pre-tax discount rate applied to cash flow projections is 13.01%. As a result of this analysis, management concluded that the goodwill are not impaired.

The calculation of DCF of the CGU is most sensitive to the following assumptions:

- (a) Mine production
- (b) Discount rates
- (c) Nickel prices
- (d) Price inflation

#### (a) Mine Production

Mine production projections are based on the three-year work program prepared and developed by the Group's experts submitted to and approved by the Mines and Geosciences Bureau (MGB). The work program is updated regularly and would include detailed forecast of mine production in wet metric tons.

#### (b) Discount Rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

#### (c) Nickel Prices

The Group considers the effect of commodity price changes for nickel ore. The Group considered the possible effects of the changes in the price of nickel ores as it relates to the revenues that may be generated by the Group and the attainment of the cash flow projections. The Group used the data from the London Metal Exchange (LME). The price is the function of a number of factors, which includes, among others, nickel grade, moisture content and factor rate.

Generally, a higher grade and lower moisture content would yield higher recoverable amount, otherwise lower which may indicate impairment. The Group expects that the overall price of nickel ore will improve throughout the life of the mine.

#### (d) Price Inflation

Forecast price inflation which impacts the forecast for costs of production and operating expenses lies within a range of 1.40% to 4.20% during the forecast period. If price increases greater than the forecast price inflation and the Group is unable to pass on or absorb these increases through efficiency improvements, the recoverable value is affected.



The sensitivity analysis below shows the reasonable possible changes in key assumptions that would cause the carrying values of the goodwill plus net assets amounts to exceed the recoverable amounts:

- (a) Discount rates: a rise in pre-tax discount rate from 11.33% to 19.94%.
- (b) Nickel prices: a decline in LME by 7.47%.
- (c) Price inflation: a general price index inflation increase for specific various cost and expenses exceeding the range of 1.40% to 4.20%.

#### *Deferred Tax Assets*

The Group reviews the carrying amounts of deferred taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income 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 income to allow all or part of deferred tax assets to be utilized.

The deferred tax assets recognized amounted to ₱626.42 million and ₱904.62 million as of December 31, 2015 and 2014, respectively. The unrecognized deferred tax assets of the Group amounted to ₱3,705.36 million and ₱3,728.58 million as of December 31, 2015 and 2014, respectively (see Note 29).

#### *Estimating Pension Obligation and Other Retirement Benefits*

The cost of defined benefit pension plans and other employee benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The pension liabilities as at December 31, 2015 and 2014 amounted to ₱142.20 million and ₱97.36 million, respectively (see Note 23). Pension assets amounted to ₱958.98 million and ₱1,178.06 million as of December 31, 2015 and 2014, respectively (see Note 23).

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit liability. Future salary increases are based on expected future inflation rates and other relevant factors.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.

#### *Contingencies*

The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe these proceedings will have a material effect on the Group's financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (see Notes 17 and 37).



#### *Fair Value of Financial Instruments*

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates), the amount of changes in fair value would differ if the Group utilized different valuation methodology. Any changes in fair value of these financial assets and liabilities would affect directly the consolidated statements of income.

Financial assets at FVPL as of December 31, 2015 and 2014 amounted to nil and ₱70.63 million, respectively. Net accumulated unrealized gains on AFS financial assets recognized in equity amounted to ₱21.44 million and ₱13.06 million as of December 31, 2015 and 2014, respectively (see Notes 5, 6 and 36).

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#### **4. Cash and Cash Equivalents**

This account consists of:

|                           | 2015               | 2014        |
|---------------------------|--------------------|-------------|
| Cash on hand and in banks | <b>₱9,292,274</b>  | ₱6,586,448  |
| Cash equivalents          | <b>9,858,329</b>   | 8,643,320   |
|                           | <b>₱19,150,603</b> | ₱15,229,768 |

Cash in banks earns interest at the respective bank deposit rates. Cash equivalents are short-term placements made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group, and earn annual interest ranging from 0.13% to 2.75% and 0.13% to 3.75% in 2015 and 2014, respectively.

Total finance income earned on cash in banks and cash equivalents amounted to ₱170.25 million, ₱215.37 million and ₱325.15 million in 2015, 2014 and 2013, respectively (see Note 26).

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#### **5. Financial Assets at FVPL**

This account consists of peso-denominated investments in quoted securities of San Miguel Pure Foods Company, Inc. acquired in 2011 with yields ranging from 1.98% to 1.90%.

On March 2, 2015, the securities were redeemed at ₱1,000 per share, for a total of ₱70.00 million recognizing loss on sale of ₱0.63 million.

In 2014 and 2013, the Group recognized unrealized market gain (loss) amounting to (₱2.52 million) and ₱1.89 million, respectively. Recorded losses are included in "Other income - net" account (see Note 28). Dividend income earned amounting to ₱1.40 million, ₱7.00 million and ₱4.29 million in 2015, 2014 and 2013, respectively, are included in "Other income - net" account in the consolidated statements of income (see Note 28).





## 6. Available-for-Sale Financial Assets

This account consists of:

|                                      | 2015           | 2014    |
|--------------------------------------|----------------|---------|
| <b>Quoted securities</b>             |                |         |
| At beginning of year                 | <b>₱52,326</b> | ₱52,306 |
| Adjustments                          | —              | 20      |
| At end of year                       | <b>52,326</b>  | 52,326  |
| Unrealized gain recognized in equity | <b>22,083</b>  | 13,483  |
|                                      | <b>74,409</b>  | 65,809  |
| <b>Unquoted securities - at cost</b> |                |         |
| Acquisition costs                    | <b>110,702</b> | 110,702 |
| Less allowance for probable loss     | <b>108,211</b> | 108,211 |
|                                      | <b>2,491</b>   | 2,491   |
|                                      | <b>₱76,900</b> | ₱68,300 |

### *Quoted securities*

The quoted securities include investments in golf and sports club shares. Movements in the unrealized gain follow:

|                                                             | 2015           | 2014    |
|-------------------------------------------------------------|----------------|---------|
| Balance at beginning of year                                | <b>₱13,483</b> | ₱6,894  |
| Unrecognized gains recognized in other comprehensive income | <b>8,600</b>   | 6,589   |
| Balance at end of year                                      | <b>₱22,083</b> | ₱13,483 |

### *Unquoted securities*

This account consists of investments in stock accounted for at cost pertaining to investments to the following entities:

- Project Quest Corp. (PQC)
- Universal Rightfield Property Holdings, Inc. (URPHI)
- Celebrity Sports Plaza, Inc. (CSPI)
- Unicorn First Properties, Inc. (UFPI)

The aggregate cost of investments in the above entities amounted to ₱108.21 million which were fully provided for with allowance for impairment as management assessed that investments on these shares of stock are not recoverable as of December 31, 2015 and 2014.

In 2015, the Group received dividend income from AFS financial assets amounting to ₱2.89 million and is included in “Other income - net” account in the consolidated statements income (Note 28).



## 7. Receivables

This account consists of:

|                                                                                                                                            | 2015               | 2014        |
|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------|
| Trade:                                                                                                                                     |                    |             |
| Real estate                                                                                                                                | <b>₱6,902,548</b>  | ₱7,401,231  |
| General construction (including retention receivables on uncompleted contracts of ₱1,563.01 million in 2015 and ₱1,966.74 million in 2014) | <b>4,872,791</b>   | 2,942,078   |
| Electricity sales                                                                                                                          | <b>3,143,317</b>   | 2,713,933   |
| Coal mining                                                                                                                                | <b>1,318,380</b>   | 1,482,927   |
| Nickel mining                                                                                                                              | <b>102,501</b>     | 323,072     |
| Merchandising and others                                                                                                                   | <b>63,460</b>      | 95,059      |
|                                                                                                                                            | <b>16,402,997</b>  | 14,958,300  |
| Receivables from related parties (Note 21)                                                                                                 | <b>143,642</b>     | 595,087     |
| Other receivables                                                                                                                          | <b>992,847</b>     | 912,657     |
|                                                                                                                                            | <b>17,539,486</b>  | 16,466,044  |
| Less allowance for doubtful accounts                                                                                                       | <b>1,539,829</b>   | 614,677     |
|                                                                                                                                            | <b>15,999,657</b>  | 15,851,367  |
| Less noncurrent receivables - net                                                                                                          | <b>3,162,701</b>   | 2,826,041   |
|                                                                                                                                            | <b>₱12,836,956</b> | ₱13,025,326 |

### Trade receivables

#### *Real estate*

Real estate receivable consists of accounts collectible in equal monthly principal installments with various terms up to a maximum of ten (10) years. These are recognized at amortized cost using the EIR method. The corresponding titles to the residential units sold under this arrangement are transferred to the buyers only upon full payment of the contract price. Installment contracts receivable are collateralized by the related property sold. In 2015 and 2014, annual interest rates on installment contracts receivable range from 9.00% to 19.00%.

The Group entered into various receivable purchase agreements with BPI Family Savings Bank, China Bank, Land Bank of the Philippines, Security Bank and East West Bank whereby the Group sold its installment contracts receivable on a with recourse basis in the aggregate credit facility agreement amounting to ₱1,407.57 million, ₱1,070.62 million, ₱746.66 million, ₱352.95 million and ₱39.80 million, respectively.

The Group retains the assigned receivables in the “real estate receivable” account and records the proceeds from these sales as loans payable (see Note 19). The carrying value of installment contracts receivable sold with recourse amounted to ₱2,467.18 million and ₱1,031.22 million as of December 31, 2015 and 2014, respectively. The installment contracts receivable on a with recourse basis are used as collaterals for the bank loans obtained.

#### *General construction*

General construction receivables principally consist of receivables from third-party construction projects. These are normally collected on a 30 to 60 day term. Retention receivable pertains to the part of the contract which the contract owner retains as security and shall be released after the period allotted as indicated in the contract for the discovery of defects and other non-compliance from the specifications indicated.



*Electricity sales*

Receivables from electricity sales are claims from power distribution utilities, spot market operator and other customers for the sale of contracted energy and spot sales transactions. These are generally on a 30-day credit term and are carried at original invoice amounts less discounts and rebates.

*Coal and nickel mining*

Receivable from mining pertains to receivables from the sale of coal and nickel ore both to domestic and international markets. These receivables are noninterest-bearing and generally have 30 to 45 days credit terms.

*Merchandising and others*

Receivable from merchandise sales and others pertains to receivables from the sale of wires, services rendered and others to various local companies. These receivables are noninterest-bearing and generally have 30 to 60 days credit terms.

Other receivables

Other receivables include the Group's receivables from JV partners and condominium corporations. These receivables are noninterest-bearing and are generally collectible within one (1) year from the reporting date.

Noncurrent receivables

Noncurrent receivables relate to real estate receivables arising from the sale of residential units and subdivision land for sale and development which are collectible beyond one (1) year and within ten (10) years.

*Allowance for doubtful accounts*

Receivables amounting to ₱1,539.83 million and ₱614.68 million as of December 31, 2015 and 2014, respectively, were impaired and fully provided with allowance.

Movements in the allowance for impairment losses are as follow:

| 2015                |             |                      |             |               |                   |            |
|---------------------|-------------|----------------------|-------------|---------------|-------------------|------------|
| Trade Receivables   |             |                      |             |               |                   |            |
|                     | Real Estate | General Construction | Coal Mining | Nickel Mining | Electricity Sales | Total      |
| At January 1        | ₱537        | ₱30,855              | ₱35,558     | ₱70,933       | ₱476,794          | ₱614,677   |
| Provision (Note 25) | —           | —                    | 30,004      | —             | 895,148           | 925,152    |
| At December 31      | ₱537        | ₱30,855              | ₱65,562     | ₱70,933       | ₱1,371,942        | ₱1,539,829 |

| 2014                                     |             |                      |             |               |                   |          |
|------------------------------------------|-------------|----------------------|-------------|---------------|-------------------|----------|
| Trade Receivables                        |             |                      |             |               |                   |          |
|                                          | Real Estate | General Construction | Coal Mining | Nickel Mining | Electricity Sales | Total    |
| At January 1                             | ₱537        | ₱32,928              | ₱35,558     | ₱—            | ₱476,794          | ₱545,817 |
| Provision (Note 25)                      | —           | 500                  | —           | 40,382        | —                 | 40,882   |
| Reversal (Note 28)                       | —           | (2,573)              | —           | —             | —                 | (2,573)  |
| Effect of business combination (Note 33) | —           | —                    | —           | 30,551        | —                 | 30,551   |
| At December 31                           | ₱537        | ₱30,855              | ₱35,558     | ₱70,933       | ₱476,794          | ₱614,677 |



## 8. Costs and Estimated Earnings in Excess of Billings on Uncompleted Contracts

The details of the costs, estimated earnings and billings on uncompleted contracts follow:

|                                                                                                                                       | 2015               | 2014        |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------|
| Total costs incurred                                                                                                                  | <b>₱20,790,724</b> | ₱18,787,872 |
| Add estimated earnings recognized                                                                                                     | <b>2,197,981</b>   | 725,196     |
|                                                                                                                                       | <b>22,988,705</b>  | 19,513,068  |
| Less total billings (including unliquidated advances from contract owners of ₱2,294.50 million in 2015 and ₱1,973.42 million in 2014) | <b>23,069,153</b>  | 19,999,365  |
|                                                                                                                                       | <b>(₱80,448)</b>   | (₱486,297)  |

The foregoing balances are reflected in the consolidated statements of financial position under the following accounts:

|                                                                             | 2015               | 2014        |
|-----------------------------------------------------------------------------|--------------------|-------------|
| Costs and estimated earnings in excess of billings on uncompleted contracts | <b>₱2,015,033</b>  | ₱2,067,517  |
| Billings in excess of costs and estimated earnings on uncompleted contracts | <b>(2,095,481)</b> | (2,553,814) |
|                                                                             | <b>(₱80,448)</b>   | (₱486,297)  |

## 9. Inventories

This account consists of:

|                                                          | 2015               | 2014        |
|----------------------------------------------------------|--------------------|-------------|
| At Cost:                                                 |                    |             |
| Real estate held for sale and development                | <b>₱28,132,821</b> | ₱24,105,136 |
| Coal inventory                                           | <b>1,647,625</b>   | 551,471     |
| Equipment parts, materials in transit and supplies       | <b>1,385,534</b>   | 1,221,231   |
| Nickel ore                                               | <b>391,604</b>     | 400,500     |
|                                                          | <b>31,557,584</b>  | 26,278,338  |
| At NRV:                                                  |                    |             |
| Equipment parts, materials in transit and supplies - net | <b>2,850,179</b>   | 2,341,330   |
|                                                          | <b>₱34,407,763</b> | ₱28,619,668 |

Costs of equipment parts, materials in transit and supplies carried at NRV amounted to ₱2,920.48 million and ₱2,405.31 million as of December 31, 2015 and 2014, respectively.

Real estate inventories recognized as costs of sales amounted to ₱6,673.50 million, ₱6,412.31 million and ₱6,567.15 million in 2015, 2014, and 2013, respectively. Costs of real estate sales includes acquisition cost of land, amount paid to contractors, development costs, capitalized borrowing costs and other costs attributable to bringing the real state inventories to its intended condition. Borrowing costs capitalized in 2015 and 2014 amounted to ₱856.62 million and ₱936.34 million, respectively. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization in 2015 and 2014 is 5.91% and 5.89%, respectively.



There are no real estate held for sale and development used as collateral or pledged as security to secure liabilities.

A summary of the movement in real estate held for sale and development is set out below:

|                                               | 2015               | 2014        |
|-----------------------------------------------|--------------------|-------------|
| Opening balance at January 1                  | <b>₱24,105,136</b> | ₱17,877,412 |
| Construction/development cost incurred        | <b>6,680,486</b>   | 6,585,141   |
| Land acquired during the year                 | <b>3,159,888</b>   | 5,580,552   |
| Borrowing costs capitalized                   | <b>856,620</b>     | 936,344     |
| Cost of undeveloped land sold during the year | —                  | (463,352)   |
| Recognized as cost of sales (Note 24)         | <b>(6,673,502)</b> | (6,412,311) |
| Other adjustment/reclassifications            | <b>4,193</b>       | 1,350       |
|                                               | <b>₱28,132,821</b> | ₱24,105,136 |

In 2014, the Group sold undeveloped land with a cost of ₱463.35 million for ₱747.64 million and recognized gain on sale of undeveloped land amounting to ₱284.29 million (see Note 28).

## 10. Other Current Assets

This account consists of:

|                                                | 2015              | 2014       |
|------------------------------------------------|-------------------|------------|
| Input Value Added Tax (VAT) - net of allowance | <b>₱2,218,536</b> | ₱2,388,903 |
| Advances to suppliers and contractors          | <b>2,089,921</b>  | 3,197,494  |
| Creditable taxes withheld                      | <b>941,721</b>    | 1,475,134  |
| Prepaid commission                             | <b>487,225</b>    | 358,193    |
| Investment in sinking fund (Notes 14 and 19)   | <b>460,234</b>    | —          |
| Refundable deposits (Note 36)                  | <b>291,902</b>    | 270,997    |
| Advances to officers and employees             | <b>212,445</b>    | 109,547    |
| Prepaid taxes                                  | <b>207,748</b>    | 904,848    |
| Prepaid expenses                               | <b>67,356</b>     | 98,718     |
| Tax credits                                    | —                 | 87,123     |
| Others                                         | <b>53,264</b>     | —          |
|                                                | <b>₱7,030,352</b> | ₱8,890,957 |

### Input VAT

Input VAT is fully recoverable and can be applied against output VAT. In 2014, the Group recognized an impairment loss amounting to ₱51.35 million upon assessment that the amount cannot be claimed against output VAT or recovered as tax credits against future income tax liability (see Note 25).

### Advances to suppliers and contractors

Advances to suppliers and contractors are recouped upon every progress billing payment depending on the percentage of accomplishment.

### Creditable taxes withheld

Creditable taxes withheld are attributable to taxes withheld by third parties arising from sales and services that will be applied to future taxes payable.



Prepaid commission

This account pertains to commission paid in advance for uncompleted real estate projects.

Refundable deposits

Refundable deposits pertain to bill deposits and guaranty deposits for utilities that will be recovered within one (1) year.

Advances to officers and employees

Advances to officers and employees pertain to salary and other loans granted to the Group's employees that are collectible through salary deduction. These are non-interest bearing and are due within one (1) year.

Prepaid taxes

Prepaid taxes represent prepayment for taxes as well as local business and real estate taxes.

Prepaid expenses

Prepaid expenses consist mainly of prepayments for rent and insurance.

Tax credits

Tax credits pertain to excess input VAT which was converted or refunded into tax credit and that can be claimed against future income tax liability of the Group as approved by the Bureau of Internal Revenue (BIR). In 2015, the Group has received full refund of the tax credits.

Others

Others mainly include deposits for escrow funds which will be recovered within one (1) year.

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## 11. Investments in Associates, Joint Ventures and Others

The details of the Group's investments in associates, joint ventures and others follow:

|                                                                | 2015               | 2014        |
|----------------------------------------------------------------|--------------------|-------------|
| <b>Acquisition cost</b>                                        |                    |             |
| Balance at beginning of year                                   | <b>₱1,943,819</b>  | ₱4,380,171  |
| Disposals                                                      | <b>(1,497,681)</b> | (1,500)     |
| Additions                                                      | —                  | 517,013     |
| Acquisition of control on former associates<br>(Note 33)       | —                  | (2,951,865) |
| Balance at end of year                                         | <b>446,138</b>     | 1,943,819   |
| <b>Accumulated impairment loss</b>                             |                    |             |
| Balance at beginning and end of year                           | <b>(7,828)</b>     | (7,828)     |
| <b>Accumulated equity in net earnings</b>                      |                    |             |
| Balance at beginning of year                                   | <b>8,975,499</b>   | 7,292,520   |
| Equity in net earnings                                         | <b>2,376,424</b>   | 2,015,703   |
| Disposal                                                       | <b>233,921</b>     | —           |
| Dividends earned                                               | <b>(566,422)</b>   | (284,280)   |
| Gain on remeasurement of previously held<br>interest (Note 33) | —                  | 261,084     |
| Acquisition of control on former associates<br>(Note 33)       | —                  | (309,528)   |
| Balance at end of year                                         | <b>11,019,422</b>  | 8,975,499   |
|                                                                | <b>₱11,457,732</b> | ₱10,911,490 |



The details of the Group's equity in the net assets of its associates and joint ventures and the corresponding percentages of ownership follow:

|                                                                                       | Percentages of Ownership |        | Equity in Net Assets |                    |
|---------------------------------------------------------------------------------------|--------------------------|--------|----------------------|--------------------|
|                                                                                       | 2015                     | 2014   | 2015                 | 2014               |
| <b>Associates:</b>                                                                    |                          |        |                      |                    |
| Manila Water Holding Company, Inc. (formerly DMCI-MPIC Water Co. Inc. (DMWC)) (MWHCI) | 27.19%                   | 27.19% | ₱11,099,482          | ₱9,315,758         |
| Private Infra Dev Corporation (PIDC)                                                  | —                        | 25.11  | —                    | 1,263,759          |
| Subic Water and Sewerage Company, Inc. (Subic Water)                                  | 40.00                    | 40.00  | 299,024              | 272,747            |
| Bachy Soletanche Philippines Corporation (Bachy)                                      | 49.00                    | 49.00  | 43,060               | 43,060             |
|                                                                                       |                          |        | <b>11,441,566</b>    | <b>10,895,324</b>  |
| <b>Joint Ventures:</b>                                                                |                          |        |                      |                    |
| DMCI-First Balfour Joint Venture (DMFB)                                               | 51.00                    | 51.00  | 15,320               | 15,320             |
| Beta-Micrologic JV Corporation                                                        | 48.50                    | —      | 846                  | 846                |
|                                                                                       |                          |        | <b>16,166</b>        | <b>16,166</b>      |
| <b>Total</b>                                                                          |                          |        | <b>₱11,457,732</b>   | <b>₱10,911,490</b> |

Unless otherwise indicated, the principal place of business and country of incorporation of the Group's investments in associates and joint venture is the Philippines.

There have been no outstanding capital commitments in 2015 and 2014.

The following table summarizes the significant financial information of the associates and joint ventures that are material to the Group:

|                                           | 2015        |             |
|-------------------------------------------|-------------|-------------|
|                                           | MWHCI       | Subic Water |
| <b>Statement of financial position</b>    |             |             |
| Current assets                            | ₱14,869,003 | ₱273,204    |
| Noncurrent assets                         | 77,767,444  | 1,288,275   |
| Current liabilities                       | 14,726,877  | 164,931     |
| Noncurrent liabilities                    | 33,229,890  | 328,269     |
| Non-controlling interests                 | 2,421,437   | —           |
| Equity attributable to parent company     | 42,258,243  | 1,068,279   |
| <b>Statement of income</b>                |             |             |
| Revenue                                   | ₱19,098,238 | ₱616,791    |
| Costs and expenses                        | 9,940,703   | 451,097     |
| Net income attributable to NCI            | 654,971     | —           |
| Net income attributable to parent company | 8,502,564   | 165,694     |

|                                        | 2014        |             |            |
|----------------------------------------|-------------|-------------|------------|
|                                        | MWHCI       | Subic Water | PIDC       |
| <b>Statement of financial position</b> |             |             |            |
| Current assets                         | ₱11,865,004 | ₱368,489    | ₱3,888,336 |
| Noncurrent assets                      | 72,414,883  | 1,256,631   | 14,536,669 |
| Current liabilities                    | 13,420,021  | 290,547     | 1,852,509  |
| Noncurrent liabilities                 | 33,465,197  | 328,020     | 11,285,937 |
| Non-controlling interests              | 1,901,341   | —           | —          |

(Forward)



|                                                  | 2014        |             |            |
|--------------------------------------------------|-------------|-------------|------------|
|                                                  | MWHCI       | Subic Water | PIDC       |
| Equity attributable to parent company            | ₱35,493,328 | ₱1,006,553  | ₱5,286,559 |
| <b>Statement of income</b>                       |             |             |            |
| Revenue                                          | 18,362,674  | 837,069     | 4,229,820  |
| Costs and expenses                               | 10,568,728  | 664,286     | 4,951,010  |
| Net income attributable to NCI                   | 552,173     | —           | —          |
| Net income (loss) attributable to parent company | 7,241,773   | 172,783     | (721,190)  |

The Group's dividend income from MWHCI amounted to ₱526.42 million, ₱252.28 million, and ₱5,191.21 million in 2015, 2014 and 2013, respectively, while dividend income from Subic Water amounted to ₱40.00 million, ₱32.00 million and ₱29.71 million in 2015, 2014 and 2013, respectively.

Equity in net earnings from MWHCI amounted to ₱2,310.15 million, ₱1,967.59 million and ₱1,832.53 million in 2015, 2014 and 2013, respectively, while equity in net earnings from Subic Water amounted to ₱66.28 million, ₱69.11 million and ₱82.07 million in 2015, 2014 and 2013, respectively. Equity in net losses from PIDC amounted to nil, ₱180.30 million and ₱1.50 million in 2015, 2014 and 2013, respectively.

The aggregate carrying amount of the Group's individually immaterial investments in associates and joint ventures in 2015 and 2014 amounted to ₱60.07 million and ₱59.23 million, respectively. Equity in net earnings from individually immaterial associates amounted to nil and ₱159.30 million in 2015 and 2014, respectively while equity in net losses in 2013 amounted to ₱148.28 million.

#### MWHCI (formerly DMWC)

On November 27, 2008, through a Subscription Agreement by and among the Parent Company, Metro Pacific Investments Corporation (MPIC) and MWHCI, the Parent Company and MPIC subscribed to 961.60 million common shares and 1,923.20 million common shares, respectively, of MWHCI.

Simultaneous with the execution of the Subscription Agreement, the Parent Company, MWHCI, MPIC and Maynilad entered into a Shareholders' Agreement outlining the relationship of the Parent Company and MPIC as shareholders of MWHCI. In the same Shareholders' Agreement, which was immediately executory, the parties confirmed that each of the Parent Company and MPIC holds, on the date of said Shareholders' Agreement, equity interests in the form of shares and share entitlements in MWHCI equal to 44.59% and 55.41%, respectively.

#### *MWHCI's decrease in authorized capital stock*

As approved by MWHCI's BOD on August 31, 2012, MWHCI decreased its authorized capital stock from ₱5,854.80 million divided into 5,854.80 million common shares with par value of ₱1.00 per share to 4,664.80 million common shares with par value of ₱1.00 per share. The decrease in MWHCI's authorized capital stock was approved by the SEC on October 10, 2012. The main purpose of the decrease in authorized capital stock was to settle the outstanding subscriptions payable of existing shareholders which includes the Parent Company. The share of the Parent Company, as a result of the decrease in the authorized capital stock, amounted to ₱530.62 million which is accounted for as cancellation of the Parent Company's subscription payable of ₱379.71 million and a return of a portion of its investment amounting to ₱150.91 million. The ₱150.91 million was applied against the liability to MWHCI.





*Marubeni Corporation - Nippon Koei Co. Ltd (MCNK) and MWHCI Subscription Agreement*

On December 28, 2012, MCNK subscribed to 169.62 million common shares of stock of MWHCI for ₱169.62 million out of which it initially paid ₱42.40 million. On the same date, the BOD of MWHCI approved a resolution to increase its authorized capital stock sufficient enough to cover the issuance of the subscription shares. On January 29, 2013, the SEC approved MWHCI's increase in authorized capital stock and MCNK fully paid the remaining subscription price amounting to ₱127.20 million on February 13, 2013.

MCNK is 90.00% owned by Marubeni Corporation, a company incorporated in Japan and is 10.00% owned by MAPL Holdings B.V., a company incorporated in Netherlands.

On February 13, 2013, MCNK subscribed to an additional 508.85 million common shares of MWHCI with a par value of ₱1.00 per share for a total subscription price of ₱10,200.00 million. On the same date, MWHCI issued these shares and MCNK fully paid these shares.

The above transactions resulted to the dilution of the Parent Company's interest in MWHCI. The dilution of interest due to subscription and issuance of MWHCI shares to MCNK resulted to a dilution gain amounting to ₱3,171.33 million which was recorded as part of "Gain on sale of investment" in the consolidated statements of income. The gain arises from the difference between the Parent Company's share in the cash received from MCNK's subscription and the effective reduction in the share in the net assets of MWHCI.

*Partial sale of investment in MWHCI to MPIC and MCNK*

On February 13, 2013, the Parent Company sold 154.99 million shares and 472.56 million shares to MPIC and MCNK amounting to ₱2,376.04 million and ₱6,650.60 million, respectively. The excess of the proceeds over the carrying value of the investment disposed amounting to ₱5,986.08 million was recorded as part of "Gain on sale of investment" in the consolidated statements of income. This resulted to the change in effective interest in MWHCI from 44.59% as of December 31, 2012 to 27.19% beginning December 31, 2013.

Rollforward of the cost of investment in MWHCI follows:

|                                           | 2015               | 2014       |
|-------------------------------------------|--------------------|------------|
| <b>Acquisition cost</b>                   |                    |            |
| Balance at beginning and end of year      | <b>₱390,428</b>    | ₱390,428   |
| <b>Accumulated equity in net earnings</b> |                    |            |
| Balance at beginning of year              | <b>8,925,330</b>   | 7,210,016  |
| Equity in net earnings                    | <b>2,310,146</b>   | 1,967,594  |
| Dividends received                        | <b>(526,422)</b>   | (252,280)  |
| Balance at end of year                    | <b>10,709,054</b>  | 8,925,330  |
|                                           | <b>₱11,099,482</b> | ₱9,315,758 |

PIDC

PIDC is primarily engaged in the business of construction, development of various infrastructure projects such as roads, highways, toll roads, freeways, skyways, flyovers, viaducts and interchanges. On February 19, 2008, PIDC was awarded the contract for the financing, design, construction, operation and maintenance of the Tarlac-Pangasinan-La Union Expressway (TPLEX).

In 2014, PIDC increased its authorized capital stock. The Parent Company did not subscribe to additional shares resulting to a dilution of its ownership interest.



On December 19, 2014, the Parent Company as well as its wholly-owned subsidiary, DMCI, have agreed to sell their respective shares in PIDC to Rapid Thoroughfares, Inc. (RTI), subject to compliance with certain conditions and obtaining certain consents, including, among others, the consent of the Toll Regulatory Board and the Department of Public Works and Highways, pursuant to the Toll Concession Agreement dated August 28, 2008. PIDC is the concessionaire of the Tarlac-Pangasinan-La Union Expressway (TPLEX). The consideration for the sale of shares amounted to ₱1,758.65 million for the Parent Company and ₱68.84 million for DMCI, which totals to ₱1,827.49 million or ₱1,219.40 price per share. In 2014, the Parent Company accordingly received the deposit of the conditional sale amounting to ₱1,758.65 million and recorded the same as 'Deposit received from future sale of investment' under 'Other Noncurrent Liabilities' in the consolidated statements of financial position (see Note 20).

On September 21, 2015, the sale of investments in PIDC has been finalized following approval of the Department of Trade and Industry (DTI) and Department of Transportation and Communications (DOTC) on August 27, 2015 consenting on the sale of the investments to RTI. The Group recorded gain from sale of investments amounting to ₱562.73 million (see Note 20).

#### Subic Water

On January 22, 1997, PDI subscribed to 3.26 million shares at the par value of ₱10 per share for an aggregate value of ₱32.62 million in Subic Water, a joint venture company among Subic Bay Metropolitan Authority (SBMA), a government-owned corporation, Olongapo City Water District, and Cascal Services Limited (a company organized under the laws of England).

The investment in Subic Water is accounted for as an investment in an associate.

#### ENK

In 2012, the Parent Company acquired existing shares of ENK, a mining company with significant mining assets in the Philippines. ENK is a nickel laterite development and production company focused on developing its Acoje and Zambales chromite projects in the Philippines. The total acquisition cost amounted to ₱2.10 billion. In aggregate, the Parent Company owns 157.26 million shares which represents 60% ownership in ENK. The remaining 40% is owned by D&A, an entity from United Kingdom (UK).

In 2012, the Parent Company and D&A executed a Shareholders' Agreement which clearly defines the roles of the shareholders as having economic interests over ENK. The Parent Company's 60% ownership interest in ENK only allows it to exercise significant influence because of limited participation in the governance of ENK. ENK is classified as an associate of the Group and accounted for using the equity method of accounting.

On January 22, 2013, the Parent Company acquired majority seats in the Board of ENK. Upon adoption of PFRS 10 and PFRS 11 in 2013, the Parent Company reassessed its arrangement with D&A over ENK and has determined that it has joint control over ENK because even at 60% ownership and majority seats in the Board, the strategic and financial operating decisions relating to the economic activities of ENK require the unanimous consent of both parties.

In 2014, DMC purchased additional shares in ENK, making it a wholly-owned subsidiary (see Notes 2 and 33).



### TMC

On October 23, 2012, DMC purchased from Daintree Resources Limited 8.48 million common shares representing 17.01% ownership in TMC for GBP3.40 million or ₱226.90 million. TMC is an investment holding company incorporated in England and Wales on May 29, 2007 and is engaged in ore and mineral mining and exploration. TMC has strategic interests in two privately owned nickel companies in the Philippines, BNC and Ipilan Nickel Corporation.

In 2013, DMC increased its interest in TMC by acquiring additional shares through a mandatory cash offer to TMC's shareholders. As of December 31, 2013, DMC holds 49.15 million shares and voting rights representing 98.06% of voting rights with 1.94% mandatory call option.

### *Delisting of TMC's shares in the London Stock Exchange (AIM)*

On December 12, 2013, TMC's shareholders passed the resolution to cancel the admission of trading of TMC's ordinary shares on the AIM (delisting). The last day of dealings in ordinary shares on AIM is on December 19, 2013 while the date of cancellation of admission to trading on AIM is on December 20, 2013.

### *Changes in the Board composition in TMC*

On December 20, 2013, DMC has acquired majority seats in the Board of TMC.

As of December 31, 2012, at 17.01% ownership, TMC was considered to be an associate under the previously existing PAS 28, and was accounted for using the equity method. In 2013, with the additional subscription of 81.05% and 1.94% mandatory call option, the Group assessed that it has control over TMC. The assets, liabilities and equity of TMC have been consolidated in the financial statements of the Group on December 20, 2013, the date control has been obtained (see Notes 2 and 33).

### *Acquisition of TMC's associates*

Upon consolidation of the net assets of TMC on December 20, 2013, the Group has obtained the following investments in associates:

- a. TMM Management, Inc. (TMM)
- b. Ulugan Resources Holdings, Inc. (URHI)
- c. Ulugan Nickel Corporation (UNC)
- d. Nickeline Resources Holdings, Inc. (NRHI)
- e. Berong Nickel Corporation (BNC)
- f. Nickel Laterite Resources, Inc. (NLRI)
- g. Ipilan Nickel Corporation (INC)

The Group assessed that its interest over these entities only allows the Group to exercise significant influence over these entities (Note 33).

On July 11, 2014, control over TMM, URHI, UNC, BNC and NRHI were obtained upon written agreement between Atlas and TMC which was defined in the Memorandum of Understanding (MOU) signed by both parties. The MOU gave TMC the ability to direct the relevant activities of these entities considering that critical positions are occupied by the representative of the Group making these entities subsidiaries of the Group.

On August 8, 2014, TMC transferred its investments in TMM, URHI, UNC, BNC and NRHI to DMC. On December 1, 2014, TMC transferred its investments in INC and NLRI to DMC and subsequently DMC sold these investments to the shareholders of Southeast Palawan Nickel Ventures. As such, the service agreement entered into by INC with TMM has been terminated.



After the transfer of TMC subsidiaries and associates to DMC, TMC was subsequently sold to a third party individual last December 16, 2014.

#### DMFB

On January 18, 2008, DMCI has entered into a Joint Venture Agreement with First Balfour, Inc. with 51.00% interest. DMFB Joint Venture, an incorporated joint venture, was formed for the construction of the Light Rail Transit (LRT) Line 1 North Extension Project (the Project). The Project was started on June 7, 2008 and was completed on October 23, 2010.

DMCI's interest in DMFB Joint Venture is a joint arrangement accounted for as joint venture using the equity method where the carrying amount of the investment is adjusted to reflect the changes in the net assets of the joint venture from the acquisition date.

The joint venture had no contingent liabilities or capital commitments as of December 31, 2015 and 2014.

#### *Estimating impairment of investment in joint ventures*

The Group performs asset impairment review on its investment in a joint venture company when certain impairment indicators are present. This impairment review requires the estimation of the asset's recoverable amount, which is the present value of expected future cash flows from the asset. Any resulting impairment loss could have a material impact on the Group's financial condition and results of operations.

## 12. Investment Properties

The movements in this account follow:

| 2015                                                 |                |                                           |                      |                 |
|------------------------------------------------------|----------------|-------------------------------------------|----------------------|-----------------|
|                                                      | Land           | Buildings<br>and Building<br>Improvements | Condominium<br>Units | Total           |
| <b>Cost</b>                                          |                |                                           |                      |                 |
| At January 1                                         | ₱47,796        | ₱208,773                                  | ₱44,347              | ₱300,916        |
| Additions                                            | —              | 77,869                                    | —                    | 77,869          |
| Disposals and writeoff                               | (23,147)       | (22,788)                                  | —                    | (45,935)        |
| At December 31                                       | ₱24,649        | ₱263,854                                  | ₱44,347              | ₱332,850        |
| <b>Accumulated Depreciation and<br/>Amortization</b> |                |                                           |                      |                 |
| At January 1                                         | ₱—             | ₱50,248                                   | ₱7,878               | ₱58,126         |
| Depreciation and amortization (Note 24)              | —              | 6,891                                     | 2,079                | 8,970           |
| Disposals and writeoff                               | —              | (22,788)                                  | —                    | (22,788)        |
| At December 31                                       | —              | 34,351                                    | 9,957                | 44,308          |
| <b>Net Book Value</b>                                | <b>₱24,649</b> | <b>₱229,503</b>                           | <b>₱34,390</b>       | <b>₱288,542</b> |

| 2014           |         |                                           |                      |          |
|----------------|---------|-------------------------------------------|----------------------|----------|
|                | Land    | Buildings<br>and Building<br>Improvements | Condominium<br>Units | Total    |
| <b>Cost</b>    |         |                                           |                      |          |
| At January 1   | ₱47,796 | ₱227,312                                  | ₱44,347              | ₱319,455 |
| Additions      | —       | 49,008                                    | —                    | 49,008   |
| Transfers      | —       | (67,547)                                  | —                    | (67,547) |
| At December 31 | ₱47,796 | ₱208,773                                  | ₱44,347              | ₱300,916 |

(Forward)



|                                              | 2014    |                                           |                      |          |
|----------------------------------------------|---------|-------------------------------------------|----------------------|----------|
|                                              | Land    | Buildings<br>and Building<br>Improvements | Condominium<br>Units | Total    |
| Accumulated Depreciation and<br>Amortization |         |                                           |                      |          |
| At January 1                                 | P—      | P43,357                                   | P5,923               | P49,280  |
| Depreciation and amortization (Note 24)      | —       | 6,891                                     | 1,955                | 8,846    |
| At December 31                               | —       | 50,248                                    | 7,878                | 58,126   |
| Net Book Value                               | P47,796 | P158,525                                  | P36,469              | P242,790 |

The aggregate fair values of the investment properties as of December 31, 2015 and 2014 amounted to ₱742.15 million and ₱345.04 million, respectively.

The fair value represents the amount at which the assets could be exchanged between knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation. The fair values of investment properties were determined using either the discounted cash flow (DCF method) or by the market data approach. These are both categorized within level 3 of the fair value hierarchy.

The fair value of investment properties, which has been determined using DCF method with discount rates ranging from 3.63% to 7.85%, exceeds its carrying cost. The fair values of the investment properties which was arrived at using the market data approach requires the establishment of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property.

Rental income from investment properties (included under 'Other income - net') amounted to ₱72.26 million, ₱75.88 million and ₱84.45 million in 2015, 2014 and 2013, respectively (see Note 28). Direct operating expenses (included under 'Cost of sales and services' in the consolidated statements of income) arising from investment properties amounted to ₱8.97 million, ₱8.85 million and ₱6.83 million in 2015, 2014 and 2013, respectively (see Note 24).

In 2015, the Group sold land at a net gain included under the consolidated statements of income caption "Other income - net" amounting to ₱4.76 million (see Note 28).

There are no investment properties as of December 31, 2015 and 2014 that are pledged as security against liabilities.



### 13. Property, Plant and Equipment

The movements in this account follow:

|                                                                     | 2015                          |                                                           |                                                      |                                                   |                             |                                            |                           |                                              |                             |                    |
|---------------------------------------------------------------------|-------------------------------|-----------------------------------------------------------|------------------------------------------------------|---------------------------------------------------|-----------------------------|--------------------------------------------|---------------------------|----------------------------------------------|-----------------------------|--------------------|
|                                                                     | Land and Land<br>Improvements | Power Plant,<br>Buildings<br>and Building<br>Improvements | Construction<br>Equipment,<br>Machinery<br>and Tools | Office<br>Furniture,<br>Fixtures and<br>Equipment | Transportation<br>Equipment | Coal Mining<br>Properties<br>and Equipment | Leasehold<br>Improvements | Nickel Mining<br>Properties and<br>Equipment | Construction<br>in Progress | Total              |
| <b>Cost</b>                                                         |                               |                                                           |                                                      |                                                   |                             |                                            |                           |                                              |                             |                    |
| At January 1                                                        | ₱2,127,005                    | ₱22,871,262                                               | ₱8,633,328                                           | ₱554,062                                          | ₱504,787                    | ₱16,675,715                                | ₱167,769                  | ₱5,633,669                                   | ₱19,257,685                 | ₱76,425,282        |
| Additions                                                           | 103,509                       | 826,598                                                   | 981,859                                              | 63,489                                            | 65,015                      | 2,091,546                                  | 40,069                    | 13,986                                       | 2,540,142                   | 6,726,213          |
| Transfers from construction in<br>progress                          | —                             | 1,291,766                                                 | —                                                    | —                                                 | —                           | 15,652                                     | —                         | —                                            | (1,307,418)                 | —                  |
| Writedown, transfers and<br>disposals                               | —                             | —                                                         | (93,207)                                             | (1,385)                                           | (34,001)                    | (813,191)                                  | —                         | —                                            | (60,919)                    | (1,002,703)        |
| Adjustments (Note 20)                                               | —                             | —                                                         | —                                                    | —                                                 | —                           | 56,993                                     | —                         | —                                            | —                           | 56,993             |
| At December 31                                                      | 2,230,514                     | 24,989,626                                                | 9,521,980                                            | 616,166                                           | 535,801                     | 18,026,715                                 | 207,838                   | 5,647,655                                    | 20,429,490                  | 82,205,785         |
| <b>Accumulated Depreciation,<br/>Depletion and<br/>Amortization</b> |                               |                                                           |                                                      |                                                   |                             |                                            |                           |                                              |                             |                    |
| At January 1                                                        | 559,538                       | 7,405,369                                                 | 5,282,179                                            | 508,554                                           | 348,317                     | 14,925,541                                 | 120,924                   | 394,672                                      | —                           | 29,545,094         |
| Depreciation, depletion and<br>amortization (Notes 24<br>and 25)    | 82,774                        | 1,277,438                                                 | 1,181,457                                            | 56,260                                            | 67,687                      | 1,256,394                                  | 25,458                    | 146,485                                      | —                           | 4,093,953          |
| Writedown, transfers and<br>disposals                               | —                             | —                                                         | (44,827)                                             | (1,315)                                           | (30,240)                    | (797,103)                                  | —                         | —                                            | —                           | (873,485)          |
| At December 31                                                      | 642,312                       | 8,682,807                                                 | 6,418,809                                            | 563,499                                           | 385,764                     | 15,384,832                                 | 146,382                   | 541,157                                      | —                           | 32,765,562         |
| <b>Net Book Value</b>                                               | <b>₱1,588,202</b>             | <b>₱16,306,819</b>                                        | <b>₱3,103,171</b>                                    | <b>₱52,667</b>                                    | <b>₱150,037</b>             | <b>₱2,641,883</b>                          | <b>₱61,456</b>            | <b>₱5,106,498</b>                            | <b>₱20,429,490</b>          | <b>₱49,440,223</b> |



|                                                                  | 2014                          |                                                           |                                                      |                                                   |                             |                                            |                           |                                              |                             |             |
|------------------------------------------------------------------|-------------------------------|-----------------------------------------------------------|------------------------------------------------------|---------------------------------------------------|-----------------------------|--------------------------------------------|---------------------------|----------------------------------------------|-----------------------------|-------------|
|                                                                  | Land and Land<br>Improvements | Power Plant,<br>Buildings<br>and Building<br>Improvements | Construction<br>Equipment,<br>Machinery<br>and Tools | Office<br>Furniture,<br>Fixtures and<br>Equipment | Transportation<br>Equipment | Coal Mining<br>Properties<br>and Equipment | Leasehold<br>Improvements | Nickel Mining<br>Properties and<br>Equipment | Construction<br>in Progress | Total       |
| Cost                                                             |                               |                                                           |                                                      |                                                   |                             |                                            |                           |                                              |                             |             |
| At January 1                                                     | ₱2,052,652                    | ₱20,928,376                                               | ₱6,418,844                                           | ₱417,889                                          | ₱393,285                    | ₱15,686,276                                | ₱165,691                  | ₱—                                           | ₱10,850,144                 | ₱56,913,157 |
| Effect of business combination<br>(Note 33)                      | 46,872                        | 38,497                                                    | —                                                    | 36,330                                            | 30,374                      | —                                          | 170                       | 5,633,669                                    | 64,257                      | 5,850,169   |
| Additions                                                        | 27,481                        | 437,402                                                   | 2,585,889                                            | 102,059                                           | 91,228                      | 1,110,424                                  | 1,908                     | —                                            | 9,812,603                   | 14,168,994  |
| Transfers from construction in<br>progress                       | —                             | 1,467,438                                                 | —                                                    | (456)                                             | —                           | —                                          | —                         | —                                            | (1,466,982)                 | —           |
| Transfers and<br>retirements/disposals                           | —                             | (451)                                                     | (371,405)                                            | (1,760)                                           | (10,100)                    | (102,475)                                  | —                         | —                                            | (2,337)                     | (488,528)   |
| Adjustments (Note 20)                                            | —                             | —                                                         | —                                                    | —                                                 | —                           | (18,510)                                   | —                         | —                                            | —                           | (18,510)    |
| At December 31                                                   | 2,127,005                     | 22,871,262                                                | 8,633,328                                            | 554,062                                           | 504,787                     | 16,675,715                                 | 167,769                   | 5,633,669                                    | 19,257,685                  | 76,425,282  |
| Accumulated Depreciation,<br>Depletion and<br>Amortization       |                               |                                                           |                                                      |                                                   |                             |                                            |                           |                                              |                             |             |
| At January 1                                                     | 477,307                       | 6,116,650                                                 | 4,410,813                                            | 415,505                                           | 267,178                     | 13,857,095                                 | 97,363                    | —                                            | —                           | 25,641,911  |
| Effect of business combination                                   | —                             | —                                                         | —                                                    | 31,140                                            | 23,659                      | —                                          | 23,561                    | 302,739                                      | —                           | 381,099     |
| Depreciation, depletion and<br>amortization (Notes 24<br>and 25) | 82,231                        | 1,289,079                                                 | 1,211,987                                            | 65,200                                            | 64,723                      | 1,170,810                                  | —                         | 91,933                                       | —                           | 3,975,963   |
| Writedown, transfers and<br>disposals                            | —                             | (360)                                                     | (340,621)                                            | (3,291)                                           | (7,243)                     | (102,364)                                  | —                         | —                                            | —                           | (453,879)   |
| At December 31                                                   | 559,538                       | 7,405,369                                                 | 5,282,179                                            | 508,554                                           | 348,317                     | 14,925,541                                 | 120,924                   | 394,672                                      | —                           | 29,545,094  |
| Net Book Value                                                   | ₱1,567,467                    | ₱15,465,893                                               | ₱3,351,149                                           | ₱45,508                                           | ₱156,470                    | ₱1,750,174                                 | ₱46,845                   | ₱5,238,997                                   | ₱19,257,685                 | ₱46,880,188 |



*Construction in progress*

Construction in progress mainly pertains to the on-going construction of SLPGC's 2x150 MW power plant. The construction of SLPGC's coal-fired power plant commenced in the early part of 2012. As of December 31, 2015, the power plant is under commissioning stage and is expected to commence commercial operations in the third quarter of 2016. It also includes capitalized rehabilitation and maintenance costs of SCPC's power plant.

The capitalized borrowing cost included in the construction in progress account amounted to ₱455.71 million and ₱333.84 million in 2015 and 2014, respectively. The average capitalization rate is 4.08% and 3.18% in 2015 and 2014, respectively.

*Mining properties*

Mining properties pertain to accumulated cost on development of mine sites with coal and nickel deposits, including the expected decommissioning and site rehabilitation costs and estimated cost for dismantling of mining machineries and conveyor belts at the end of its life. The impact of annual re-estimation is shown in the rollforward as an adjustment (see Note 20).

The following nickel mining rights were acquired through business combination in 2014 and were recognized at fair value at the date of acquisition (see Note 33).

*Acoje project*

The project is within the Mineral Production Sharing Agreement (MPSA) No. 191-2004-III which is located the Municipalities of Sta. Cruz and Candelaria, Province of Zambales.

*Berong project*

The project is within the MPSA No. 235-2007-IVB covering a contract area of approximately 288 hectares situated in Barangay Berong, Municipality of Quezon, Province of Palawan.

Depreciation, depletion and amortization expense on property, plant and equipment amounted to ₱4,093.95 million, ₱3,975.96 million and ₱4,566.01 million in 2015, 2014 and 2013, respectively (see Notes 24 and 25).

The cost of fully depreciated assets that are still in use as of December 31, 2015 and 2014 amounted to ₱12,110.74 million and ₱11,600.61 million, respectively.

In 2015, 2014 and 2013, the Group sold various equipment items at a net gain included under the consolidated statements of income caption "Other income - net" amounting to ₱86.16 million, ₱127.20 million and ₱144.86 million, respectively (see Note 28).

In 2015, 2014 and 2013, the Group incurred a loss on write-down of property, plant and equipment amounting to ₱16.09 million, ₱0.11 million and ₱443.35 million, respectively, due to the replacement of components of power plant and retirement of mining equipment (see Note 25).

As security for timely payment, discharge, observance and performance of the loan provisions, SCPC and SLPGC create, establish, and constitute in favor of the Security Trustee, for the benefit of all secured parties, a first ranking real estate and chattel mortgage on present and future real assets and chattels owned by SCPC and SLPGC as of December 31, 2015 and 2014 (see Note 19).





#### 14. Exploration and Evaluation Asset and Other Noncurrent Assets

Below are the details of exploration and evaluation asset:

|              | 2015              | 2014       |
|--------------|-------------------|------------|
| Coal         | <b>₱3,015,465</b> | ₱1,914,440 |
| Nickel - net | <b>222,977</b>    | 222,397    |
|              | <b>₱3,238,442</b> | ₱2,136,837 |

##### Coal

These costs are related to exploratory drilling and activities in Narra minesite (formerly Bobog minesite). This mine site is situated around one (1) kilometer away from the current active Panian mine. Expected coal release is on the last quarter of 2016 with an estimated initial production of 1.50 million metric tons based on the most recent 5-year mine plan, using the in-house estimate of recoverable coal reserve of 40.00 million metric tons. The Third Party-Mining Engineer's report dated December 29, 2014 showed mineable reserve of 71.00 million metric tons with recoverable coal reserve of 64.00 million metric tons, after superimposing an optimum pit over the existing coal resources delineated at Narra by extensive drilling. As of December 31, 2015 the management's estimate of mineable reserve remains the same.

##### Nickel

##### *Moorsom, Dangla and Longpoint project*

These costs pertain to exploration expenditures on the Moorsom, Dangla and Longpoint Project (adjacent area covering the Berong Project) amounting to ₱49.25 million as of December 31, 2015 and 2014.

##### *Exploration Permit Application (EXPA)-000032VI*

P & N Mining and Development Corporation assigned the entire applied area under EXPA-000032VI comprising 1,296.0 hectares to FASRPC, the assignee shall assume all obligation as stipulated in the said assignment and the assigned EXPA shall be subject to further evaluation/processing as provided in Chapter V, DENR Administrative Order no. 96-040, Series of 1996, as amended, and other pertinent rules and regulations.

##### *Exploration Permit (EP) -006-2010-III*

EP covering an area of 856.42 hectares situated in the municipalities of Candelaria and Sta. Cruz, Zambales.

##### *EP-007-2010-III*

EP covering an area of 2,244.69 hectares situated in the municipalities of Candelaria and Sta. Cruz, Zambales.

##### *EP-008-2010-III*

EP covering an area of 4,493.82 hectares situated in the municipality of Candelaria, Zambales.

##### *Acoje Chromite project*

Exploration and evaluation assets pertaining to Acoje chromite project (under ZCMC) are capitalized expenditures that are directly related to the exploration and evaluation of the area covered by the mining tenements. As of December 31, 2015, the Group is still conducting exploration activities and has not yet started commercial operation.



*EP No. 05-001-I of Barlo*

The exploration permit covers an area of 4,360.71 hectares situated at Barangays Alilao, Malimpin and San Vicente, Municipality of Dasol and Barangays Barlo and San Pedro, Municipality of Mabini, all in the Province of Pangasinan.

The exploration permit expired on May 24, 2013. On March 25, 2014, the Group was in the process of renewing their exploration permit, the application for renewal of the permit was already submitted to Mines and Geosciences Bureau (MGB). However, on October 17, 2014, such application for renewal was denied. In response to the denial, the Group sought reconsideration through a letter sent to MGB on November 28, 2014. As of March 25, 2015, MGB is still in the process of evaluation of the Group's application for renewal.

In 2014, the Group recognized full impairment on exploration and evaluation assets amounting to ₱15.80 million (see Note 25).

*Application for Production Sharing Agreement 000345 III*

MRC acquired from CRAU Mineral Resources Corporation (CRAU) the application for a Mineral Production Sharing Agreement (MPSA), designated as MA-P-III-01-02 (MPSA 000345 III), covering an area of 1,071.61 hectares located in the Municipality of Masinloc. The amount recognized represents the amount paid to CRAU. No additional exploration and evaluation expenditures were incurred related to the project in 2015 and 2014. In 2014, the Group recognized full impairment on its exploration and evaluation asset on Masinloc (CRAU) amounting to ₱14.12 million (see Note 25).

*EXPA 000133 III*

This pertains to the Limestone Project with a covered area of 115.6 hectares located in Zambales. The amount recognized represents the capitalized expenditure incurred in the project. No capitalized expenditures related to the project were incurred in 2015 and 2014. In 2014, the Group provided full impairment on its exploration and evaluation asset on Limestone amounting to ₱0.40 million (see Note 25).

*Palawan Initiative and F-AH Nickel Environment*

Palawan Initiative and the F-AH Nickel Environment projects refer to capitalized costs incurred prior to the approval of permits to explore the locations, Palawan and Cabaluan, Leyte, respectively. In 2014, the Group recognized full impairment on its exploration and evaluation asset on F-AH Nickel Environment amounting to ₱0.18 million (see Note 25).

A valuation allowance is provided for unrecoverable exploration and evaluation assets based on the Group's assessment of the future prospects of the exploration project. Full provision is made for the impairment as management assessed that it is no longer probable that such costs are expected to be recouped through successful exploration and development of the area of interest, or alternatively, by its sale.



Other noncurrent assets consist of the following:

|                                                 | 2015              | 2014       |
|-------------------------------------------------|-------------------|------------|
| Deferred input VAT                              | <b>₱1,570,072</b> | ₱1,384,313 |
| Investment in sinking fund (Notes 10 and 19)    | <b>460,234</b>    | 521,781    |
| Claims for refunds and tax credits - net        | <b>175,209</b>    | 164,526    |
| Capitalized development costs for clay business | <b>128,171</b>    | 98,487     |
| Fund for future investment                      | <b>95,474</b>     | 95,474     |
| Refundable deposits (Notes 10 and 36)           | <b>90,963</b>     | 69,225     |
| Prepaid rent (Note 37)                          | <b>87,356</b>     | 89,955     |
| Software cost - net                             | <b>82,423</b>     | 80,842     |
| Deposit for future investment                   | <b>41,192</b>     | 41,192     |
| Security deposits (Note 36)                     | <b>5,208</b>      | 5,203      |
| Others                                          | <b>40,145</b>     | 100,999    |
|                                                 | <b>2,776,447</b>  | 2,651,997  |
| Less current portion of:                        |                   |            |
| Investment in sinking fund (Note 10)            | <b>460,234</b>    | —          |
| Prepaid rent                                    | <b>4,553</b>      | 4,545      |
|                                                 | <b>₱2,311,660</b> | ₱2,647,452 |

*Deferred input VAT*

This pertains to the unamortized input VAT incurred from acquisition of capital assets mostly coming from the ongoing construction of coal-fired power plant of SLPGC.

*Investment in sinking fund*

In a special meeting of the BOD of SCPC held on March 9, 2010, the BOD of SCPC authorized SCPC to establish, maintain, and operate trust and investment management accounts with Banco de Oro Unibank, Inc., - Trust and Investment Group (BDO) as the Security Trustee. The Omnibus Agreement provided that the Security Trustee shall invest and reinvest the monies on deposit in Collateral Accounts (see Note 19). All investments made shall be in the name of the Security Trustee and for the benefit of the Collateral Accounts. In May 2010, SCPC made an initial investment in the sinking fund amounting to ₱304.81 million. As of December 31, 2015 and 2014, the investment in sinking fund amounted to ₱460.23 million and ₱521.78 million, respectively. Such sinking fund was reclassified to current asset because of the planned prepayment of loan in 2016 to which the account is attached (see Note 10).

Interest earned from the sinking fund amounted to ₱8.99 million, ₱6.69 million and ₱12.17 million in 2015, 2014 and 2013, respectively (see Note 26).

*Claims for refunds and tax credits - net*

This amount pertain to claims for refund and issuance of tax credit certificates from BIR on erroneously withheld Value-added taxes (VAT) on VAT exempt coal sales which were ruled by the Supreme Court in favor of SMPC.

In 2015, SMPC reassessed the level of allowance for impairment and reversed ₱10.68 million on the basis that the SC GR Case No. 202534 (₱15.29 million VAT which was erroneously withheld by NPC for the month of January 2007) is the remaining open case and the other claims for refund were already decided in favor of SMPC. This resulted to a reversal of ₱10.68 million provision for impairment losses reflected in "Other income - net" in the consolidated statements of income in 2015 (Note 28).



Movements in allowance for impairment losses of the 5% input VAT withheld follows:

|                    | 2015           | 2014    |
|--------------------|----------------|---------|
| At January 1       | <b>₱25,976</b> | ₱25,976 |
| Reversal (Note 28) | <b>10,684</b>  | –       |
| At December 31     | <b>₱15,292</b> | ₱25,976 |

*Capitalized development costs for clay business*

The Group has capitalized development expenditures amounting to ₱29.68 million and ₱98.47 million in 2015 and 2014, respectively. Development costs for goods, commodities, wares and merchandise including potter earthenware, stoneware, bricks, tiles, roofs and other merchandise produce from clay are recognized as an intangible asset.

*Deposits and fund for future investment*

On October 18, 2012, the Group entered into an Omnibus Agreement (OA) with a third party wherein the Group will purchase 33% each of the three holding companies (HoldCos). The intention in the OA is for the Group to eventually own HoldCos at 73% valued at US\$13.20 million. Full value is at US\$18.00 million. The Group opened a bank account as required by the OA and made available US\$2.80 million cash (bank account) from which payments of the shares will be drawn. On the same date, the Group entered into a Deed of Assignment of Shares with the third party wherein 33% share in the HoldCos were assigned to the Group. The Group paid an initial US\$0.25 million for the assignment of shares which was drawn from the bank account. The assigned shares are subject to a condition that all pending cases faced by the third party, the three holding companies (HoldCos) and three development companies (DevCos) with which the HoldCos have investments, are resolved in their favor.

On March 21, 2014, a Memorandum of Agreement (MOA) was entered into by the Group and a third party setting out the intention of final ownership of the HoldCos and DevCos, where the Group will eventually own 73% of the HoldCos and 84% of the DevCos. The full value of the DevCos is at US\$12.00 million. On the same date, the Group entered into a Deed of Assignment of Shares wherein 40.00% of DevCos are assigned to the Group. The Group paid an initial amount of US\$0.75 million for the assignment of shares and was drawn from the bank account.

As of December 31, 2015 and 2014, the Group has not yet complied with all the conditions set forth under the agreement.

The difference between the bank account and the deposit for future investment is presented as 'Fund for future investment'.

*Refundable deposits*

Refundable deposits pertain to utilities which are measured at cost and will be recouped against future billings. This also includes rental deposits which are noninterest-bearing and are refundable 60 days after the expiration of the lease period.

*Prepaid rent*

The Group entered into a Land Lease Agreement (LLA) with PSALM for the lease of land in which the plant is situated for a period of 25 years. The Group paid US\$3.19 million or its peso equivalent of ₱150.57 million as payment for the 25 years of rental (see Note 37). Long term portion of the prepaid rent amounted to ₱82.80 million and ₱85.41 million as of December 31, 2015 and 2014, respectively.



*Software cost*

Movements in software cost account follow:

|                                 | 2015           | 2014           |
|---------------------------------|----------------|----------------|
| <b>At Cost</b>                  |                |                |
| At January 1                    | ₱234,287       | ₱151,567       |
| Additions                       | 44,242         | 82,720         |
| At December 31                  | 278,529        | 234,287        |
| <b>Accumulated Amortization</b> |                |                |
| At January 1                    | 153,445        | 117,969        |
| Amortization (Notes 24 and 25)  | 42,661         | 35,476         |
| At December 31                  | 196,106        | 153,445        |
| <b>Net Book Value</b>           | <b>₱82,423</b> | <b>₱80,842</b> |

*Security Deposits*

Security deposits represent payments to and held by the lessor as security for the faithful and timely performance by the Group of all its obligations and compliance with all provisions of the equipment rental agreement (see Note 37). These deposits shall be returned by the lessor to the Group after deducting any unpaid rental, and/or any other amounts due to the lessor for any damage and expense incurred to put the vehicle in good working condition.

## 15. Short-term Debt

This account consists of the following:

|                                        | 2015              | 2014              |
|----------------------------------------|-------------------|-------------------|
| Acceptances and trust receipts payable | ₱78,777           | ₱54,954           |
| Bank loans                             | 3,628,577         | 1,971,628         |
|                                        | <b>₱3,707,354</b> | <b>₱2,026,582</b> |

*Acceptances and trust receipts payable*

Acceptances and trust receipts payable are used by the Group to facilitate payment for importations of materials, fixed assets and other assets. These are noninterest-bearing and with maturity of less than one (1) year.

*Bank loans*

The Group's bank loans consist of unsecured peso-denominated short-term borrowings from local banks which bear annual interest ranging from 1.20% to 5.00% and 1.20% to 4.00% in 2015 and 2014, respectively, and are payable on monthly, quarterly and lump sum bases on various maturity dates within the next 12 months after the reporting date.

The Group's agreements with local banks contain some or all of the following restrictions relating to, among others: purchase of issued and outstanding capital stock; disposal of encumbered properties; change in the ownership or management and nature of its business; dividend declaration and distribution; guarantees; incurrence of additional liabilities; and merger and consolidation.

In 2014, the Group obtained a loan from China Banking Corporation (CBC) amounting to ₱30.00 million to finance the construction of its factory equipment and extension building. The loan has an interest rate of 5.25% per annum and will be due on varying dates in mid-2015. The said loan was fully paid in 2015.



During 2015 and 2014, the Group obtained bridge loans from local banks with total principal of ₱540.00 million and ₱400.00 million, respectively, subject to prevailing market rates. Loans obtained during 2015 were used primarily for the construction of the 15MW bunker coal-fired diesel power plant in Oriental Mindoro, acquisition of generator sets and working capital and subsidiaries funding requirements, while loans obtained during 2014 were used to partially finance the commencement of construction of the said power plant in Oriental Mindoro. In 2015 and 2014, interest amounting to ₱4.40 million and ₱4.97 million were capitalized as the aforementioned loans were used for the construction of the bunker-fired power plant in Oriental Mindoro.

As of December 31, 2015 and 2014, the Group is in compliance with the loan covenants required by the creditors. Finance costs incurred on bank loans and short term borrowings, net of capitalized borrowing cost, amounted to ₱268.09 million, ₱112.42 million and ₱126.96 million in 2015, 2014 and 2013, respectively (Note 27).

## 16. Liabilities for Purchased Land

Liabilities for purchase of land represent the balance of the Group's obligations to various real estate property sellers for the acquisition of certain parcels of land and residential condominium units. The terms of the deed of absolute sale covering the land acquisitions provided that such obligations are payable only after the following conditions, among others, have been complied with: (a) presentation by the property sellers of the original transfer certificates of title covering the purchased parcels of land; (b) submission of certificates of non-delinquency on real estate taxes; and (c) physical turnover of the acquired parcels of land to the Group.

The outstanding balance of liabilities for purchased land as of December 31, 2015 and 2014 follow:

|                        | 2015              | 2014       |
|------------------------|-------------------|------------|
| Current                | <b>₱2,201,291</b> | ₱1,866,257 |
| Noncurrent             | <b>816,135</b>    | 312,929    |
| Balance at end of year | <b>₱3,017,426</b> | ₱2,179,186 |

Liabilities for purchased land were recorded at fair value amounting to ₱816.14 million. These liabilities for purchased land are payable over a period of two (2) to four (4) years. The fair value is derived using discounted cash flow model using the discount rate ranging from 2.37% to 3.93% and 1.02% to 3.32% in 2015 and 2014, respectively based on applicable rates for similar types of liabilities.

|                                  | 2015           | 2014    |
|----------------------------------|----------------|---------|
| Balance at beginning of year     | <b>₱10,383</b> | ₱11,503 |
| Accretion for the year (Note 27) | <b>(3,503)</b> | (1,120) |
|                                  | <b>₱6,880</b>  | ₱10,383 |

Accretion amounting to ₱3.50 million, ₱1.12 million and ₱0.26 million are recorded as finance costs in 2015, 2014 and 2013, respectively (Note 27).



## 17. Accounts and Other Payables

This account consists of the following:

|                                                               | 2015               | 2014        |
|---------------------------------------------------------------|--------------------|-------------|
| Trade and other payables                                      |                    |             |
| Suppliers and subcontractors (Note 20)                        | <b>₱9,813,359</b>  | ₱9,130,327  |
| Others                                                        | <b>870,797</b>     | 1,071,522   |
| Output VAT payable                                            | <b>1,498,373</b>   | 1,481,572   |
| Refundable deposits                                           | <b>231,575</b>     | 130,413     |
| Accrued costs and expenses                                    | <b>4,822,707</b>   | 5,569,349   |
|                                                               | <b>17,236,811</b>  | 17,383,183  |
| Less noncurrent portion of trade and other payables (Note 20) | <b>2,060,692</b>   | 369,056     |
|                                                               | <b>₱15,176,119</b> | ₱17,014,127 |

### Suppliers

Payable to suppliers includes liabilities to various foreign and local suppliers for open account purchases of equipment and equipment parts and supplies. These are noninterest-bearing and are normally settled on a 30 to 60 day credit terms.

### Subcontractors

Subcontractors payable arise when the Group receives progress billing from its subcontractors for the construction cost of a certain project and is recouped against monthly billings. These subcontractors were selected by the contract owners to provide materials, labor and other services necessary for the completion of a project. These are non-interest bearing and are normally settled on 15 to 60 day credit terms.

### Other payables

Other payables include payables to nickel mine rights owner and marketing agents and retention payable on contract payments. Payables to nickel mine rights owner and marketing agents are noninterest-bearing and are normally settled within one (1) year. Retention on contract payments is being withheld from the contractors as guaranty for any claims against them. These are settled and paid once the warranty period has expired.

### Output VAT payable

Output VAT pertains to the VAT due on the sale of goods or services, net of input VAT, by the Group.

### Refundable deposits

Refundable deposits consist of deposits which are refundable due to cancellation of sales as well as deposits made by unit owners upon turnover of the unit which will be remitted to its utility provider.



Accrued costs and expenses

Accrued costs and expenses consist of the following:

|                                                     | 2015              | 2014       |
|-----------------------------------------------------|-------------------|------------|
| Accrued construction cost                           | <b>₱2,281,765</b> | ₱2,976,309 |
| Payable to DOE and local government units (Note 31) | <b>1,121,510</b>  | 1,134,628  |
| Accruals:                                           |                   |            |
| Accrued interest                                    | <b>162,753</b>    | 207,019    |
| Accrued salaries                                    | <b>156,774</b>    | 132,598    |
| Accrued professional fees                           | <b>9,810</b>      | 13,377     |
| Withholding and others taxes                        | <b>298,225</b>    | 292,081    |
| Accrued rental                                      | <b>210,851</b>    | 269,438    |
| Accrued royalties                                   | <b>31,328</b>     | 33,649     |
| Shipping cost                                       | <b>17,764</b>     | 76,160     |
| Dividends                                           | <b>14,587</b>     | 10,440     |
| Financial benefit payable                           | <b>8,870</b>      | 17,716     |
| Others                                              | <b>508,470</b>    | 405,934    |
|                                                     | <b>₱4,822,707</b> | ₱5,569,349 |

*Accrued construction cost*

Accrued construction costs pertain to direct materials, labor, overhead and subcontractor costs for work accomplished by the suppliers and subcontractors but were not yet billed to DMCI. As of December 31, 2015 and 2014, accrued construction cost amounted to ₱2.28 billion and ₱2.98 billion, respectively.

*Payable to DOE*

Liability to DOE and local government units represents the share of DOE and local government units in the gross revenue from SMPC's coal production (including accrued interest on the outstanding balance) computed in accordance with the coal operating contract between SMPC, DOE and the local government units dated July 11, 1977, as amended on January 16, 1981 (Note 31).

*Accrued rental*

Accrued rental pertains to the rental payable for building and office leases, equipment rentals and rental of various barges and tugboats for use in the delivery of nickel ore to various customers.

*Financial benefits payable*

As mandated by R.A. 9136 or the Electric Power Industry Reform Act (EPIRA) of 2001 and the Energy Regulations No. 1-94, issued by DOE, the BOD authorized the Group on June 10, 2010 to enter and execute a Memorandum of Agreement with the DOE relative to or in connection with the establishment of Trust Accounts for the financial benefits to the host communities equal to ₱0.01 per kilowatt hour generated.

*Others*

Others include accruals for contracted services, utilities, supplies, advertising, commission and other administrative expenses. This account also includes accrual for liability relating to claim on construction contracts which is still subject to a negotiation with a third party (Note 37).





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## 18. Customers' Advances and Deposits

This account consists of:

|                                      | 2015              | 2014              |
|--------------------------------------|-------------------|-------------------|
| Real estate customers                | <b>₱5,677,970</b> | ₱5,406,588        |
| Coal and nickel ore supply contracts | <b>14,301</b>     | 200,440           |
|                                      | <b>₱5,692,271</b> | <b>₱5,607,028</b> |

### Real estate customers

Customers' advances and deposits from real estate customers represent reservation fees and initial collections received from customers before the two (2) parties enter into a sale transaction. These were payments from buyers which have not reached the minimum required percentage. When the level of required percentage for revenue recognition is reached by the buyer, sale is recognized and these deposits will be recognized as revenue and will be applied against the receivable balance.

### Coal and nickel ore supply contracts

These deposits represent advances from the customers of the Group. Coal deposits are applied against future coal deliveries which occur within one year from the dates the deposits were made while nickel ore will be applied to related receivables upon consummation of the sale transaction.

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## 19. Long-term Debt

Long-term debt pertains to the following obligations:

|                                    | 2015               | 2014               |
|------------------------------------|--------------------|--------------------|
| Bank loans                         | <b>₱37,055,606</b> | ₱35,399,424        |
| Less current portion of bank loans | <b>11,291,955</b>  | 2,577,233          |
| Noncurrent portion                 | <b>₱25,763,651</b> | <b>₱32,822,191</b> |



Details of the bank loans follow (amounts in millions):

| Loan Type        | Date of Availment                   | Outstanding Balances |          | Maturity | Interest Rate                               | Payment Terms                                                          | Covenants/Collaterals                                                                                                                                                                                                                     |
|------------------|-------------------------------------|----------------------|----------|----------|---------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  |                                     | 2015                 | 2014     |          |                                             |                                                                        |                                                                                                                                                                                                                                           |
| Local bank loans |                                     |                      |          |          |                                             |                                                                        |                                                                                                                                                                                                                                           |
| SMPC             |                                     |                      |          |          |                                             |                                                                        |                                                                                                                                                                                                                                           |
| Loan 1           | 2015                                | ₱1,383.98            | ₱—       | 2018     | Floating rate to be repriced every 3 months | Interest payable every 3 months, principal to be paid on maturity date | Unsecured loans                                                                                                                                                                                                                           |
| Loan 2           | 2014                                | 1,317.68             | 1,462.34 | 2016     | Floating rate to be repriced every 3 months | Interest payable every 3 months, principal to be paid on maturity date | Unsecured loans<br><br>Proceeds of the loan will be used to finance capital expenditures and general corporate purposes<br><br>Financial Covenants:<br>Current Ratio not less than 1:1 and Debt-Equity Ratio not to exceed 2:1; compliant |
| Loan 3           | Various availments in 2013 and 2014 | 438.12               | 1,924.86 | 2016     | Floating rate to be repriced every 3 months | Interest payable every 3 months, principal to be paid on maturity date | Unsecured loans<br><br>Proceeds of the loan will be used to finance capital expenditures and general corporate purposes<br><br>Financial Covenants:<br>Current Ratio not less than 1:1 and Debt-Equity Ratio not to exceed 2:1; compliant |
| Loan 4           | 2014                                | 75.96                | 72.18    | 2016     | Floating rate to be repriced every 3 months | Interest payable every 3 months, principal to be paid on maturity date | Unsecured loans<br><br>Financial Covenants:<br>Current Ratio not less than 1:1 and Debt-Equity Ratio not to exceed 2:1; compliant                                                                                                         |

(Forward)



| Loan Type                         | Date of Availment                       | Outstanding Balances |           | Maturity                                              | Interest Rate                                                                                         | Payment Terms                                                                                                                                                                                                                                        | Covenants/Collaterals                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------|-----------------------------------------|----------------------|-----------|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                   |                                         | 2015                 | 2014      |                                                       |                                                                                                       |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                 |
| Loan 5                            | 2013                                    | ₱-                   | ₱474.36   | 2016                                                  | Floating rate, aggregate of the margin (1.20%) and LIBOR, to be repriced every 3months to 6months     | Interest payable in arrears for the relevant interest period and principal repayable in semi-annual installments commencing on the 12th month after the date of the Agreement until date of final maturity                                           | Unsecured loans<br><br>Proceeds of the loan shall be used to refinance existing debts, and finance capital expenditure requirements<br><br>Financial Covenants:<br>Current Ratio not less than 1:1, Debt-Equity Ratio not exceeding 2:1, Debt-EBITDA Ratio not exceeding 3:1; compliant                                                                         |
| <i>SLPGC</i><br>Mortgage payable  | Various loan drawdown from 2012 to 2015 | 11,037.11            | 10,446.07 | Various quarterly maturities starting 2015 until 2022 | PDST-F + Spread or BSP Overnight Rate, whichever is higher                                            | The principal amount shall be paid in twenty-seven equal consecutive quarterly installments commencing on the fourteenth quarter from the initial borrowing date (February 4, 2012). Final repayment date is ten (10) years after initial borrowing. | 67% of issued and outstanding shares of SLPGC owned by SMPC                                                                                                                                                                                                                                                                                                     |
| <i>SCPC</i><br>Mortgage payable   | 20-May-10                               | 2,297.76             | 3,822.81  | Various quarterly maturities starting 2011 until 2017 | PDST-F benchmark yield for 3-month treasury securities + 1.75%. Starting August 2015, PDST-R2 + 1.95% | Payable in twenty-five (25) equal consecutive quarterly installments commencing on the twelfth month from initial borrowing date.                                                                                                                    | Monies in the Collateral Accounts, supply receivables, proceeds of asset and business continuity insurance obtained by SCPC, project agreements, first-ranking mortgage on present and future real assets and first-ranking chattel mortgage with carrying value of ₱14.86 billion and ₱14.88 billion as of December 31, 2015 and 2014, respectively (Note 13). |
| <i>Wire Rope</i><br>Loans payable | Various                                 | 1.49                 | 0.88      | July 7, 2016 and July 7, 2018                         | 8.97% to 15.16%                                                                                       | Payable upon maturity of the loans.                                                                                                                                                                                                                  | None                                                                                                                                                                                                                                                                                                                                                            |

(Forward)



| Loan Type                                         | Date of Availment                 | Outstanding Balances |            | Maturity                                              | Interest Rate                                                                                                                                                                | Payment Terms                                                                                                                                                                                                               | Covenants/Collaterals                                                                                                                                                                                                                                             |
|---------------------------------------------------|-----------------------------------|----------------------|------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                   |                                   | 2015                 | 2014       |                                                       |                                                                                                                                                                              |                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                   |
| <i>Beta Electric</i><br>Loans payable             | Various                           | <b>₱3.12</b>         | ₱3.19      | Various monthly maturities starting 2010 to 2020      | 8.68% to 10.25%                                                                                                                                                              | Payable in equal monthly installments starting April 2010 up to September 2020,                                                                                                                                             | Transportation equipment with total carrying value of ₱3.52 million and ₱4.44 million as of December 31, 2015 and 2014, respectively, were pledged as collateral to secure Beta Electric's loans payable.                                                         |
| <i>BNC</i><br>Loans payable                       | 20-May-15                         | <b>312.01</b>        | —          | 21-May-18                                             | 5.04% p.a.                                                                                                                                                                   | Interest payable every 3 months, principal to be paid on maturity date                                                                                                                                                      | Financial Covenants customary for transactions of similar nature to be determined and mutually agreed upon between BNC and the Lender.                                                                                                                            |
| <i>DMCI</i><br>Long- term debt                    | 29-Dec-14                         | <b>997.31</b>        | 995.00     | Various quarterly maturities starting 2016 until 2017 | 3.33% stated interest per quarter                                                                                                                                            | Payable in eight equal quarterly amortization commencing at the end of the 5 <sup>th</sup> quarter from initial drawdown.                                                                                                   | None                                                                                                                                                                                                                                                              |
| <i>PDI</i><br>Fixed rate corporate notes          | Various tranche from 2012 to 2015 | <b>16,487.60</b>     | 14,755.29  | Various maturities from 2016 to 2020                  | PDST-F Issue Date and ending three (3) months after such Issue Date, and every three (3) months thereafter. Initially, PDST-F benchmark for 5-yr treasury securities + 1.25% | Payments shall be based on aggregate percentage of issue amount of each series equally divided over applicable quarters (4 <sup>th</sup> /7 <sup>th</sup> to 27 <sup>th</sup> quarter) and the balance payable at maturity. | Financial Covenants: Debt-Equity Ratio not exceeding 3.2 times and 2.0 times, for the ₱10 billion and ₱5 billion notes, respectively. Current ratio is at least 1.75 times. The Group is in compliance with the above covenants as of December 31, 2015 and 2014. |
| Agreement to purchase receivables (with recourse) | Various                           | <b>2,365.57</b>      | 1,442.44   | Various                                               | 5%-8% p.a.                                                                                                                                                                   | Payable in equal and continuous monthly payments not exceeding 120 days commencing one (1) month from date of execution.                                                                                                    | Real estate receivables with carrying value of ₱2.47 billion and ₱1.03 billion in 2015 and 2014, respectively (Note 7).                                                                                                                                           |
| HomeSaver Bonds                                   | 6-Nov-15                          | <b>337.90</b>        | —          | Various maturities from 2018 to 2020                  | 4.5%-5% p.a.                                                                                                                                                                 | Tranche A and C are payable 3 years from the initial issue date; Tranche B is payable 5 years from the initial issue date.                                                                                                  | None.                                                                                                                                                                                                                                                             |
|                                                   |                                   | <b>37,055.61</b>     | 35,399.42  |                                                       |                                                                                                                                                                              |                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                   |
| Less current portion                              |                                   | <b>11,291.96</b>     | 2,577.23   |                                                       |                                                                                                                                                                              |                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                   |
| Long-term debt net of current portion             |                                   | <b>₱25,763.65</b>    | ₱32,822.19 |                                                       |                                                                                                                                                                              |                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                   |



*SMPC*

As of December 31, 2015, there is no more available borrowing facility that can be drawn.

*SLPGC*

On February 4, 2012, SLPGC entered into an ₱11.50 billion Omnibus Agreement with Banco de Oro Unibank (BDO), Bank of the Philippine Island (BPI) and CBC as Lenders. As security for the timely payment of the loan and prompt observance of all the provision of the Omnibus Agreement, the 67% of issued and outstanding shares of SLPGC owned by SMPC were pledged on this loan. The proceeds of the loan were used for the engineering, procurement and construction of 2x150 MW coal-fired thermal power plant.

Breakdown of the original loan balance is as follows:

|             | Amount             |
|-------------|--------------------|
| BDO Unibank | ₱6,000,000         |
| BPI         | 3,000,000          |
| CBC         | 2,500,000          |
|             | <u>₱11,500,000</u> |

Details of the loan follow:

- a. Interest: At applicable interest rate (PDST-F + Spread or BSP Overnight Rate, whichever is higher). Such interest shall accrue from and including the first day of each interest period up to the last day of such interest period. The Facility Agent shall notify all the Lenders of any adjustment in an interest payment date at least three banking days prior to the adjusted interest payment date.
- b. Repayment: The principal amount shall be paid in twenty-seven equal consecutive quarterly installments commencing on the fourteenth quarter from the initial borrowing date. Final repayment date is ten (10) years after initial borrowing.

The loan had its first drawdown schedule on May 24, 2012 amounting to ₱550.00 million. In 2013, second and third drawdowns were made which amounted to ₱5.15 billion. In 2014, fourth to seventh drawdowns were made which amounted to ₱4.79 billion. In 2015, the eighth and final drawdown was made amounting to ₱1.01 billion, bringing the total to ₱11.50 billion. As of December 31, 2015 and 2014, outstanding loan payable is ₱11.04 billion and ₱10.45 billion, respectively.

As of December 31, 2015 and 2014, amortization of debt issuance cost recognized as part of "Property, plant and equipment" account in the consolidated statements of financial position amounted to ₱10.66 million and ₱7.31 million, respectively.

Rollforward of unamortized debt issuance cost follows:

|                        | 2015            | 2014    |
|------------------------|-----------------|---------|
| At January 1           | <b>₱42,558</b>  | ₱25,936 |
| Additions              | <b>5,057</b>    | 23,936  |
| Amortization (Note 13) | <b>(10,656)</b> | (7,314) |
| At December 31         | <b>₱36,959</b>  | ₱42,558 |



Mortgage payable by SLPGC provide certain restrictions and requirements with respect to, among others, maintain and preserve its corporate existence, comply with all of its material obligations under the project agreements, maintain at each testing date a Debt-to-Equity ratio not exceeding two times, grant loans or make advances and disposal of major property. These restrictions and requirements were complied with by SLPGC as of December 31, 2015 and 2014.

Provision in the loan indicates that the borrower shall pay to the lenders, a commitment fee equivalent to one-half (1/2%) per annum of any portion of a scheduled drawdown amount that remains undrawn after the lapse of the relevant scheduled drawdown month. As of December 31, 2015, 2014 and 2013, SLPGC has paid commitment fee amounting to ₱1.31 million, ₱4.85 million, and ₱6.99 million, respectively and these were recognized under the “Finance costs” account in the consolidated statements of income (see Note 27).

#### SCPC

On May 20, 2010, SCPC entered into a ₱9.60 billion Omnibus Loan Security Agreement (“Agreement”) with BDO, BPI and Philippine National Bank (PNB) as Lenders, SMPC as Guarantor, BDO Capital and Investment Corporation as Lead Arranger and Sole Bookrunner, BPI Capital Corporation and PNB Capital and Investment Corp. as Arrangers, and BDO Unibank, Inc., Trust and Investments Group as Security Trustee, Facility Agent and Paying Agent. The loan was fully drawn by SCPC on the same date.

The loan was collateralized by all monies in the Collateral Accounts, supply receivables, proceeds of any asset and business continuity insurance obtained by SCPC, project agreements, first-ranking mortgage on present and future real assets and first-ranking chattel mortgage on present and future chattels with carrying value of ₱14.86 billion and ₱14.88 billion as of December 31, 2015 and 2014, respectively (see Note 13). Further, 67% of issued and outstanding shares in SCPC owned by SMPC were also pledged on this loan.

Breakdown of the original loan balances is as follows:

|             |                   |
|-------------|-------------------|
| BDO Unibank | ₱6,000,000        |
| BPI         | 2,000,000         |
| PNB         | 1,600,000         |
|             | <u>₱9,600,000</u> |

The Agreement was entered into to finance the payments made to PSALM pursuant to the APA and LLA, and ongoing plant rehabilitation and capital expenditures.

Details of the loan follow:

- a. Interest: At a floating rate per annum equivalent to the three (3) months Philippine Dealing System Treasury-Fixing (PDST-F) benchmark yield for treasury securities as published on the PDEX page of Bloomberg (or such successor electronic service provider at approximately 11:30 a.m. (Manila Time)) on the banking day immediately preceding the date of initial borrowing or start of each interest period, as applicable, plus a spread of 175 basis points.
- b. Repayment: The principal amount shall be payable in twenty-five equal consecutive quarterly installments commencing on the twelfth month from the initial borrowing date. Final repayment date is seven (7) years after initial borrowing.



Rollforward of the unamortized debt issuance cost follows:

|                        | 2015            | 2014     |
|------------------------|-----------------|----------|
| At January 1           | <b>₱17,191</b>  | ₱33,552  |
| Amortization (Note 27) | <b>(10,951)</b> | (16,361) |
| At December 31         | <b>₱6,240</b>   | ₱17,191  |

Amortization of debt issuance cost recognized under “Finance cost” account in the consolidated statements of income amounted to ₱10.95 million, ₱16.36 million and ₱21.75 million for the years 2015, 2014 and 2013, respectively (see Note 27).

As of December 31, 2015, there is no more available borrowing facility that can be drawn.

#### Loans payable

##### *Wire Rope*

Loans payable represents unsecured loans from local banks bearing annual interest rates ranging from 8.97% to 15.16% and 15.16% to 17.00% in 2015 and 2014, respectively. Wire Rope availed additional loans amounting to ₱1.47 million in 2015. It made payments to the loans amounting to ₱0.86 million and ₱0.74 million in 2015 and 2014, respectively. Wire Rope has no debt covenants to be complied with.

##### *Beta Electric*

Long-term debt represents peso-denominated long-term borrowings from local banks which bear interest ranging from 8.68% to 10.25% and 8.68% to 10.89% per annum in 2015 and 2014, respectively, and are payable in equal monthly installments starting April 2010 up to September 2020. The loans are secured by a chattel mortgage for the whole amount of Beta Electric’s transportation equipment purchased using the proceeds of these loans.

In 2015, Beta Electric has an additional loan amounting to ₱1.20 million at 9.43% per annum for 5 years. Interest expense on these long-term amounted to ₱0.31 million and ₱0.33 million in 2015 and 2014, respectively.

As of December 31, 2015 and 2014, the outstanding balance from loans amounted to ₱3.12 million and ₱3.19 million, respectively.

##### *BNC*

On May 20, 2015, BNC obtained long-term loan from Banco de Oro Universal Bank, Inc. amounting to US\$6.63 million bearing an annual interest rate of 5.04% and of which interest expense are paid quarterly. The loan amounted to ₱312.01 million as at December 31, 2015 and will mature on May 21, 2018.

BNC shall maintain financial covenants customary for transactions of similar nature, including but not limited to Debt Service Coverage Ratios (historical and prospective) and Debt-to-Equity Ratios, to be determined and mutually agreed upon between BNC and the Lender in the course of the Lender’s due diligence.



*DMCI*

Loans payable consists of:

|                                           | 2015              | 2014       |
|-------------------------------------------|-------------------|------------|
| Long-term debt                            | <b>₱1,000,000</b> | ₱1,000,000 |
| Less: Unamortized deferred financing cost | <b>2,688</b>      | 5,000      |
|                                           | <b>997,312</b>    | 995,000    |
| Less: Current portion of long term debt   | <b>498,068</b>    | —          |
| Non-current portion of long-term debt     | <b>₱499,244</b>   | ₱995,000   |

Rollforward of the deferred financing cost follows:

|                        | 2015           | 2014   |
|------------------------|----------------|--------|
| At January 1           | <b>₱5,000</b>  | ₱5,000 |
| Amortization (Note 27) | <b>(2,312)</b> | —      |
| At December 31         | <b>₱2,688</b>  | ₱5,000 |

The maturities of loans payable at nominal values as of December 31 follow:

|         | 2015              | 2014       |
|---------|-------------------|------------|
| Due in: |                   |            |
| 2015    | <b>₱—</b>         | ₱—         |
| 2016    | <b>500,000</b>    | 500,000    |
| 2017    | <b>500,000</b>    | 500,000    |
|         | <b>₱1,000,000</b> | ₱1,000,000 |

On December 29, 2014, DMCI entered into an unsecured ₱1 billion Term Loan Agreement with Banco De Oro (BDO) as lender. The loan was fully drawn by DMCI on the same date. The agreement was entered into to partially refinance the purchase of machineries and equipment and refinance existing short-term loan.

The stated interest rate is 3.33% and the principal amount shall be paid in eight (8) equal quarterly amortization commencing at the end of the 5th quarter from initial drawdown.

Fixed rate corporate notes

*PDI*

In December 2015, PDI signed corporate notes facility agreement on the issuance peso-denominated notes in the aggregate amount of ₱10,000.00 million with local banks. Proceeds of the notes facility will be used to fund its capitalization of real estate properties, fund its project development costs, refinance its existing indebtedness and fund other general corporate purposes.





The notes will be issued in six (6) tranches and payments shall be made in each tranche as follows:

| Series   | Quarter from Issue Date                     | Payment for Each Quarter; Computed Based on Aggregate % of Issue Amount of each Series | TOTAL       |
|----------|---------------------------------------------|----------------------------------------------------------------------------------------|-------------|
| Series F | 4 <sup>th</sup> to 19 <sup>th</sup> Quarter | 0.5%                                                                                   | (8% + 92%)  |
|          | Final Maturity                              | 92.0%                                                                                  | 100%        |
| Series H | 4 <sup>th</sup> to 19 <sup>th</sup> Quarter | 0.5%                                                                                   | (8% + 92%)  |
|          | Final Maturity                              | 92.0%                                                                                  | 100%        |
| Series J | 4 <sup>th</sup> to 19 <sup>th</sup> Quarter | 0.5%                                                                                   | (8% + 92%)  |
|          | Final Maturity                              | 92.0%                                                                                  | 100%        |
| Series G | 4 <sup>th</sup> to 27 <sup>th</sup> Quarter | 0.5%                                                                                   | (12% + 88%) |
|          | Final Maturity                              | 88.0%                                                                                  | 100%        |
| Series I | 4 <sup>th</sup> to 27 <sup>th</sup> Quarter | 0.5%                                                                                   | (12% + 88%) |
|          | Final Maturity                              | 88.0%                                                                                  | 100%        |
| Series K | 4 <sup>th</sup> to 27 <sup>th</sup> Quarter | 0.5%                                                                                   | (12% + 88%) |
|          | Final Maturity                              | 88.0%                                                                                  | 100%        |

Tranche 1 (Series F) and 2 (Series G) of the ₱10,000.00 million were issued on December 18, 2015 in the aggregate principal amount of ₱1,000.00 million each. Tranche 3 (Series H) and 4 (Series I) were issued subsequently on January 31, 2016 in the aggregate principal amount of ₱2,500.00 million each. Tranche 5 (Series J) and 6 (Series K) are to be issued on August 2016 in the aggregate principal amount of ₱1,500.00 million each.

The note is issued in registered form in the minimum denominations of ₱75.00 million and multiples of ₱25.00 million each. Corporate notes shall bear interest 3 months after date of issue and every 3 months thereafter.

In October 2012, PDI signed corporate notes facility agreement on the issuance of 7-year peso denominated notes in the aggregate amount of ₱10,000.00 million with local banks. Proceeds of the notes facility were used to fund land acquisition, general operations and project development and construction.

The notes were issued in three (3) tranches and payments were made in each tranche are as follows:

| Quarter from Issue Date                      | Based on aggregate % of issue amount of each Series (Equally divided over the applicable quarters) |
|----------------------------------------------|----------------------------------------------------------------------------------------------------|
| 7 <sup>th</sup> to 10 <sup>th</sup> Quarter  | 2%                                                                                                 |
| 11 <sup>th</sup> to 14 <sup>th</sup> Quarter | 4%                                                                                                 |
| 15 <sup>th</sup> to 18 <sup>th</sup> Quarter | 5%                                                                                                 |
| 19 <sup>th</sup> to 27 <sup>th</sup> Quarter | 12%                                                                                                |
| Final Maturity                               | 77%                                                                                                |
| Total                                        | 100%                                                                                               |

Tranche 1 of the ₱10,000.00 million Series C was issued on October 31, 2012 in the aggregate amount principal amount of ₱1,000.00 million. Tranche 2 (Series D) and 3 (Series E) were issued on April 10, 2013 and July 30, 2013 in the aggregate principal amount of ₱4,000.00 million and ₱5,000.00 million, respectively.



The note is issued in registered form in the minimum denominations of ₱100.00 million and multiples of ₱10.00 million each. Corporate notes shall bear interest three (3) months after date of issue and every three (3) months thereafter.

In January 2011, the PDI signed a corporate notes facility agreement with local banks relating on the issuance of 5-year peso denominated notes in the aggregate amount of ₱5,000.00 million. Proceeds of the said notes facility will be used to fund land acquisition, general operations and project development and construction. The notes have been issued in two (2) tranches, redeemable in full at the end of third year following the issue date of the second tranche note. Payments shall be made in each tranche is equal to 1% every year from the issue date and the balance payable at maturity.

Tranche 1 (Series A) of ₱5,000.00 million corporate notes was issued on January 28, 2011, in the aggregate principal amount of ₱2,000.00 million while Tranche 2 (Series B) was issued on March 17, 2011, in the aggregate principal amount of ₱3,000.00 million. They were issued in registered form in the minimum denominations of ₱100.00 million and multiples of ₱10.00 million each.

Corporate notes shall bear interest from Tranche 1 and 2 PDST-F Issue Date and ending three (3) months after such issue date, and every three (3) months thereafter. The interest rate shall initially be the PDST-F benchmark yield for five-year treasury securities (Base Rate) on banking day immediately preceding an issue date plus the margin (125 basis points) for each of the Tranche, gross of any applicable withholding taxes. Interest is payable quarterly.

Unamortized debt issuance costs included in fixed rate corporate notes as of 2015 and 2014 amounted to ₱117.40 million and ₱84.71 million, respectively.

The rollforward analysis of unamortized debt issuance cost follows:

|                                           | 2015            | 2014     |
|-------------------------------------------|-----------------|----------|
| Balance at beginning of year              | <b>₱84,708</b>  | ₱109,495 |
| Availments                                | <b>58,999</b>   | —        |
| Amortization of debt issue cost (Note 27) | <b>(26,303)</b> | (24,787) |
| Balance at end of year                    | <b>₱117,404</b> | ₱84,708  |

In 2015 and 2014, interest expense incurred and capitalized interest related to long-term debt amounted to ₱1,006.22 million and ₱856.62 million and ₱1,029.62 million and ₱936.34 million, respectively. The average capitalization rates used are 5.91% and 5.89% of the average expenditures in 2015 and 2014, respectively.

The ₱10,000.00 million and ₱5,000.00 million corporate notes facility agreement requires the Group to ensure that debt-to-equity ratio will not exceed 3.2 times and 2.0 times, respectively, and current ratio is at least 1.75 times. As of December 31, 2015 and 2014, the Group is fully compliant with these requirements.

As of December 31, 2015 and 2014, corporate notes recognized are unsecured.



#### Agreement to purchase receivables

The installment contracts receivable under these purchase agreements are used as collaterals in the loans payable obtained. These amounted to ₱2,365.57 million and ₱1,442.44 million as of December 31, 2015 and 2014 (Note 7), respectively, represent net proceeds from sale of portion of the PDI installment contracts receivable to local banks pursuant to the receivable purchase agreements entered into by PDI on various dates. The agreements also provide the submission of condominium certificates of title and their related postdated checks issued by the buyers. These loans bear interest at prevailing market rates and are payable in various maturity dates. The average effective interest rate ranges from 5.00% to 5.25% and 5.25% to 5.75% in 2015 and 2014, respectively.

#### HomeSaver bonds

On November 16, 2015, PDI offered and issued to the public deferred coupon-paying HomeSaver Bonds (the Bonds) in an aggregate principal amount of ₱1,000.00 million with an initial offering of ₱500.00 million for working capital and other general corporate purposes, such as marketing and administrative expenses.

The Bonds will be offered through three investment options, namely, Tranche A, Tranche B and Tranche C.

Tranche A was issued in equal monthly installments with no maximum subscription, but priority will be given to aggregate subscriptions amounting to ₱3.60 million and less over a period of thirty-six (36) months, beginning November 16, 2015 (the Initial Issue Date) at a fixed interest rate of 4.5% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2015, total Tranche A bonds issued by PDI amounted to ₱3.32 million.

Tranche B was issued in equal monthly installments with no maximum subscription, but priority will be given to aggregate subscriptions amounting to ₱6.00 million and less over a period of sixty (60) months, beginning on the Initial Issue Date at a fixed interest rate of 5.00% per annum and shall mature five (5) years from the Initial Issue Date. As of December 31, 2015, total Tranche B bonds issued by PDI amounted to ₱0.78 million.

Tranche C was issued one-time with no maximum subscription, but priority will be given to aggregate subscriptions amounting to ₱7.00 million and less on the Initial Issue Date as a single upfront investment and payable in lump sum on the Initial Issue Date at a fixed interest rate of 4.50% per annum and shall mature three (3) years from the Initial Issue Date. As of December 31, 2015, total Tranche C bonds issued by PDI amounted to ₱333.80 million.

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## 20. Other Noncurrent Liabilities

The details of this account consist of:

|                                                                 | 2015              | 2014              |
|-----------------------------------------------------------------|-------------------|-------------------|
| Noncurrent trade and other payables (Note 17)                   | <b>₱2,060,692</b> | ₱369,056          |
| Provision for decommissioning and site rehabilitation (Note 13) | <b>539,703</b>    | 200,270           |
| Deposit received for future sale of investment (Note 11)        | —                 | 1,758,651         |
|                                                                 | <b>₱2,600,395</b> | <b>₱2,327,977</b> |



*Trade and other payables*

Noncurrent trade and other payables includes noninterest-bearing payable to suppliers and subcontractors and accrued expenses which are expected to be settled within 2 to 3 years from the reporting date and retention contract payment that is being withheld from the contractors as guaranty for any claims which are expected to be settled a year after the turn-over of projects.

*Provision for decommissioning and site rehabilitation*

The Group makes full provision for the future cost of rehabilitating mine sites on a discounted basis on the development of mines. There are currently three minesites identified with coal deposits at various stages of operations namely Panian, Molave and Narra, all located in Semirara Island in Antique province. These provisions have been created based on the group's internal estimates. Discount rates used by the Group to compute for the present value of liability for decommissioning and site rehabilitation cost are from 4.81% to 5.24% in 2015 and 3.86% to 8.77% in 2014. Assumptions based on the current economic environment have been made, which management believes are reasonable bases upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in return, will depend upon future ore and coal prices, which are inherently uncertain.

Provision for decommissioning and site rehabilitation also includes cost of rehabilitation of the Group's power plant and nickel ore mine site.

The rollforward analysis of the provision for decommissioning and site rehabilitation account follows:

|                                         | 2015            | 2014     |
|-----------------------------------------|-----------------|----------|
| At January 1                            | <b>₱200,270</b> | ₱196,504 |
| Additions                               | <b>285,013</b>  | —        |
| Effect of change in estimates (Note 13) | <b>56,993</b>   | (18,510) |
| Actual usage                            | <b>(10,996)</b> | (10,388) |
| Accretion of interest (Note 27)         | <b>8,423</b>    | 8,144    |
| Effect of business combination          | —               | 24,520   |
| At December 31                          | <b>₱539,703</b> | ₱200,270 |

The opening balance of the rehabilitation provision represents the present value of rehabilitation costs relating to Panian mine sites, which are expected to be incurred up to 2019.

Effect of changes in estimates pertains to the effect of changes in the total area of land to be rehabilitated in Panian Minesite. Estimates was also impacted by changes in discount rates based on relative prevailing rates as of reporting date.

In 2015, additions pertain to the provision for decommissioning and site rehabilitation are for Narra and Molave mine sites. In 2015, SMPC performed commissioning activities on Narra Minesite. SMPC is expecting to rehabilitate 678 hectares and 930 hectares areas of land for Narra and Molave, respectively, in the next 15 years.



*Deposit received for future sale of investment*

On December 19, 2014, the Parent Company and DMCI, have agreed to sell their respective shares in PIDC to RTI, subject to compliance with certain conditions and obtaining certain consents, including, among others, the consent of the Toll Regulatory Board and the Department of Public Works and Highways, pursuant to the Toll Concession Agreement dated August 28, 2008. PIDC is the concessionaire of the Tarlac-Pangasinan-La Union Expressway (TPLEX). The consideration for the sale of shares amounts to ₱1,758.65 million for the Parent Company and ₱68.84 million for DMCI, which totals to ₱1,827.49 million or ₱1,219.40 price per share. In 2014, the Parent Company accordingly received the deposit for future sale of shares amounting to ₱1,758.65 million and recorded the same as liability in the consolidated statements of financial position.

On September 21, 2015, the sale of investments in PIDC was completed after all relevant regulatory approvals which resulted to a gain of ₱562.73 million (see Note 11).

## 21. Related Party Transactions

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

Transactions entered into by the Group with related parties are at arm's length and have terms similar to the transactions entered into with third parties. In the regular course of business, the Group's significant transactions with related parties include the following:

|                                                                                   | 2015                 |                  |                                           |            |
|-----------------------------------------------------------------------------------|----------------------|------------------|-------------------------------------------|------------|
|                                                                                   | Due from<br>(Due to) | Amount / Volume* | Term                                      | Conditions |
| <b>Affiliates</b>                                                                 |                      |                  |                                           |            |
| <i>Receivable from related parties</i>                                            |                      |                  |                                           |            |
| (Note 7)                                                                          |                      |                  |                                           |            |
| b. Construction contracts                                                         | ₱29,795              | ₱21,512          | Payable on demand,<br>noninterest-bearing | Unsecured  |
| c. Receivable from affiliates                                                     | 57,217               | —                | Payable on demand,<br>noninterest-bearing | Unsecured  |
| d. Equipment rentals                                                              | 15,168               | 15,168           | Payable on demand,<br>noninterest-bearing | Unsecured  |
| e. Payroll processing                                                             | 15,243               | 2,274            | Payable on demand,<br>noninterest-bearing | Unsecured  |
| f. Transfer of materials and<br>reimbursement of shared and<br>operating expenses | 26,219               | 27,172           | Payable on demand,<br>noninterest-bearing | Unsecured  |
| <i>Payable to related parties</i>                                                 |                      |                  |                                           |            |
| g. Payable to affiliates                                                          | (32,742)             | 31,039           | Payable on demand,<br>noninterest-bearing | Unsecured  |
| h. Mine exploration, coal handling<br>and hauling services                        | (98,331)             | 370,325          | Payable on demand,<br>noninterest-bearing | Unsecured  |
| i. Equipment rental expenses                                                      | (55,539)             | 55,539           | Payable on demand,<br>noninterest-bearing | Unsecured  |
| j. Other general and<br>administrative expense                                    | (6,891)              | 5,104            | Payable on demand,<br>noninterest-bearing | Unsecured  |
| k. Aviation services                                                              | (12,725)             | 247              | Payable on demand,<br>noninterest-bearing | Unsecured  |
| l. Office and parking rental                                                      | (9,926)              | 7,991            | Payable on demand,<br>noninterest-bearing | Unsecured  |

(Forward)



| 2015                                                                                                                                                                    |                      |                  |                                           |                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------|-------------------------------------------|--------------------------|
|                                                                                                                                                                         | Due from<br>(Due to) | Amount / Volume* | Term                                      | Conditions               |
| m. Arrastre and Cargo Services                                                                                                                                          | (P774)               | P774             | Payable on demand,<br>noninterest-bearing | Unsecured                |
| n. Purchases of office supplies and refreshments                                                                                                                        | (700)                | 700              | Payable on demand,<br>noninterest-bearing | Unsecured                |
| <b>Others</b>                                                                                                                                                           |                      |                  |                                           |                          |
| b. Construction contracts                                                                                                                                               | (1,218)              | 1,218            | Payable on demand,<br>noninterest-bearing | Unsecured                |
| o. Nickel Delivery                                                                                                                                                      | (3,140)              | 164              | Payable on demand,<br>noninterest-bearing | Unsecured                |
| p. Labor charges                                                                                                                                                        | (2,628)              | —                | Payable on demand,<br>noninterest-bearing | Unsecured                |
| <i>*Balances presented pertain to transactions between related parties during the year. Amounts are not reduced by subsequent collections/payments during the year.</i> |                      |                  |                                           |                          |
| 2014                                                                                                                                                                    |                      |                  |                                           |                          |
|                                                                                                                                                                         | Due from<br>(Due to) | Amount / Volume* | Term                                      | Conditions               |
| <b>Associates</b>                                                                                                                                                       |                      |                  |                                           |                          |
| <b>Receivable from related parties</b>                                                                                                                                  |                      |                  |                                           |                          |
| a. Construction contracts                                                                                                                                               | P532,548             | P1,846,854       | 1-30 days                                 | Unsecured, no impairment |
| <b>Payable to related parties</b>                                                                                                                                       |                      |                  |                                           |                          |
| a. Advances from contract owners                                                                                                                                        | (74,042)             | —                | Noninterest-bearing                       | Unsecured, no impairment |
| <b>Others</b>                                                                                                                                                           |                      |                  |                                           |                          |
| a. Retention Receivables                                                                                                                                                | 123,536              | —                | Noninterest-bearing                       | Unsecured, no impairment |
| a. Advances to subcontractors, suppliers and contract owners                                                                                                            | 2,025                | —                | Noninterest-bearing                       | Unsecured, no impairment |
| <b>Affiliates</b>                                                                                                                                                       |                      |                  |                                           |                          |
| <b>Receivable from related parties</b>                                                                                                                                  |                      |                  |                                           |                          |
| b. Construction contracts                                                                                                                                               | 8,283                | —                | Payable on demand,<br>noninterest-bearing | Unsecured                |
| c. Receivable from affiliates                                                                                                                                           | 11,515               | 11,515           | 1-30 days                                 | Unsecured, no impairment |
| d. Equipment rentals                                                                                                                                                    | 26,157               | 26,157           | 1-30 days                                 | Unsecured, no impairment |
| e. Payroll processing                                                                                                                                                   | 16,584               | 15,962           | Payable on demand,<br>noninterest-bearing | Unsecured                |
| <b>Payable to related parties</b>                                                                                                                                       |                      |                  |                                           |                          |
| g. Payable to affiliates                                                                                                                                                | (1,703)              | 1,112            | Payable on demand,<br>noninterest-bearing | Unsecured                |
| h. Mine exploration, coal handling and hauling services                                                                                                                 | (169,545)            | 157,477          | Payable on demand,<br>noninterest-bearing | Unsecured                |
| j. Other general and administrative expense                                                                                                                             | (1,787)              | 325              | Payable on demand,<br>noninterest-bearing | Unsecured                |
| k. Aviation services                                                                                                                                                    | (12,722)             | 7,037            | Payable on demand,<br>noninterest-bearing | Unsecured                |
| l. Office and parking rental                                                                                                                                            | (1,991)              | 5,159            | Payable on demand,<br>noninterest-bearing | Unsecured                |
| <b>Others</b>                                                                                                                                                           |                      |                  |                                           |                          |
| j. Other general and administrative expense                                                                                                                             | (331)                | 331              | Payable on demand,<br>noninterest-bearing | Unsecured                |
| o. Nickel delivery                                                                                                                                                      | (54,639)             | 20,461           | Payable on demand,<br>noninterest-bearing | Unsecured                |
| p. Labor charges                                                                                                                                                        | (2,628)              | —                | Payable on demand,<br>noninterest-bearing | Unsecured                |
| <i>*Balances presented pertain to transactions between related parties during the year. Amounts are not reduced by subsequent collections/payments during the year.</i> |                      |                  |                                           |                          |



- (a) In 2014, the Group is engaged in the construction of TPLEX with PIDC. Related contract revenue recorded by the Group on the associate amounted to ₱1,846.85 million in 2014. As of December 31, 2014, the outstanding trade receivables from the associate lodged in "Receivables from related parties" amounted to ₱532.55 million.

Unliquidated advances from contract owners lodged under "Payable to related parties" amounted to ₱74.04 million as of December 31, 2014. Retention receivable and advances to subcontractors, suppliers, and contract owners lodged in "Trade receivables - General Construction" amounted to ₱123.54 million and ₱2.03 million, respectively, as of December 31, 2014.

The Group sold its investment in PIDC in 2015 as previously discussed (Note 11).

- (b) The Group provides services to its other affiliates in relation to its construction projects. Outstanding receivables lodged in "Receivables from related parties" amounted to ₱29.80 million and ₱8.28 million as of December 31, 2015 and 2014, respectively.

In addition, receivables of the Group from its affiliate amounting to ₱1.22 million is lodged in "Costs in excess of estimates and billings".

- (c) The Group has outstanding receivable from its affiliates amounting to ₱57.22 million and ₱11.52 million as at December 31, 2015 and 2014, respectively. This mainly pertains to the sale of a previous investment in 2014.
- (d) The Group rents out its equipment to its affiliates for their construction projects. Outstanding receivables from equipment rentals amounted to ₱15.17 million and ₱26.16 million as of December 31, 2015 and 2014, respectively.
- (e) The Group processes the payroll of its affiliates and charges Electronic Data Processing (EDP) expenses. Total outstanding EDP charges to the related parties under common control amounted to ₱15.24 million and ₱16.58 million as of December 31, 2015 and 2014, respectively.
- (f) The Group paid for the contracted services, material issuances, rental expenses and other supplies of its affiliates. The outstanding balance from its affiliates included under "Receivable from related parties" amounted to ₱26.22 million in 2015.
- (g) The Group has outstanding payable to affiliates amounting to ₱32.74 million and ₱1.70 million as at December 31, 2015 and 2014, respectively. This mainly pertains to receivables collected by the Group in behalf of the affiliate.
- (h) An affiliate had transactions with the Group for services rendered relating to the Group's coal operations. These include services for the confirmatory drilling for coal reserve and evaluation of identified potential areas, exploratory drilling of other minerals within the Island, dewatering well drilling along cut-off wall of Panian mine and fresh water well drilling for industrial and domestic supply under an agreement.

The affiliate also provides to the group marine vessels for use in the delivery of coal to its various customers. The coal freight billing is on a per metric ton basis plus demurrage charges when delay will be incurred in the loading and unloading of coal cargoes. The outstanding payable of the Group amounted to ₱98.33 million and ₱169.55 million as of December 31, 2015 and 2014, respectively.



- (i) The Group rents from its affiliate construction equipment for use in the Group's construction projects. The outstanding payable lodged under "Payable to related parties" amounted to ₱55.54 million as at December 31, 2015.
- (j) A shareholder of the Group, provided maintenance of the Group's accounting system, Navision, which is used by some of the Group's subsidiaries to which related expenses are included under "Others" of "Operating expenses". Outstanding payable of the Group recorded under "Payable to related parties" amounted to ₱6.89 million and ₱1.79 million as of December 31, 2015 and 2014, respectively.

The Group recorded the outstanding payable to an affiliate arising from the maintenance of the accounting system under "Others" of "Accounts payable". The related payable amounted to ₱0.33 million as of December 31, 2014.

- (k) An affiliate of the Group transports visitors and employees from point to point in relation to the Group's ordinary course of business and vice versa and bills the related party for the utilization costs of the aircrafts. The related expenses are included in "Cost of sales and services". The outstanding balance to the affiliate amounted to ₱12.73 million and ₱12.72 million as at December 31, 2015 and 2014, respectively.
- (l) An affiliate had transactions with the Group for rental of parking space to which related expenses are included in operating expenses under "Operating expenses" in the consolidated statements of income (see Notes 25 and 37). Outstanding payable amounted to ₱9.93 million and ₱1.99 million as at December 31, 2015 and 2014, respectively.
- (m) In 2015, an affiliate had transactions with the Group for shipsiding services. The outstanding balance to the affiliate amounting to ₱0.77 million is lodged under "Payable to related parties" in the consolidated statements of financial position.
- (n) In 2015, the Group engaged its affiliates to supply various raw materials, office supplies and refreshments. The outstanding balance to its affiliates amounting to ₱0.70 million for aforementioned transactions is lodged in the "Payable to related parties".
- (o) An affiliate provides the Group various barges and tugboats for use in the delivery of nickel ore to its various customers. The Group has outstanding payable to the affiliate amounting to ₱3.14 million and ₱54.64 million as of December 2015 and 2014, respectively.
- (p) Payable to affiliate pertains to labor charges incurred by the Group, which are initially paid by the affiliate in behalf of the Group. The outstanding payable to the affiliate is recorded in "Other accounts payable" amounted to ₱2.63 million as of December 2015 and 2014.

*Terms and conditions of transactions with related parties*

Outstanding balances as of December 31, 2015 and 2014, which are unsecured and interest free, are all due within one year. As of December 31, 2015 and 2014, the Parent Company has not made any provision for impairment loss relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.





### Compensation of Key Management Personnel

Key management personnel of the Group include all directors and senior management. The aggregate compensation and benefits of key management personnel of the Group follows:

|                                       | 2015            | 2014     | 2013     |
|---------------------------------------|-----------------|----------|----------|
| Short-term employee benefits          | <b>₱233,687</b> | ₱211,530 | ₱200,667 |
| Post-employment benefits<br>(Note 23) | <b>23,401</b>   | 16,685   | 20,030   |
|                                       | <b>₱257,088</b> | ₱228,215 | ₱220,697 |

There are no agreements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Group's pension plan.

## 22. Equity

### Capital Stock

As of December 31, 2015 and 2014, the Parent Company's capital stock consists of:

|                                      | 2015              |                    |
|--------------------------------------|-------------------|--------------------|
|                                      | Shares            | Amount             |
| Preferred stock - ₱1 par value       |                   |                    |
| Authorized:                          | <b>100,000</b>    | <b>₱100,000</b>    |
| Issued and outstanding:              |                   |                    |
| Balance at beginning and end of year | <b>4</b>          | <b>₱4</b>          |
| Common stock - ₱1 par value          |                   |                    |
| Authorized:                          | <b>19,900,000</b> | <b>₱19,900,000</b> |
| Issued and outstanding:              |                   |                    |
| Balance at beginning and end of year | <b>13,277,470</b> | <b>₱13,277,470</b> |

|                                      | 2014              |                    |
|--------------------------------------|-------------------|--------------------|
|                                      | Shares            | Amount             |
| Preferred stock - ₱1 par value       |                   |                    |
| Authorized:                          | 100,000           | ₱100,000           |
| Issued and outstanding:              |                   |                    |
| Balance at beginning and end of year | <b>4</b>          | <b>₱4</b>          |
| Common stock - ₱1 par value          |                   |                    |
| Authorized:                          | 19,900,000        | ₱19,900,000        |
| Issued and outstanding:              |                   |                    |
| Balance at beginning of year         | 2,655,494         | 2,655,494          |
| Stock dividend declared              | 10,621,976        | 10,621,976         |
|                                      | <b>13,277,470</b> | <b>₱13,277,470</b> |

The preferred stock is redeemable, convertible, non-voting, non-participating and cumulative with par value of ₱1.00 per share. The preferred shareholders' right of converting the preferred shares to common shares expired in March 2002.

On December 18, 1995, the Parent Company launched its Initial Public Offering where a total of 1.13 billion common shares were offered at an offering price of ₱9.12 per share.



Below is the summary of the Parent Company's track record of registration of securities with the SEC as of December 31, 2015:

| Year                  | Number of Shares<br>Registered<br>(in billions) | Number of holders of<br>securities as of year end |
|-----------------------|-------------------------------------------------|---------------------------------------------------|
| December 31, 2013     | 2.66                                            | 706                                               |
| Add/(Deduct) Movement | 10.64                                           | (18)                                              |
| December 31, 2014     | 13.30                                           | 688                                               |
| Add/(Deduct) Movement | —                                               | 14                                                |
| December 31, 2015     | 13.30                                           | 702                                               |

*Increase in Authorized Capital Stock*

On August 5, 2014, the SEC approved the increase in authorized capital stock of the Parent Company from ₱6,000.00 million divided into ₱5,900.00 million common shares and ₱100.00 million preferred shares both with par value of ₱1.00 per share, to ₱20,000.00 million divided into ₱19,900.00 million common shares and ₱100.00 million preferred shares both with a par value of ₱1.00 per share.

As of December 31, 2015 and 2014, the Parent Company has 13,277.47 million common shares issued and outstanding which are owned by 702 and 688 shareholders, respectively.

Retained Earnings

In accordance with SEC Memorandum Circular No. 11 issued in December 2008, the Parent Company's retained earnings available for dividend declaration as of December 31, 2015 and 2014 amounted to ₱7,438.63 million and ₱8,610.22 million, respectively.

Under the tax code, publicly held corporations are allowed to accumulate retained earnings in excess of capital stock and are exempt from improperly accumulated earnings tax.

*Dividend declaration*

The Parent Company's BOD approved the declaration of cash dividends in favor of all its stockholders as follows:

|                                                                                                                               | 2015              | 2014      | 2013 |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------|------|
| May 15, 2015, ₱1.20 per share cash dividend to stockholders on record as of May 29, 2015, payable on or before June 10, 2015. | <b>₱3,186,593</b> | ₱—        | ₱—   |
| May 15, 2015, ₱1.20 per share cash dividend to stockholders on record as of May 29, 2015, payable on or before June 10, 2015. | <b>3,186,593</b>  | —         | —    |
| May 15, 2014, ₱1.20 per share cash dividend to stockholders on record as of May 30, 2014, payable on or before June 13, 2014. | —                 | 3,186,593 | —    |

(Forward)



|                                                                                                                                                     | 2015              | 2014              | 2013              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| May 15, 2014, ₱1.20 per share special cash dividend to stockholders on record as of May 30, 2014, payable on or before June 13, 2014.               | ₱—                | ₱3,186,593        | ₱—                |
| April 11, 2013, ₱1.20 per share cash dividend to stockholders of record as of April 26, 2013, payable on or before May 10, 2013.                    | —                 | —                 | 3,186,593         |
| April 11, 2013, ₱1.00 per share special cash dividend to stockholders of record as of April 26, 2013, payable on or before May 10, 2013.            | —                 | —                 | 2,655,494         |
| November 14, 2013, ₱1.20 per share special cash dividend to stockholders of record as of November 29, 2013, payable on or before December 13, 2013. | —                 | —                 | 3,186,593         |
|                                                                                                                                                     | <b>₱6,373,186</b> | <b>₱6,373,186</b> | <b>₱9,028,680</b> |

On August 5, 2014, the stockholders of the Parent Company approved the 400% stock dividends amounting to ₱10,621.98 million, divided into 10,621.98 million shares at the par value of ₱1.00 per share, or four (4) common shares for every one common share held, from the unrestricted retained earnings of the Parent Company as of December 31, 2013, and to be issued from the increase in the authorized capital stock of the Parent Company. On September 18, 2014, Securities and Exchange Commission approved and fixed the record date on October 17, 2014. The stock transaction cost paid in 2014 amounted to ₱92.92 million which is netted against the 'Additional Paid-in Capital' in the consolidated statements of financial position.

On various dates in 2015, 2014 and 2013, partially owned subsidiaries of the Group declared dividends amounting to ₱5,615.00 million and ₱4,284.95 million and ₱4,283.70 million, respectively, of which dividends to non-controlling interest amounted to ₱2,213.94 million, ₱1,871.13 million, ₱1,870.65 million, respectively.

#### *Appropriation of retained earnings*

On December 27, 2013, the Parent Company's BOD has approved the reversal of the appropriation made in 2012 amounting to ₱3,800.00 million pertaining to the stock subscription in DMC which was used to fund the acquisition of shares of stocks in TMC. The appropriation was reversed to unappropriated retained earnings. On the same date, the BOD of the Parent Company authorized the appropriation out of its retained earnings for capital expenditures and investments amounting to ₱1,300.00 million.

On December 19, 2014, the Parent Company's BOD approved the reversal of the appropriation of retained earnings in the amount of ₱2,100.00 million as of December 31, 2013.

The unappropriated retained earnings include accumulated equity in undistributed net earnings of consolidated subsidiaries, associates and jointly controlled entities accounted for under equity method of ₱20,425.67 million and ₱22,816.89 million as of December 31, 2015 and 2014, respectively. These are not available for dividend declaration until declared by the subsidiaries, associates and the jointly controlled entities.



### Capital Management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. There were no changes made in the Group's capital management objectives, policies or processes. The Group considers total stockholders' equity as capital. Equity, which the Group considers as capital, pertains to the equity attributable to equity holders of the Group less unrealized gain or loss on AFS financial assets.

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

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## **23. Employee Benefits**

### Retirement Plans

The Group has a funded, noncontributory, defined benefit pension plan covering substantially all of its regular employees. Provisions for pension obligations are established for benefits payable in the form of retirement pensions. Benefits are dependent on years of service and the respective employee's final compensation. The Group updates the actuarial valuation every year by hiring the services of a third party professionally qualified actuary. The latest actuarial valuation report of the retirement plans was made as of December 31, 2015.

The Group has a Multiemployer Retirement Plan (the Plan) which is administered separately by an individual trustee, a Group executive and BDO Unibank, Inc. Trust Investment Division under the supervision of the Board of Trustees (BOT) of the Plan. The responsibilities of the BOT, among others, include the following:

- To hold, invest and reinvest the fund for the exclusive benefits of the members and beneficiaries of the retirement plan and for this purpose the BOT is further authorized to designate and appoint a qualified Investment Manager with such powers as may be required to realize and obtain maximum yield on investment of the fund;
- To make payments and distributions in cash, securities and other assets to the members and beneficiaries of the Plan.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.



The following table summarizes the components of net pension expense (included in “Salaries, wages and employee benefits” account) and pension income (included in “Other income - net” account) in the consolidated statements of income (see Notes 25 and 28):

*Pension Expense*

|                                                                     | 2015           | 2014     | 2013     |
|---------------------------------------------------------------------|----------------|----------|----------|
| Current service cost                                                | <b>₱84,082</b> | ₱88,520  | ₱154,761 |
| Effect of the asset limit                                           | <b>509</b>     | —        | 23,181   |
| Settlement loss                                                     | <b>91</b>      | —        | —        |
| Net interest expense (income) on benefit obligation and plan assets | <b>(2,083)</b> | 3,137    | (57,899) |
| Past service cost - curtailment                                     | <b>(9,844)</b> | (11,442) | (15,997) |
| Total pension expense                                               | <b>₱72,755</b> | ₱80,215  | ₱104,046 |

*Pension Income*

|                                                           | 2015             | 2014     | 2013    |
|-----------------------------------------------------------|------------------|----------|---------|
| Current service cost                                      | <b>₱33,721</b>   | ₱41,092  | ₱1,893  |
| Effect of the asset limit                                 | <b>37,913</b>    | 28,526   | 1,819   |
| Net interest income on benefit obligation and plan assets | <b>(86,729)</b>  | (71,585) | (4,141) |
| Total pension income                                      | <b>(₱15,095)</b> | (₱1,967) | (₱429)  |

Movements in the fair value of plan assets of the Group follow:

|                                | 2015              | 2014       |
|--------------------------------|-------------------|------------|
| Balance at beginning of year   | <b>₱2,904,705</b> | ₱2,186,002 |
| Interest income                | <b>136,894</b>    | 124,736    |
| Remeasurement gains (losses)   | <b>(283,125)</b>  | 572,403    |
| Benefits paid from plan assets | <b>(8,082)</b>    | (29,485)   |
| Contributions                  | —                 | 51,049     |
| Balance at end of year         | <b>₱2,750,392</b> | ₱2,904,705 |

Changes in the present value of the defined benefit obligation follow:

|                                            | 2015              | 2014       |
|--------------------------------------------|-------------------|------------|
| Balances at beginning of year              | <b>₱1,006,684</b> | ₱976,283   |
| Current service cost                       | <b>117,803</b>    | 129,612    |
| Interest expense                           | <b>48,082</b>     | 56,218     |
| Settlement loss                            | <b>91</b>         | —          |
| Past service cost - curtailment            | <b>(9,844)</b>    | (11,442)   |
| Benefits paid - from plan assets           | <b>(8,082)</b>    | (5,279)    |
| Benefits paid - direct payments            | <b>(5,780)</b>    | (34,955)   |
| Remeasurement losses (gains) arising from: |                   |            |
| Financial assumptions                      | <b>8,023</b>      | 37,225     |
| Demographic assumptions                    | <b>(7,803)</b>    | (150,151)  |
| Experience adjustments                     | <b>60,463</b>     | (2,160)    |
| Effect of business combination             | —                 | 11,333     |
| Balances at end of year                    | <b>₱1,209,637</b> | ₱1,006,684 |



Below is the net pension asset for those entities within the Group with net pension asset position:

|                                                     | 2015               | 2014         |
|-----------------------------------------------------|--------------------|--------------|
| Present value of funded defined benefit obligations | <b>₱981,313</b>    | ₱840,025     |
| Fair value of plan assets                           | <b>2,664,268</b>   | 2,835,410    |
|                                                     | <b>(1,682,955)</b> | (1,995,385)  |
| Effect on asset ceiling                             | <b>723,976</b>     | 817,327      |
| Net pension asset                                   | <b>(₱958,979)</b>  | (₱1,178,058) |

Movements in the net pension asset follow:

|                                                                     | 2015                | 2014         |
|---------------------------------------------------------------------|---------------------|--------------|
| Net pension asset at beginning of year                              | <b>(₱1,178,058)</b> | (₱796,723)   |
| Remeasurements loss (gain) recognized in other comprehensive income | <b>184,802</b>      | (420,928)    |
| Net pension expense                                                 | <b>25,377</b>       | 52,434       |
| Reclassifications - net                                             | <b>8,900</b>        | —            |
| Effect of business combination                                      | —                   | 38,208       |
| Contributions                                                       | —                   | (51,049)     |
| Net pension asset at end of year                                    | <b>(₱958,979)</b>   | (₱1,178,058) |

Below is the net pension liability for those entities within the Group with net pension liability position:

|                                                     | 2015            | 2014     |
|-----------------------------------------------------|-----------------|----------|
| Present value of funded defined benefit obligations | <b>₱228,324</b> | ₱166,659 |
| Fair value of plan assets                           | <b>86,124</b>   | 69,295   |
| Net pension liability                               | <b>₱142,200</b> | ₱97,364  |

Movements in the net pension liability follow:

|                                                             | 2015            | 2014     |
|-------------------------------------------------------------|-----------------|----------|
| Net pension liability at beginning of year                  | <b>₱97,364</b>  | ₱93,765  |
| Net pension expense                                         | <b>32,283</b>   | 25,815   |
| Remeasurement loss recognized in other comprehensive income | <b>27,233</b>   | 15,409   |
| Reclassifications - net                                     | <b>(8,900)</b>  | —        |
| Effect of business combination                              | —               | (26,875) |
| Benefits paid                                               | <b>(5,780)</b>  | (10,750) |
| Net pension liability at end of year                        | <b>₱142,200</b> | ₱97,364  |

The Group does not expect to contribute into the pension fund for the year ending 2016.



The major categories and corresponding fair values of plan assets by class of the Group's Plan as at the end of each reporting period are as follow:

|                                                     | 2015              | 2014       |
|-----------------------------------------------------|-------------------|------------|
| Cash and cash equivalents                           |                   |            |
| Cash in banks                                       | <b>₱100,708</b>   | ₱226       |
| Time deposits                                       | <b>2,237</b>      | 73,708     |
|                                                     | <b>102,945</b>    | 73,934     |
| Investments in stocks                               |                   |            |
| Common shares                                       | <b>1,853,244</b>  | 2,093,913  |
| Preference shares                                   | <b>29,122</b>     | 31,692     |
|                                                     | <b>1,882,366</b>  | 2,125,605  |
| Investment in government securities                 |                   |            |
| Fixed rate treasury notes (FXTNs)                   | <b>528,318</b>    | 457,160    |
| Retail treasury bonds (RTBs)                        | <b>19,969</b>     | 20,850     |
|                                                     | <b>548,287</b>    | 478,010    |
| Investment in other securities and debt instruments |                   |            |
| AAA rated debt securities                           | <b>193,451</b>    | 112,667    |
| Not rated debt securities                           | <b>11,984</b>     | 43,731     |
|                                                     | <b>205,435</b>    | 156,398    |
| Other receivables                                   | <b>11,769</b>     | 71,123     |
| Accrued trust fees and other payables               | <b>(410)</b>      | (365)      |
| Fair value of plan assets                           | <b>₱2,750,392</b> | ₱2,904,705 |

The investment in stocks is further categorized as follows:

|                   | 2015              | 2014       |
|-------------------|-------------------|------------|
| Common shares     |                   |            |
| Quoted            |                   |            |
| Holdings          | <b>₱1,809,594</b> | ₱2,058,741 |
| Mining and oil    | <b>24,570</b>     | 25,560     |
|                   | <b>1,834,164</b>  | 2,084,301  |
| Unquoted          |                   |            |
| Service           | <b>19,080</b>     | 9,612      |
|                   | <b>19,080</b>     | 9,612      |
| Preference shares |                   |            |
| Quoted            |                   |            |
| Holdings          | <b>₱15,372</b>    | ₱24,202    |
| Industrial        | <b>13,750</b>     | 7,490      |
|                   | <b>29,122</b>     | 31,692     |
|                   | <b>₱1,882,366</b> | ₱2,125,605 |

Trust fees paid in 2015, 2014 and 2013 amounted to ₱0.44 million, ₱1.38 million and ₱1.15 million, respectively.

The composition of the fair value of the Fund includes:

- *Cash and cash equivalents* - include savings and time deposit with various banks and special deposit account with Bangko Sentral ng Pilipinas (BSP SDA).



- *Investment in stocks* - includes investment in common and preferred shares both traded and not traded in the PSE.
- *Investment in government securities* - include investment in Philippine RTBs and FXTNs.
- *Investments in other securities and debt instruments* - include investment in long-term debt notes and retail bonds.
- *Other receivables* - includes interest and dividends receivable generated from investments included in the plan.
- *Accrued trust fees and other payables* - pertain mainly to charges of trust or in the management of the plan.

In 2015 and 2014, the Group's investments in stocks include equity securities of related parties as follows:

|                                                 | 2015              | 2014    |
|-------------------------------------------------|-------------------|---------|
| Equity securities:                              |                   |         |
| Fair value gain                                 | <b>₱1,853,244</b> | ₱25,560 |
| Unrealized gains or losses on equity securities | <b>232,541</b>    | 12,417  |

The fund holds investments in shares of stock of the Parent Company with fair market value of ₱1.81 billion and ₱2.06 billion as of December 31, 2015 and 2014, respectively.

The overall administration and management of the plan rest upon the Plan's BOT. The voting rights on the above securities rest to the BOT for funds directly held through the Group's officers and indirectly for those entered into through other trust agreements with the trustee bank authorized to administer the investment and reinvestments of the funds.

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension and post-employment medical benefit obligations for the defined benefit plans are shown below:

|                      | 2015                   | 2014            | 2013            |
|----------------------|------------------------|-----------------|-----------------|
| Discount rate        | <b>5.00% to 6.36%</b>  | 4.07% to 5.57%  | 4.26% to 6.15%  |
| Salary increase rate | <b>3.00% to 10.00%</b> | 3.00% to 10.00% | 3.00% to 10.00% |

There are no unusual or significant risks to which the Plan exposes the Group. However, in the event a benefit claim arises under the Retirement Plan and the Retirement Fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable from the Group to the Retirement Fund.

There was no plan amendment, curtailment, or settlement recognized in the years ended December 31, 2015 and 2014.





*Sensitivity analysis on the actuarial assumptions*

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the Defined Benefit Obligation (DBO) at the reporting date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in the DBO.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

|                  | Increase<br>(decrease) | 2015             | 2014      |
|------------------|------------------------|------------------|-----------|
| Discount rates   | +100 basis points      | <b>(P37,583)</b> | (P78,702) |
|                  | -100 basis points      | <b>43,222</b>    | 94,220    |
| Salary increases | +1.00%                 | <b>36,855</b>    | 85,406    |
|                  | -1.00%                 | <b>(42,832)</b>  | (71,437)  |

*Asset-liability matching strategies*

Each year, an Asset-Liability Matching Strategy (ALM) is performed with the result being analyzed in terms of risk-and-return profiles. It is the policy of the Trustee that immediate and near-term retirement liabilities of the Group's Retirement Fund are adequately covered by its assets. As such, due considerations are given that portfolio maturities are matched in accordance with due benefit payments. The retirement fund's expected benefit payments are determined through the latest actuarial reports.

*Funding arrangements*

The Group is not required to pre-fund the future defined benefits payable under the Retirement Plan before they become due. For this reason, the amount and timing of contributions to the Retirement Fund are at the Group's discretion. However, in the event a benefit claim arises and the Retirement Fund is insufficient to pay the claim, the shortfall will then be due and payable from the Group to the Retirement Fund.

Shown below is the maturity analysis of the undiscounted benefit payments:

|                               | 2015            | 2014     |
|-------------------------------|-----------------|----------|
| Less than 1 year              | <b>P370,803</b> | P253,736 |
| More than 1 year to 5 years   | <b>127,055</b>  | 115,653  |
| More than 5 years to 10 years | <b>343,631</b>  | 360,725  |
|                               | <b>P841,489</b> | P730,114 |



## 24. Costs of Sales and Services

Details of costs of sales and services follow:

|                                                        | 2015               | 2014        | 2013        |
|--------------------------------------------------------|--------------------|-------------|-------------|
| <b>Cost of Sales</b>                                   |                    |             |             |
| Cost of real estate inventory<br>(Note 9)              | <b>₱6,673,502</b>  | ₱6,412,311  | ₱6,567,151  |
| Materials and supplies                                 | <b>3,091,755</b>   | 4,107,099   | 3,157,875   |
| Fuel and lubricants                                    | <b>1,165,441</b>   | 2,797,911   | 2,453,660   |
| Outside services                                       | <b>898,327</b>     | 1,184,384   | 740,963     |
| Depreciation and amortization<br>(Notes 12, 13 and 14) | <b>745,144</b>     | 1,039,826   | 911,279     |
| Direct labor                                           | <b>617,852</b>     | 609,459     | 521,267     |
| Production overhead                                    | <b>487,624</b>     | 440,746     | 387,108     |
| Hauling, shiploading and<br>handling costs (Note 21)   | <b>128,503</b>     | 179,088     | 540,763     |
| Others                                                 | <b>85,261</b>      | 143,469     | 216,074     |
|                                                        | <b>₱13,893,409</b> | ₱16,914,293 | ₱15,496,140 |
| <b>Cost of Services</b>                                |                    |             |             |
| Materials and supplies                                 | <b>₱7,360,305</b>  | ₱7,722,466  | ₱8,850,595  |
| Outside services                                       | <b>2,918,717</b>   | 2,434,698   | 4,359,274   |
| Direct labor                                           | <b>2,127,668</b>   | 1,845,916   | 1,582,222   |
| Depreciation and amortization<br>(Notes 12, 13 and 14) | <b>2,090,768</b>   | 2,003,746   | 1,237,949   |
| Fuel and lubricants                                    | <b>1,577,839</b>   | 1,669,150   | 1,050,377   |
| Production overhead                                    | <b>1,554,895</b>   | 1,130,221   | 988,879     |
| Hauling, shiploading and<br>handling costs (Note 21)   | <b>110,270</b>     | 68,582      | —           |
| Spot purchases of electricity                          | <b>107,406</b>     | 4,118,591   | 229,197     |
| Others                                                 | <b>62,489</b>      | 90,304      | 430,335     |
|                                                        | <b>17,910,357</b>  | 21,083,674  | 18,728,828  |
|                                                        | <b>₱31,803,766</b> | ₱37,997,967 | ₱34,224,968 |

Depreciation, depletion and amortization included in the consolidated statements of income follow:

|                                              | 2015              | 2014       | 2013       |
|----------------------------------------------|-------------------|------------|------------|
| Included in:                                 |                   |            |            |
| Cost of energy sales                         | <b>₱1,298,297</b> | ₱1,189,196 | ₱1,057,557 |
| Cost of coal mining                          | <b>552,096</b>    | 892,296    | 350,928    |
| Cost of nickel mining                        | <b>193,048</b>    | 147,530    | —          |
| Cost of construction contracts<br>and others | <b>791,720</b>    | 813,560    | 740,743    |
| Cost of real estate development              | <b>751</b>        | 990        | —          |
| Operating expenses (Note 25)                 | <b>798,682</b>    | 793,505    | 2,036,834  |
|                                              | <b>₱3,634,594</b> | ₱3,837,077 | ₱4,186,062 |



|                                              | 2015              | 2014              | 2013              |
|----------------------------------------------|-------------------|-------------------|-------------------|
| Depreciation, depletion and amortization of: |                   |                   |                   |
| Property, plant and equipment (Note 13)      | <b>₱4,093,953</b> | ₱3,975,963        | ₱4,566,006        |
| Other noncurrent assets (Note 14)            | <b>42,661</b>     | 35,476            | 36,726            |
| Investment properties (Note 12)              | <b>8,970</b>      | 8,846             | 6,826             |
|                                              | <b>₱4,145,584</b> | <b>₱4,020,285</b> | <b>₱4,609,558</b> |

Depreciation, depletion and amortization capitalized in ending inventories and exploration and evaluation asset amounted to ₱510.99 million, ₱183.21 million and ₱423.50 million in 2015, 2014 and 2013, respectively.

Salaries, wages and employee benefits included in the consolidated statements of income follow:

|                                 | 2015              | 2014              | 2013              |
|---------------------------------|-------------------|-------------------|-------------------|
| Presented under:                |                   |                   |                   |
| Costs of construction contracts | <b>₱2,152,364</b> | ₱1,856,256        | ₱1,601,200        |
| Operating expenses (Note 25)    | <b>1,276,762</b>  | 1,261,471         | 1,112,195         |
| Costs of mining                 | <b>593,156</b>    | 599,119           | 502,289           |
|                                 | <b>₱4,022,282</b> | <b>₱3,716,846</b> | <b>₱3,215,684</b> |

## 25. Operating Expenses

This account consists of:

|                                                                                                    | 2015              | 2014       | 2013       |
|----------------------------------------------------------------------------------------------------|-------------------|------------|------------|
| Government share (Note 31)                                                                         | <b>₱1,796,047</b> | ₱1,858,190 | ₱1,304,961 |
| Salaries, wages and employee benefits (Notes 23 and 24)                                            | <b>1,276,762</b>  | 1,261,471  | 1,112,195  |
| Provisions for doubtful accounts, probable losses and loss on sale of assets (Notes 7, 10, and 14) | <b>960,954</b>    | 514,248    | 443,650    |
| Depreciation and amortization (Notes 3, 12, 13, 14 and 24)                                         | <b>798,682</b>    | 793,505    | 2,036,834  |
| Taxes and licenses                                                                                 | <b>762,003</b>    | 583,316    | 638,735    |
| Commission                                                                                         | <b>599,319</b>    | 616,675    | 737,447    |
| Advertising and marketing                                                                          | <b>549,629</b>    | 397,549    | 309,730    |
| Outside services                                                                                   | <b>466,538</b>    | 615,821    | 837,816    |
| Repairs and maintenance                                                                            | <b>348,412</b>    | 297,301    | 258,447    |
| Communication, light and water                                                                     | <b>156,624</b>    | 159,154    | 114,410    |
| Entertainment, amusement and recreation                                                            | <b>112,199</b>    | 102,660    | 73,560     |

(Forward)



|                                                                           | 2015              | 2014       | 2013       |
|---------------------------------------------------------------------------|-------------------|------------|------------|
| Transportation and travel                                                 | <b>₱105,961</b>   | ₱104,779   | ₱62,285    |
| Insurance                                                                 | <b>105,185</b>    | 80,720     | 66,347     |
| Rent (Note 37)                                                            | <b>82,382</b>     | 127,680    | 115,773    |
| Association dues                                                          | <b>72,696</b>     | 116,161    | 39,834     |
| Supplies                                                                  | <b>59,063</b>     | 69,640     | 55,748     |
| Loss on writedown of property,<br>plant and equipment<br>(Notes 3 and 13) | <b>16,088</b>     | 111        | 443,349    |
| Miscellaneous                                                             | <b>278,324</b>    | 391,242    | 420,988    |
|                                                                           | <b>₱8,546,868</b> | ₱8,090,223 | ₱9,072,109 |

## 26. Finance Income

Finance income is derived from the following sources:

|                                                 | 2015            | 2014     | 2013     |
|-------------------------------------------------|-----------------|----------|----------|
| Interest on:                                    |                 |          |          |
| Real estate installment<br>receivables (Note 7) | <b>₱288,260</b> | ₱216,089 | ₱321,457 |
| Short-term placements<br>(Note 4)               | <b>117,246</b>  | 149,674  | 205,840  |
| Bank savings account<br>(Note 4)                | <b>53,007</b>   | 65,694   | 119,307  |
| Investment from sinking fund<br>(Note 14)       | <b>8,993</b>    | 6,691    | 12,173   |
|                                                 | <b>₱467,506</b> | ₱438,148 | ₱658,777 |

## 27. Finance Costs

The finance costs are incurred from the following:

|                                                                                                                                                                | 2015            | 2014     | 2013     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------|----------|
| Short-term debt (Note 15)                                                                                                                                      | <b>₱268,086</b> | ₱112,417 | ₱126,962 |
| Long-term debt (Note 19)                                                                                                                                       | <b>226,138</b>  | 304,260  | 770,573  |
| Amortization of debt issuance<br>cost (Note 19)                                                                                                                | <b>39,566</b>   | 16,361   | 21,752   |
| Accretion on unamortized<br>discount on liabilities for<br>purchased land and provision<br>for decommissioning and site<br>rehabilitation<br>(Notes 16 and 20) | <b>11,926</b>   | 34,050   | 10,041   |
|                                                                                                                                                                | <b>₱545,716</b> | ₱467,088 | ₱929,328 |



## 28. Other Income - net

This account consists of:

|                                                                                                 | 2015              | 2014       | 2013       |
|-------------------------------------------------------------------------------------------------|-------------------|------------|------------|
| Forfeitures and cancellation of real estate contracts                                           | <b>₱319,776</b>   | ₱496,641   | ₱419,379   |
| Recoveries from insurance claims                                                                | <b>157,651</b>    | 82,552     | 10,632     |
| Sales of fly ash                                                                                | <b>133,119</b>    | 122,600    | 203,180    |
| Rental income (Note 12)                                                                         | <b>114,224</b>    | 237,802    | 84,453     |
| Gain on sale of property, plant and equipment and investment properties - net (Notes 12 and 13) | <b>90,922</b>     | 127,201    | 144,855    |
| Income from commissioning                                                                       | <b>58,327</b>     | —          | —          |
| Income from default payments                                                                    | <b>31,128</b>     | 45,045     | 35,923     |
| Pension income (Note 23)                                                                        | <b>15,095</b>     | 1,967      | 429        |
| Management fee (Note 21)                                                                        | <b>5,112</b>      | 3,785      | 10,890     |
| Dividend income (Notes 5 and 6)                                                                 | <b>4,288</b>      | 7,000      | 4,291      |
| Gain on sale of undeveloped land (Note 9)                                                       | —                 | 284,287    | —          |
| Reversal of allowance for doubtful accounts (Notes 6, 7, and 14)                                | <b>10,684</b>     | 2,573      | 199,859    |
| Others                                                                                          | <b>61,707</b>     | 106,002    | 247,361    |
|                                                                                                 | <b>₱1,002,033</b> | ₱1,517,455 | ₱1,361,252 |

### Others

Others include income arising from despatch of ₱170 million in 2013 and nil in 2014 and 2015, penalty charges for delayed payments of contracts receivable-housing, holding fees, fee for change of ownership, transfer fees, restructuring fees, lease facilitation fees, income derived from selling excess electricity produced by SMPC to neighboring communities, guarantee fee income, and unrealized market gain (loss) on investment.

Despatch income pertains to shiploading services rendered by the DMC to its customers.

Despatch income is earned upon completion of loading of nickel ore to the vessel. Income earned from shiploading services are based on the difference between the allowed and actual laytime of nickel ore to the respective vessels nominated by its customers multiplied by the prevailing daily international market rates. These rates are provided by the ship owners prior to the loading of nickel ore and determined when the vessel is nominated and accepted. The rates to be used shall be included in the customer's vessel nomination and shall be confirmed by the DMC through its marketing agent.

## 29. Income Tax

The provision for income tax shown in the consolidated statements of income consists of:

|          | 2015              | 2014       | 2013       |
|----------|-------------------|------------|------------|
| Final    | <b>₱62,282</b>    | ₱41,549    | ₱57,807    |
| Current  | <b>2,723,212</b>  | 1,291,178  | 1,835,525  |
| Deferred | <b>819,336</b>    | (244,451)  | 211,318    |
|          | <b>₱3,604,830</b> | ₱1,088,276 | ₱2,104,650 |



The components of net deferred tax assets as of December 31, 2015 and 2014 follow:

|                                                          | 2015            | 2014            |
|----------------------------------------------------------|-----------------|-----------------|
| Deferred tax assets on:                                  |                 |                 |
| Allowance for:                                           |                 |                 |
| Doubtful accounts                                        | <b>₱428,442</b> | ₱–              |
| Inventory obsolescence                                   | <b>19,846</b>   | –               |
| Impairment                                               | <b>13,526</b>   | 1,822           |
| Construction contracts price adjustments                 | <b>69,213</b>   | 63,841          |
| Pension liabilities - net                                | <b>30,710</b>   | 10,649          |
| Accruals of expenses                                     | <b>15,843</b>   | 3,665           |
| Provision for decommissioning and site<br>Rehabilitation | <b>2,675</b>    | 2,265           |
| MCIT                                                     | <b>2,062</b>    | –               |
| NOLCO                                                    | <b>490</b>      | 637,766         |
| Unrealized foreign exchange gain                         | –               | 795             |
| Others                                                   | <b>129</b>      | 3,650           |
|                                                          | <b>₱582,936</b> | <b>₱724,453</b> |
| Deferred tax liabilities on:                             |                 |                 |
| Unrealized foreign exchange loss                         | <b>(₱9,600)</b> | ₱–              |
| Excess construction costs capitalized                    | <b>(29,477)</b> | –               |
|                                                          | <b>(39,077)</b> | –               |
|                                                          | <b>₱543,859</b> | <b>₱724,453</b> |

The components of net deferred tax liabilities as of December 31, 2015 and 2014 follow:

|                                                                                              | 2015                | 2014            |
|----------------------------------------------------------------------------------------------|---------------------|-----------------|
| Deferred tax assets on:                                                                      |                     |                 |
| Allowance for:                                                                               |                     |                 |
| Doubtful accounts                                                                            | <b>₱21,427</b>      | ₱62,635         |
| Impairment losses                                                                            | <b>669</b>          | 25,472          |
| Probable losses                                                                              | <b>7,648</b>        | 7,648           |
| Unamortized discount on payable to landowners                                                | <b>4,096</b>        | 3,045           |
| Provision for decommissioning and site<br>rehabilitation                                     | <b>913</b>          | 845             |
| NOLCO                                                                                        | <b>261</b>          | 64,807          |
| Unrealized foreign exchange-losses                                                           | –                   | 1,523           |
| Provision for inventory obsolescence                                                         | –                   | 13,576          |
| MCIT                                                                                         | –                   | 615             |
| Others                                                                                       | <b>8,466</b>        | –               |
|                                                                                              | <b>₱43,480</b>      | <b>₱180,166</b> |
| Deferred tax liabilities on:                                                                 |                     |                 |
| Excess of book over tax income pertaining to<br>construction contracts and real estate sales | <b>(₱1,774,916)</b> | (₱1,128,891)    |
| Effect of business combination                                                               | <b>(1,393,424)</b>  | (1,438,601)     |
| Capitalized interest on real estate for sale and<br>development deducted in advance          | <b>(238,169)</b>    | (301,242)       |
| Unrealized foreign exchange gain - net                                                       | <b>(133,921)</b>    | –               |
| Excess construction costs capitalized                                                        | <b>(82,276)</b>     | (166,021)       |

(Forward)



|                                               | 2015         | 2014         |
|-----------------------------------------------|--------------|--------------|
| Unamortized transaction cost on loans payable | (P35,142)    | (P25,334)    |
| Pension assets                                | (7,227)      | –            |
| Mine rehabilitation                           | (6,089)      | (6,060)      |
| Pension liabilities                           | –            | (30,569)     |
| Unrealized marked to market gain              | –            | (189)        |
| Others                                        | (1,392)      | (99,204)     |
|                                               | (3,672,556)  | (3,196,111)  |
|                                               | (P3,629,076) | (P3,015,945) |

The Group has the following deferred taxes on deductible temporary differences, NOLCO and MCIT that are available for offset against future taxable income or tax payable for which have not been recognized:

|                                                       | 2015       | 2014       |
|-------------------------------------------------------|------------|------------|
| NOLCO                                                 | P3,562,698 | P3,534,923 |
| Unrealized forex losses                               | 47,891     | –          |
| Allowance for impairment losses                       | 37,556     | 29,300     |
| Allowance for probable losses                         | 16,922     | 3,727      |
| Allowance for doubtful accounts                       | 12,979     | 121,768    |
| Provision for retirement                              | 8,160      | –          |
| Pension liabilities                                   | 7,747      | 12,444     |
| Mine rehabilitation                                   | 6,888      | 6,647      |
| MCIT                                                  | 3,375      | 7,571      |
| Accruals                                              | 1,142      | 7,459      |
| Provision for decommissioning and site rehabilitation | –          | 4,741      |
|                                                       | P3,705,358 | P3,728,580 |

Deferred tax assets are recognized only to the extent that taxable income will be available against which the deferred tax assets can be used.

The reconciliation of the statutory income tax rate to the effective income tax rate follows:

|                                                                                 | 2015    | 2014    | 2013    |
|---------------------------------------------------------------------------------|---------|---------|---------|
| Statutory income tax rate                                                       | 30.00%  | 30.00%  | 30.00%  |
| Adjustments for:                                                                |         |         |         |
| Tax-exempt income                                                               | (11.79) | (24.02) | (11.27) |
| Dividend income                                                                 | (0.01)  | (10.49) | (0.02)  |
| Changes in unrecognized deferred tax assets                                     | 2.96    | 8.54    | 0.38    |
| Stock transaction costs                                                         | –       | (0.19)  | 0.04    |
| Interest income subjected to final tax at a lower rate - net                    | (0.10)  | (0.15)  | (0.17)  |
| MCIT                                                                            | –       | (0.05)  | –       |
| Nontaxable equity in net earnings of associates and jointly controlled entities | (3.47)  | (0.01)  | (7.24)  |

(Forward)



|                                                                         | 2015   | 2014  | 2013   |
|-------------------------------------------------------------------------|--------|-------|--------|
| Excess costs of construction contracts                                  | 0.35   | 1.11  | —      |
| Depletion of mining rights                                              | 0.17   | 1.06  | —      |
| Nondeductible expenses                                                  | 0.13   | 1.06  | 5.11   |
| NOLCO                                                                   | 0.10   | 0.15  | —      |
| Foreign exchange losses (gains) - net                                   | (0.20) | 0.03  | (0.19) |
| Gain on sale of investment subjected to final tax at a lower rate - net | (0.79) | —     | (8.00) |
| Others                                                                  | 0.21   | 0.28  | —      |
| Effective income tax rate                                               | 17.56% | 7.32% | 8.64%  |

#### Board of Investments (BOI) Incentives

##### *PDI - New Developer of Mass Housing Project*

On various dates in 2015 and 2014, several projects of PDI were registered on a non-pioneer status with the BOI as these projects fall under the infrastructure (Mass Housing Projects) listing of the Investment Priorities Plan.

Under the terms of its registrations with BOI, PDI is entitled, among others, to the following incentives:

- Income Tax Holiday (ITH) for a period of three (3) to four (4) years;
- Employment of foreign officials may be allowed in supervisory, technical or advisory positions for five (5) years from date of registration; and
- Importation of consigned equipment for a period of ten (10) years from date of registration, subject to the posting of re-export bond.

##### *SMPC - Expanding Producer of Coal*

On September 26, 2008, BOI issued in favor of SMPC a Certificate of Registration as an Expanding Producer of Coal in accordance with the provisions of the Omnibus Investments Code of 1987. Pursuant thereto, SMPC shall be entitled to the following incentives, among others:

- ITH for six (6) years from September 2008 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. For purposes of availment of ITH, a base figure of 2.71 million metric tons (MT) representing SMPC's average sales volume for the past three (3) years prior to the expansion shall be used.

SMPC shall initially be granted a four-year ITH. The additional two (2) year ITH shall be granted upon submission of completed or on-going projects in compliance with its Corporate Social Responsibility (CSR), which shall be submitted before the lapse of its initial four-year ITH. SMPC's ITH of 6 years is expected to lapse in September 2014.

On May 1, 2014, the BOI approved SMPC's additional year of ITH entitlement from September 2014 to September 2015. On August 12, 2014, the BOI approved SMPC's additional year of ITH entitlement from September 2015 to September 2016.

- Employment of foreign nationals. This may be allowed in supervisory, technical or advisory positions for five (5) years from the date of registration. The president, general manager and treasurer of foreign-owned registered companies or their equivalent shall not be subject to the foregoing limitations.





Date of filing: Application shall be filed with the BOI Incentives Department before assumption to duty of newly hired foreign nationals and at least one (1) month before expiration of existing employment for renewal of visa.

- c. Simplification of Customs procedures for the importation of equipment, spare parts, raw materials and supplies.

On August 19, 2009, the BOI granted SMPC's request for a reduced base figure from 2.71 million MT to 1.90 million MT representing the average sales volume for the past eight (8) years (2000 to 2007) prior to registration with the BOI.

SMPC availed of tax incentive in the form of ITH on its income under registered activities amounting to ₱2.29 billion, ₱2.69 billion and ₱1.48 billion in 2015, 2014 and 2013, respectively.

*SCPC - New Operator of the 600-MW Calaca Coal-Fired Power Plant*

On April 19, 2010, SCPC was registered with the BOI as New Operator of the 600-MW Calaca Coal-Fired Power Plant on a Non-Pioneer Status in accordance with the provisions of the Omnibus Investments Code of 1987. In accordance with its registration, SCPC shall be entitled to, among others, an ITH for four (4) years from April 2011 or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. The ITH incentives shall be limited to the revenue generated from the sales of electricity of the 600 MW Batangas Coal-Fired Thermal Power Plant.

On January 7, 2011, BOI approved SCPC's request for an earlier application of the ITH to be effective January 1, 2010.

On December 17, 2013, BOI approved SCPC's request for the extension for one (1) year of the ITH for the period January 1 to December 31, 2014.

SCPC availed of tax incentive in the form of ITH on its income under registered activities amounting to nil and ₱1.22 billion in 2015 and 2014, respectively.

*SLPGC - New Operator of 300-MW Batangas Coal Fired Power Plant*

On June 21, 2012, the application for registration of SLPGC as new operator of 300 MW (Phase 1) Batangas Coal Fired Power Plant on a Non-Pioneer Status under the Omnibus Investments Code of 1987 (Executive Order No. 226) was approved. Pursuant thereto, SLPGC shall be entitled to the following incentives, among others:

- a. ITH for four (4) years from January 2015 or actual start of commercial operations, whichever is earlier but in no case earlier than the date of registration;
- b. For the first five (5) years from date of registration, the enterprise shall be allowed an additional deduction from taxable income of fifty percent (50.00%) of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availments as against the previous year if the project meets the prescribed ratio of capital equipment to the number of workers set by the Board and provided that this incentive shall not be availed of simultaneously with the ITH;
- c. Importation of consigned equipment for a period of ten (10) years from date of registration, subject to posting of re-export bond;



- d. Employment of foreign nationals. This may be allowed in supervisory, technical or advisory positions for five (5) years from date of registration; and
- e. Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.

On June 19, 2015, SLPGC wrote the BOI informing the latter of the delay in the start of commercial operations of Units 1 & 2 of the 2x150 MW CFB Fired Power Plant Project citing as reason the delay in the substation interconnection of the plant due to legal and commercial issues between and among the National Power Corporation, National Transmission Corporation, First Gas Power Corporation, MERALCO, PSALM and National Grid Corporation.

On July 2, 2015 the BOI replied that the BOI may grant a request for deferment of start of commercial operations with justifiable cause for a maximum of one (1) year. The BOI may also grant a second request for deferment for six (6) months provided that the reason for the second request is different from the first. However failure to start commercial operations as committed in a second request shall be a ground for automatic cancellation of registration without prejudice to filing a new application for registration.

On February 16, 2016, SLPGC informed the BOI that testing and commission commenced shortly after the interconnection issue was resolved on July 16, 2015. In said letter SLPGC formally requested the BOI for extension for the six (6) months or up to June 2016.

*DMCI Masbate - New Operator of a 24.4 MW Diesel Power Plant in Mobo, Masbate*

On September 23, 2010, the BOI approved the registration of DMCI Masbate as New Operator of a 24.4 MW Diesel Power Plant in Mobo, Masbate on a Pioneer status under the Omnibus Investment Code of 1987. As a registered entity, DMCI Masbate is entitled to certain fiscal and non-fiscal incentives which include, among others, an ITH on the registered operations of the entity. Other incentives with no specific number of years of entitlement may be enjoyed for a maximum of ten (10) years from the start of commercial operation/date of registration. DMCI Masbate availed of tax incentive in the form of ITH on its income under registered activities amounting to ₱72.02 million and ₱74.20 million in 2015 and 2014, respectively.

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### 30. Earnings Per Share

The following table presents information necessary to calculate basic earnings per share on net income attributable to equity holders of the Parent Company (in thousands except basic/diluted earnings per share):

|                                                             | 2015               | 2014        | 2013        |
|-------------------------------------------------------------|--------------------|-------------|-------------|
| Net income attributable to equity holders of Parent Company | <b>₱12,834,666</b> | ₱10,775,334 | ₱18,863,716 |
| Divided by weighted average number of common shares*        | <b>13,277,470</b>  | 13,277,470  | 13,277,470  |
| Basic/diluted earnings per share                            | <b>₱0.97</b>       | ₱0.81       | ₱1.42       |

\*The weighted average number of shares takes into account average effect of changes for the issuance of stock dividends in 2014.

There were no dilutive potential ordinary shares. Accordingly, no diluted earnings per share is presented in 2015, 2014 and 2013.



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### 31. Coal Operating Contract with DOE

On July 11, 1977, the Government, through its former Energy Development Board, awarded a 35-year COC to a consortium led by Vulcan Industrial & Mineral Exploration Corporation and Sulu Sea Oil Development Corporation that subsequently assigned said COC to SMPC on April 7, 1980. On July 27, 1977, Presidential Decree (PD) 972 was amended by PD 1174: (a) increasing coal operators' maximum cost recovery from an amount not exceeding 70% to 90% of the gross proceeds from production, and (b) increasing the amount of a special allowance for Philippine corporations from an amount not exceeding 20% to 30% of the balance of the gross income, after deducting all operating expenses. As a result, SMPC's COC was subsequently amended on January 16, 1981 reflecting said changes.

On June 8, 1983, the Ministry of Energy (now DOE), issued a new COC to SMPC, incorporating the foregoing assignment and amendments. The COC gives SMPC the exclusive right to conduct exploration, development and coal mining operations on Semirara Island until July 13, 2012. On May 13, 2008, the DOE granted SMPC's request for an extension of its COC for another 15-year or until July 14, 2027.

On November 12, 2009, the COC was amended further, expanding its contract area to include portions of Caluya and Sibay islands, Antique, covering an additional area of 5,500 hectares and 300 hectares, respectively.

On April 29, 2013, the DOE issued a new COC to SMPC, which grants it the exclusive right to conduct exploration, development and coal mining operations in the municipality of Bulalacao, province of Oriental Mindoro, up to a maximum of 36 years from its effective date. The COC covers two coal-bearing parcels of land covering areas of 2,000 and 5,000 hectares, respectively.

On June 7, 2013, the DOE issued a new COC to SMPC, which grants it the exclusive right to conduct exploration, development and coal mining operations in the municipalities of Maitum and Kiamba, province of Sarangani, up to a maximum of 36 years from its effective date. The COC covers a coal-bearing parcel of land covering area of 5,000 hectares.

In return for the mining rights granted to SMPC, the Government is entitled to receive annual royalty payments consisting of the balance of the gross income after deducting operating expenses, operator's fee and special allowance. SMPC's provision for DOE's share under this contract and to the different LGU in the province of Antique, under the provisions of the Local Government Code of 1991, amounted to ₱1.80 billion, ₱1.86 billion and ₱1.30 billion in 2015, 2014 and 2013, respectively, included under "Operating expenses" in the consolidated statements of income (Note 25). The liabilities, amounting to ₱1.12 billion and ₱1.13 billion as of December 31, 2015 and 2014 are included under the "Accounts and other payables" account in the consolidated statements of financial position (Note 17).

The DOE, through the Energy Resources Development Bureau, approved the exclusion of coal produced and used solely by SMPC to feed its power plant in determining the amount due to DOE.



### 32. Material Partly-Owned Subsidiary

The financial information of the Group's subsidiaries with material non-controlling interest (NCI) are provided below. These information are based on amounts before intercompany eliminations.

#### Semirara Mining and Power Corporation (SMPC) and Subsidiaries

|                                                              | 2015               | 2014         |
|--------------------------------------------------------------|--------------------|--------------|
| <b>Consolidated statements of financial position</b>         |                    |              |
| Current assets                                               | <b>₱15,092,708</b> | ₱12,772,628  |
| Noncurrent assets                                            | <b>42,064,329</b>  | 39,128,748   |
| <b>Total assets</b>                                          | <b>57,157,037</b>  | 51,901,376   |
| Current liabilities                                          | <b>15,555,722</b>  | 12,138,202   |
| Noncurrent liabilities                                       | <b>14,700,233</b>  | 17,056,963   |
| <b>Total liabilities</b>                                     | <b>30,255,955</b>  | 29,195,165   |
| <b>Equity</b>                                                | <b>₱26,901,082</b> | ₱22,706,211  |
| <b>Consolidated statements of comprehensive income</b>       |                    |              |
| Revenue                                                      | <b>₱24,680,171</b> | ₱28,585,341  |
| Cost of sales                                                | <b>10,542,092</b>  | 18,927,487   |
| Gross profit                                                 | <b>14,138,079</b>  | 9,657,854    |
| Operating expenses                                           | <b>(4,389,084)</b> | (3,220,999)  |
| Other expenses                                               | <b>(80,002)</b>    | (128,428)    |
| Income before income tax                                     | <b>9,668,993</b>   | 6,308,427    |
| Provision for (benefit from) income tax                      | <b>1,182,084</b>   | (552,867)    |
| Net income                                                   | <b>8,486,909</b>   | 6,861,294    |
| Other comprehensive loss                                     | <b>(17,038)</b>    | (7,595)      |
| <b>Total comprehensive income</b>                            | <b>₱8,469,871</b>  | ₱6,853,699   |
| <b>Cash flows information</b>                                |                    |              |
| Operating                                                    | <b>₱10,683,869</b> | ₱11,925,643  |
| Investing                                                    | <b>(5,115,628)</b> | (10,671,264) |
| Financing                                                    | <b>(4,467,783)</b> | (2,388,159)  |
| Effect of exchange rate changes on cash and cash equivalents | <b>(37,975)</b>    | (2,402)      |
| <b>Net increase (decrease) in cash and cash equivalents</b>  | <b>₱1,062,483</b>  | (₱1,136,182) |

#### Berong Nickel Corporation

|                                        | 2015              | 2014      |
|----------------------------------------|-------------------|-----------|
| <b>Statement of financial position</b> |                   |           |
| Current assets                         | <b>₱1,802,917</b> | ₱933,360  |
| Noncurrent assets                      | <b>556,554</b>    | 782,400   |
| <b>Total assets</b>                    | <b>2,359,471</b>  | 1,715,760 |
| Current liabilities                    | <b>1,711,035</b>  | 1,050,894 |
| Noncurrent liabilities                 | <b>342,873</b>    | 19,055    |
| <b>Total liabilities</b>               | <b>2,053,908</b>  | 1,069,949 |
| <b>Equity</b>                          | <b>₱305,563</b>   | ₱645,811  |



|                                                              | 2015              | 2014       |
|--------------------------------------------------------------|-------------------|------------|
| <b>Statement of comprehensive income</b>                     |                   |            |
| Revenue                                                      | <b>₱3,067,433</b> | ₱2,141,350 |
| Cost of sales                                                | <b>951,087</b>    | 938,650    |
| Gross profit                                                 | <b>2,116,346</b>  | 1,202,700  |
| Operating expenses                                           | <b>(717,110)</b>  | (739,686)  |
| Other income (expenses)                                      | <b>43,120</b>     | (18,934)   |
| Income before income tax                                     | <b>1,442,356</b>  | 444,080    |
| Provision for income tax                                     | <b>439,908</b>    | 121,765    |
| Net income                                                   | <b>1,002,448</b>  | 322,315    |
| Other comprehensive income (loss)                            | <b>(2,695)</b>    | 191        |
| <b>Total comprehensive income</b>                            | <b>₱999,753</b>   | ₱322,506   |
| <b>Cash flow information</b>                                 |                   |            |
| Operating                                                    | <b>₱1,359,795</b> | ₱897,538   |
| Investing                                                    | <b>(52,728)</b>   | (612,178)  |
| Financing                                                    | <b>(279,492)</b>  | (185,000)  |
| Effect of exchange rate changes on cash and cash equivalents | <b>74,459</b>     | (4,928)    |
| <b>Net increase in cash and cash equivalents</b>             | <b>₱1,102,034</b> | ₱95,432    |

The accumulated balances of material noncontrolling interest as at December 31, 2015 and 2014 amounted to ₱12,099.31 million and ₱10,432.43 million, respectively. Dividends paid to noncontrolling interests amounted to ₱2,203.38 million and ₱1,867.32 million, respectively.

### 33. Business Combination

#### Acquisition of TMC

On October 23, 2012, DMC purchased from Daintree Resources Limited 8.48 million common shares or 17.01% ownership in TMC for GBP3.40 million or ₱226.90 million. TMC is an investment holding company incorporated in England and Wales on May 29, 2007 and is engaged in ore and mineral mining and exploration.

In 2013, DMC increased its interest in TMC by acquiring additional shares through a mandatory cash offer to TMC's shareholders. As of December 31, 2013, DMC holds 49.15 million shares and voting rights representing 98.06% of voting rights. In 2014, the remaining 1.94% of TMC was paid by DMC.

On December 20, 2013, DMC acquired majority seats in the Board of TMC.

As at December 31, 2013, the Group assessed that its investment in TMC be accounted for as investment in subsidiary in accordance with the guidance set out by PFRS 10. The assets, liabilities and equity of TMC have been consolidated in the financial statements of the Group on December 20, 2013, the date when control is obtained. As of December 31, 2013, the accounting for business combination of TMC was accounted for provisionally since the fair values of net assets acquired are yet to be finalized. The provisional accounting resulted to excess of fair value of identifiable net assets over the consideration of ₱31.04 million and was presented as a gain in the 2013 consolidated statements of income. The business combination was finalized in 2014. Upon finalization, the Group remeasured its previously held interest of 17.01% which resulted to a loss of ₱42.62 million presented in "Gain (loss) on remeasurement of previously held interest" in the 2013 consolidated statements of income.



The following table summarizes the final amounts of the assets acquired and liabilities assumed at the acquisition date:

|                                                    | Fair value<br>recognized on<br>acquisition date |
|----------------------------------------------------|-------------------------------------------------|
| <b>Assets</b>                                      |                                                 |
| Cash and cash equivalents                          | ₱28,485                                         |
| Trade and other receivables                        | 4,912                                           |
| Other current assets                               | 1,807                                           |
| Furniture and equipment                            | 450                                             |
| Investment in associates                           | 559,809                                         |
| Noncurrent receivables and other noncurrent assets | 1,002,506                                       |
|                                                    | <u>1,597,969</u>                                |
| <b>Liabilities</b>                                 |                                                 |
| Trade and other payables                           | 40,961                                          |
| Accrued expenses                                   | 17,536                                          |
|                                                    | <u>58,497</u>                                   |
| <b>Fair value of net assets acquired</b>           | <b>₱1,539,472</b>                               |

The Group assessed that the carrying values of the assets acquired and liabilities assumed approximates fair values except for the investments in associates which were valued using the income approach, discounted cash flow (DCF) method.

The purchase price for the remaining 1.94% of ₱35.77 million is included in the consideration and the related liability. This arises from the mandatory call option for the remaining 1.94% interest.

Goodwill recognized on the business combination of TMC follows (in thousands):

|                                                  |                   |
|--------------------------------------------------|-------------------|
| Fair value of net assets acquired                | ₱1,539,472        |
| Less:                                            |                   |
| Amount of consideration for the acquisition      | 1,459,524         |
| Fair value of previously held interest           | 260,475           |
| <b>Goodwill, as converted to Philippine Peso</b> | <b>(₱180,527)</b> |

The goodwill recognized amounting to ₱180.53 million comprises the expected cash flows to be generated from the mining rights and properties of TMC's associates. The acquisition of TMC will enable the Group to strengthen its strategic objective in the nickel mining segment. With a more diversified portfolio, the Group expects to generate revenue from its nickel mining segment. These recurring revenues can, in turn, be used to provide internally generated funding for other projects.

TMC has no contributed profits or loss from the date of acquisition to December 31, 2013. If the acquisition had taken place at the beginning of the year, net income before tax would have decreased by ₱263.61 million because of the losses incurred by TMC.



The above finalization of business combination of TMC resulted to the restatement of the 2013 consolidated financial statements with the following affected balances:

|                                                                                             | Total Assets | Total Liabilities | Net Income    | Stockholder's Equity |
|---------------------------------------------------------------------------------------------|--------------|-------------------|---------------|----------------------|
| December 31, 2013, as previously reported                                                   | ₱123,750,759 | (₱63,547,682)     | (₱22,256,759) | (₱60,203,077)        |
| Recognition of goodwill                                                                     | 180,527      | —                 | —             | —                    |
| Adjustment in investment account for equity share in net earnings of TMC associates         | (218,425)    | —                 | —             | —                    |
| Adjustment in consideration for the liability for option to purchase of the remaining 1.94% | —            | (35,766)          | —             | —                    |
| Reversal of gain in bargain purchase loss on remeasurement of previously held interest      | —            | —                 | 73,664        | 73,664               |
| Net adjustments                                                                             | (37,898)     | (35,766)          | 73,664        | 73,664               |
| December 31, 2013, as restated                                                              | ₱123,712,861 | (₱63,583,448)     | (₱22,183,095) | (₱60,129,413)        |

As discussed in Note 2, DMC sold its investment in TMC on December 19, 2014 to a third party individual after effectively transferring the entire receivables and shares of TMC in the mining entities (TMM, URHI, UNC, NRHI and BNC) to DMC.

On December 19, 2014, upon loss of control on TMC, DMC has derecognized the assets (including goodwill) and liabilities of TMC at their carrying amounts.

#### Acquisition of TMM, URHI, UNC, NRHI and BNC

In June 2014, organizational meetings were held for the above entities, wherein the voting rights held by Atlas were assigned to the representative of the Group. In that same meeting, management team from the Group were assigned as key officers of the above entities. Further, on July 11, 2014, a Memorandum of Agreement (MOA) was entered between TMC and Atlas, which set out the material terms under which the parties have agreed to hold their respective investments in respect of the exploration, development and utilization of Berong Mineral Properties defined in the joint venture agreement dated January 9, 2005. The said MOA sets out the rights of each of Atlas and TMC including the assignment of board seats, majority of which were assigned to TMC and delegation to TMC of the day-to-day operations and critical decision making in running the mining operations.

On June 19, 2014, the Group assessed that its investment in these entities be accounted for as investment in subsidiaries, instead of associates, in accordance with the guidance set out by PFRS 10. The assets, liabilities and equity of these entities have been consolidated in the financial statements of the Group on June 19, 2014, the date when control is obtained.



The following table summarizes the amounts of the assets acquired and liabilities assumed recognized at the acquisition date:

|                                                       | Fair value<br>recognized on<br>acquisition date |
|-------------------------------------------------------|-------------------------------------------------|
| <b>Assets</b>                                         |                                                 |
| Cash and cash equivalents                             | ₱410,978                                        |
| Trade and other receivables                           | 131,047                                         |
| Inventory                                             | 185,562                                         |
| Other current assets                                  | 129,296                                         |
| Property and equipment                                | 560,247                                         |
| Mining properties                                     | 1,588,726                                       |
| Deferred tax assets                                   | 964                                             |
| Other noncurrent assets                               | 165,230                                         |
|                                                       | <u>3,172,050</u>                                |
| <b>Liabilities</b>                                    |                                                 |
| Trade and other payables                              | 983,052                                         |
| Provision for mine rehabilitation and decommissioning | 2,364                                           |
| Pension liabilities                                   | 11,332                                          |
| Deferred tax liabilities                              | 386,405                                         |
|                                                       | <u>1,383,153</u>                                |
| <b>Fair value of net assets acquired</b>              | <b>₱1,788,897</b>                               |

The Group assessed that the carrying values of the assets acquired and liabilities assumed approximates fair values except for the mining properties which were valued using the income approach, discounted cash flow (DCF) method.

Total gain from remeasurement of previously held interests in TMM, URHI, UNC, NRHI and BNC amounted to ₱54.36 million in 2014, shown as part of 'Gain from remeasurement of previously held interest' in the consolidated statements of income.

Excess of fair values of net identifiable assets over the consideration paid on the business combination of TMM, URHI, UNC, NRHI and BNC follows:

|                                                                           |                   |
|---------------------------------------------------------------------------|-------------------|
| Fair value of net assets acquired                                         | ₱1,788,897        |
| Less:                                                                     |                   |
| Fair value of previously held interest                                    | 1,198,157         |
| Fair value of noncontrolling interest                                     | 333,243           |
| <b>Excess of fair value of identifiable net assets over consideration</b> | <b>(₱257,497)</b> |

Excess of fair value of net identifiable assets over the consideration paid is shown as a 'Gain on bargain purchase' in the consolidated statements of income.

From the date of acquisition, TMM, URHI, UNC, NRHI and BNC has contributed ₱1,040.80 million of revenue and other income from nickel mining and ₱201.75 million to net income of the Group in 2014. If the combination had taken place at the beginning of the year in 2014, contributions to revenue and other income from nickel mining operations would have been ₱2,166.55 million, while contributions to net income would have been ₱423.60 million in 2014.





### Acquisition of ENK

In 2013, the Parent Company's investment in ENK was previously treated as a joint venture investment with D&A as the strategic and financial operating decisions relating to the economic activities of ENK require the unanimous consent of both parties.

On March 25, 2014, the Parent Company purchased from D&A Income Ltd. the remaining 40% interest in ENK and its subsidiaries for approximately ₱3.13 billion, making ENK and its wholly-owned foreign and local subsidiaries, wholly-owned subsidiaries of the Parent Company. The business combination was completed on April 3, 2014 when the directors representing D&A resigned and the positions were occupied by the representatives of the Parent Company.

The Group assessed that its investment in ENK be accounted for as investment in subsidiary, in accordance with the guidance set out by PFRS 10. The assets, liabilities and equity of ENK have been consolidated in the financial statements of the Group on April 3, 2014, the date when control is obtained.

The following table summarizes the amounts of the assets acquired and liabilities assumed recognized at the acquisition date:

|                                                       | Fair value<br>recognized on<br>acquisition date |
|-------------------------------------------------------|-------------------------------------------------|
| <b>Assets</b>                                         |                                                 |
| Cash and cash equivalents                             | ₱692,244                                        |
| Trade and other receivables                           | 22,577                                          |
| Property and equipment                                | 59,725                                          |
| Mining properties and other noncurrent assets         | 4,120,031                                       |
|                                                       | <u>4,894,577</u>                                |
| <b>Liabilities</b>                                    |                                                 |
| Trade and other payables                              | 75,879                                          |
| Provision for mine rehabilitation and decommissioning | 21,381                                          |
| Deferred tax liabilities                              | 1,064,384                                       |
|                                                       | <u>1,161,644</u>                                |
| <b>Fair value of net assets acquired</b>              | <b><u>₱3,732,933</u></b>                        |

The Group assessed that the carrying values of the assets acquired and liabilities assumed approximates fair values except for the mining properties which were valued using the income approach, discounted cash flow (DCF) method.

Total gain from remeasurement of previously held interests in ENK amounted to ₱206.73 million in 2014, shown as part of 'Gain from remeasurement of previously held interest' in the consolidated statements of income.

Goodwill recognized on the business combination of ENK follows:

|                                        |                            |
|----------------------------------------|----------------------------|
| Fair value of net assets acquired      | ₱3,732,933                 |
| Less:                                  |                            |
| Fair value of previously held interest | 2,239,760                  |
| Consideration paid                     | 3,130,603                  |
| <b>Goodwill</b>                        | <b><u>(₱1,637,430)</u></b> |



The goodwill recognized amounting to ₱1,637.43 million comprises the expected cash flows generated from the mining rights and properties of ENK. The acquisition of ENK will enable the Group to strengthen its strategic objective in the nickel mining segment. With a more diversified portfolio, the Group expects to generate revenue from its nickel mining segment. These recurring revenues can, in turn, be used to provide internally generated funding for other projects.

From the date of acquisition, ENK has contributed ₱448.88 million of revenue and other income from nickel mining and ₱131.29 million to net income of the Group in 2014. If the combination had taken place at the beginning of the year in 2014, contributions to net income would have been ₱124.14 million in 2014.

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#### 34. Cumulative Translation Adjustment

Cumulative translation adjustment represents exchange differences arising from the translation of financial statements of the foreign subsidiaries, TMC, whose functional currency is the British Pounds and ENK (including EN Iberia, EN Spain, Rusina, EN Holland and EN Philland) with functional currency of US Dollar.

On December 19, 2014, the cumulative translation adjustment pertaining to TMC was reclassified to profit or loss upon loss of control in TMC (see Note 33).

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#### 35. Operating Segments

##### Business Segment Information

For management purposes, the Group is organized into seven (7) major business units that are largely organized and managed separately according to industry.

Construction - engaged in various construction component businesses such as production and trading of concrete products, handling steel fabrication and electrical and foundation works.

Coal mining - engaged in the exploration, mining and development of coal resources on Semirara Island in Caluya, Antique.

Nickel mining - engaged primarily in mining and selling nickel ore from existing stockpile in Acoje mines in Zambales and Berong mines in Palawan.

Real estate - focused in mid-income residential development carried under the brand name DMCI Homes.

On-grid Power - engaged in power generation through coal-fired power plants providing electricity to distribution utilities and indirect members of WESM.

Off-grid Power - engaged in power generation through satellite power plants providing electricity to areas that are not connected to the main transmission grid.

Water - includes share in net earnings from associates, MWHCI and Subic Water, which are engaged in water services for the west portion of Metro Manila and Olongapo City and Subic Bay Freeport, respectively.



No operating segments have been aggregated to form the above reportable operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue, earnings before interest, income taxes and depreciation and amortization (EBITDA) and operating profit or loss, and is measured consistently in the consolidated financial statements.

The Group's management reporting and controlling systems use accounting policies that are the same as those described in Note 2 in the summary of significant accounting policies under PFRS.

EBITDA is the measure of segment profit (loss) used in segment reporting and comprises gross profit, selling and general administrative expenses, research and non-capitalized development costs, other operating income (expense) - net, as well as other financial income (expense) - net.

Segment assets principally comprise all assets. The industrial business segments' assets exclude income tax assets, assets from defined benefit plans and certain financial assets.

Segment liabilities principally comprise all liabilities. The industrial business segments' liabilities exclude income tax liabilities, liabilities from defined benefit plans and certain financial liabilities.

The Group has no significant customer which contributes 10.00% or more to the revenues of the Group.

Group financing (including finance costs and finance income) and income taxes are also managed per operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

#### Business Segments

The following tables present revenue, net income (loss) and depreciation and amortization information regarding business segments for the years ended December 31, 2015, 2014 and 2013 and property, plant and equipment additions, total assets and total liabilities for the business segments as of December 31, 2015, 2014 and 2013:



**Year ended December 31, 2015**

|                                                                              | Construction<br>and Others* | Coal Mining | Nickel Mining | Real Estate<br>Development | Power<br>On Grid | Power<br>Off Grid | Water      | Parent<br>Company | Total        |
|------------------------------------------------------------------------------|-----------------------------|-------------|---------------|----------------------------|------------------|-------------------|------------|-------------------|--------------|
| Revenue                                                                      | ₱13,538,882                 | ₱11,781,825 | ₱3,138,852    | ₱13,676,990                | ₱12,898,346      | ₱2,169,026        | ₱—         | ₱—                | ₱57,203,921  |
| Equity in net earnings of associates                                         | —                           | —           | —             | —                          | —                | —                 | 2,376,424  | —                 | 2,376,424    |
| Other income (expense) - net                                                 | 34,557                      | (79,409)    | 123,294       | 495,725                    | 184,509          | 41,538            | —          | 13,204            | 813,418      |
|                                                                              | 13,573,439                  | 11,702,416  | 3,262,146     | 14,172,715                 | 13,082,855       | 2,210,564         | 2,376,424  | 13,204            | 60,393,763   |
| Cost of sales and services (before depreciation<br>and amortization)         | 11,414,832                  | 5,766,055   | 723,412       | 6,802,819                  | 3,131,376        | 1,129,360         | —          | —                 | 28,967,854   |
| General and administrative expense (before<br>depreciation and amortization) | 293,752                     | 2,292,014   | 862,844       | 2,097,436                  | 1,608,610        | 528,668           | —          | 64,862            | 7,748,186    |
|                                                                              | 11,708,584                  | 8,058,069   | 1,586,256     | 8,900,255                  | 4,739,986        | 1,658,028         | —          | 64,862            | 36,716,040   |
| EBITDA                                                                       | 1,864,855                   | 3,644,347   | 1,675,890     | 5,272,460                  | 8,342,869        | 552,536           | 2,376,424  | (51,658)          | 23,677,723   |
| Other income (expenses)                                                      |                             |             |               |                            |                  |                   |            |                   |              |
| Finance income (cost) (Notes 26 and 27)                                      | (54,877)                    | (107,128)   | 1,611         | 127,378                    | (113,496)        | (10,480)          | —          | 78,782            | (78,210)     |
| Gain on sale of investments (Notes 11 and 28)                                | 20,835                      | —           | —             | —                          | —                | —                 | —          | 541,892           | 562,727      |
| Depreciation and amortization (Notes 24 and 25)                              | (847,499)                   | (572,060)   | (436,934)     | (314,101)                  | (1,321,579)      | (139,605)         | —          | (2,816)           | (3,634,594)  |
| Pretax income                                                                | 983,314                     | 2,965,159   | 1,240,567     | 5,085,737                  | 6,907,794        | 402,451           | 2,376,424  | 566,200           | 20,527,646   |
| Provision for income tax (Note 29)                                           | 299,367                     | 15,885      | 503,630       | 1,499,085                  | 1,219,865        | 20,449            | —          | 46,549            | 3,604,830    |
| Net income                                                                   | ₱683,947                    | ₱2,949,274  | ₱736,937      | ₱3,586,652                 | ₱5,687,929       | ₱382,002          | ₱2,376,424 | ₱519,651          | ₱16,922,816  |
| Net income attributable to non-controlling<br>interest                       | 27,335                      | 1,247,163   | 235,651       | —                          | 2,578,001        | —                 | —          | —                 | 4,088,150    |
| Net income attributable to equity holders                                    | ₱656,612                    | ₱1,702,111  | ₱501,286      | ₱3,586,652                 | ₱3,109,928       | ₱382,002          | ₱2,376,424 | ₱519,651          | ₱12,834,666  |
| Segment Assets                                                               |                             |             |               |                            |                  |                   |            |                   |              |
| Cash                                                                         | ₱1,138,377                  | ₱2,639,584  | ₱3,794,633    | ₱5,678,967                 | ₱2,106,024       | ₱97,894           | ₱—         | ₱3,695,124        | ₱19,150,603  |
| Receivables                                                                  | 5,028,645                   | 1,270,030   | 109,132       | 7,523,998                  | 1,454,049        | 608,902           | —          | 4,901             | 15,999,657   |
| Inventories                                                                  | 1,367,626                   | 2,588,744   | 389,372       | 28,128,134                 | 1,793,863        | 140,024           | —          | —                 | 34,407,763   |
| Investment in associates and joint venture                                   | 73,612                      | —           | —             | 246,147                    | —                | —                 | —          | 11,137,973        | 11,457,732   |
| Property, plant and equipment                                                | 2,758,958                   | 4,216,560   | 5,653,974     | 1,113,118                  | 33,454,653       | 2,228,007         | —          | 14,953            | 49,440,223   |
| Others                                                                       | 4,334,182                   | 4,101,866   | 2,403,658     | 3,177,412                  | 3,527,309        | 467,705           | —          | 89,065            | 18,101,197   |
|                                                                              | ₱14,701,400                 | ₱14,816,784 | ₱12,350,769   | ₱45,867,776                | ₱42,335,898      | ₱3,542,532        | ₱—         | ₱14,942,016       | ₱148,557,175 |
| Segment Liabilities                                                          |                             |             |               |                            |                  |                   |            |                   |              |
| Customers' advances and deposits                                             | ₱—                          | ₱14,298     | ₱3            | ₱5,677,970                 | ₱—               | ₱—                | ₱—         | ₱—                | ₱5,692,271   |
| Loans payable                                                                | 1,136,282                   | 6,208,735   | 312,008       | 19,191,061                 | 13,334,874       | 580,000           | —          | —                 | 40,762,960   |
| Others                                                                       | 9,358,934                   | 5,342,335   | 2,566,588     | 6,438,443                  | 2,759,115        | 823,939           | —          | 37,410            | 27,326,764   |
|                                                                              | ₱10,495,216                 | ₱11,565,368 | ₱2,878,599    | ₱31,307,474                | ₱16,093,989      | ₱1,403,939        | ₱—         | ₱37,410           | ₱73,781,995  |
| Other disclosures                                                            |                             |             |               |                            |                  |                   |            |                   |              |
| Property, plant and equipment additions (Note 13)                            | ₱677,042                    | ₱2,108,187  | ₱249,285      | ₱328,234                   | ₱2,612,629       | ₱740,826          | ₱—         | ₱10,010           | ₱6,726,213   |
| Acquisition of land for future development (Note 9)                          | —                           | —           | —             | 3,159,888                  | —                | —                 | —          | —                 | 3,159,888    |

\*Revenue from construction segment includes sales and service revenue from WRCP.



**Year ended December 31, 2014**

|                                                                                  | Construction<br>and Others* | Coal Mining | Nickel Mining | Real Estate<br>Development | Power<br>On Grid | Power<br>Off Grid | Water      | Parent<br>Company | Total        |
|----------------------------------------------------------------------------------|-----------------------------|-------------|---------------|----------------------------|------------------|-------------------|------------|-------------------|--------------|
| <b>Revenue</b>                                                                   | ₱12,137,085                 | ₱16,276,930 | ₱1,516,461    | ₱12,493,636                | ₱12,308,411      | ₱1,828,431        | ₱–         | ₱–                | ₱56,560,954  |
| <b>Equity in net earnings (losses) of associates</b>                             | –                           | –           | 159,294       | –                          | –                | –                 | 2,036,707  | (180,298)         | 2,015,703    |
| <b>Other income (expense) - net</b>                                              | 83,716                      | 30,163      | 691,337       | 960,528                    | 123,185          | 38,356            | –          | (14,617)          | 1,912,668    |
|                                                                                  | 12,220,801                  | 16,307,093  | 2,367,092     | 13,454,164                 | 12,431,596       | 1,866,787         | 2,036,707  | (194,915)         | 60,489,325   |
| <b>Cost of sales and services (before depreciation and amortization)</b>         | 10,360,432                  | 9,037,924   | 206,782       | 6,523,393                  | 7,510,309        | 1,315,555         | –          | –                 | 34,954,395   |
| <b>General and administrative expense (before depreciation and amortization)</b> | 322,860                     | 2,212,418   | 1,283,627     | 2,343,115                  | 886,611          | 178,537           | –          | 69,550            | 7,296,718    |
|                                                                                  | 10,683,292                  | 11,250,342  | 1,490,409     | 8,866,508                  | 8,396,920        | 1,494,092         | –          | 69,550            | 42,251,113   |
| <b>EBITDA</b>                                                                    | 1,537,509                   | 5,056,751   | 876,683       | 4,587,656                  | 4,034,676        | 372,695           | 2,036,707  | (264,465)         | 18,238,212   |
| <b>Other income (expenses)</b>                                                   |                             |             |               |                            |                  |                   |            |                   |              |
| Finance income (cost) (Notes 26 and 27)                                          | (3,368)                     | (104,480)   | 4,157         | 142,816                    | (176,584)        | (353)             | –          | 108,872           | (28,940)     |
| Gain on remeasurement of previously held interest                                | –                           | –           | 261,084       | –                          | –                | –                 | –          | –                 | 261,084      |
| Gain on bargain purchase (Note 33)                                               | –                           | –           | 257,497       | –                          | –                | –                 | –          | –                 | 257,497      |
| Depreciation and amortization (Notes 24 and 25)                                  | (874,097)                   | (916,658)   | (511,626)     | (220,416)                  | (1,216,489)      | (95,789)          | –          | (2,002)           | (3,837,077)  |
| <b>Pretax income</b>                                                             | 660,044                     | 4,035,613   | 887,795       | 4,510,056                  | 2,641,603        | 276,553           | 2,036,707  | (157,595)         | 14,890,776   |
| <b>Provision (benefit) for income tax (Note 29)</b>                              | 137,281                     | 146,750     | 21,042        | 1,268,569                  | (533,596)        | 33,188            | –          | 15,042            | 1,088,276    |
| <b>Net income</b>                                                                | ₱522,763                    | ₱3,888,863  | ₱866,753      | ₱3,241,487                 | ₱3,175,199       | ₱243,365          | ₱2,036,707 | (₱172,637)        | ₱13,802,500  |
| <b>Net income attributable to non-controlling interest</b>                       | 44,020                      | 1,590,000   | (13,854)      | –                          | 1,407,000        | –                 | –          | –                 | 3,027,166    |
| <b>Net income attributable to equity holders</b>                                 | ₱478,743                    | ₱2,298,863  | ₱880,607      | ₱3,241,487                 | ₱1,768,199       | ₱243,365          | ₱2,036,707 | (₱172,637)        | ₱10,775,334  |
| <b>Segment Assets</b>                                                            |                             |             |               |                            |                  |                   |            |                   |              |
| Cash                                                                             | ₱803,266                    | ₱1,889,222  | ₱2,224,891    | ₱2,732,344                 | ₱1,793,904       | 32,556            | ₱–         | ₱5,753,585        | ₱15,229,768  |
| Receivables                                                                      | 3,557,835                   | 1,447,368   | 360,557       | 7,999,503                  | 2,011,778        | 469,188           | –          | 5,138             | 15,851,367   |
| Inventories                                                                      | 1,229,701                   | 1,423,152   | 398,268       | 24,085,872                 | 1,369,179        | 113,496           | –          | –                 | 28,619,668   |
| Investment in associates and joint venture                                       | 168,196                     | –           | –             | 211,776                    | –                | –                 | –          | 10,531,518        | 10,911,490   |
| Property, plant and equipment                                                    | 2,921,218                   | 3,697,349   | 6,020,586     | 1,055,228                  | 31,418,251       | 1,759,798         | –          | 7,758             | 46,880,188   |
| Others                                                                           | 6,028,717                   | 2,990,795   | 3,087,997     | 2,802,374                  | 4,205,025        | 417,562           | –          | 131,954           | 19,664,424   |
|                                                                                  | ₱14,708,933                 | ₱11,447,886 | ₱12,092,299   | ₱38,887,097                | ₱40,798,137      | ₱2,792,600        | ₱–         | ₱16,429,953       | ₱137,156,905 |
| <b>Segment Liabilities</b>                                                       |                             |             |               |                            |                  |                   |            |                   |              |
| Customers' advances and deposits                                                 | ₱116                        | ₱200,437    | ₱3            | ₱5,406,472                 | ₱–               | ₱–                | ₱–         | ₱–                | ₱5,607,028   |
| Loans payable                                                                    | 1,406,907                   | 5,152,486   | –             | 16,197,736                 | 14,268,877       | 400,000           | –          | –                 | 37,426,006   |
| Others                                                                           | 9,800,117                   | 6,008,540   | 2,198,965     | 4,845,380                  | 2,226,698        | 641,522           | –          | 1,810,191         | 27,531,413   |
|                                                                                  | ₱11,207,140                 | ₱11,361,463 | ₱2,198,968    | ₱26,449,588                | ₱16,495,575      | ₱1,041,522        | ₱–         | ₱1,810,191        | ₱70,564,447  |
| <b>Other disclosures</b>                                                         |                             |             |               |                            |                  |                   |            |                   |              |
| Property, plant and equipment additions (Note 13)                                | ₱1,447,962                  | ₱1,462,340  | ₱1,169,144    | ₱427,008                   | ₱8,748,847       | ₱908,285          | ₱–         | ₱5,408            | ₱14,168,994  |
| Acquisition of land for future development (Note 9)                              | –                           | –           | –             | 5,580,552                  | –                | –                 | –          | –                 | 5,580,552    |

\*Revenue from construction segment includes sales and service revenue from WRCP.



**Year ended December 31, 2013**

|                                                                                  | Construction<br>and Others* | Coal Mining | Nickel Mining | Real Estate<br>Development | Power<br>On Grid | Power<br>Off Grid | Water      | Parent<br>Company | Total        |
|----------------------------------------------------------------------------------|-----------------------------|-------------|---------------|----------------------------|------------------|-------------------|------------|-------------------|--------------|
| <b>Revenue</b>                                                                   | ₱14,359,502                 | ₱12,573,569 | ₱264,897      | ₱12,165,988                | ₱14,757,591      | ₱1,849,083        | ₱–         | ₱–                | ₱55,970,630  |
| <b>Equity in net earnings (losses) of associates</b>                             | –                           | –           | (148,278)     | –                          | –                | –                 | 1,914,601  | (1,501)           | 1,764,822    |
| <b>Other income (expense) - net</b>                                              | 1,877                       | (385,609)   | 971,608       | 606,300                    | (244,442)        | (144)             | –          | 9,170,331         | 10,119,921   |
|                                                                                  | 14,361,379                  | 12,187,960  | 1,088,227     | 12,772,288                 | 14,513,149       | 1,848,939         | 1,914,601  | 9,168,830         | 67,855,373   |
| <b>Cost of sales and services (before depreciation and amortization)</b>         | 11,356,083                  | 8,313,943   | 338,924       | 6,670,706                  | 4,388,068        | 1,008,016         | –          | –                 | 32,075,740   |
| <b>General and administrative expense (before depreciation and amortization)</b> | 450,590                     | 1,672,319   | 93,190        | 2,237,856                  | 1,984,937        | 489,024           | –          | 107,359           | 7,035,275    |
|                                                                                  | 11,806,673                  | 9,986,262   | 432,114       | 8,908,562                  | 6,373,005        | 1,497,040         | –          | 107,359           | 39,111,015   |
| <b>EBITDA</b>                                                                    | 2,554,706                   | 2,201,698   | 656,113       | 3,863,726                  | 8,140,144        | 351,899           | 1,914,601  | 9,061,471         | 28,744,358   |
| <b>Other income (expenses)</b>                                                   |                             |             |               |                            |                  |                   |            |                   |              |
| Finance income (cost) (Notes 26 and 27)                                          | 35,109                      | (150,739)   | 1,288         | (145,369)                  | (203,694)        | (15,787)          | –          | 208,641           | (270,551)    |
| Depreciation and amortization (Notes 24 and 25)                                  | (577,946)                   | (1,142,675) | (81,118)      | (160,590)                  | (2,149,998)      | (71,528)          | –          | (2,207)           | (4,186,062)  |
| <b>Pretax income</b>                                                             | 2,011,869                   | 908,284     | 576,283       | 3,557,767                  | 5,786,452        | 264,584           | 1,914,601  | 9,267,905         | 24,287,745   |
| <b>Provision (benefit) for income tax (Note 29)</b>                              | 461,018                     | (131,452)   | –             | 902,833                    | 13,614           | 14,693            | –          | 843,944           | 2,104,650    |
| <b>Net income</b>                                                                | ₱1,550,851                  | ₱1,039,736  | ₱576,283      | ₱2,654,934                 | ₱5,772,838       | ₱249,891          | ₱1,914,601 | ₱8,423,961        | ₱22,183,095  |
| <b>Net income attributable to non-controlling interest</b>                       | 34,822                      | 781,215     | –             | –                          | 2,503,342        | –                 | –          | –                 | 3,319,379    |
| <b>Net income attributable to equity holders</b>                                 | ₱1,516,029                  | ₱258,521    | ₱576,283      | ₱2,654,934                 | ₱3,269,496       | ₱249,891          | ₱1,914,601 | ₱8,423,961        | ₱18,863,716  |
| <b>Segment Assets</b>                                                            |                             |             |               |                            |                  |                   |            |                   |              |
| Cash                                                                             | ₱3,315,307                  | ₱1,709,481  | ₱352,028      | ₱6,727,312                 | ₱3,109,827       | ₱69,262           | ₱–         | ₱9,491,278        | ₱24,774,495  |
| Receivables                                                                      | 3,788,550                   | 1,929,919   | 1,220,830     | 10,754,201                 | 1,989,403        | 429,923           | –          | 49,840            | 20,162,666   |
| Inventories                                                                      | 530,789                     | 3,603,821   | 55,790        | 17,872,724                 | 1,025,740        | 82,969            | –          | –                 | 23,171,833   |
| Investment in associates and joint venture                                       | 107,226                     | –           | 805,196       | 235,634                    | –                | –                 | –          | 10,516,807        | 11,664,863   |
| Property, plant and equipment                                                    | 2,296,659                   | 3,446,655   | 63,686        | 820,516                    | 23,670,140       | 969,426           | –          | 4,164             | 31,271,246   |
| Others                                                                           | 4,874,965                   | 1,528,605   | 647,816       | 1,639,525                  | 2,248,482        | 420,417           | –          | 1,307,948         | 12,667,758   |
|                                                                                  | ₱14,913,496                 | ₱12,218,481 | ₱3,145,346    | ₱38,049,912                | ₱32,043,592      | ₱1,971,997        | ₱–         | ₱21,370,037       | ₱123,712,861 |
| <b>Segment Liabilities</b>                                                       |                             |             |               |                            |                  |                   |            |                   |              |
| Customers' advances and deposits                                                 | ₱5                          | ₱287,308    | ₱22,689       | ₱4,619,699                 | ₱–               | ₱–                | ₱–         | ₱–                | ₱4,929,701   |
| Loans payable                                                                    | 104,656                     | 6,445,779   | –             | 18,821,755                 | 11,017,949       | 374,000           | –          | –                 | 36,764,139   |
| Others                                                                           | 10,927,570                  | 3,281,752   | 185,118       | 3,762,901                  | 2,956,903        | 602,057           | –          | 173,307           | 21,889,608   |
|                                                                                  | ₱11,032,231                 | ₱10,014,839 | ₱207,807      | ₱27,204,355                | ₱13,974,852      | ₱976,057          | ₱–         | ₱173,307          | ₱63,583,448  |
| <b>Other disclosures</b>                                                         |                             |             |               |                            |                  |                   |            |                   |              |
| Property, plant and equipment additions                                          | ₱1,216,842                  | ₱1,932,916  | ₱13,945       | ₱227,445                   | ₱6,614,988       | ₱404,050          | ₱–         | ₱634              | ₱10,410,820  |
| Acquisition of land for future development                                       | –                           | –           | –             | 2,484,872                  | –                | –                 | –          | –                 | 2,484,872    |

\*Revenue from construction segment includes sales and service revenue from WRCP



### Geographic Information

#### *Analysis of sales and revenue by geographical location*

The financial information about the operations of the coal mining as of December 31, 2015, 2014 and 2013 reviewed by the management follows:

| <b>Customer Location</b> | <b>2015</b>        | <b>2014</b> | <b>2013</b> |
|--------------------------|--------------------|-------------|-------------|
| <b>Revenue</b>           |                    |             |             |
| Local                    | <b>₱5,861,577</b>  | ₱4,925,269  | ₱5,287,388  |
| Export                   | <b>5,920,248</b>   | 11,351,661  | 7,286,181   |
|                          | <b>₱11,781,825</b> | ₱16,276,930 | ₱12,573,569 |

Substantially all revenue from external customers are from open cut mining and sales of thermal coal. Local and export classification above is based on the geographic location of the customer. Customers on the export sales are significantly from China.

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### **36. Financial Risk Management Objectives and Policies**

The Group's principal financial instruments comprise interest-bearing loans and borrowings. The main purpose of these financial instruments is to raise financing for its operations and capital expenditures. The Group has various other financial assets and liabilities, such as receivables and payables which arise directly from its operations.

The main risks arising from the use of financial instruments are liquidity risk, market risk and credit risk. The Group's BOD reviews and approves policies for managing each of these risks and they are summarized below.

#### *a. Liquidity Risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations.

A significant part of the Group's financial assets that are held to meet the cash outflows include cash equivalents and accounts receivables. Although accounts receivables are contractually collectible on a short-term basis, the Group expects continuous cash inflows. In addition, although the Group's short-term deposits are collectible at a short notice, the deposit base is stable over the long term as deposit rollovers and new deposits can offset cash outflows.

Moreover, the Group considers the following as mitigating factors for liquidity risk:

- It has available lines of credit that it can access to answer anticipated shortfall in sales and collection of receivables resulting from timing differences in programmed inflows and outflows.
- It has very diverse funding sources.
- It has internal control processes and contingency plans for managing liquidity risk. Cash flow reports and forecasts are reviewed on a weekly basis in order to quickly address liquidity concerns. Outstanding trade receivables are closely monitored to avoid past due collectibles.



- The Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both on-shore and off-shore which is included in the Group's corporate planning for liquidity management.

The following table summarizes the maturity profile of the Group's financial assets and liabilities as of December 31, 2015 and 2014, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments.

|                                          | 2015        |               |                          |              |                | Total         |
|------------------------------------------|-------------|---------------|--------------------------|--------------|----------------|---------------|
|                                          | On Demand   | Within 1 year | Beyond 1 year to 2 years | 2-3 years    | Beyond 3 years |               |
| <b>Loans and Receivable</b>              |             |               |                          |              |                |               |
| Cash and cash equivalents                | P19,150,603 | P-            | P-                       | P-           | P-             | P19,150,603   |
| Receivables                              |             |               |                          |              |                |               |
| Trade:                                   |             |               |                          |              |                |               |
| Real estate                              | 59,702      | 3,680,145     | 1,232,283                | 402,220      | 1,528,198      | 6,902,548     |
| General construction                     | 1,560,437   | 3,312,354     | -                        | -            | -              | 4,872,791     |
| Electricity sales                        | 2,786,823   | 356,494       | -                        | -            | -              | 3,143,317     |
| Coal mining                              | 1,318,380   | -             | -                        | -            | -              | 1,318,380     |
| Nickel mining                            | 102,501     | -             | -                        | -            | -              | 102,501       |
| Merchandising and others                 | 63,460      | -             | -                        | -            | -              | 63,460        |
| Receivables from related parties         | 143,642     | -             | -                        | -            | -              | 143,642       |
| Other receivables                        | 992,847     | -             | -                        | -            | -              | 992,847       |
| Security deposits                        | -           | -             | -                        | 5,208        | -              | 5,208         |
| Refundable deposits                      | -           | 291,902       | 90,963                   | -            | -              | 382,865       |
|                                          | 26,178,395  | 7,640,895     | 1,323,246                | 407,428      | 1,528,198      | 37,078,162    |
| <b>AFS financial assets</b>              |             |               |                          |              |                |               |
| Quoted securities                        | -           | 74,409        | -                        | -            | -              | 74,409        |
| Unquoted securities                      | -           | 110,702       | -                        | -            | -              | 110,702       |
|                                          | -           | 185,111       | -                        | -            | -              | 185,111       |
| Total undiscounted financial assets      | 26,178,395  | 7,826,006     | 1,323,246                | 407,428      | 1,528,198      | 37,263,273    |
| <b>Other Financial Liabilities</b>       |             |               |                          |              |                |               |
| Short-term debt                          | -           | 3,707,354     | -                        | -            | -              | 3,707,354     |
| Accounts and other payables*             | -           | 10,299,753    | 1,717,814                | -            | -              | 12,017,567    |
| Payable to related parties               | 217,628     | -             | -                        | -            | -              | 217,628       |
| Liabilities for purchased land           | -           | 2,201,291     | 541,381                  | 76,768       | 197,986        | 3,017,426     |
| Long-term debt                           | -           | 11,291,955    | 5,393,462                | 2,890,261    | 17,479,928     | 37,055,606    |
| Total undiscounted financial liabilities | 217,628     | 27,500,353    | 7,652,657                | 2,967,029    | 17,677,914     | 56,015,581    |
| Liquidity gap                            | P25,960,767 | (P19,674,347) | (P6,329,411)             | (P2,559,601) | (P16,149,716)  | (P18,752,308) |

\*Excludes non-financial liabilities





|                                          | 2014               |                      |                          |                     |                      | Total                |
|------------------------------------------|--------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|                                          | On Demand          | Within 1 year        | Beyond 1 year to 2 years | 2-3 years           | Beyond 3 years       |                      |
| <b>Loans and Receivable</b>              |                    |                      |                          |                     |                      |                      |
| Cash and cash equivalents                | ₱15,229,768        | ₱–                   | ₱–                       | ₱–                  | ₱–                   | ₱15,229,768          |
| Receivables                              |                    |                      |                          |                     |                      |                      |
| Trade:                                   |                    |                      |                          |                     |                      |                      |
| Real estate                              | 4,575,190          | –                    | 969,127                  | 401,011             | 1,455,903            | 7,401,231            |
| General construction                     | 2,815,888          | 126,190              | –                        | –                   | –                    | 2,942,078            |
| Electricity sales                        | 2,713,933          | –                    | –                        | –                   | –                    | 2,713,933            |
| Coal mining                              | 1,482,927          | –                    | –                        | –                   | –                    | 1,482,927            |
| Nickel mining                            | 323,072            | –                    | –                        | –                   | –                    | 323,072              |
| Merchandising and others                 | 95,059             | –                    | –                        | –                   | –                    | 95,059               |
| Receivables from related parties         | 595,087            | –                    | –                        | –                   | –                    | 595,087              |
| Other receivables                        | 912,657            | –                    | –                        | –                   | –                    | 912,657              |
| Security deposits                        | –                  | –                    | –                        | 5,203               | –                    | 5,203                |
| Refundable deposits                      | –                  | 270,997              | –                        | 69,225              | –                    | 340,222              |
|                                          | 28,743,581         | 397,187              | 969,127                  | 475,439             | 1,455,903            | 32,041,237           |
| <b>AFS financial assets</b>              |                    |                      |                          |                     |                      |                      |
| Quoted securities                        | –                  | 65,809               | –                        | –                   | –                    | 65,809               |
| Unquoted securities                      | –                  | 110,702              | –                        | –                   | –                    | 110,702              |
|                                          | –                  | 176,511              | –                        | –                   | –                    | 176,511              |
| <b>Financial assets at FVPL</b>          | –                  | 70,630               | –                        | –                   | –                    | 70,630               |
| Total undiscounted financial assets      | 28,743,581         | 644,328              | 969,127                  | 475,439             | 1,455,903            | 32,288,378           |
| <b>Other Financial Liabilities</b>       |                    |                      |                          |                     |                      |                      |
| Short-term debt                          | –                  | 2,026,582            | –                        | –                   | –                    | 2,026,582            |
| Accounts and other payables*             | –                  | 14,055,690           | 369,056                  | –                   | –                    | 14,424,746           |
| Payable to related parties               | 261,790            | –                    | –                        | –                   | –                    | 261,790              |
| Liabilities for purchased land           | 1,565,352          | 300,905              | 115,840                  | 114,999             | 82,090               | 2,179,186            |
| Long-term debt                           | –                  | 2,577,233            | 10,644,000               | 2,654,194           | 19,523,997           | 35,399,424           |
| Total undiscounted financial liabilities | 1,827,142          | 18,960,410           | 11,128,896               | 2,769,193           | 19,606,087           | 54,291,728           |
| <b>Liquidity gap</b>                     | <b>₱26,916,439</b> | <b>(₱18,316,082)</b> | <b>(₱10,159,769)</b>     | <b>(₱2,293,754)</b> | <b>(₱18,150,184)</b> | <b>(₱22,003,350)</b> |

\*Excludes non-financial liabilities

**b. Market Risk**

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in equity prices, market prices, interest rates and foreign currency exchange rates.

The sensitivity analyses have been prepared on the following bases:

- Equity price risk - movements in equity indices
- Market price risk - movements in one-year historical coal and nickel prices
- Interest rate risk - market interest rate on unsecured bank loans
- Foreign currency risk - yearly movement in the foreign exchange rates

The assumption used in calculating the sensitivity analyses of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at December 31, 2015 and 2014.

**Equity Price Risk**

The Group's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity securities classified as AFS financial assets.



Quoted securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each industry or sector.

The analyses below are performed for reasonably possible movements in the Philippine Stock Exchange (PSE) index for quoted shares and other sources for golf and club shares with all other variables held constant, showing the impact on equity:

|        | Change in variable |         | Effect on equity<br>(Other comprehensive income) |         |
|--------|--------------------|---------|--------------------------------------------------|---------|
|        | 2015               | 2014    | 2015                                             | 2014    |
| PSE    | +4.46%             | +20.83% | <b>₱1,079</b>                                    | ₱859    |
|        | -4.46%             | -20.83% | <b>(1,079)</b>                                   | (859)   |
| Others | +10.21%            | +9.72%  | <b>6,103</b>                                     | 5,427   |
|        | -10.21%            | -9.72%  | <b>(6,103)</b>                                   | (5,427) |

The sensitivity analyses shown above are based on the assumption that the movement in PSE composite index and other quoted equity securities will be most likely be limited to an upward or downward fluctuation of 4.46% and 10.21% in 2015 and 20.83% and 9.72% in 2014.

The Group, used as basis of these assumptions, the annual percentage change in PSE composite index and annual percentage change of quoted prices as obtained from published quotes of golf and club shares.

The impact of sensitivity of equity prices on the Group's equity already excludes the impact on transactions affecting the consolidated statements of income.

#### *Commodity Price Risk*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

#### *Coal*

The price that the Group can charge for its coal is directly and indirectly related to the price of coal in the world coal market. In addition, as the Group is not subject to domestic competition in the Philippines, the pricing of all of its coal sales is linked to the price of imported coal. World thermal coal prices are affected by numerous factors outside the Group's control, including the demand from customers which is influenced by their overall performance and demand for electricity. Prices are also affected by changes in the world supply of coal and may be affected by the price of alternative fuel supplies, availability of shipping vessels as well as shipping costs.

As the coal price is reset on a periodic basis under coal supply agreements, this may increase its exposure to short-term coal price volatility.



There can be no assurance that world coal prices will be sustained or that domestic and international competitors will not seek to replace the Group in its relationship with its key customers by offering higher quality, better prices or larger guaranteed supply volumes, any of which would have a materially adverse effect on the Group's profits.

To mitigate this risk, the Group continues to improve the quality of its coal and diversify its market from power industry, cement industry, other local industries and export market. This will allow flexibility in the distribution of coal to its target customers in such manner that minimum target average price of its coal sales across all its customers will still be achieved. Also, in order to mitigate any negative impact resulting from price changes, it is the Group's policy to set minimum contracted volume for customers with long term supply contracts for each given period (within the duration of the contract) and pricing is negotiated on a monthly basis to even out the impact of any fluctuation in coal prices, thus, protecting its target margin. The excess volumes are allocated to spot sales which may command different price than those contracted already since the latter shall follow pricing formula per contract.

Nevertheless, on certain cases temporary adjustments on coal prices with reference to customers following a certain pricing formula are requested in order to recover at least the cost of coal if the resulting price is abnormally low vis-à-vis cost of production (i.e., abnormal rise in cost of fuel, foreign exchange).

Below are the details of the Group's coal sales to the domestic market and to the export market (as a percentage of total coal sales volume):

|                 | 2015   | 2014   |
|-----------------|--------|--------|
| Domestic market | 45.82% | 39.95% |
| Export market   | 54.18% | 60.04% |

The following table shows the effect on income before income tax should the change in the prices of coal occur based on the inventory of the Group as of December 31, 2015 and 2014 with all other variables held constant. The change in coal prices used in the simulation assumes fluctuation from the lowest and highest price based on one-year historical price movements in 2015 and 2014.

|                                         | Effect on income before income tax |                 |
|-----------------------------------------|------------------------------------|-----------------|
| Change in coal price                    | 2015                               | 2014            |
| <i>Based on ending coal inventory</i>   |                                    |                 |
| Increase by 15% in 2015 and 22% in 2014 | ₱416,498,009                       | ₱316,564,503    |
| Decrease by 15% in 2015 and 22% in 2014 | (416,498,009)                      | (316,564,503)   |
| <i>Based on coal sales volume</i>       |                                    |                 |
| Increase by 15% in 2015 and 22% in 2014 | 2,452,398,481                      | 8,008,029,855   |
| Decrease by 15% in 2015 and 22% in 2014 | (2,452,398,481)                    | (8,008,029,855) |

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt obligations. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt.



The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates, with all variables held constant, through the impact on floating rate borrowings:

| <b>2015</b>                     |                                   |                                                   |                         |
|---------------------------------|-----------------------------------|---------------------------------------------------|-------------------------|
|                                 | <b>Change in<br/>basis points</b> | <b>Effect on income<br/>before<br/>income tax</b> | <b>Effect on equity</b> |
| Dollar floating rate borrowings | <b>+100 bps</b>                   | <b>₱1,513,325</b>                                 | <b>₱1,059,327</b>       |
|                                 | <b>-100 bps</b>                   | <b>(1,513,325)</b>                                | <b>(1,059,327)</b>      |
| Peso floating rate borrowings   | <b>+100 bps</b>                   | <b>18,420</b>                                     | <b>12,894</b>           |
|                                 | <b>-100 bps</b>                   | <b>(18,420)</b>                                   | <b>(12,894)</b>         |
| <b>2014</b>                     |                                   |                                                   |                         |
|                                 | <b>Change in<br/>basis points</b> | <b>Effect on income<br/>before<br/>income tax</b> | <b>Effect on equity</b> |
| Dollar floating rate borrowings | <b>+100 bps</b>                   | <b>₱1,760,391</b>                                 | <b>₱1,232,274</b>       |
|                                 | <b>-100 bps</b>                   | <b>(1,760,391)</b>                                | <b>(1,232,274)</b>      |
| Peso floating rate borrowings   | <b>+100 bps</b>                   | <b>145,224</b>                                    | <b>101,656</b>          |
|                                 | <b>-100 bps</b>                   | <b>(145,224)</b>                                  | <b>(101,656)</b>        |

The sensitivity analyses shown above are based on the assumption that the interest movements will be more likely be limited to hundred basis points upward or downward fluctuation in both 2015 and 2014. The forecasted movements in percentages of interest rates used were derived based on the Group's historical changes in the market interest rates on unsecured bank loans.

#### *Foreign Currency Risk*

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's currency risks arise mainly from cash and cash equivalents, receivables, accounts and other payable, short-term loans and long-term loans of the Group which are denominated in a currency other than the Group's functional currency. The effect on the Group's consolidated statements of income is computed based on the carrying value of the floating rate receivables as at December 31, 2015 and 2014.

The Group does not have any foreign currency hedging arrangements.



The following tables demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities):

|                           | Increase (decrease) in<br>foreign currency rate |         | Effect on income<br>before income tax (in PHP) |           |
|---------------------------|-------------------------------------------------|---------|------------------------------------------------|-----------|
|                           | 2015                                            | 2014    | 2015                                           | 2014      |
| US Dollar <sup>1</sup>    | +1.47%                                          | +0.27%  | ₱34,912                                        | (₱12,868) |
|                           | -1.47%                                          | -0.27%  | (34,912)                                       | 12,868    |
| Japanese Yen <sup>2</sup> | +5.46%                                          | +1.99%  | 59                                             | (83)      |
|                           | -5.46%                                          | -1.99%  | (59)                                           | 83        |
| UK Pounds <sup>3</sup>    | +2.80%                                          | +3.19%  | 231                                            | 259       |
|                           | -2.80%                                          | -3.19%  | (231)                                          | (259)     |
| E.M.U. Euro <sup>4</sup>  | +1.22%                                          | +18.13% | 147                                            | (2,053)   |
|                           | -1.22%                                          | -18.13% | (147)                                          | (2,053)   |
| AUD <sup>5</sup>          | +2.51%                                          | +2.38%  | 37,604                                         | (46,734)  |
|                           | -2.51%                                          | -2.38%  | (37,604)                                       | 46,734    |
| SG Dollar <sup>6</sup>    | —                                               | +4.78%  | —                                              | (57)      |
|                           | —                                               | -4.78%  | —                                              | 57        |
| CHF <sup>7</sup>          | —                                               | +7.62%  | —                                              | (241)     |
|                           | —                                               | -7.62%  | —                                              | 241       |

1 The exchange rates used were ₱47.06 to US\$1 and ₱44.72 to US\$1 for the year ended December 31, 2015 and 2014, respectively.

2 The exchange rates used were ₱0.39 to ¥1 and ₱0.37 to ¥1 for the year ended December 31, 2015 and 2014, respectively.

3 The exchange rates used were ₱70.18 to £1 and ₱69.41 to £1 for the year ended December 31, 2015 and 2014, respectively.

4 The exchange rates used were ₱51.74 to €1 and ₱54.34 to €1 for the year ended December 31, 2015 and 2014, respectively.

5 The exchange rates used were ₱34.27 to AUD1 and ₱41.23 to AUD1 for the year ended December 31, 2015 and 2014, respectively.

6 The exchange rates used was ₱33.70 to SG\$1 for the year ended December 31, 2014.

7 The exchange rates used was ₱45.19 to CHF1 for the year ended December 31, 2014.

Information on the Group's foreign currency-denominated monetary assets and liabilities and their Philippine peso equivalents as of December 31, 2015 and 2014 follows:

|                                             | 2015        |                 |           |            |           |      |            | Equivalent<br>in PHP |
|---------------------------------------------|-------------|-----------------|-----------|------------|-----------|------|------------|----------------------|
|                                             | U.S. Dollar | Japanese<br>Yen | UK Pounds | E.M.U Euro | SG Dollar | CHF  | AUD        |                      |
| <b>Financial assets</b>                     |             |                 |           |            |           |      |            |                      |
| Cash and cash<br>equivalents                | \$46,847    | ¥2,740          | £118      | €251       | \$—       | CHF— | \$3        | ₱2,227,055           |
| Receivables                                 | 11,355      | —               | —         | —          | —         | —    | —          | 534,383              |
| Advances                                    | 300         | —               | —         | —          | —         | —    | —          | 14,118               |
|                                             | \$58,502    | ¥2,740          | £118      | €251       | \$—       | CHF— | \$3        | ₱2,775,556           |
| <b>Financial liabilities</b>                |             |                 |           |            |           |      |            |                      |
| Accounts payable<br>and accrued<br>expenses | (\$21,128)  | ¥—              | £—        | (€18)      | \$—       | CHF— | \$—        | (₱995,240)           |
| Payable to related<br>parties               | (820)       | —               | —         | —          | —         | —    | (43,729)   | (1,536,979)          |
| Short-term loans                            | (18,817)    | —               | —         | —          | —         | —    | —          | (885,535)            |
| Long-term loans                             | (68,333)    | —               | —         | —          | —         | —    | —          | (3,215,734)          |
|                                             | (109,098)   | —               | —         | (18)       | —         | —    | (43,729)   | (6,633,488)          |
|                                             | (\$50,596)  | ¥2,740          | £118      | €233       | \$—       | CHF— | (\$43,726) | (₱3,857,932)         |



|                                       | 2014        |                 |           |            |           |         |            | Equivalent<br>in PHP |
|---------------------------------------|-------------|-----------------|-----------|------------|-----------|---------|------------|----------------------|
|                                       | U.S. Dollar | Japanese<br>Yen | UK Pounds | E.M.U Euro | SG Dollar | CHF     | AUD        |                      |
| <b>Financial assets</b>               |             |                 |           |            |           |         |            |                      |
| Cash and cash equivalents             | \$39,991    | ¥2,740          | £117      | €662       | \$—       | CHF—    | \$3        | ₱1,833,564           |
| Receivables                           | 22,473      | —               | —         | —          | —         | —       | —          | 1,004,981            |
|                                       | \$62,464    | ¥2,740          | £117      | €662       | \$—       | CHF—    | \$3        | ₱2,838,545           |
| <b>Financial liabilities</b>          |             |                 |           |            |           |         |            |                      |
| Accounts payable and accrued expenses | (\$44,773)  | (¥14,100)       | £—        | (€871)     | (\$35)    | (CHF70) | (\$47,724) | (₱2,055,980)         |
| Short-term loans                      | (36,961)    | —               | —         | —          | —         | —       | —          | (1,652,896)          |
| Long-term loans                       | (87,964)    | —               | —         | —          | —         | —       | —          | (3,933,732)          |
|                                       | (169,698)   | (14,100)        | —         | (871)      | (35)      | (70)    | (47,724)   | (7,642,608)          |
|                                       | (\$107,234) | (¥11,360)       | £117      | (€209)     | (\$35)    | (CHF70) | (\$47,721) | (₱4,804,063)         |

The effect on the Group's income before tax is computed on the carrying value of the Group's foreign currency denominated financial assets and liabilities as at December 31, 2015 and 2014.

c. *Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's maximum exposure to credit risk for the components of the statement of financial position at December 31, 2015 and 2014 is the carrying amounts except for real estate receivables. The Group's exposure to credit risk arises from default of the counterparties which include certain financial institutions, real estate buyers, subcontractors, suppliers and various electric companies. Credit risk management involves dealing only with recognized, creditworthy third parties. It is the Group's policy that all counterparties who wish to trade on credit terms are subject to credit verification procedures. The Treasury Department's policy sets a credit limit for each counterparty. In addition, receivable balances are monitored on an ongoing basis. The Group's financial assets are not subject to collateral and other credit enhancement except for real estate receivables. As of December 31, 2015 and 2014, the Group's exposure to bad debts is not significant.

*Real estate contracts*

Credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. The Group's stringent customer requirements and policies in place contributes to lower customer default. Customer payments are facilitated through various collection modes including the use of postdated checks. The credit risk for real estate receivable is also mitigated as the Group has the right to cancel the sales contract and takes possession of the subject house without need for any court action in case of default in payments by the buyer. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price. The fair value of collateral for installment contracts receivables amounted to ₱8,616.70 million and ₱9,960.95 million in 2015 and 2014, respectively. This resulted to a net exposure of ₱59.05 million and ₱20.60 million in 2015 and 2014, respectively.

*Electricity sales*

The Group earns substantially all of its revenue from bilateral contracts and WESM and from various electric companies. WESM and the various electric companies are committed to pay for the energy generated by the power plant facilities.



Under the current regulatory regime, the generation rate charged by the Group to WESM is not regulated but is determined in accordance with the WESM Price Determination Methodology (PDM) approved by the Energy Regulatory Commission (ERC) and are complete pass-through charges to WESM. PDM is intended to provide the specific computational formula that will enable the market participants to verify the correctness of the charges being imposed. Likewise, the generation rate charged by the Group to various electric companies is not subject to regulations and are complete pass-through charges to various electric companies.

#### *Mining*

The Group evaluates the financial condition of the local customers before deliveries are made to them. On the other hand, export sales are covered by sight letters of credit issued by foreign banks subject to the Group's approval, hence, mitigating the risk on collection.

The Group generally offers 80% of coal delivered payable within thirty (30) days upon receipt of billing and the remaining 20% payable within 15 days after receipt of final billing based on final analysis of coal delivered.

#### *Construction contracts*

The credit risk for construction receivables is mitigated by the fact that the Group can resort to carry out its contractor's lien over the project with varying degrees of effectiveness depending on the jurisprudence applicable on location of the project. A contractor's lien is the legal right of the Group to takeover the projects-in-progress and have priority in the settlement of contractor's receivables and claims on the projects-in-progress and have priority in the settlement of contractor's receivables and claims on the projects in progress is usually higher than receivables from and future commitments with the project owners. Trade and retention receivables from project owners are normally high standard because of the creditworthiness of project owners and collection remedy of contractor's lien accorded contractor in certain cases.

With respect to the credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group transacts only with institutions or banks that have proven track record in financial soundness.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.



As of December 31, 2015 and 2014, the credit quality per class of financial assets is as follows:

|                                   | 2015                          |            |          |                                   |             |
|-----------------------------------|-------------------------------|------------|----------|-----------------------------------|-------------|
|                                   | Neither past due nor impaired |            |          | Past due or Individually Impaired | Total       |
|                                   | Grade A                       | Grade B    | Grade C  |                                   |             |
| Cash in bank and cash equivalents | ₱19,124,137                   | ₱—         | ₱—       | ₱—                                | ₱19,124,137 |
| AFS financial assets              |                               |            |          |                                   |             |
| Quoted                            | —                             | 74,409     | —        | —                                 | 74,409      |
| Unquoted                          | —                             | 2,491      | —        | 108,211                           | 110,702     |
| Financial assets at FVPL          | —                             | —          | —        | —                                 | —           |
| Receivables                       |                               |            |          |                                   |             |
| Trade                             |                               |            |          |                                   |             |
| Real estate                       | 3,515,162                     | 2,191,455  | 289,927  | 906,004                           | 6,902,548   |
| General construction              | 2,530,113                     | —          | —        | 2,342,678                         | 4,872,791   |
| Electricity sales                 | 1,218,284                     | 200,126    | —        | 1,724,907                         | 3,143,317   |
| Coal mining                       | 666,817                       | —          | —        | 651,563                           | 1,318,380   |
| Nickel mining                     | 3,525                         | —          | —        | 98,976                            | 102,501     |
| Merchandising                     | 63,460                        | —          | —        | —                                 | 63,460      |
| Receivable from related parties   | 73,730                        | 37         | —        | 69,875                            | 143,642     |
| Other receivables                 | 992,847                       | —          | —        | —                                 | 992,847     |
| Security deposits                 | 5,208                         | —          | —        | —                                 | 5,208       |
| Refundable deposits               | 290,667                       | 1,235      | —        | 90,963                            | 382,865     |
| Total                             | 28,483,950                    | 2,469,753  | 289,927  | 5,993,177                         | 37,236,807  |
| Allowance for:                    |                               |            |          |                                   |             |
| Real estate                       | —                             | —          | —        | 537                               | 537         |
| General construction              | —                             | —          | —        | 30,855                            | 30,855      |
| Electricity sales                 | —                             | —          | —        | 1,371,942                         | 1,371,942   |
| Coal mining                       | —                             | —          | —        | 65,562                            | 65,562      |
| Nickel mining                     | —                             | —          | —        | 70,933                            | 70,933      |
| Total allowance                   | —                             | —          | —        | 1,539,829                         | 1,539,829   |
| Net amount                        | ₱28,483,950                   | ₱2,469,753 | ₱289,927 | ₱4,453,348                        | ₱35,696,978 |

|                                   | 2014                          |           |         |                                   |             |
|-----------------------------------|-------------------------------|-----------|---------|-----------------------------------|-------------|
|                                   | Neither past due nor impaired |           |         | Past due or Individually Impaired | Total       |
|                                   | Grade A                       | Grade B   | Grade C |                                   |             |
| Cash in bank and cash equivalents | ₱15,215,172                   | ₱—        | ₱—      | ₱—                                | ₱15,215,172 |
| AFS financial assets              |                               |           |         |                                   |             |
| Quoted                            | —                             | 65,809    | —       | —                                 | 65,809      |
| Unquoted                          | —                             | 2,491     | —       | 108,211                           | 110,702     |
| Financial assets at FVPL          | 70,630                        | —         | —       | —                                 | 70,630      |
| Receivables                       |                               |           |         |                                   |             |
| Trade                             |                               |           |         |                                   |             |
| Real estate                       | 3,178,429                     | 2,731,318 | 700,056 | 791,428                           | 7,401,231   |
| General construction              | 2,759,751                     | 20,087    | —       | 162,240                           | 2,942,078   |
| Electricity sales                 | 2,237,139                     | —         | —       | 476,794                           | 2,713,933   |
| Coal mining                       | 714,027                       | —         | —       | 768,900                           | 1,482,927   |
| Nickel mining                     | 252,139                       | —         | —       | 70,933                            | 323,072     |
| Merchandising                     | 95,059                        | —         | —       | —                                 | 95,059      |
| Receivable from related parties   | 595,087                       | —         | —       | —                                 | 595,087     |
| Other receivables                 | 907,519                       | 5,138     | —       | —                                 | 912,657     |
| Security deposits                 | 5,203                         | —         | —       | —                                 | 5,203       |
| Refundable deposits               | 340,222                       | —         | —       | —                                 | 340,222     |
| Total                             | 26,370,377                    | 2,824,843 | 700,056 | 2,378,506                         | 32,273,782  |

(Forward)





|                      | 2014                          |            |          |                                   | Total       |
|----------------------|-------------------------------|------------|----------|-----------------------------------|-------------|
|                      | Neither past due nor impaired |            |          | Past due or Individually Impaired |             |
|                      | Grade A                       | Grade B    | Grade C  |                                   |             |
| Allowance for:       |                               |            |          |                                   |             |
| Real estate          | P—                            | P—         | P—       | P537                              | P537        |
| General construction | —                             | —          | —        | 30,855                            | 30,855      |
| Electricity sales    | —                             | —          | —        | 476,794                           | 476,794     |
| Coal mining          | —                             | —          | —        | 35,558                            | 35,558      |
| Nickel mining        | —                             | —          | —        | 70,933                            | 70,933      |
| Total allowance      | —                             | —          | —        | 614,677                           | 614,677     |
| Net amount           | P26,370,377                   | P2,824,843 | P700,056 | P1,763,829                        | P31,659,105 |

#### *Cash and Cash Equivalents*

Cash and cash equivalents are short-term placements and working cash fund placed, invested or deposited in foreign and local banks belonging to top ten (10) banks in the Philippines in terms of resources and profitability. These financial assets are classified as Grade A due to the counterparties' low probability of insolvency.

#### *AFS Financial Assets*

The Group's AFS financial assets are classified as Grade B because these assets are susceptible to untoward consequences due to the current financial positions of counterparties.

#### *Receivables*

Included under Grade A are accounts considered to be of high value and are covered with coal supply, power supply, and construction contracts. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. Grade B accounts are active accounts with minimal to regular instances of payment default, due to collection issues. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly. The Group determines financial assets as impaired when probability of recoverability is remote and in consideration of lapse in period which the asset is expected to be recovered.

For real estate receivables, advances to officers and employees and other receivables, Grade A are classified as financial assets with high credit worthiness and probability of default is minimal. While receivables under Grade B and C have favorable and acceptable risk attributes, respectively, with average credit worthiness.

Receivable from related parties are considered Grade A due to the Group's positive collection experience.

Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Receivable balances are monitored on an ongoing basis to ensure timely execution of necessary intervention efforts, such as raising the case to the Group's legal department. Regular monitoring of receivables resulted to manageable exposure to bad debts.

#### *Security and Refundable Deposits*

Security and refundable deposits are classified as Grade A since these are to be refunded by the lessor and utility companies at the end of lease term and holding period, respectively, as stipulated in the agreements.



As of December 31, 2015 and 2014, the aging analysis of the Group's past due financial assets presented per class follows:

|                   | 2015                      |            |            |             |           |                       | Total      |
|-------------------|---------------------------|------------|------------|-------------|-----------|-----------------------|------------|
|                   | Past due but not impaired |            |            |             |           | Past due and impaired |            |
|                   | <30 days                  | 30-60 days | 61-90 days | 91-120 days | >120 days |                       |            |
| Receivables       |                           |            |            |             |           |                       |            |
| Trade             |                           |            |            |             |           |                       |            |
| Real estate       | ₱205,544                  | ₱15,059    | ₱38,002    | ₱646,862    | ₱—        | ₱537                  | ₱906,004   |
| General           |                           |            |            |             |           |                       |            |
| construction      | 2,272,598                 | 17,433     | 4,401      | 17,391      | —         | 30,855                | 2,342,678  |
| Electricity sales | —                         | —          | 352,965    | —           | —         | 1,371,942             | 1,724,907  |
| Coal mining       | —                         | 484,665    | 101,336    | —           | —         | 65,562                | 651,563    |
| Nickel mining     | —                         | 2,776      | 3,843      | 21,424      | —         | 70,933                | 98,976     |
|                   | ₱2,478,142                | ₱519,933   | ₱500,547   | ₱685,677    | ₱—        | ₱1,539,829            | ₱5,724,128 |
|                   |                           |            |            |             |           |                       |            |
|                   | 2014                      |            |            |             |           |                       | Total      |
|                   | Past due but not impaired |            |            |             |           | Past due and impaired |            |
|                   | <30 days                  | 30-60 days | 61-90 days | 91-120 days | >120 days |                       |            |
| Receivables       |                           |            |            |             |           |                       |            |
| Trade             |                           |            |            |             |           |                       |            |
| Real estate       | ₱400,344                  | ₱234,449   | ₱100,224   | ₱55,874     | ₱—        | ₱537                  | ₱791,428   |
| General           |                           |            |            |             |           |                       |            |
| construction      | 120,233                   | —          | 11,152     | —           | —         | 30,855                | 162,240    |
| Electricity sales | —                         | —          | —          | —           | —         | 476,794               | 476,794    |
| Coal mining       | 733,342                   | —          | —          | —           | —         | 35,558                | 768,900    |
| Nickel mining     | 60                        | —          | —          | —           | —         | 70,933                | 70,993     |
|                   | ₱1,253,979                | ₱234,449   | ₱111,376   | ₱55,874     | ₱—        | ₱614,677              | ₱2,270,355 |

The repossessed lots and residential houses are transferred back to inventory under the account Real estate for sale and held for development and are held for sale in the ordinary course of business. The total of these inventories is ₱519.50 million and ₱592.04 million as of December 31, 2015 and 2014, respectively. The Group performs certain repair activities on the said repossessed assets in order to put their condition at a marketable state. Costs incurred in bringing the repossessed assets to its marketable state are included in their carrying amounts.

The Group did not accrue any interest income on impaired financial assets.

#### Fair Value of Financial Instruments

The table below presents a comparison by category of carrying amounts and estimated fair values of all the Group's financial instruments as of December 31, 2015 and 2014:

|                              | 2015           |            | 2014           |            |
|------------------------------|----------------|------------|----------------|------------|
|                              | Carrying Value | Fair Value | Carrying Value | Fair Value |
| <b>Loans and Receivables</b> |                |            |                |            |
| Cash and cash equivalents    |                |            |                |            |
| Cash in banks                | ₱9,265,808     | ₱9,265,808 | ₱6,571,852     | ₱6,571,852 |
| Cash equivalents             | 9,858,329      | 9,858,329  | 8,643,320      | 8,643,320  |
| Receivables - net            |                |            |                |            |
| Trade                        |                |            |                |            |
| Real estate                  | 6,902,011      | 9,248,150  | 7,400,694      | 8,667,001  |
| General construction         | 4,841,936      | 4,841,936  | 2,911,223      | 2,911,223  |
| Electricity sales            | 1,771,375      | 1,771,375  | 2,237,139      | 2,237,139  |
| Coal mining                  | 1,252,818      | 1,252,818  | 1,447,369      | 1,447,369  |
| Nickel mining                | 31,568         | 31,568     | 252,139        | 252,139    |
| Merchandising and others     | 63,460         | 63,460     | 95,059         | 95,059     |

(Forward)



|                                    | 2015               |                    | 2014           |             |
|------------------------------------|--------------------|--------------------|----------------|-------------|
|                                    | Carrying Value     | Fair Value         | Carrying Value | Fair Value  |
| Receivable from related parties    | <b>₱143,642</b>    | <b>₱143,642</b>    | ₱595,087       | ₱595,087    |
| Other receivables                  | <b>992,847</b>     | <b>992,847</b>     | 912,657        | 912,657     |
| Security deposits                  | <b>5,208</b>       | <b>5,208</b>       | 5,203          | 5,203       |
| Refundable deposits                | <b>382,865</b>     | <b>382,865</b>     | 340,222        | 340,222     |
|                                    | <b>35,511,867</b>  | <b>37,858,006</b>  | 31,411,964     | 32,678,271  |
| <b>AFS financial assets</b>        |                    |                    |                |             |
| Quoted securities                  | <b>74,409</b>      | <b>74,409</b>      | 65,809         | 65,809      |
| Unquoted securities                | <b>110,702</b>     | <b>110,702</b>     | 110,702        | 110,702     |
|                                    | <b>185,111</b>     | <b>185,111</b>     | 176,511        | 176,511     |
| <b>Financial assets at FVPL</b>    | —                  | —                  | 70,630         | 70,630      |
|                                    | <b>₱35,696,978</b> | <b>₱38,043,117</b> | ₱31,659,105    | ₱32,925,412 |
| <b>Other Financial Liabilities</b> |                    |                    |                |             |
| Accounts and other payables        | <b>₱12,017,567</b> | <b>₱12,017,567</b> | ₱14,424,746    | ₱14,424,746 |
| Liabilities for purchased land     | <b>3,017,426</b>   | <b>2,884,304</b>   | 2,179,186      | 2,119,853   |
| Payable to related parties         | <b>217,628</b>     | <b>217,628</b>     | 261,790        | 261,790     |
| Short-term and long-term debt      | <b>40,762,960</b>  | <b>42,759,970</b>  | 37,426,006     | 41,659,060  |
|                                    | <b>₱56,015,581</b> | <b>₱57,879,469</b> | ₱54,291,728    | ₱58,465,449 |

#### *Financial assets*

The fair values of cash and cash equivalents and receivables (except installment contract receivables) approximate their carrying amounts as of reporting dates due to the short-term nature of the transactions.

The fair values of installment contracts receivables are based on the discounted value of future cash flows using the applicable rates for similar types of loans and receivables. The discount rates used for installment contracts receivable range from 15.40% to 19.00% in 2015 and 14.61% to 19.00% in 2014.

The fair values of financial assets at FVPL are based on quoted market rates.

Refundable deposits are carried at cost since these are mostly deposits to a utility company as a consequence of its subscription to the electricity services of the said utility company needed for the Group's residential units.

In the absence of a reliable basis of determining fair values due to the unpredictable nature of future cash flows and the lack of suitable methods in arriving at a reliable fair value, security deposits other than those pertaining to operating leases and unquoted AFS financial assets are carried at cost less impairment allowance, if any.

#### *Financial liabilities*

The fair values of accounts and other payables and accrued expenses and payables to related parties approximate their carrying amounts as of reporting dates due to the short-term nature of the transactions.

Estimated fair value of long-term fixed rate loans and liabilities for purchased land are based on the discounted value of future cash flows using the applicable rates for similar types of loans with maturities consistent with those remaining for the liability being valued. For floating rate loans, the carrying value approximates the fair value because of recent and regular repricing (quarterly) based on market conditions.



The discount rates used for long term debt range from 5.00% to 5.25% in 2015 and 2014. The discount rates used for liabilities to purchase land range from 2.67% to 4.10% in 2015 and 2.02% to 2.03% in 2014.

#### Fair Value Hierarchy

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

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Fair values of receivables, long-term debt, liabilities for purchased land and investment properties are based on level 3 inputs while that of quoted AFS financial assets and financial assets at FVPL are from level 1 inputs.

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### **37. Contingencies and Commitments**

#### *Provision for Billing Disputes*

On October 20, 2010, SCPC filed a Petition for dispute resolution ("Petition") before the ERC against NPC and PSALM involving over-nominations made by NPC during the billing periods January to June 2010 beyond the 169,000 kW Manila Electric Company (MERALCO) allocation of SCPC, as provided under the Schedule W of the Asset Purchase Agreement (APA).

In its Petition, SCPC sought to recover the cost of energy (a) sourced by SCPC from WESM in order to meet NPC's nominations beyond the 169,000 kW MERALCO contracted demand, or (b) procured by NPC from the WESM representing energy nominated by NPC in excess of the 169,000 kW limit set in Schedule W, cost of which was charged by PSALM against SCPC. In relation to this, NPC withheld the payments of MERALCO and remitted to SCPC the collections, net of the cost of the outsourced energy.

SCPC has likewise sought to recover interest on the withheld MERALCO payments collected by PSALM that is unpaid to SCPC as of due date, to be charged at the rate of 6% computed from the date of SCPC's extrajudicial demand until full payment by PSALM.

In 2010, SCPC made a provision for the total amount withheld by NPC, which amounted to ₱383.29 million. Though a provision has already been made, SCPC has not waived its right to collect the said amount in case the outcome of the dispute resolution would be a favorable settlement for SCPC. The provision will be reversed and an income would be recognized in the "Other income" account upon collection of the said receivable.

On February 23, 2011 hearings resumed with the conduct of preliminary conference without the parties entering into an amicable settlement. The case continued with the presentation of witnesses on March 22 and 23, 2011.



On July 6, 2011, the ERC rendered its Decision in favor of SCPC and directed the parties, among others to submit the reconciled computation of the over-nominations and other MERALCO payments withheld by PSALM during the periods January 2010 to June 2010, and for PSALM to return to SCPC the reconciled amount plus 6% per annum as interests. PSALM's Motion for Reconsideration on the Decision was denied by ERC on February 13, 2012 for lack of merit.

On April 24, 2012, SCPC and PSALM each filed their Compliance submitting the reconciled computations of the over-nominations and other MERALCO payments withheld by PSALM, as agreed upon by the parties, in the principal amount of ₱476.00 million.

On December 4, 2013, SCPC filed a Motion for Issuance of Writ of Execution praying to direct PSALM to remit the Principal Amount, including interest of 6% per annum computed from August 4, 2010 until the date of actual payment, as well as the value added tax collected by PSALM from MERALCO, pursuant to the ERC's Decision dated July 6, 2011 and Order dated February 13, 2012.

On June 23, 2014, the ERC issued an Order granting the Writ of Execution in favor of SCPC and called a clarificatory conference on September 3, 2014 for the parties to discuss the details of the execution. PSALM filed a Motion for Reconsideration of the ERC's Order dated June 23, 2014.

On September 3, 2014 clarificatory conference, the ERC directed the parties to discuss how they could mutually carry out the execution granted by the ERC in favor of SCPC and likewise (1) granted SCPC ten days to file its Comment/Opposition to PSALM's motion for reconsideration; and (2) ordered PSALM to file its Compliance and submit a copy of the 3rd Indorsement dated May 29, 2014 issued by the General Counsel of the Commission on Audit to PSALM.

On September 11, 2014, PSALM filed its Compliance and duly submitted the 3rd Indorsement. On September 15, 2014, SCPC filed its Opposition to PSALM's Motion for Reconsideration.

As of December 31, 2015, the ERC has not resolved PSALM's Motion for Reconsideration.

*PSALM's Petition for Review before the Court of Appeals and Supreme Court of the Philippines*  
Meanwhile, PSALM filed a Petition for Review with Prayer for Temporary Restraining Order and/or Preliminary Injunction with the Court of Appeals on March 30, 2012, questioning the ERC's decision dated July 6, 2011 and Order dated February 13, 2012.

On September 4, 2012, the Court of Appeals rendered a Decision, denying PSALM's petition and affirming the related Decision and Order previously issued. PSALM subsequently filed a Motion for Reconsideration dated September 26, 2012 and seeking the reconsideration of the Decision dated September 4, 2012. SCPC filed its Opposition to PSALM's Motion for Reconsideration on November 5, 2012. Subsequently, the Court of Appeals issued a Resolution denying the Motion for Reconsideration filed by PSALM on November 27, 2012.

On December 27, 2012, PSALM filed a Petition for Review on Certiorari with Prayer for Issuance of Temporary Restraining Order and/or Preliminary Injunction with the Supreme Court.

Subsequently the Supreme Court issued a Resolution dated January 21, 2013 requiring SCPC to file a Comment to PSALM's Petition. Thus, on March 25, 2013, SCPC filed its Comment.



PSALM filed a Motion for Extension to file reply on July 25, 2013, requesting for an additional period of ten (10) days from July 25, 2013, or until August 4, 2013, within which to file its Reply. PSALM subsequently filed its Reply on August 2, 2013.

In a Resolution dated September 30, 2013, the Supreme Court granted PSALM's Motion for Extension to File Reply and noted the filing of PSALM's Reply.

PSALM's Petition has not yet been resolved by the Supreme Court as of December 31, 2015.

#### Lease Commitments

##### *Operating Lease - As Lessor*

The Group entered into lease agreements with third parties covering its investment property portfolio (Note 12). The lease agreements provide for a fixed monthly rental with an escalation of 3.00% to 10.00% annually and is renewable under the terms and condition agreed with the lessees.

As of December 31, 2015 and 2014, future minimum lease receivables under the aforementioned operating lease are as follows:

|                                             | 2015            | 2014     |
|---------------------------------------------|-----------------|----------|
| Within one year                             | <b>₱77,511</b>  | ₱36,634  |
| After one year but not more than five years | <b>118,224</b>  | 64,209   |
| More than five years                        | <b>85,360</b>   | —        |
|                                             | <b>₱281,095</b> | ₱100,843 |

##### *Operating Lease - As Lessee*

The Group has a noncancellable lease agreement with a various lessors covering office premises, for seven (7) years with escalation rate ranging from 5.00% to 10.00%. The leases are renewable under such terms and conditions that are agreed upon by the contracting parties.

As of December 31, 2015 and 2014, future minimum lease payments under the above mentioned operating lease are as follows:

|                                             | 2015           | 2014    |
|---------------------------------------------|----------------|---------|
| Within one year                             | <b>₱15,936</b> | ₱14,706 |
| After one year but not more than five years | <b>12,150</b>  | 23,561  |
|                                             | <b>₱28,086</b> | ₱38,267 |

##### *LLA with PSALM*

As discussed in Note 14, SCPC entered into a LLA with PSALM for the lease of land in which the plant is situated, for a period of 25 years, renewable for another 25 years with the mutual agreement of both parties. In 2009, SCPC paid US\$3.19 million or its peso equivalent ₱150.57 million as payment for the 25 years of rental.

Provisions of the LLA include that SCPC has the option to buy the Option Assets upon issuance of an Option Existence Notice (OEN) by the lessor. Optioned assets are parcels of land that form part of the leased premises which the lessor offers for the sale to the lease.

SCPC was also required to deliver and submit to the lessor a performance security amounting to ₱34.83 million in the form of Stand-by Letter of Credits. The Performance Security shall be maintained by SCPC in full force and effect continuously without any interruption until the Performance Security expiration date. The Performance Security initially must be effective for the



period of one year from the date of issue, to be replaced prior to expiration every year thereafter and shall at all times remain valid.

In the event that the lessor issues an OEN and SCPC buys the option assets in consideration for the grant of the option, the land purchase price should be equivalent to the highest of the following and / or amounts: (i) assessment of the Provincial Assessors of Batangas Province; (ii) the assessment of the Municipal or City Assessor having jurisdiction over the particular portion of the leased premises; (iii) the zonal valuation of Bureau of Internal Revenue or, (iv) \$21.00 per square meter. Valuation basis for (i) to (iii) shall be based on the receipt of PSALM of the option to exercise notice. The exchange rate to be used should be the Philippine Dealing Exchange rate at the date of receipt of PSALM of the OEN.

The exchange rate to be used should be the Philippine Dealing Exchange rate at the date of receipt of PSALM of the option to exercise notice.

On July 12, 2010, PSALM issued an OEN and granted SCPC the “Option” to purchase the Optioned Assets that form part of the leased premises. SCPC availed of the “Option” and paid the Option Price amounting to US\$0.32 million or a peso equivalent of ₱14.72 million exercisable within one year from the issuance of the OEN.

On April 28, 2011, SCPC sent a letter to PSALM requesting for the assignment of the option to purchase a lot with an area of 82,740 sqm in favor of SMPC. On May 5, 2011, PSALM approved the assignment. On June 1, 2011, SCPC exercised the land lease option at a purchase price of ₱292.62 million.

On June 1, 2011, SMPC and SCPC exercised its option to purchase the Option Asset and subsequently entered into a Deed of Absolute Sale with PSALM for the total consideration of ₱376.61 million.

On October 12, 2011, SCPC reiterated its proposal to purchase the remainder of the Leased Premises not identified as Optioned Assets. One of the salient features of the proposal included the execution of Contract to Sell (CTS) between SCPC and PSALM. This included the proposal of SCPC to assign its option to purchase and sublease in favor of SLPGC.

On February 13, 2012, PSALM held off the approval of the proposal to purchase the portion of Calaca Leased Premises not identified as Optioned Assets, subject to further studies. On the same date, PSALM’s Board approved SCPC’s request to sub-lease a portion of the Calaca Leased Premises to SLPGC for the purpose of constructing and operating a power plant.

As of the December 31, 2015, PSALM has yet to make any response in connection therewith.

#### *Surety Arrangement and Guarantees*

The Group is contingently liable for contractor’s guarantees arising in the ordinary course of business, including letters of guarantee for performance, surety, warranty bonds and outstanding irrevocable standby letters of credit related to its construction projects amounting to ₱11.37 billion and ₱12.2 billion as at December 31, 2015 and 2014, respectively.

#### *Standby Letters of Credit*

The Group has outstanding irrevocable standby letters of credit amounting to ₱7.17 billion and ₱5.83 billion, respectively in 2015 and 2014, from local banks which are used as bid security, performance securities and downpayments received from ongoing construction projects.



### *Contingent Assets and Liabilities*

The Group is currently negotiating certain claims filed by third parties for construction related activities. It is also currently negotiating claims from third parties arising from sub-contracting activities or claims from insurance companies. The information usually required by PAS 37 is not disclosed on the grounds that it can be expected to prejudice the outcome of these lawsuits, claims or assessments.

In 2015 and 2014, the Group has recognized potential liability on construction contracts which are still under negotiation with a third party (Note 17). The amount of liability is included in Accounts payable and accrued expenses in the statement of financial position. The Group did not recognize any asset claims arising from claims for collection which are still under negotiation.

The Group is also currently involved in lawsuits or claims filed by third parties which is substantially labor related and civil cases on its real estate operations which are pending decision by the courts or are under negotiation, the outcome of which are not presently determinable. In the opinion of the management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material effect on the consolidated financial statements. The information usually required by PAS 37 is not disclosed on the grounds that it can be expected to prejudice the outcome of these lawsuits, claims and assessments. No provisions were made in 2015 and 2014 for these lawsuits and claims.

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## **38. Other Matters**

### **a. Electric Power Industry Reform Act (EPIRA)**

In June 2001, the Congress of the Philippines approved and passed into law R.A. No. 9136, otherwise known as the EPIRA, providing the mandate and the framework to introduce competition in the electricity market. EPIRA also provides for the privatization of the assets of NPC, including its generation and transmission assets, as well as its contract with Independent Power Producers (IPPs). EPIRA provides that competition in the retail supply of electricity and open access to the transmission and distribution systems would occur within three years from EPIRA's effective date. Prior to June 2002, concerned government agencies were to establish WESM, ensure the unbundling of transmission and distribution wheeling rates and remove existing cross subsidies provided by industrial and commercial users to residential customers. The WESM was officially launched on June 23, 2006 and began commercial operations for Luzon. The ERC has already implemented a cross subsidy removal scheme. The inter-regional grid cross subsidy was fully phased-out in June 2002. ERC has already approved unbundled rates for Transmission Company (TRANSCO) and majority of the distribution utilities.

Under EPIRA, NPC's generation assets are to be sold through transparent, competitive public bidding, while all transmission assets are to be transferred to TRANSCO, initially a government-owned entity that was eventually being privatized. The privatization of these NPC assets has been delayed and is considerably behind the schedule set by the DOE. EPIRA also created PSALM, which is to accept transfers of all assets and assume all outstanding obligations of NPC, including its obligations to IPPs. One of PSALM's responsibilities is to manage these contracts with IPPs after NPC's privatization. PSALM is also responsible for privatizing at least 70% of the transferred generating assets and IPP contracts within three years from the effective date of EPIRA.





In August 2005, the ERC issued a resolution reiterating the statutory mandate under the EPIRA law for the generation and distribution companies, which are not publicly listed, to make an initial public offering (IPO) of at least 15% of their common shares. Provided, however, that generation companies, distribution utilities or their respective holding companies that are already listed in the Philippine Stock Exchange (PSE) are deemed in compliance. SCPC was already compliant with this requirement given that SMPC, its parent company, is a publicly listed company.

#### *WESM*

With the objective of providing competitive price of electricity, the EPIRA authorized DOE to constitute an independent entity to be represented equitably by electric power industry participants and to administer and operate WESM. WESM will provide a mechanism for identifying and setting the price of actual variations from the quantities transacted under contracts between sellers and purchasers of electricity.

In addition, the DOE was tasked to formulate the detailed rules for WESM which include the determination of electricity price in the market. The price determination methodology will consider accepted economic principles and should provide a level playing field to all electric power industry participants. The price determination methodology was subject to the approval of the ERC.

In this regard, the DOE created PEMC to act as the market operator governing the operation of WESM. On June 26, 2006, WESM became operational in the Luzon grid and adopts the model of a “gross pool, net settlement” electricity market.

b. *Clean Air Act*

On November 25, 2000, the Implementing Rules and Regulations (IRR) of the Philippine Clean Air Act (PCAA) took effect. The IRR contains provisions that have an impact on the industry as a whole and on SCPC in particular, that need to be complied within 44 months (or until July 2004) from the effectivity date, subject to the approval by DENR. The power plant of SCPC uses thermal coal and uses a facility to test and monitor gas emissions to conform with Ambient and Source Emissions Standards and other provisions of the Clean Air Act and its IRR. Based on the Group’s initial assessment of its existing power plant facilities, the Group believes that it is in full compliance with the applicable provisions of the IRR of the PCAA.

c. *Power Supply Agreement with MERALCO*

On December 20, 2011, SCPC entered into a new power supply agreement with MERALCO, a distributor of electric power, which took effect on December 26, 2011 and shall have a term of seven (7) years extendable upon mutual agreement by the parties for another three (3) years.

SCPC will be providing MERALCO with an initial contracted capacity of 210 MW and will be increased to 420 MW upon the commercial operation of the plant’s Unit 1.

On March 12, 2012, MERALCO filed an application for the Approval of the Power Supply Agreement (PSA) between MERALCO and SCPC, with a Prayer for Provisional Authority, docketed as ERC Case No. 2011-037 RC.



In the said application, MERALCO alleged and presented on the following: a.) the salient provisions of the PSA; b.) payment structure under the PSA; c.) the impact of the approval of the proposed generation rates on MERALCO's customers; and d.) the relevance and urgent need for the implementation of the PSA.

On December 17, 2012, the Commission (ERC) issued a Decision approving the application with modification. On January 7, 2013, applicant MERALCO filed a Motion for Partial Reconsideration of the ERC Decision dated December 17, 2012 to introduce additional material evidence not available at the time of the filing of the application, in support of the reconsideration of the approved Fixed O&M Fee of P4,785.12/Kw/year.

- d. Contract for the Fly Ash of the Power Plant  
On April 30, 2012, SCPC and Pozzolanica Australia Pty, Ltd. ("Pozzolanica") executed the Contract for the Purchase of Fly Ash of the Power Plant (the "Pozzolanica Contract"). The Pozzolanica contract is valid and effective for a period of fifteen (15) years beginning February 1, 2012. Pozzolanica, as agreed, shall purchase 100 % percent of fly ashes produced or generated by the Power Plant of SCPC.
- e. Dispute Resolution Proceedings with MERALCO (Line Loss Rental)  
On August 29, 2013, MERALCO filed a Petition for Dispute Resolution before the Energy Regulatory Commission against SCPC and other generating companies praying for refund of the amount of line loss allegedly collected by the said generating companies corresponding to 2.98% of the NPC-Time of Use (TOU) amounts paid to the generating companies as assignees of the portions of the contracted energy volume under the NPC-MERALCO Transition Supply Contract pursuant to the Orders dated March 4, 2013 and July 1, 2013 issued by the ERC in ERC Case No. 2008-083MC. The total amount claim by MERALCO against SCPC ₱265.54 million representing line loss amounts allegedly received by SCPC beginning 2009.

The ERC issued an Order dated September 10, 2013 for the generating companies to file comments on MERALCO's Petition and set the hearing on October 17, 2013.

On September 20, 2013, the generating companies filed a Joint Motion to Dismiss arguing that MERALCO's Petition failed to state a cause of action and the ERC has no jurisdiction over the subject matter of the case.

On September 25, 2013, the ERC directed MERALCO to file its comments on the Joint Motion to Dismiss. The ERC likewise set the hearing on the Joint Motion to Dismiss on October 14, 2013.

On October 14, 2013 during the hearing on the Joint Motion to Dismiss, ERC directed MERALCO to furnish the generating companies of its Comment and Pre-Trial Brief; granted MERALCO a period of three (3) days from receipt of the generating companies Reply within which to file a Rejoinder; granted the generating companies a period of five (5) days from receipt of MERALCO's Rejoinder to file a Sur-Rejoinder. The ERC denied the generating companies prayer to hold in abeyance the conduct of the initial hearing on October 17, 2013 and shall proceed on said date only insofar as the jurisdictional hearing is concerned without prejudice to the ERC's resolution of the Joint Motion to Dismiss.

The generating companies' Joint Motion to Dismiss has been submitted for resolution. As of December 31, 2015 the Joint Motion to Dismiss has yet to be resolved.



f. Temporary Restraining Order on MERALCO

On December 23, 2013, the Supreme Court (SC) issued a temporary restraining order (TRO) to MERALCO enjoining it from increasing the generation rates it charges to its consumers arising from the increased generation costs from its suppliers for the supply month of November 2013. The said TRO also enjoined the ERC from implementing its December 9, 2013 Order authorizing MERALCO to stagger the collection of its increased generation costs for the supply month of November 2013. The TRO was for a period of 60 days from December 23, 2013 to February 21, 2014.

On January 10, 2014, the SC impleaded MERALCO's suppliers of generation costs, including PEMC, the operator of the wholesale electricity supply market (WESM), as parties-respondents in the cases.

On February 18, 2014, the SC extended the TRO for another 60 days up to April 22, 2014.

On April 24, 2014, the SC issued a resolution and corresponding TRO, extending indefinitely the TRO issued on December 23, 2013 and February 18, 2014.

As a result of the TRO, MERALCO has not been able to fully bill its consumers for the generation costs for the supply month of November 2013; and in turn, it has not been able to fully pay its suppliers of generation costs, including PEMC.

On March 11, 2014, the ERC released its ERC Order (Case No 2014-021MC, dated March 3, 2014) voiding the Luzon WESM prices during the November and December 2013 supply months and declaring the imposition of regulated prices in lieu thereof. PEMC was hereby directed within 7 days from receipt of the Order to calculate these regulated prices and implement the same in the revised WESM bills of the concerned distribution utilities in Luzon for the November and December 2013 supply months for their immediate settlement, except for MERALCO whose November 2013 WESM bill shall be maintained in compliance with the TRO issued by the SC.

Several generation companies and distribution companies filed their respective Motions for Reconsideration of the March 3, 2014 ERC Order. SCPC filed its Motion for Reconsideration with Motion for Deferment of implementation of the Order dated March 3, 2014 on March 31, 2014. The said Motions were set for hearing on April 28, 2014.

In the meantime, PEMC issued the adjusted WESM bills to the market participants, including SCPC. In an Order dated March 27, 2014, the ERC directed PEMC to provide the market participants an additional period of 45 days from receipt of the Order within which to comply with the settlement of the adjusted WESM bills in view of the pendency of the various submissions before the ERC.

During the hearing held on April 28, 2014, the ERC directed the parties to submit their respective memoranda by May 2, 2014. In compliance with the directive, SCPC filed a Manifestation on May 2, 2014 that it is adopting its Motion for Reconsideration in lieu of filing a Memorandum. In an Order dated October 15, 2014, the ERC denied SCPC's Motion for Reconsideration.

On December 11, 2014, SCPC filed a Petition for Review with Prayer for Issuance of Temporary Restraining Order and/or Writ of Injunction with the Court of Appeals seeking reversal of the ERC Orders dated March 3, 2014 and October 15, 2014. In a resolution dated April 30, 2015, the SCPC's Petition was consolidated with other related cases filed by other



generation companies before the Court of Appeals. PEMC and ERC filed their respective Consolidated Comments on the consolidated Petitions to which the SCPC filed its Reply.

MERALCO filed its Consolidated Motion for Leave to Intervene with Opposition to Prayers for issuance of Temporary Restraining Order and/or Writ of Injunction. SCPC filed its Comment to MERALCO's Consolidated Motion on November 2, 2015.

The Court of Appeals is yet to resolve MERALCO's Consolidated Motion and the consolidated Petitions.

Pending the finality of the ERC Order dated March 3, 2014 on recalculation of the WESM prices for the November and December 2013 supply months and its effect on each generation company that trade in the WESM, the SCPC estimated its exposure to the said ERC order. Please see judgments and estimates in Note 3 and the related disclosures on allowance for doubtful accounts in Note 5. In relation to the ERC Order, SCPC entered into a special payment arrangement with PEMC for the payment of the customer's reimbursement, through PEMC, in excess of the regulated price for the purchases through spot market in November and December 2013. The payments are over 24 month of which, as of December 31, 2015, ₱533.72 million was paid, and the remaining ₱140.28 million is payable in the remaining months.

- g. Power Supply Agreement with Masbate Electric Cooperative, Inc. (MASELCO)  
On May 4, 2007, MASELCO and DMCI Masbate entered into a PSA wherein DMCI Masbate shall deliver a guaranteed dependable capacity of 13,000 kW which MASELCO may dispatch for its load and ancillary services requirements.

The PSA has a term commencing on the date of its execution and expiring on the last day of the fifteenth (15th) year of the commercial operations period as provided therein, unless extended or earlier terminated. The commercial operations period shall commence not later than eighteen (18) months from effective date. MASELCO shall only pay for actual energy delivered, not on a take or pay basis, except in extraordinary circumstances as provided in the PSA. In exceptional circumstances, payments shall be based on a pre-defined net expected energy rate.

- h. Subsidy Agreement between NPC, MASELCO and DMCI Masbate  
In 2008, DMCI Masbate, NPC and MASELCO have signed the Subsidy Agreement which governs the availment by DMCI Masbate of the Missionary Electrification Subsidy (ME Subsidy) as New Power Provider (NPP) in the province of Masbate.

The agreement shall take effect from the time of execution until expiration of the PSA or termination of the Subsidy Agreement, as provided under Section 8 of the Subsidy Agreement, whichever comes earlier.

The ME Subsidy shall be computed as the difference between the True Cost of Generation computed under the PSA and the Socially Acceptable Generation Rate (SAGR) paid by Maselco. The amount of the ME Subsidy shall be taken from the Universal Charge-Missionary Electrification (UC-ME) fund being maintained by NPC.

- i. Transitory Agreement with MASELCO  
On March 3, 2010, MASELCO and DMCI Masbate entered into a Transitory Agreement, which shall have a term of five (5) years commencing the date of the agreement, wherein MASELCO shall avail of the generating capacity of DMCI Masbate and shall pay for such



energy output according to the approved Subsidized Approved Generation Rate of ₱5.1167/kWh.

Also, under the agreement, DMCI Masbate shall deliver the coal-fired power plant, barring any political and social situation preventing the construction and development thereof pursuant to the PSA, not later than the 5th year anniversary of the agreement. If it is determined anytime during the term that the construction and commissioning prior to the lapse of the term, the parties may extend the term of the agreement, amend the existing PSA or terminate the agreement and negotiate for a new PSA.

On July 22, 2010, the Energy Regulatory Commission (ERC) issued an Order provisionally approving the Transitory Agreement and DMCI Masbate's availment of ME Subsidy from the UC-ME. The provisional authority triggered the commercial operation of the DMCI Masbate.

- j. Reinstated and Amended Subsidy Agreement between NPC, MASELCO and DMCI Masbate  
On October 27, 2010, in line with the Transitory Agreement with MASELCO, DMCI Masbate, NPC and MASELCO signed the Reinstated and Amended Subsidy Agreement. This agreement will entitle DMCI Masbate to avail of the ME Subsidy while the Transitory Agreement is effective. Moreover, this agreement includes an additional provision pertaining to Financing of Power Station and an amendment of a provision pertaining to Payment of Subsidy Fee and True-Up Adjustments.
- k. Amended Power Supply Agreement and Transitory Supply Agreement  
On June 8, 2010, an Application was filed with ERC for the approval of the PSA, as amended by the Reinstated and Amendment to the Power Supply Agreement and Transitory Supply Agreement (TSA), and Supplement to the Transitory Agreement as well as the New Power Provider-True Cost Generation Rate ("NPP-TCGR"). The ERC, in its Order of July 12, 2010, provisionally approved the Application filed by MASELCO and DMCI Masbate, and subsequently, issued another Order on July 4, 2011, extending the provisional authority granted until revoked or made permanent.

Meanwhile, upon MASELCO's request, DMCI Masbate constructed two (2) satellite power plants: a 1x2 MW diesel-fired gensets and 1x1 MW diesel-fired gensets in the Municipality of Aroroy and another 2X1 MW diesel-fired gensets and 1x2 MW diesel-fired gensets in the Municipality of Cataingan. The construction of such power plants significantly improved and stabilized the power supply in the province of Masbate.

In view of the aforementioned improvements and developments, the existing tariff rates as contained in the PSA and its Supplements as approved by the ERC no longer reflect the true and actual cost of power generation in the Province. Thus, realizing the need to adjust the existing tariff schedule to reflect the actual costs of the power generated during the remaining term of the PSA, MASELCO and DMCI Masbate entered into a Memorandum of Agreement (MOA) on August 3, 2011, incorporating therein the revised rate formula computation and a provision for prompt payment discount.

On January 28, 2013, ERC issued a Decision for the approval with modification of the application for the PSA and the supplemental Memorandum of Agreement both filed by MASELCO and DMCI Masbate.



On June 3, 2013, ERC issued an Order authorizing DMCI Masbate to recover from the Universal Charge for Missionary Electrification (UC-ME) the amount of ₱75.16 million, representing the difference between the final and provisionally approved rates, in three (3) monthly payments of ₱25.05 million (plus the applicable VAT) starting its June 2013 billing period.

- l. ERC Approval of 3<sup>rd</sup> - 6<sup>th</sup> Deferred Accounting Adjustment (DAA) for Generation Rate Adjustment Mechanism (GRAM) and Incremental Currency Exchange Rate Adjustment (ICERA)

On January 31, 2011, ERC issued an Order authorizing the NPC-Small Power Utilities Group (NPC-SPUG) to recover the DAA for 3<sup>rd</sup> GRAM amounting to ₱0.9492/kWh starting the January 2011 billing period. Furthermore, ERC through its decision dated August 1, 2011 authorized DMCI Masbate to recover the additional DAA for 4<sup>th</sup> to 6<sup>th</sup> GRAM and ICERA amounting to ₱1.4282/kWh for the billing period January 25, 2012 to June 25, 2012. The said decision on the DAA for the 3<sup>rd</sup> to 6<sup>th</sup> GRAM and ICERA was implemented effective January 2012 billing month as an addition to the existing SAGR of MASELCO. Subsequently, ERC issued an order dated 30 July 2012 amending its earlier decision on the charging of the DAA for the 4<sup>th</sup> to 6<sup>th</sup> GRAM and ICERA that starting August 2012 billing, the said DAA will no longer be included in the SAGR of all distribution utilities located in the off-grid areas including MASELCO.

The approved recovery period for the third ICERA was already completed last November 2014 resulting a reduction of the existing SAGR of MASELCO amounting to ₱0.3907/kWh starting the November 26, 2014-December 25, 2014 billing period.

- m. Memorandum of Agreement between MASELCO and DMCI Masbate

On March 24, 2014, DMCI Masbate and MASELCO signed the Memorandum of Agreement (MOA) amending certain provision of the (1) PSA dated May 4, 2007, (2) Amended PSA dated October 19, 2009, (3) Reinstated and Amendment to the PSA dated October 19 and 20, 2009, (4) Transitory Agreement dated March 3, 2010, and (5) MOA dated November 25, 2010 amending the Transitory Agreement. The amendment includes the extension of the term of the Transitory Agreement until January 1, 2017. On January 2015, the MOA dated March 24, 2014 was filed before the ERC for its approval.

On April 27, 2015, DMCI Masbate and MASELCO signed the amendment to the Memorandum of Agreement dated March 24, 2014 amending Section 1 of the MOA and the target commercial operations date (COD) for a period of twenty-four (24) months reckoned from the receipt of the NPC's firm commitment of the completion schedule for the construction of the 69kV Transmission Line.

- n. PSA with Palawan Electric Cooperative, Inc. (PALECO)

On July 25, 2012, PALECO and DPC entered into a PSA wherein DPC shall deliver a guaranteed dependable capacity of up to 25MW which PALECO may dispatch for its active power requirements, frequency regulation, contingency reserve, spinning reserve and voltage regulation control.

The PSA has a term commencing on the effective date of its execution and expiring on the last day of the fifteenth (15<sup>th</sup>) year of the commercial operations period counted from the commercial operations date as provided therein, unless extended or earlier terminated. The effective date shall be no later than one hundred eighty (180) days from issuance of Notice of Award. PALECO shall only pay for actual energy delivered, except otherwise expressly provided therein.



On April 15, 2013, the ERC issued an Order provisionally approving the Electricity Supply Agreement (ESA) or PSA between DPC and PALECO, and DPC's availment of ME subsidy from the UC-ME. Likewise, the said order triggered the early commercial operation date of the ESA/PSA.

On October 10, 2014, DPC and PALECO entered into an "Addendum to the PSA" whereby DPC shall deploy three (3) diesel generator sets to Roxas, Palawan and one (1) generator set to Quezon, Palawan.

In December 2014, the "Addendum to the PSA" has been filed with ERC.

o. Memorandum of Agreement (MOA) with PALECO

In October 2012, upon request of PALECO due to an impending power shortage at that time, PALECO entered into a MOA with DPC for the installation, operation and maintenance of at least 5MW GDC diesel-operated generators in Irawan, Puerto Princesa City.

On November 26, 2012, the ERC issued an Order provisionally approving the MOA between DPC and PALECO. The order further stated that DPC was entitled to avail the subsidy for the UC-ME fund. The MOA was fully enforceable and effective until August 31, 2013.

p. Subsidy Agreement with NPC and PALECO

The UC-ME Subsidy is computed as the difference between the True Cost of Generation (TCGR) computed under the PSA and the Subsidized-Approved Generation Rate (SAGR) paid by PALECO. The amount of the ME Subsidy is to be taken from the UC-ME fund being administered by NPC. The UC-ME settlement agreement has been signed by DPC, PALECO, and NPC on December 2013.

q. Supplemental Agreement with PALECO

On January 11, 2016, PALECO and DPC entered into Supplemental Agreement wherein DPC shall construct a 2x4.95 MW bunker-fired power plant in Iraan, Aborlan to make good on its commitment to ensure continuous, stable, efficient supply of power to the province of Palawan.

DPC assures that the construction of the bunker-fired power plant shall be completed within six months from the approval of the agreement by the ERC.

r. Rental Contract with NPC

On February 28, 2013, DPC won the NPC bidding for the 9-month lease of 1MW modular diesel generating sets for El Nido, Palawan. The lease started from date of commencement on March 25, 2013 after being given a Notice of Award on the 15th of the same month.

On June 14, 2013, DPC won another NPC bidding for the 6-month lease of 4MW modular diesel generating sets in San Jose, Occidental Mindoro starting December 2013 and ending May 2014. The lease term was extended up to December 2014.

s. Electricity Supply Agreement (ESA) with Oriental Mindoro Electric Cooperative (ORMECO) and UCME Subsidy Agreement with NPC-SPUG and ORMECO

On November 11, 2013, ORMECO and DPC entered into an ESA wherein DPC shall construct, install, operate and maintain a 15MW Bunker C-Fired Power Plant in Calapan Mindoro.



The ESA has a period of twenty years commencing on the Commercial Operation Date (COD) and ending on the 20<sup>th</sup> year, which may be extended pursuant to the provisions of the ESA. The COD shall be the day up on which ORMECO and DPC jointly certified that the project is capable of operating in accordance with the operating parameters, and has successfully completed all its tests in accordance with the schedules of the ESA.

On December 9, 2014, the ERC approved with modifications the ESA between ORMECO and DPC. As provided in the decision approving the ESA, DPC is allowed to recover the subsidy from the Commission-approved UCME and shall be entitled to the subsidy commencing from the date of its first delivery of energy to ORMECO. The subsidy is computed as the difference between the TCGR and SAGR if the TCGR is higher than the latter.

On June 9, 2015, the UC-ME subsidy agreement was signed by NPC.

t. ESA with Sultan Kudarat Electric Cooperative, Inc. (SUKELCO)

On June 23, 2015, SUKELCO and DPC entered into an ESA wherein DPC shall construct, install, operate and maintain a 3MW Modular Diesel Power Plant in Brgy. Dukay, Esperanza, Sultan Kudarat.

The ESA has a period of three years commencing on the Commercial Operation Date (COD) and ending on the 3<sup>rd</sup> year, which may be extended for another one year pursuant to the provisions of the ESA subject to mutual consent of the parties. The COD shall be the day upon which ORMECO and DPC jointly certified that the project is capable of operating in accordance with the operating parameters, and has successfully completed all its tests in accordance with the schedules of the ESA.

u. Environmental Compliance Certificate (ECC)

On June 14, 2006, the DENR, through the Environmental Management Bureau, granted BNC, the ECC for the Berong Project.

BNC, in compliance with the terms of the ECC, has set up an Environmental Trust Fund (ETF) on April 27, 2007, in the amount of ₱0.20 million at the Land Bank of the Philippines (LBP) Makati Branch. The ETF is a readily replenishable fund for compensation or indemnification of damages to life and property that may be caused by the project. The fund is included under "Other noncurrent assets" account in the consolidated statement of financial position. As at December 31, 2015 and 2014, BNC has ETF amounting to ₱0.21 million.

v. Mine Rehabilitation Fund (MRF)

Pursuant to Section 181 of the Implementing Rules and Regulations of the Republic Act (R.A.) No. 7492, better known as the "Philippine Mining Act of 1995", BNC has opened a Rehabilitation Cash Fund (RCF) on November 22, 2007, amounting to ₱5 million at the LBP Makati Branch. Such trust fund is set to ensure compliance with the approved rehabilitation activities and schedules of the project. In addition to RCF, BNC has also set up a Monitoring Trust Fund (MTF) amounting to ₱0.10 million at the LBP Makati Branch on April 27, 2007. Such fund shall be used to cover the maintenance and other operating budget of the MTF Committee and is subject to periodic replenishments. As at December 31, 2015 and 2014, BNC has RCF amounting to ₱4.63 million and ₱5.17 million, respectively, and MTF amounting to ₱0.15 million and ₱0.15 million, respectively.





Also, BNC set up the Final Mine Rehabilitation and Decommissioning Plan (FMRDP) fund to be used for the rehabilitation and decommissioning, submitted to MGB, of BNC's mine at the end of its life. As at December 31, 2015 and 2014, the balance of the fund amounts to ₱1.3 million and ₱1.3 million, respectively. Interest earned from MRF amounted to ₱0.01 million and ₱0.02 million as at December 31, 2015 and 2014, respectively.

w. Memorandum of Agreement (MOA) with Tagbanua Indigenous Peoples (IP)/Indigenous Cultural Community (ICC)

In 2005, BNC, Tagbanua IPs/ICCs and National Commission on Indigenous Peoples entered into a MOA. The MOA relate exclusively to the areas applied for and disclosed to the Tagbanua IPs/ICCs of Berong Aramaywan, Quezon, Province of Palawan and shall cover and apply exclusively to all the activities, processes, operations and other related issues under the MPSA application of BNC.

Under the MOA, the Tagbanua IPs/ICCs has the right to receive from BNC a royalty payment equivalent to 1% of the gross revenues based on the provisions of the Mining Act subject to devaluation of the Philippine peso. The said royalty is paid to BATA, a formal organization created by the IPs upon signing of the MOA, who is responsible in determining the share of every individual member in accordance with their customary laws and practices.

Total royalty payments to BATA in 2015 and 2014 amounted to ₱32.75 million and nil, respectively. In 2015 and 2014, BNC has recognized royalty expense amounting to ₱30.62 million and ₱21.33 million, respectively. Royalty payable amounted to ₱31.33 million and ₱33.65 million as at December 31, 2015 and 2014, respectively.

As at December 31, 2015 and 2014, available indigenous people trust fund amounted to ₱0.16 million and ₱2.91 million, respectively.

x. Sales Agreement

BNC entered into various sales agreements with different customers to sell and deliver nickel laterite ores. The selling price of the nickel laterite ores depends on its ore grading. High grade (1.9% to 2.09%) and low grade (1.1% to 1.11%) are priced at US\$56 to US\$72.5 and US\$15.5 to US\$15, respectively. The sales agreements are subject to price adjustments depending on the final nickel and moisture content agreed by both parties. BNC exported a total of 1.60 million WMT and 1 million WMT of nickel laterite ores in 2015 and 2014, respectively.

ZDMC had a sales contract with various customers during 2015, which had specific ore grade and varying tonnage. The price for nickel ore ranges from US\$29 per Wet Metric Ton (WMT). Certain contract terms for ZDMC's sale of nickel ore allow for a price adjustment based on nickel grade and moisture content of the delivered ore as indicated in the final assay report made by an independent party.

Provisional payment covering 90% of the total amount as reflected in provisional invoice and final settlement can be made upon receipt of final invoice.



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### 39. Subsequent Events After Reporting Period

#### *Partial Sale of Subic Water*

On March 23, 2016, the Group sold 0.92 million shares, representing 10% interest in Subic Water to the City of Olongapo for a total consideration of ₱210.58 million. The Group still owns a total of 30% interest of Subic Water's outstanding capital stock after the sale.

#### *ENK Restructuring*

On March 31, 2016, the BOD of the Group approved the liquidation and dissolution of ENK, a wholly-owned subsidiary of the Parent Company in UK. The transaction is part of the ongoing restructuring of the Group's nickel mining subsidiaries in order to simplify the structure of the nickel mining segment and liquidate non-operating subsidiaries.



**DMCI HOLDINGS, INC. AND SUBSIDIARIES**  
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**SUPPLEMENTARY SCHEDULES**

**CONSOLIDATED COMPANY FINANCIAL STATEMENTS**

Statement of Management's Responsibility for Consolidated Financial Statements

Report of Independent Auditors' Report

Consolidated Statements of Financial Position as of December 31, 2015 and 2014

Consolidated Statements of Comprehensive Income for the Years Ended  
December 31, 2015, 2014 and 2013

Consolidated Statements of Changes in Equity for the Years Ended  
December 31, 2015, 2014 and 2013

Consolidated Statements of Cash flows for the Years Ended  
December 31, 2015, 2014 and 2013

Notes to Consolidated Financial Statements

**SUPPLEMENTARY SCHEDULES**

Report of Independent Auditors on Supplementary Schedules

- I. Schedules required by Annex 68-E
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  - B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
  - C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
  - D. Intangible Assets
  - E. Long-term Debt
  - F. Indebtedness to Related Parties
  - G. Guarantees of Securities of Other Issuers
  - H. Capital Stock
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- III. Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1, 4C; Annex 68-C)
- IV. Map of the relationships of the companies within the group (Part 1, 4H)
- V. Schedule of Financial Soundness Indicators

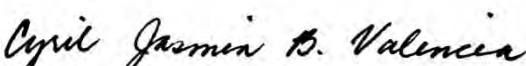


## **INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
DMCI Holdings, Inc.  
3rd Floor, Dacon Building  
2281 Don Chino Roces Avenue  
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of DMCI Holdings, Inc. and its subsidiaries (the Group) as at December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015, included in this Form 17-A, and have issued our report thereon dated March 31, 2016. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Securities Regulation Code Rule No. 68, As Amended (2011) and are not part of the consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, fairly state in all material respects, the information required to be set forth therein in relation to the consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

  
Cyril Jasmin B. Valencia  
Partner  
CPA Certificate No. 90787  
SEC Accreditation No. 1229-AR-1 (Group A),  
May 12, 2015, valid until May 11, 2018  
Tax Identification No. 162-410-623  
BIR Accreditation No. 08-001998-74-2015,  
February 27, 2015, valid until February 26, 2018  
PTR No. 5321703, January 4, 2016, Makati City

March 31, 2016



**DMCI HOLDINGS, INC. AND SUBSIDIARIES****SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68 AS AMENDED  
DECEMBER 31, 2015**

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by SRC Rule 68, as Amended (2011), that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets

| <b>Name of issuing entity and association<br/>of each issue</b> | <b>Number of shares or<br/>principal amount of<br/>bonds and notes</b> | <b>Amount shown in the<br/>consolidated statements<br/>of financial position</b> | <b>Value based on market<br/>quotation at end of<br/>reporting period</b> | <b>Income received and<br/>accrued</b> |
|-----------------------------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------|
| Manila Golf and Country Club                                    | 1                                                                      | ₱39,000,000                                                                      | ₱39,000,000                                                               |                                        |
| Wack Wack Golf & Country Club                                   | 1                                                                      | 15,800,000                                                                       | 15,800,000                                                                |                                        |
| Manila Electric Company                                         | 38,533                                                                 | 12,330,560                                                                       | 12,330,560                                                                |                                        |
| Alabang Country Club Inc.                                       | 1                                                                      | 3,000,000                                                                        | 3,000,000                                                                 |                                        |
| Manila Southwoods Golf-Academy (A)                              | 2                                                                      | 1,500,000                                                                        | 1,500,000                                                                 |                                        |
| Manila Southwoods Golf-Academy (B)                              | 1                                                                      | 950,000                                                                          | 950,000                                                                   |                                        |
| Canlubang Golf and Country Club                                 | 1                                                                      | 800,000                                                                          | 800,000                                                                   |                                        |
| DMC Conex Freight Services, Inc.                                | 1                                                                      | 661,014                                                                          | 661,014                                                                   |                                        |
| Northwoods Development Corporation                              | 1                                                                      | 650,000                                                                          | 650,000                                                                   |                                        |
| Valle Verde Country Club                                        | 1                                                                      | 500,000                                                                          | 500,000                                                                   |                                        |
| Makati Sports Club                                              | 1                                                                      | 460,000                                                                          | 460,000                                                                   |                                        |
| (Forward)                                                       |                                                                        |                                                                                  |                                                                           |                                        |



| Name of issuing entity and association of each issue | Number of shares or principal amount of bonds and notes | Amount shown in the consolidated statements of financial position | Value based on market quotation at end of reporting period | Income received and accrued |
|------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------|-----------------------------|
| Subic Bay Yatch Club                                 | 2                                                       | ₱400,000                                                          | ₱400,000                                                   |                             |
| Bayantel                                             | 1                                                       | 400,000                                                           | 400,000                                                    |                             |
| Celebrity Sports Plaza Inc.                          | 1                                                       | 130,000                                                           | 130,000                                                    |                             |
| Philippine Long Distance Telephone Company           | 1                                                       | 127,258                                                           | 127,258                                                    |                             |
| Mabuhay Vinyl Corp.                                  | 34,889                                                  | 108,156                                                           | 108,156                                                    |                             |
| Capitol Hills Golf and Country Club                  | 1                                                       | 40,000                                                            | 40,000                                                     |                             |
| Philippine Columbian Association                     | 1                                                       | 16,896                                                            | 16,896                                                     |                             |
| Gallerie Y                                           | 1                                                       | 15,000                                                            | 15,000                                                     |                             |
| Confederation of Philippine Exporter                 | 1                                                       | 5,000                                                             | 5,000                                                      |                             |
| Executive Suite Inc.                                 | 1                                                       | 3,000                                                             | 3,000                                                      |                             |
| Club Solviento                                       | 1                                                       | 3,000                                                             | 3,000                                                      |                             |

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

| Name and Designation of debtor | Balance at beginning of period | Additions | Amounts collected | Amounts written off | Current | Not current | Balance at end of period |
|--------------------------------|--------------------------------|-----------|-------------------|---------------------|---------|-------------|--------------------------|
|--------------------------------|--------------------------------|-----------|-------------------|---------------------|---------|-------------|--------------------------|

*Not applicable. The Group's receivables from officers and employees pertain to ordinary purchases subject to usual terms, travel and expense advances and other transactions arising from the Group's ordinary course of business.*



Schedule C. Amounts Receivable from/Payable to Related Parties which are Eliminated during the Consolidation of Financial Statements

The following is the schedule of receivables from related parties, which are eliminated in the consolidated financial statements as at December 31, 2015:

| Entity with<br>Receivable Balance                      | Name of Entity with<br>Payable Balance                 | Due from<br>related party | Due to<br>related party |
|--------------------------------------------------------|--------------------------------------------------------|---------------------------|-------------------------|
| ENK Plc.                                               | DMCI Mining Corporation                                | 2,018,163,923             | (2,018,163,923)         |
| Fil-Euro Asia Nickel Corporation                       | Zambales Diversified Metals Corporation                | 1,090,541,781             | (1,090,541,781)         |
| DMCI Mining Corporation                                | Fil-Euro Asia Nickel Corporation                       | 1,074,793,544             | (1,074,793,544)         |
| D.M. Consunji, Inc.                                    | Semirara Mining and Power Corporation                  | 963,143,302               | (963,143,302)           |
| DMCI Mining Corporation                                | Fil-Asian Strategic Resources & Properties Corporation | 844,596,959               | (844,596,959)           |
| ENK Plc.                                               | European Nickel PLC - Regional Operating Headquarters  | 732,186,822               | (732,186,822)           |
| D.M. Consunji, Inc.                                    | Southwest Luzon Power Generation Corporation           | 719,534,690               | (719,534,690)           |
| Fil-Asian Strategic Resources & Properties Corporation | Zambales Diversified Metals Corporation                | 557,066,425               | (557,066,426)           |
| D.M. Consunji, Inc.                                    | DMCI Project Developers, Inc.                          | 486,463,047               | (486,463,047)           |
| Rusina Mining Ltd.                                     | ENK Plc.                                               | 485,993,596               | (485,993,596)           |
| DMCI Mining Corporation                                | Berong Nickel Corporation                              | 369,175,927               | (369,175,927)           |
| DMCI Mining Corporation                                | Zambales Diversified Metals Corporation                | 246,370,861               | (246,370,861)           |
| D.M. Consunji, Inc.                                    | St. Raphael Power Generation Corporation               | 192,351,280               | (192,351,280)           |
| DMCI Project Developers, Inc.                          | DMCI Homes, Inc.                                       | 172,021,940               | (172,021,940)           |
| Rusina Mining Ltd.                                     | European Nickel PLC - Regional Operating Headquarters  | 138,128,818               | (138,128,818)           |
| Riviera Land Corporation                               | DMCI Project Developers, Inc.                          | 112,592,250               | (112,592,250)           |
| Fil-Euro Asia Nickel Corporation                       | Zambales Chromite Mining Company Inc.                  | 96,016,882                | (96,016,882)            |
| Montemina Resources Corporation                        | Zambales Diversified Metals Corporation                | 86,558,395                | (86,558,395)            |
| DMCI Mining Corporation                                | European Nickel PLC - Regional Operating Headquarters  | 86,255,379                | (86,255,379)            |
| Fil-Asian Strategic Resources & Properties Corporation | Montemina Resources Corporation                        | 85,555,044                | (85,555,044)            |
| Hampstead Gardens Corporation                          | DMCI Project Developers, Inc.                          | 81,859,515                | (81,859,515)            |
| DMCI Project Developers, Inc.                          | DMCI Homes Property Management Corporation             | 61,972,168                | (61,972,168)            |
| Zambales Diversified Metals Corporation                | D.M. Consunji, Inc.                                    | 55,124,436                | (55,124,436)            |
| D.M. Consunji, Inc.                                    | DMCI Power Corportion                                  | 54,355,030                | (54,355,030)            |
| D.M. Consunji, Inc.                                    | Sem-Calaca Power Corporation                           | 49,607,371                | (49,607,371)            |
| D.M. Consunji, Inc.                                    | DMCI Masbate Power Corporation                         | 49,337,577                | (49,337,577)            |
| Semirara Mining and Power Corporation                  | DMCI Power Corportion                                  | 46,138,356                | (46,138,356)            |
| Fil-Asian Strategic Resources & Properties Corporation | Montague Resources Philippines Corporation             | 41,654,916                | (41,654,916)            |
| DMCI Power Corportion                                  | Sem-Calaca Power Corporation                           | 39,271,558                | (39,271,558)            |
| Fil-Euro Asia Nickel Corporation                       | Zamnorth Holdings Corporation                          | 35,003,159                | (35,003,159)            |
| Beta Electric Corporation                              | D.M. Consunji, Inc.                                    | 31,987,223                | (31,987,223)            |
| Zambales Diversified Metals Corporation                | Zambales Chromite Mining Company Inc.                  | 29,069,300                | (29,069,300)            |
| DMCI Holdings, Inc.                                    | DMCI Mining Corporation                                | 27,202,908                | (27,202,908)            |
| Berong Nickel Corporation                              | Ulugan Nickel Corporation                              | 23,326,386                | (23,326,386)            |
| Enickel Holdings, Inc.                                 | DMCI Mining Corporation                                | 20,607,406                | (20,607,406)            |
| Zamnorth Holdings Corporation                          | DMCI Mining Corporation                                | 20,070,845                | (20,070,845)            |
| DMCI Mining Corporation                                | Ulugan Nickel Corporation                              | 19,068,056                | (19,068,056)            |



| <b>Entity with<br/>Receivable Balance</b>              | <b>Name of Entity with<br/>Payable Balance</b>         | <b>Due from<br/>related party</b> | <b>Due to<br/>related party</b> |
|--------------------------------------------------------|--------------------------------------------------------|-----------------------------------|---------------------------------|
| Fil-Euro Asia Nickel Corporation                       | Fil-Asian Strategic Resources & Properties Corporation | 17,866,581                        | (17,866,581)                    |
| D.M. Consunji, Inc.                                    | DMCI Technical Training Center                         | 14,577,630                        | (14,577,630)                    |
| ENK Plc.                                               | European Nickel Holland BV                             | 10,271,974                        | (10,271,974)                    |
| DMCI Mining Corporation                                | DMCI Power Corportion                                  | 8,913,290                         | (8,913,290)                     |
| Enickel Berhold, Inc.                                  | European Nickel Philland BV                            | 8,128,305                         | (8,128,305)                     |
| DMCI Project Developers, Inc.                          | DMCI Mining Corporation                                | 7,983,299                         | (7,983,299)                     |
| D.M. Consunji, Inc.                                    | Berong Nickel Corporation                              | 7,750,645                         | (7,750,645)                     |
| DMCI Project Developers, Inc.                          | Berong Nickel Corporation                              | 5,216,440                         | (5,216,440)                     |
| DMCI Mining Corporation                                | TMM Management, Inc.                                   | 4,239,723                         | (4,239,723)                     |
| Wire Rope Corporation of the Philippines               | Semirara Mining and Power Corporation                  | 3,994,893                         | (3,994,893)                     |
| Semirara Mining and Power Corporation                  | DMCI Mining Corporation                                | 3,872,518                         | (3,872,518)                     |
| Zambales Diversified Metals Corporation                | Berong Nickel Corporation                              | 3,782,128                         | (3,782,128)                     |
| D.M. Consunji, Inc.                                    | Wire Rope Corporation of the Philippines               | 3,693,812                         | (3,693,812)                     |
| DMCI Project Developers, Inc.                          | Zambales Diversified Metals Corporation                | 3,585,749                         | (3,585,749)                     |
| DMCI Homes, Inc.                                       | Riviera Land Corporation                               | 3,118,298                         | (3,118,298)                     |
| Enickel Holdings, Inc.                                 | ENK Plc.                                               | 2,975,074                         | (2,975,074)                     |
| Montemina Resources Corporation                        | Zamnorth Holdings Corporation                          | 2,753,502                         | (2,753,502)                     |
| Zamnorth Holdings Corporation                          | Zambales Chromite Mining Company Inc.                  | 2,738,271                         | (2,738,271)                     |
| Hampstead Gardens Corporation                          | DMCI Homes, Inc.                                       | 2,360,453                         | (2,360,453)                     |
| DMCI Holdings, Inc.                                    | DMCI Project Developers, Inc.                          | 2,352,000                         | (2,352,000)                     |
| Montemina Resources Corporation                        | Zambales Chromite Mining Company Inc.                  | 2,291,646                         | (2,291,646)                     |
| DMCI Mining Corporation                                | D.M. Consunji, Inc.                                    | 2,199,619                         | (2,199,619)                     |
| Fil-Asian Strategic Resources & Properties Corporation | Zambales Chromite Mining Company Inc.                  | 2,118,092                         | (2,118,092)                     |
| DMCI Project Developers, Inc.                          | DMCI-PDI Hotels, Inc.                                  | 2,023,835                         | (2,023,835)                     |
| DMCI Mining Corporation                                | Zambales Chromite Mining Company Inc.                  | 1,986,639                         | (1,986,639)                     |
| Beta Electric Corporation                              | Raco Haven Automation Philippines, Inc.                | 1,962,820                         | (1,962,820)                     |
| Semirara Mining and Power Corporation                  | DMCI Masbate Power Corporation                         | 1,458,935                         | (1,458,935)                     |
| D.M. Consunji, Inc.                                    | DMCI Homes, Inc.                                       | 850,564                           | (850,564)                       |
| Berong Nickel Corporation                              | TMM Management, Inc.                                   | 825,084                           | (825,084)                       |
| Berong Nickel Corporation                              | Ulugan Resouces Holdings, Inc.                         | 730,763                           | (730,763)                       |
| Wire Rope Corporation of the Philippines               | DMCI Project Developers, Inc.                          | 715,975                           | (715,975)                       |
| Hampstead Gardens Corporation                          | D.M. Consunji, Inc.                                    | 706,173                           | (706,173)                       |
| Enickel Berhold, Inc.                                  | European Nickel PLC - Regional Operating Headquarters  | 530,225                           | (530,225)                       |
| European Nickel PLC - Regional Operating Headquarters  | Enickel Holdings, Inc.                                 | 501,102                           | (501,102)                       |
| European Nickel Holland BV                             | European Nickel Philland BV                            | 391,398                           | (391,398)                       |
| Fil-Euro Asia Nickel Corporation                       | Zambales Nickel Processing Corporation                 | 362,913                           | (362,913)                       |
| DMCI Mining Corporation                                | Ulugan Resouces Holdings, Inc.                         | 358,492                           | (358,492)                       |
| Fil-Asian Strategic Resources & Properties Corporation | Zamnorth Holdings Corporation                          | 268,871                           | (268,871)                       |
| ENK Plc.                                               | European Nickel Philland BV                            | 228,970                           | (228,970)                       |
| Wire Rope Corporation of the Philippines               | Sem-Calaca Power Corporation                           | 187,313                           | (187,313)                       |
| D.M. Consunji, Inc.                                    | DMCI Homes Property Management Corporation             | 148,969                           | (148,969)                       |





| <b>Entity with<br/>Receivable Balance</b>              | <b>Name of Entity with<br/>Payable Balance</b>        | <b>Due from<br/>related party</b> | <b>Due to<br/>related party</b> |
|--------------------------------------------------------|-------------------------------------------------------|-----------------------------------|---------------------------------|
| Heraan Holdings, Inc.                                  | DMCI Mining Corporation                               | 123,585                           | (123,585)                       |
| Fil-Asian Strategic Resources & Properties Corporation | Mt. Lanat Metals Corporation                          | 116,859                           | (116,859)                       |
| DMCI-PDI Hotels, Inc.                                  | D.M. Consunji, Inc.                                   | 104,000                           | (104,000)                       |
| Montemina Resources Corporation                        | Zambales Nickel Processing Corporation                | 100,889                           | (100,889)                       |
| DMCI Project Developers, Inc.                          | Zenith                                                | 85,626                            | (85,626)                        |
| Berong Nickel Corporation                              | European Nickel PLC - Regional Operating Headquarters | 84,000                            | (84,000)                        |
| European Nickel PLC - Regional Operating Headquarters  | Fil-Euro Asia Nickel Corporation                      | 50,000                            | (50,000)                        |
| D.M. Consunji, Inc.                                    | DMCI Holdings, Inc.                                   | 49,022                            | (49,022)                        |
| DMCI-PDI Hotels, Inc.                                  | DMCI Homes, Inc.                                      | 46,327                            | (46,327)                        |
| TMM Management, Inc.                                   | Ulugan Nickel Corporation                             | 30,000                            | (30,000)                        |
| Ulugan Nickel Corporation                              | Ulugan Resouces Holdings, Inc.                        | 26,196                            | (26,196)                        |
| DMCI Masbate Power Corporation                         | DMCI Mining Corporation                               | 24,000                            | (24,000)                        |
| Semirara Mining and Power Corporation                  | DMCI Project Developers, Inc.                         | 15,000                            | (15,000)                        |
| Wire Rope Corporation of the Philippines               | Berong Nickel Corporation                             | 13,920                            | (13,920)                        |
| Zambales Diversified Metals Corporation                | Enickel Holdings, Inc.                                | 2,950                             | (2,950)                         |
| DMCI Masbate Power Corporation                         | Sem-Calaca Power Corporation                          | 2,545                             | (2,545)                         |
| Zambales Diversified Metals Corporation                | Zamnorth Holdings Corporation                         | 2,250                             | (2,250)                         |
| Zambales Diversified Metals Corporation                | Enickel Berhold, Inc.                                 | 1,950                             | (1,950)                         |
| European Nickel PLC - Regional Operating Headquarters  | ZDMC Holdings Corporation                             | 1,694                             | (1,694)                         |
| ZDMC Holdings Corporation                              | DMCI Mining Corporation                               | 1,683                             | (1,683)                         |
| Zambales Diversified Metals Corporation                | Mt. Lanat Metals Corporation                          | 950                               | (950)                           |
| Zambales Diversified Metals Corporation                | Heraan Holdings, Inc.                                 | 950                               | (950)                           |
| Zambales Diversified Metals Corporation                | Zambales Nickel Processing Corporation                | 700                               | (700)                           |

As of December 31, 2015, the balances above of due from and due to related parties are expected to be realized and settled within twelve months from the reporting date and are classified under current assets and liabilities. There were no amounts written off during the year.



Schedule D. Intangible Asset

| Description   | Beginning balance | Additions at cost | Charged to costs and expenses | Charged to other accounts | Other changes | Ending balance |
|---------------|-------------------|-------------------|-------------------------------|---------------------------|---------------|----------------|
| Software cost | ₱80,841,551       | ₱44,242,337       | (₱42,660,964)                 | ₱—                        | ₱—            | ₱82,422,924    |

See Note 14 of the Consolidated Financial Statements.



# Schedule E. Long-term Debt

Below is the schedule of long-term debt (net of debt issue cost) of the Group:

| <b>Title of issue and type of obligation</b> | <b>Amount authorized by indenture</b> | <b>Interest rates</b>                                                                                 | <b>Maturity date</b>                                  | <b>Number of periodic installments</b>                                                                                                                                                                                                               | <b>Amount shown under caption "Current portion of long-term debt" in related balance sheet</b> | <b>Amount shown under caption "Long-term debt" in related balance sheet</b> |
|----------------------------------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Bank loans                                   | ₱1,383,979,053                        | Floating rateto be repriced every 3 months                                                            | 2018                                                  | Interest payable every 3 months, principal to be paid on maturity date                                                                                                                                                                               | ₱134,937,958                                                                                   | ₱1,249,041,095                                                              |
| Bank loans                                   | 1,317,680,000                         | Floating rate to be repriced every 3 months                                                           | 2016                                                  | Interest payable every 3 months, principal to be paid on maturity date                                                                                                                                                                               | 1,317,680,000                                                                                  | —                                                                           |
| Bank loans                                   | 438,116,431                           | Floating rate to be repriced every 90 days                                                            | 2016                                                  | Interest payable every 3months, principal to be paid on maturity date                                                                                                                                                                                | 438,116,431                                                                                    | —                                                                           |
| Bank loans                                   | 75,958,914                            | Floating rate to be repriced every 3 months                                                           | 2016                                                  | Interest and principal are payable on the date of maturity                                                                                                                                                                                           | 75,958,914                                                                                     | —                                                                           |
| Bank loans                                   | 11,037,114,866                        | PDST-F + Spread or BSP Overnight Rate, whichever is higher                                            | Various quarterly maturities starting 2015 until 2022 | The principal amount shall be paid in twenty-seven equal consecutive quarterly installments commencing on the fourteenth quarter from the initial borrowing date (February 4, 2012). Final repayment date is ten (10) years after initial borrowing. | 1,693,555,857                                                                                  | 9,343,559,009                                                               |
| Bank loan                                    | 2,297,759,339                         | PDST-F benchmark yield for 3-month treasury securities + 1.75%. Starting August 2015, PDST-R2 + 1.95% | Various quarterly maturities starting 2011 until 2017 | Payable in twenty-five (25) equal consecutive quarterly installments commencing on the twelfth month from initial borrowing date.                                                                                                                    | 1,530,478,240                                                                                  | 767,281,099                                                                 |
| Bank loans                                   | 1,490,795                             | 8.97% to 15.16%                                                                                       | July 7, 2016 and July 7, 2018                         | Payable upon maturity of the loans.                                                                                                                                                                                                                  | 718,610                                                                                        | 772,185                                                                     |
| Bank loans                                   | 3,124,989                             | 8.68% to 10.25%                                                                                       | Various monthly maturities starting 2010 to 2020      | Payable in equal monthly installments starting April 2010 up to September 2020,                                                                                                                                                                      | 871,378                                                                                        | 2,253,611                                                                   |
| Bank loans                                   | 312,007,800                           | 5.04% p.a.                                                                                            | May 21, 2018                                          | Interest payable every 3 months, principal to be paid on maturity date                                                                                                                                                                               | —                                                                                              | 312,007,800                                                                 |
| Bank loans                                   | 997,312,460                           | 3.33% stated interest per quarter                                                                     | Various quarterly maturities starting 2016 until 2017 | Payable in eight equal quarterly amortization commencing at the end of the 5th Quarter from initial drawdown. Final repayment date is 3 years after initial borrowing                                                                                | 498,067,825                                                                                    | 499,244,635                                                                 |



| <b>Title of issue and type of obligation</b> | <b>Amount authorized by indenture</b> | <b>Interest rates</b>                                                                                                                                                        | <b>Maturity date</b>                 | <b>Number of periodic installments</b>                                                                                                                                                 | <b>Amount shown under caption "Current portion of long-term debt" in related balance sheet</b> | <b>Amount shown under caption "Long-term debt" in related balance sheet</b> |
|----------------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Fixed rate corporate notes                   | 16,487,595,271                        | PDST-F Issue Date and ending three (3) months after such Issue Date, and every three (3) months thereafter. Initially, PDST-F benchmark for 5-yr treasury securities + 1.25% | Various maturities from 2016 to 2020 | Payments shall be based on aggregate percentage of issue amount of each series equally divided over applicable quarters (4th/7th to 27th quarter) and the balance payable at maturity. | 5,169,843,523                                                                                  | 11,317,751,748                                                              |
| Bank loans                                   | 2,365,566,259                         | 5%-8% p.a.                                                                                                                                                                   | Various                              | Payable in equal and continuous monthly payments not exceeding 120 days commencing one (1) month from date of execution.                                                               | 431,726,569                                                                                    | 1,933,839,690                                                               |
| HomeSaver Bonds                              | 337,900,000                           | 4.5%-5% p.a.                                                                                                                                                                 | Various maturities from 2018 to 2020 | Tranche A and C are payable 3 years from the initial issue date; Tranche B is payable 5 years from the initial issue date.                                                             | —                                                                                              | 337,900,000                                                                 |
| <b>₱37,055,606,177</b>                       |                                       |                                                                                                                                                                              |                                      |                                                                                                                                                                                        | <b>11,291,955,305</b>                                                                          | <b>25,763,650,872</b>                                                       |

*See Note 19 of the Consolidated Financial Statements*



Schedule F. Indebtedness to Related Parties (Long-term Loans from Related Companies)

| Name of related party | Balance at beginning of period | Balance at end of period |
|-----------------------|--------------------------------|--------------------------|
|-----------------------|--------------------------------|--------------------------|

NOT APPLICABLE

Schedule G. Guarantees of Securities of Other Issuers

| Name of issuing entity of securities guaranteed by the group for which this statements is filed | Title of issue of each class of securities guaranteed | Total amount guaranteed and outstanding | Amount of owned by person for which statement is filed | Nature of guarantee |
|-------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|--------------------------------------------------------|---------------------|
|-------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|--------------------------------------------------------|---------------------|

NOT APPLICABLE



Schedule H. Capital Stock

| Title of issue                                            | Number of shares authorized | Number of shares issued and outstanding at shown under related balance sheet caption | Number of shares reserved for options, warrants, conversion and other rights | Number of shares held by |                                   |               |
|-----------------------------------------------------------|-----------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------|-----------------------------------|---------------|
|                                                           |                             |                                                                                      |                                                                              | Related parties          | Directors, officers and employees | Others        |
| Preferred stock - ₱1 par value cumulative and convertible | 100,000,000                 | 3,780                                                                                | —                                                                            | —                        | —                                 | 3,780         |
| Common stock - ₱1 par value                               | 19,900,000,000              | 13,277,470,000                                                                       | —                                                                            | 9,220,031,725            | 390,079,985                       | 3,667,358,290 |
|                                                           | 20,000,000,000              | 13,277,473,780                                                                       | —                                                                            | 9,220,031,725            | 390,079,985                       | 3,667,362,070 |

*See Note 22 of the Consolidated Financial Statements*



**DMCI HOLDINGS, INC. AND SUBSIDIARIES****SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS  
UNDER PHILIPPINE FINANCIAL REPORTING STANDARDS**

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below is the list of all effective Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) as of December 31, 2015:

| <b>PHILIPPINE FINANCIAL REPORTING STANDARDS<br/>AND INTERPRETATIONS<br/>Effective as of December 31, 2015</b>                                             |                                                                                                                | <b>Adopted</b> | <b>Not<br/>Adopted</b> | <b>Not<br/>Applicable</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------|------------------------|---------------------------|
| <b>Framework for the Preparation and Presentation of Financial Statements</b><br>Conceptual Framework Phase A: Objectives and qualitative characteristics |                                                                                                                | ✓              |                        |                           |
| <b>PFRSs Practice Statement Management Commentary</b>                                                                                                     |                                                                                                                | ✓              |                        |                           |
| <b>Philippine Financial Reporting Standards</b>                                                                                                           |                                                                                                                |                |                        |                           |
| <b>PFRS 1<br/>(Revised)</b>                                                                                                                               | First-time Adoption of Philippine Financial Reporting Standards                                                |                |                        | ✓                         |
|                                                                                                                                                           | Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate |                |                        | ✓                         |
|                                                                                                                                                           | Amendments to PFRS 1: Additional Exemptions for First-time Adopters                                            |                |                        | ✓                         |
|                                                                                                                                                           | Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters             |                |                        | ✓                         |
|                                                                                                                                                           | Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters                  |                |                        | ✓                         |
|                                                                                                                                                           | Amendments to PFRS 1: Government Loans                                                                         |                |                        | ✓                         |
| <b>PFRS 2</b>                                                                                                                                             | Share-based Payment                                                                                            |                |                        | ✓                         |
|                                                                                                                                                           | Amendments to PFRS 2: Vesting Conditions and Cancellations                                                     |                |                        | ✓                         |
|                                                                                                                                                           | Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions                                      |                |                        | ✓                         |
| <b>PFRS 3<br/>(Revised)</b>                                                                                                                               | Business Combinations                                                                                          | ✓              |                        |                           |



| <b>PHILIPPINE FINANCIAL REPORTING STANDARDS<br/>AND INTERPRETATIONS<br/>Effective as of December 31, 2015</b> |                                                                                                       | <b>Adopted</b> | <b>Not<br/>Adopted</b> | <b>Not<br/>Applicable</b> |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|----------------|------------------------|---------------------------|
| <b>PFRS 4</b>                                                                                                 | Insurance Contracts                                                                                   |                |                        | ✓                         |
|                                                                                                               | Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts                                        |                |                        | ✓                         |
| <b>PFRS 5</b>                                                                                                 | Non-current Assets Held for Sale and Discontinued Operations                                          |                |                        | ✓                         |
| <b>PFRS 6</b>                                                                                                 | Exploration for and Evaluation of Mineral Resources                                                   | ✓              |                        |                           |
| <b>PFRS 7</b>                                                                                                 | Financial Instruments: Disclosures                                                                    | ✓              |                        |                           |
|                                                                                                               | Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets                                 | ✓              |                        |                           |
|                                                                                                               | Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition | ✓              |                        |                           |
|                                                                                                               | 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                   |                | ✓                      |                           |
|                                                                                                               | Amendments to PFRS 9, PFRS 7 and PAS 39 (2013 version): Hedge Accounting                              |                | ✓                      |                           |
| <b>PFRS 8</b>                                                                                                 | Operating Segments                                                                                    | ✓              |                        |                           |
| <b>PFRS 9</b>                                                                                                 | Financial Instruments                                                                                 |                | ✓                      |                           |
| <b>PFRS 10</b>                                                                                                | Consolidated Financial Statements                                                                     | ✓              |                        |                           |
|                                                                                                               | Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities                                        | ✓              |                        |                           |
|                                                                                                               | Amendments to PFRS 10 and PAS 28: Investment Entities: Applying consolidation exceptions              |                | ✓                      |                           |
| <b>PFRS 11</b>                                                                                                | Joint Arrangements                                                                                    | ✓              |                        |                           |
|                                                                                                               | Amendments to PFRS 11: Accounting for Acquisitions of Interests                                       |                | ✓                      |                           |
| <b>PFRS 12</b>                                                                                                | Disclosure of Interests in Other Entities                                                             | ✓              |                        |                           |
|                                                                                                               | Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities                                        | ✓              |                        |                           |
| <b>PFRS 13</b>                                                                                                | Fair Value Measurement                                                                                | ✓              |                        |                           |





| <b>PHILIPPINE FINANCIAL REPORTING STANDARDS<br/>AND INTERPRETATIONS<br/>Effective as of December 31, 2015</b> |                                                                                                       | <b>Adopted</b> | <b>Not<br/>Adopted</b> | <b>Not<br/>Applicable</b> |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|----------------|------------------------|---------------------------|
| <b>PFRS 14</b>                                                                                                | Regulatory Deferral Accounts                                                                          |                | ✓                      |                           |
| <b>Philippine Accounting Standards</b>                                                                        |                                                                                                       |                |                        |                           |
| <b>PAS 1</b>                                                                                                  | Presentation of Financial Statements                                                                  | ✓              |                        |                           |
|                                                                                                               | Amendment to PAS 1: Capital Disclosures                                                               | ✓              |                        |                           |
|                                                                                                               | Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation |                |                        | ✓                         |
|                                                                                                               | Amendments to PAS 1: Presentation of Items of Other Comprehensive Income                              | ✓              |                        |                           |
|                                                                                                               | Amendments to PAS 1: Presentation of financial statements - disclosure initiative                     |                | ✓                      |                           |
| <b>PAS 2</b>                                                                                                  | Inventories                                                                                           | ✓              |                        |                           |
| <b>PAS 7</b>                                                                                                  | Statement of Cash Flows                                                                               | ✓              |                        |                           |
| <b>PAS 8</b>                                                                                                  | Accounting Policies, Changes in Accounting Estimates and Errors                                       | ✓              |                        |                           |
| <b>PAS 10</b>                                                                                                 | Events after the Reporting Period                                                                     | ✓              |                        |                           |
| <b>PAS 11</b>                                                                                                 | Construction Contracts                                                                                | ✓              |                        |                           |
| <b>PAS 12</b>                                                                                                 | Income Taxes                                                                                          | ✓              |                        |                           |
|                                                                                                               | Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets                                     | ✓              |                        |                           |
| <b>PAS 16</b>                                                                                                 | Property, Plant and Equipment                                                                         | ✓              |                        |                           |
|                                                                                                               | Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization |                | ✓                      |                           |
|                                                                                                               | Amendments to PAS 16 and PAS 41: Bearer Plants                                                        |                | ✓                      |                           |
| <b>PAS 17</b>                                                                                                 | Leases                                                                                                | ✓              |                        |                           |
| <b>PAS 18</b>                                                                                                 | Revenue                                                                                               | ✓              |                        |                           |
| <b>PAS 19</b>                                                                                                 | Employee Benefits                                                                                     | ✓              |                        |                           |
|                                                                                                               | Amendments to PAS 19: Defined Benefit Plans: Employee Contributions                                   | ✓              |                        |                           |
| <b>PAS 20</b>                                                                                                 | Accounting for Government Grants and Disclosure of Government Assistance                              |                |                        | ✓                         |
| <b>PAS 21</b>                                                                                                 | The Effects of Changes in Foreign Exchange Rates                                                      | ✓              |                        |                           |
|                                                                                                               | Amendments to PAS 21: Net Investment in a Foreign Operation                                           |                |                        | ✓                         |
| <b>PAS 23</b>                                                                                                 | Borrowing Costs                                                                                       | ✓              |                        |                           |



| <b>PHILIPPINE FINANCIAL REPORTING STANDARDS<br/>AND INTERPRETATIONS<br/>Effective as of December 31, 2015</b> |                                                                                                       | <b>Adopted</b> | <b>Not<br/>Adopted</b> | <b>Not<br/>Applicable</b> |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|----------------|------------------------|---------------------------|
| <b>PAS 24</b>                                                                                                 | Related Party Disclosures                                                                             | ✓              |                        |                           |
| <b>PAS 26</b>                                                                                                 | Accounting and Reporting by Retirement Benefit Plans                                                  |                |                        | ✓                         |
| <b>PAS 27</b>                                                                                                 | Separate Financial Statements                                                                         | ✓              |                        |                           |
|                                                                                                               | Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities                                        | ✓              |                        |                           |
|                                                                                                               | Amendments to PAS 27: Equity Method in Separate Financial Statements                                  |                | ✓                      |                           |
| <b>PAS 28</b>                                                                                                 | Investments in Associates and Joint Ventures                                                          | ✓              |                        |                           |
|                                                                                                               | Amendments to PFRS 10 and PAS 28: Investment Entities: Applying consolidation exceptions              |                | ✓                      |                           |
| <b>PAS 29</b>                                                                                                 | Financial Reporting in Hyperinflationary Economies                                                    |                |                        | ✓                         |
| <b>PAS 32</b>                                                                                                 | Financial Instruments: Disclosure and Presentation                                                    | ✓              |                        |                           |
|                                                                                                               | Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation |                |                        | ✓                         |
|                                                                                                               | Amendment to PAS 32: Classification of Rights Issues                                                  |                |                        | ✓                         |
|                                                                                                               | Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities                           | ✓              |                        |                           |
| <b>PAS 33</b>                                                                                                 | Earnings per Share                                                                                    | ✓              |                        |                           |
| <b>PAS 34</b>                                                                                                 | Interim Financial Reporting                                                                           | ✓              |                        |                           |
| <b>PAS 36</b>                                                                                                 | Impairment of Assets                                                                                  | ✓              |                        |                           |
|                                                                                                               | Amendments to PAS 36: Recoverable Amount Disclosures for Non - Financial Assets                       |                | ✓                      |                           |
| <b>PAS 37</b>                                                                                                 | Provisions, Contingent Liabilities and Contingent Assets                                              | ✓              |                        |                           |



| <b>PHILIPPINE FINANCIAL REPORTING STANDARDS<br/>AND INTERPRETATIONS<br/>Effective as of December 31, 2015</b> |                                                                                                        | <b>Adopted</b> | <b>Not<br/>Adopted</b> | <b>Not<br/>Applicable</b> |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------|------------------------|---------------------------|
| <b>PAS 38</b>                                                                                                 | Intangible Assets                                                                                      | ✓              |                        |                           |
|                                                                                                               | Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization  |                | ✓                      |                           |
| <b>PAS 39</b>                                                                                                 | Financial Instruments: Recognition and Measurement                                                     | ✓              |                        |                           |
|                                                                                                               | Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities |                |                        | ✓                         |
|                                                                                                               | Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions                   |                |                        | ✓                         |
|                                                                                                               | Amendments to PAS 39: The Fair Value Option                                                            |                |                        | ✓                         |
|                                                                                                               | Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts                                         |                |                        | ✓                         |
|                                                                                                               | Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets                                  | ✓              |                        |                           |
|                                                                                                               | Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition  | ✓              |                        |                           |
|                                                                                                               | Amendments to Philippine Interpretation IFRIC 9 and PAS 39: Embedded Derivatives                       |                |                        | ✓                         |
|                                                                                                               | Amendment to PAS 39: Eligible Hedged Items                                                             |                |                        | ✓                         |
|                                                                                                               | Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting                      |                |                        | ✓                         |
|                                                                                                               | PFRS 9 and Amendments to PFRS 7 and PAS 39                                                             |                | ✓                      |                           |
| <b>PAS 40</b>                                                                                                 | Investment Property                                                                                    | ✓              |                        |                           |
| <b>PAS 41</b>                                                                                                 | Agriculture                                                                                            |                |                        | ✓                         |
|                                                                                                               | Amendments to PAS 16 and PAS 41: Bearer Plants                                                         |                | ✓                      |                           |
| <b>Philippine Interpretations</b>                                                                             |                                                                                                        |                |                        |                           |
| <b>IFRIC 1</b>                                                                                                | Changes in Existing Decommissioning, Restoration and Similar Liabilities                               | ✓              |                        |                           |
| <b>IFRIC 2</b>                                                                                                | Members' Share in Co-operative Entities and Similar Instruments                                        |                |                        | ✓                         |
| <b>IFRIC 4</b>                                                                                                | Determining Whether an Arrangement Contains a Lease                                                    | ✓              |                        |                           |
| <b>IFRIC 5</b>                                                                                                | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds   | ✓              |                        |                           |



| <b>PHILIPPINE FINANCIAL REPORTING STANDARDS<br/>AND INTERPRETATIONS<br/>Effective as of December 31, 2015</b> |                                                                                                         | <b>Adopted</b> | <b>Not<br/>Adopted</b> | <b>Not<br/>Applicable</b> |
|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------|------------------------|---------------------------|
| <b>IFRIC 6</b>                                                                                                | Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment |                |                        | ✓                         |
| <b>IFRIC 7</b>                                                                                                | Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies       |                |                        | ✓                         |
| <b>IFRIC 8</b>                                                                                                | Scope of PFRS 2                                                                                         |                |                        | ✓                         |
| <b>IFRIC 9</b>                                                                                                | Reassessment of Embedded Derivatives                                                                    | ✓              |                        |                           |
|                                                                                                               | Amendments to Philippine Interpretation IFRIC 9 and PAS 39: Embedded Derivatives                        | ✓              |                        |                           |
| <b>IFRIC 10</b>                                                                                               | Interim Financial Reporting and Impairment                                                              | ✓              |                        |                           |
| <b>IFRIC 11</b>                                                                                               | PFRS 2 - Group and Treasury Share Transactions                                                          |                |                        | ✓                         |
| <b>IFRIC 12</b>                                                                                               | Service Concession Arrangements                                                                         |                |                        | ✓                         |
| <b>IFRIC 13</b>                                                                                               | Customer Loyalty Programmes                                                                             |                |                        | ✓                         |
| <b>IFRIC 14</b>                                                                                               | 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         | ✓              |                        |                           |
| <b>IFRIC 15</b>                                                                                               | Agreements for the Construction of Real Estate                                                          |                | ✓                      |                           |
| <b>IFRIC 16</b>                                                                                               | Hedges of a Net Investment in a Foreign Operation                                                       |                |                        | ✓                         |
| <b>IFRIC 17</b>                                                                                               | Distributions of Non-cash Assets to Owners                                                              | ✓              |                        |                           |
| <b>IFRIC 18</b>                                                                                               | Transfers of Assets from Customers                                                                      |                |                        | ✓                         |
| <b>IFRIC 19</b>                                                                                               | Extinguishing Financial Liabilities with Equity Instruments                                             |                |                        | ✓                         |
| <b>IFRIC 20</b>                                                                                               | Stripping Costs in the Production Phase of a Surface Mine                                               | ✓              |                        |                           |
| <b>IFRIC 21</b>                                                                                               | Levies                                                                                                  | ✓              |                        |                           |
| <b>SIC-7</b>                                                                                                  | Introduction of the Euro                                                                                |                |                        | ✓                         |
| <b>SIC-10</b>                                                                                                 | Government Assistance - No Specific Relation to Operating Activities                                    |                |                        | ✓                         |
| <b>SIC-12</b>                                                                                                 | Consolidation - Special Purpose Entities                                                                |                |                        | ✓                         |
|                                                                                                               | Amendment to SIC - 12: Scope of SIC 12                                                                  |                |                        | ✓                         |
| <b>SIC-13</b>                                                                                                 | Jointly Controlled Entities - Non-Monetary Contributions by Venturers                                   | ✓              |                        |                           |
| <b>SIC-15</b>                                                                                                 | Operating Leases - Incentives                                                                           | ✓              |                        |                           |
| <b>SIC-21</b>                                                                                                 | Income Taxes - Recovery of Revalued Non-Depreciable Assets                                              | ✓              |                        |                           |



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

In addition, the IASB has issued the following new standards that have not yet been adopted locally by the SEC and FRSC. The Group is currently assessing the impact of these new standards and plans to adopt them on their required effective dates once adopted locally.

- IFRS 15, *Revenue from Contracts with Customers* (effective January 1, 2018)
- IFRS 16, *Leases* (effective January 1, 2019)

Standards tagged as “Not applicable” have been adopted by the Group but have no significant covered transactions for the year ended December 31, 2015.

Standards tagged as “Not adopted” are standards issued but not yet effective as of December 31, 2015. The Group will adopt the Standards and Interpretations when these become effective.



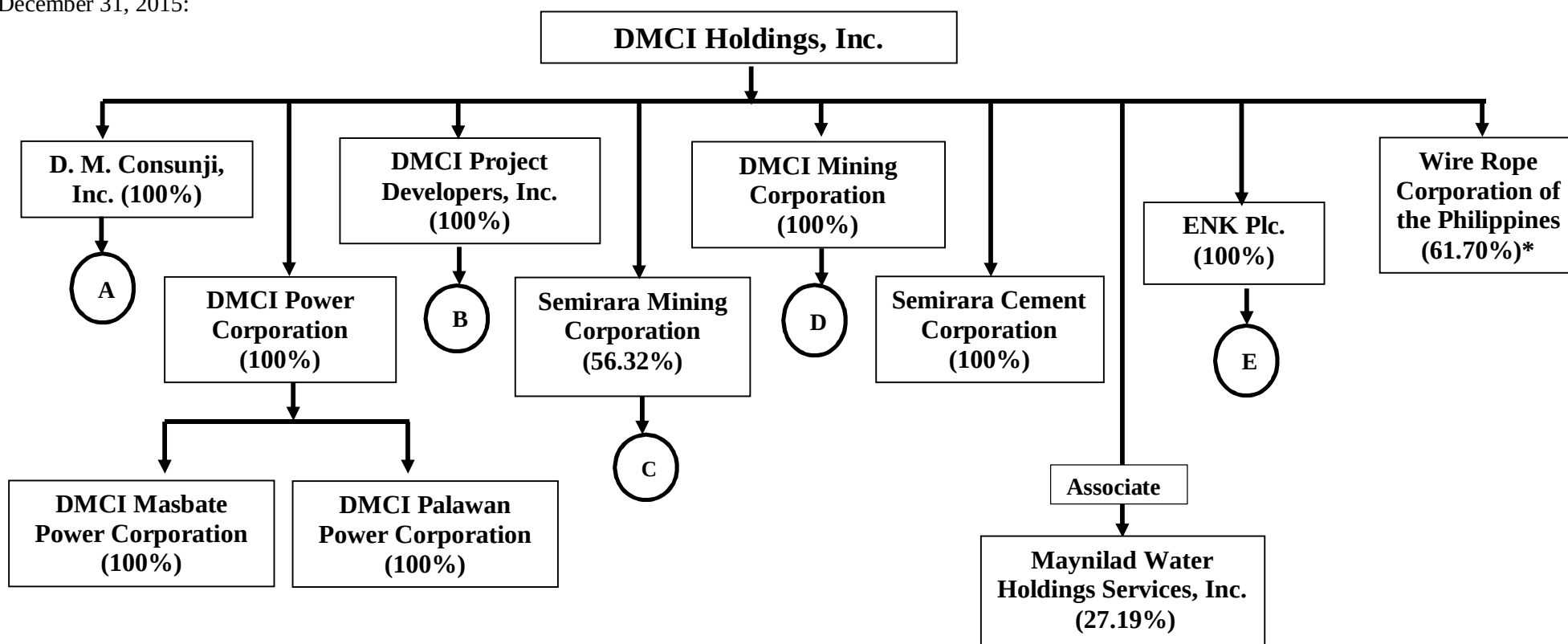
**DMCI HOLDINGS, INC.****SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE  
FOR DIVIDENDS DECLARATION  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(Amounts in thousands)**

|                                                                                                                                 |                       |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Unappropriated Retained Earnings, beginning                                                                                     | ₱8,610,215,902        |
| Net income actually earned/realized during the period:                                                                          |                       |
| Net income during the period closed to retained earnings                                                                        | ₱5,201,599,817        |
| Less: Non actual/unrealized income net of tax                                                                                   |                       |
| Equity in net income of associate/joint venture                                                                                 | —                     |
| Unrealized actuarial gain                                                                                                       | —                     |
| Fair value adjustment (M2M gains)                                                                                               | —                     |
| Fair value adjustment of Investment Property resulting to gain                                                                  | —                     |
| Adjustment due to deviation from PFRS/GAAP-gain                                                                                 | —                     |
| Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS | —                     |
| Deferred tax asset that reduced the amount of income tax expense                                                                | —                     |
| Add: Non-actual losses                                                                                                          |                       |
| Depreciation on revaluation increment (after tax)                                                                               | —                     |
| Adjustment due to deviation from PFRS/GAAP-loss                                                                                 | —                     |
| Loss on fair value adjustment of investment property (after tax)                                                                | —                     |
| Unrealized foreign exchange loss – net (except those attributable to cash and cash equivalents)                                 | —                     |
| Net income actually earned during the period                                                                                    | 5,201,599,817         |
| Add (Less):                                                                                                                     |                       |
| Dividend declarations during the period                                                                                         | (6,373,185,600)       |
| Appropriations of retained earnings during the period                                                                           | —                     |
| Reversals of appropriations                                                                                                     | —                     |
| Effects of prior period adjustments                                                                                             | —                     |
| Treasury shares                                                                                                                 | — (1,171,585,783)     |
| <b>TOTAL RETAINED EARNINGS, END<br/>AVAILABLE FOR DIVIDEND DECLARATION</b>                                                      | <b>₱7,438,630,119</b> |



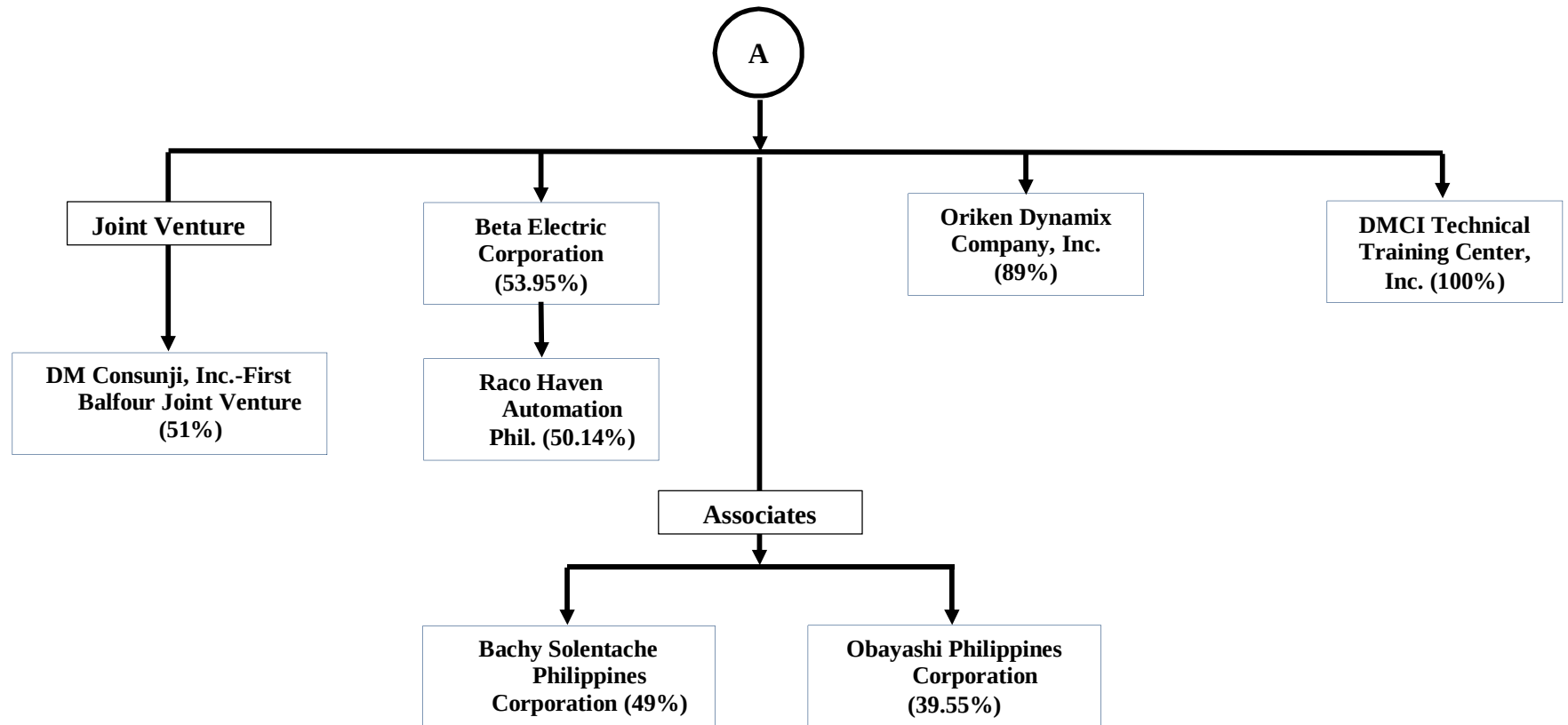
## MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of December 31, 2015:

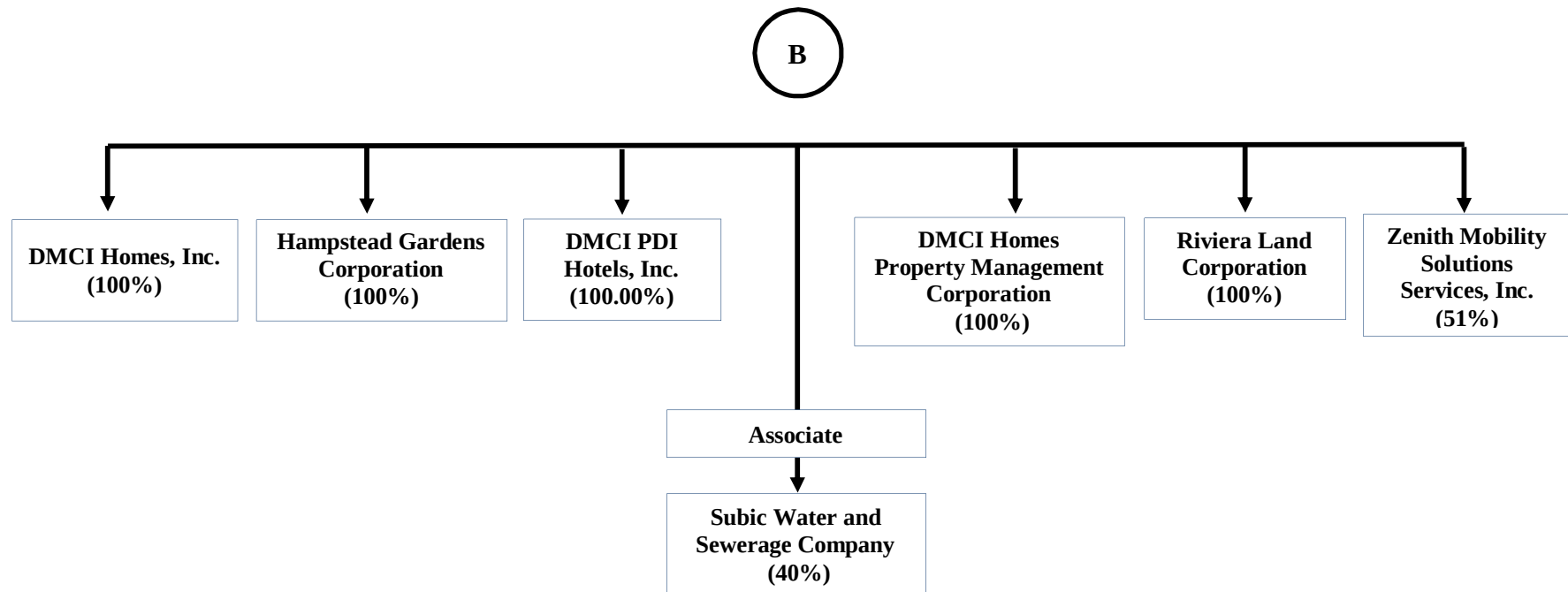


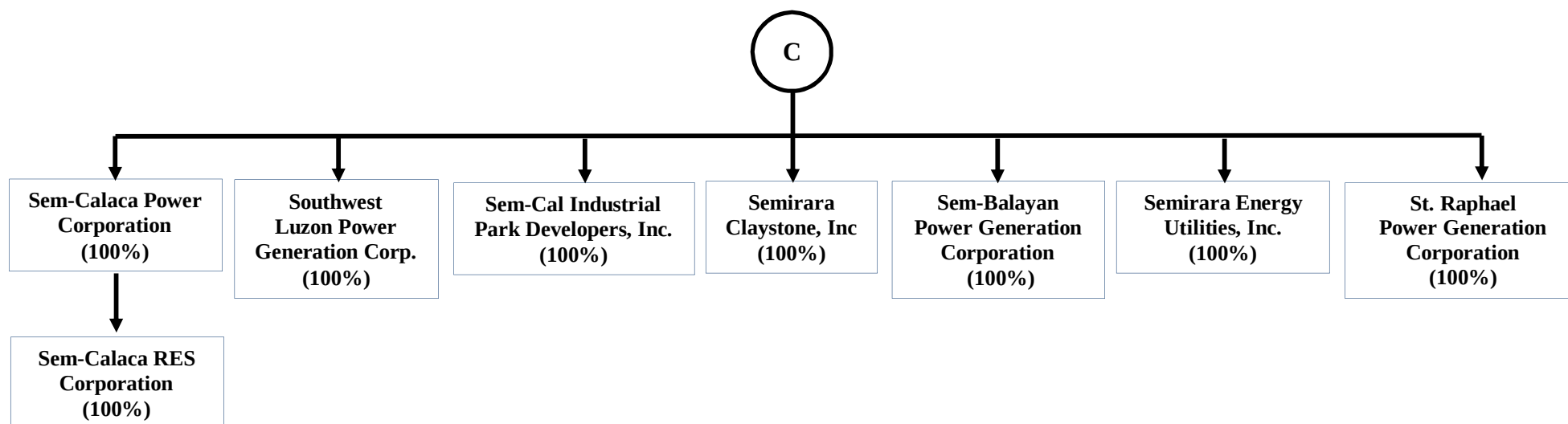
\* Includes 16.02% investment of D.M. Consunji, Inc. to Wire Rope.

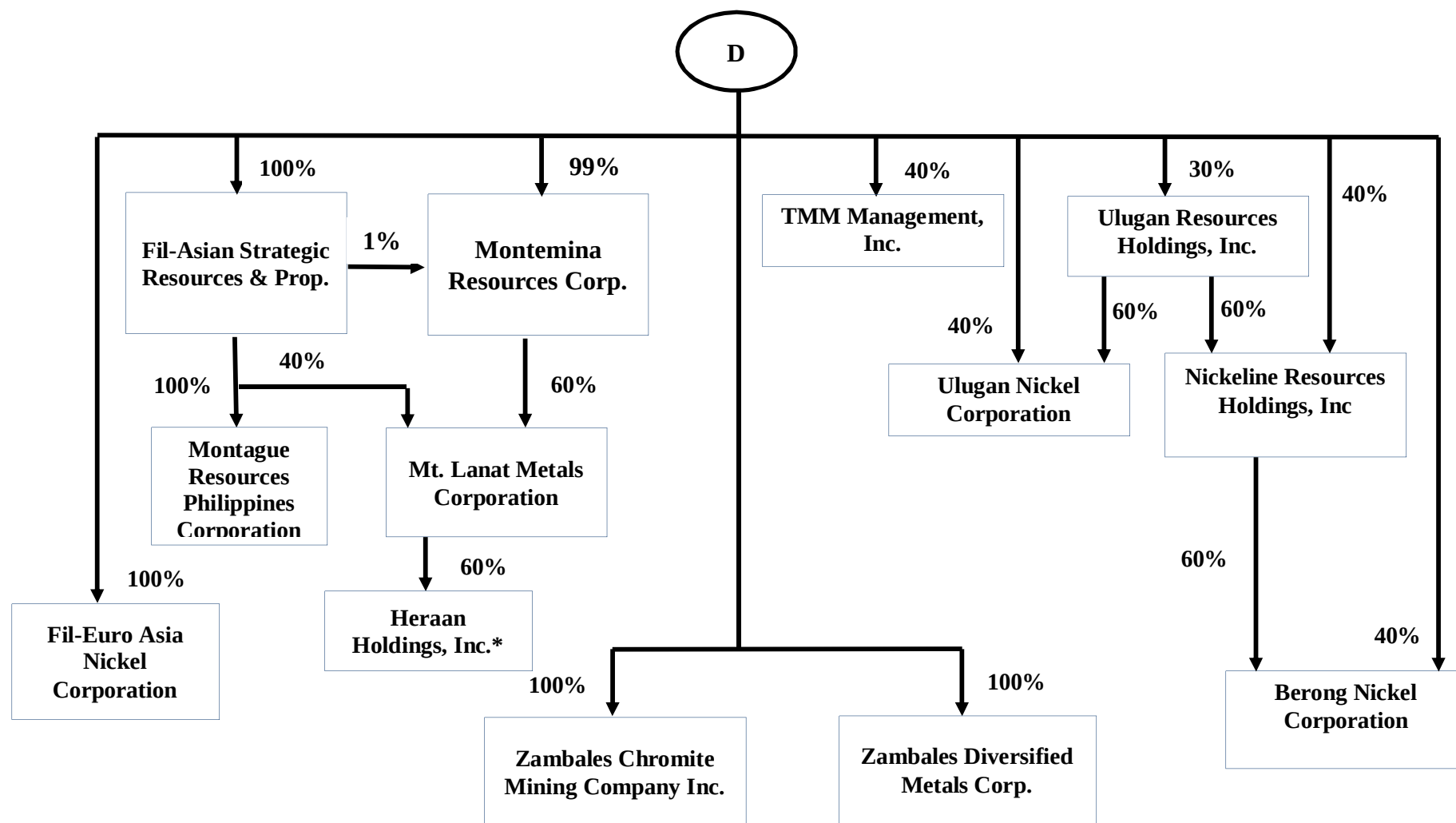






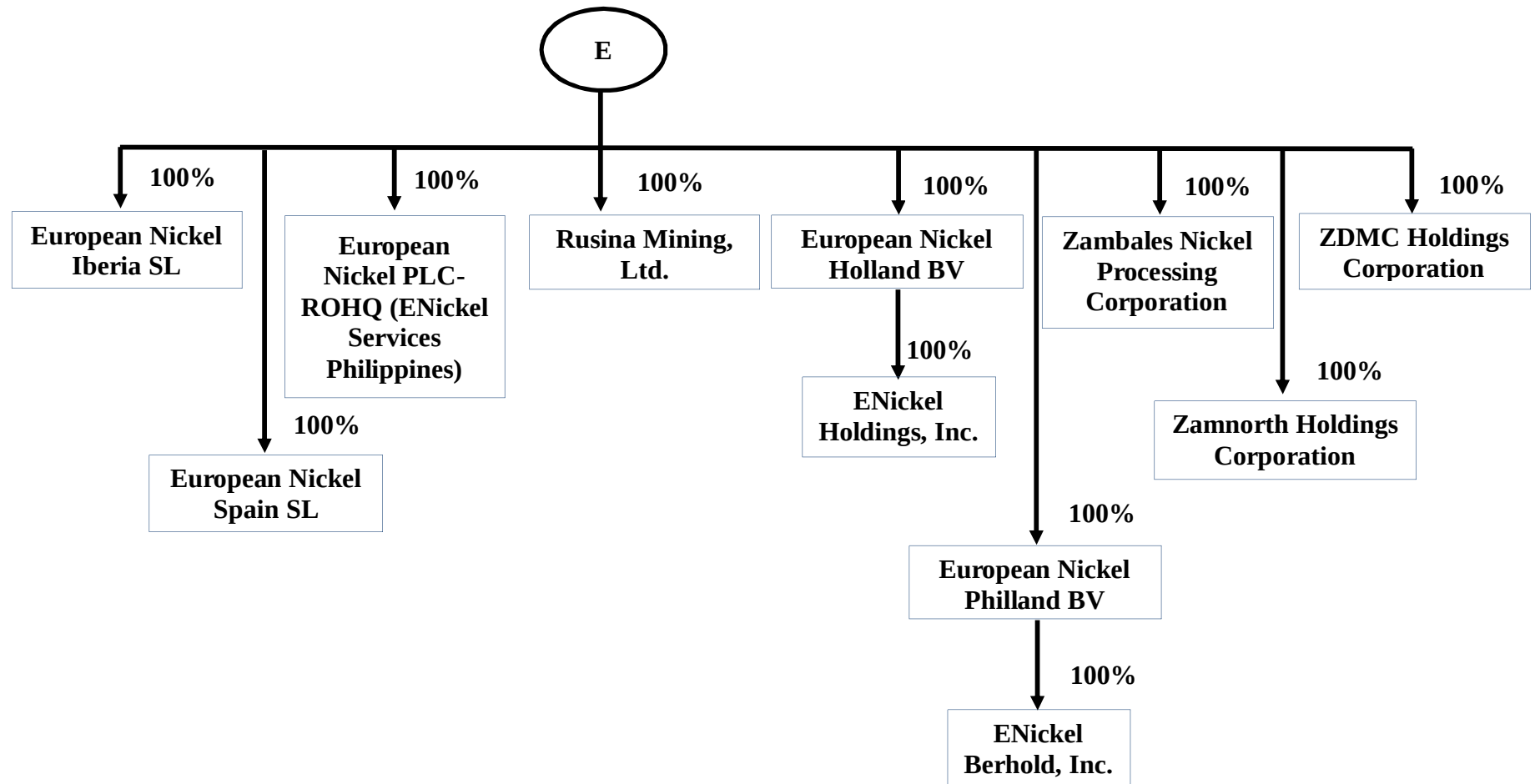






\*ENK holds the remaining 40%





**DMCI HOLDINGS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014**

| <b>Financial Soundness Indicator</b> | <b>2015</b>     | <b>2014</b> |
|--------------------------------------|-----------------|-------------|
| <b>i. Liquidity ratios:</b>          |                 |             |
| Current ratio                        | <b>184.95%</b>  | 212.49%     |
| Quick ratio                          | <b>100.68%</b>  | 123.02%     |
| <b>ii. Leverage ratios:</b>          |                 |             |
| Debt-to-equity ratio                 | <b>54.51%</b>   | 56.20%      |
| Interest coverage ratio              | <b>1104.80%</b> | 871.93%     |
| <b>iii. Management ratios:</b>       |                 |             |
| Inventory turnover ratio             | <b>100.92%</b>  | 146.73%     |
| Accounts receivable turnover ratio   | <b>442.37%</b>  | 403.99%     |
| Return on assets ratio               | <b>11.85%</b>   | 10.58%      |
| Return on equity ratio               | <b>21.63%</b>   | 20.06%      |
| <b>iv. Asset-to-equity ratio</b>     | <b>198.67%</b>  | 205.96%     |
| <b>v. Profitability ratios:</b>      |                 |             |
| Gross margin ratio                   | <b>44.40%</b>   | 32.82%      |
| Net profit margin ratio              | <b>29.58%</b>   | 24.40%      |

*\*See attached reporting computation.*



**DMCI HOLDINGS, INC. AND SUBSIDIARIES**  
**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015 and 2014**

|                                           | 2015                          | 2014         |
|-------------------------------------------|-------------------------------|--------------|
|                                           | <b>(Amounts in thousands)</b> |              |
| Current assets                            | <b>₱75,517,607</b>            | ₱67,972,166  |
| Current liabilities                       | <b>40,830,538</b>             | 31,988,041   |
| <b>Current ratio</b>                      | <b>184.95%</b>                | 212.49%      |
| Current assets                            | <b>₱75,517,607</b>            | ₱67,972,166  |
| Inventories                               | <b>34,407,763</b>             | 28,619,668   |
| Quick assets                              | <b>41,109,844</b>             | 39,352,498   |
| Current liabilities                       | <b>40,830,538</b>             | 31,988,041   |
| <b>Quick ratio</b>                        | <b>100.68%</b>                | 123.02%      |
| Interest-bearing loans                    | <b>₱40,762,960</b>            | ₱37,426,006  |
| Equity                                    | <b>74,775,180</b>             | 66,592,458   |
| <b>Debt-to-equity ratio</b>               | <b>54.51%</b>                 | 56.20%       |
| Earnings before income tax                | <b>₱20,527,646</b>            | ₱14,890,776  |
| Interest expense                          | <b>1,853,643</b>              | 1,707,799    |
| <b>Interest coverage ratio</b>            | <b>1104.80%</b>               | 871.93%      |
| Cost of goods sold                        | <b>₱31,803,766</b>            | ₱37,997,967  |
| Average inventory                         | <b>31,513,716</b>             | 25,895,751   |
| <b>Inventory turnover ratio</b>           | <b>100.92%</b>                | 146.73%      |
| Net credit sales                          | <b>₱57,203,921</b>            | ₱56,560,954  |
| Average accounts receivable               | <b>12,931,141</b>             | 14,000,604   |
| <b>Accounts receivable turnover ratio</b> | <b>442.37%</b>                | 403.99%      |
| Net income                                | <b>₱16,922,816</b>            | ₱13,802,500  |
| Average total assets                      | <b>142,857,040</b>            | 130,434,883  |
| <b>Return on assets ratio</b>             | <b>11.85%</b>                 | 10.58%       |
| Net income attributable to parent company | <b>₱12,834,666</b>            | ₱10,775,334  |
| Average total equity                      | <b>59,346,499</b>             | 53,703,696   |
| <b>Return on equity ratio</b>             | <b>21.63%</b>                 | 20.06%       |
| Total assets                              | <b>₱148,557,175</b>           | ₱137,156,905 |
| Total equity                              | <b>74,775,180</b>             | 66,592,458   |
| <b>Asset-to-equity ratio</b>              | <b>198.67%</b>                | 205.96%      |
| Gross profit                              | <b>₱25,400,155</b>            | ₱18,562,987  |
| Sales                                     | <b>57,203,921</b>             | 56,560,954   |
| <b>Gross profit margin</b>                | <b>44.40%</b>                 | 32.82%       |
| Net income                                | <b>₱16,922,816</b>            | ₱13,802,500  |
| Sales                                     | <b>57,203,921</b>             | 56,560,954   |
| <b>Net profit margin</b>                  | <b>29.58%</b>                 | 24.40%       |



REPUBLIC OF THE PHILIPPINES)  
MAKATI CITY ) S.S.

I solemnly swear that all matters set forth in the General Form for Financial Statements (GFFS) has the basic and material data in the Audited Consolidated Financial Statements of **DMCI HOLDINGS, INC. AND SUBSIDIARIES** for the year ended December 31, 2015 as contained in the accompanying diskette/CD are true and correct to the best of my knowledge and belief.

Treasurer

13 APR 2016

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_,  
2015 affiant exhibiting to me his Community Tax Certificate No. 05722541 issued at  
Makati City on Feb. 10, 2016.

Doc. No. 252  
Page No. 52  
Book No. 372  
Series of 20/6

**RUBEN T.M. RAMIREZ**  
NOTARY PUBLIC  
UNTIL DEC. 31, 2017  
2734 N. AURORA ST. MAYAGUEZ CITY  
APPT. NO. 12-23 (6075-0177)  
TEL: 999830 / CY-001 / 7-4-24-15  
2597 / MOBILE NO. 99952476-19-12  
P.O. BOX 6335575 / 1-4-16 MAKATI CITY

## SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)

CURRENT ADDRESS: 3rd Floor, Dacon Building, 2281 Don Chino Rocas Avenue, Makati City

TEL. NO.: 818-3000

FAX NO.:

COMPANY TYPE: Holding Company

PSIC:

*If these are based on consolidated financial statements, please so indicate in the caption.*

Table 1. Consolidated Balance Sheet

| FINANCIAL DATA                                                                                                                    | 2015<br>( in P'000 ) | 2014<br>( in P'000 ) |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10)                                                            | 148,557,175          | 137,156,905          |
| A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)                                                                        | 75,517,607           | 67,972,166           |
| A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)                                                                     | 19,150,603           | 15,229,768           |
| A.1.1.1 On hand                                                                                                                   | 26,466               | 14,597               |
| A.1.1.2 In domestic banks/entities                                                                                                | 9,265,808            | 6,571,851            |
| A.1.1.3 Short-term investments                                                                                                    | 9,858,329            | 8,643,320            |
| A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2)                                                                             | 12,836,956           | 13,025,326           |
| A.1.2.1 Due from domestic entities (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3 + A.1.2.1.4 + A.1.2.1.5)                                    | 12,836,956           | 13,025,326           |
| A.1.2.1.1 Due from customers (trade)                                                                                              | 13,240,296           | 12,132,259           |
| A.1.2.1.2 Due from related parties                                                                                                | 143,642              | 595,087              |
| A.1.2.1.3 Advances to officers and employees                                                                                      | -                    | -                    |
| A.1.2.1.4 Others, specify (A.1.2.1.3.1 + A.1.2.1.3.2)                                                                             | 992,847              | 912,657              |
| A.1.2.1.3.1 Other receivables                                                                                                     | 992,847              | 912,657              |
| A.1.2.1.3.2                                                                                                                       | -                    | -                    |
| A.1.2.1.5 Allowance for doubtful accounts (negative entry)                                                                        | (1,539,829)          | (614,677)            |
| A.1.2.2 Due from foreign entities, specify                                                                                        | -                    | -                    |
| A.1.2.2.1                                                                                                                         | -                    | -                    |
| A.1.2.2.2                                                                                                                         | -                    | -                    |
| A.1.2.2.3                                                                                                                         | -                    | -                    |
| A.1.2.2.4 Allowance for doubtful accounts (negative entry)                                                                        | -                    | -                    |
| A.1.3 Inventories (A.1.3.1 + A.1.3.2 + A.1.3.3 + A.1.3.4 + A.1.3.5 + A.1.3.6)                                                     | 34,407,763           | 28,619,668           |
| A.1.3.1 Real estate held for sale and development                                                                                 | 28,132,821           | 24,105,136           |
| A.1.3.2 Coal inventory                                                                                                            | 1,647,625            | 551,471              |
| A.1.3.3 Equipment parts, materials & supplies in transit                                                                          | 4,235,713            | 3,562,561            |
| A.1.3.4 Nickle Ore                                                                                                                | 391,604              | 400,500              |
| A.1.3.5                                                                                                                           | -                    | -                    |
| A.1.3.6 Others, specify (A.1.3.6.1 + A.1.3.6.2)                                                                                   | -                    | -                    |
| A.1.3.6.1                                                                                                                         | -                    | -                    |
| A.1.3.6.2                                                                                                                         | -                    | -                    |
| A.1.4 Financial Assets other than Cash/Receivables/Equity investments (A.1.4.1 + A.1.4.2 + A.1.4.3 + A.1.4.4 + A.1.4.5 + A.1.4.6) | 76,900               | 138,930              |
| A.1.4.1 Financial Assets at Fair Value through Profit or Loss - issued by domestic entities:                                      | -                    | 70,630               |
| A.1.4.1.1 National Government                                                                                                     | -                    | -                    |
| A.1.4.1.2 Public Financial Institutions                                                                                           | -                    | -                    |
| A.1.4.1.3 Public Non-Financial Institutions                                                                                       | -                    | -                    |
| A.1.4.1.4 Private Financial Institutions                                                                                          | -                    | 70,630               |
| A.1.4.1.5 Private Non-Financial Institutions                                                                                      | -                    | -                    |
| A.1.4.2 Held to Maturity Investments - issued by domestic entities:                                                               | -                    | -                    |
| A.1.4.2.1 National Government                                                                                                     | -                    | -                    |
| A.1.4.2.2 Public Financial Institutions                                                                                           | -                    | -                    |
| A.1.4.2.3 Public Non-Financial Institutions                                                                                       | -                    | -                    |
| A.1.4.2.4 Private Financial Institutions                                                                                          | -                    | -                    |
| A.1.4.2.5 Private Non-Financial Institutions                                                                                      | -                    | -                    |

## NOTE:

This special form is applicable to Investment Companies and Publicly-held Companies (enumerated in Section 17.2 of the Securities Regulation Code (SRC), except banks and insurance companies). As a supplemental form to PHFS, it shall be used for reporting Consolidated Financial Statements of Parent corporations and their subsidiaries.

Domestic corporations are those which are incorporated under Philippine laws or branches/subsidiaries of foreign corporations that are licensed to do business in the Philippines where the center of economic interest or activity is within the Philippines. On the other hand, foreign corporations are those that are incorporated abroad, including branches of Philippine corporations operating abroad.

Financial Institutions are corporations principally engaged in financial intermediation, facilitating financial intermediation, or auxiliary financial services. Non-Financial institutions refer to corporations that are primarily engaged in the production of market goods and non-financial services.



## SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)

CURRENT ADDRESS: 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City

TEL. NO.: 818-3000

FAX NO.:

COMPANY TYPE: Holding Company

PSIC:

*If these are based on consolidated financial statements, please so indicate in the caption.*

Table 1. Consolidated Balance Sheet

| FINANCIAL DATA                                                                                     | 2015<br>( in P'000 ) | 2014<br>( in P'000 ) |
|----------------------------------------------------------------------------------------------------|----------------------|----------------------|
| A.1.4.3 Loans and Receivables - issued by domestic entities:                                       | -                    | -                    |
| A.1.4.3.1 National Government                                                                      | -                    | -                    |
| A.1.4.3.2 Public Financial Institutions                                                            | -                    | -                    |
| A.1.4.3.3 Public Non-Financial Institutions                                                        | -                    | -                    |
| A.1.4.3.4 Private Financial Institutions                                                           | -                    | -                    |
| A.1.4.3.5 Private Non-Financial Institutions                                                       | -                    | -                    |
| A.1.4.4 Available-for-sale financial assets - issued by domestic entities:                         | 76,900               | 68,300               |
| A.1.4.4.1 National Government                                                                      | -                    | -                    |
| A.1.4.4.2 Public Financial Institutions                                                            | -                    | -                    |
| A.1.4.4.3 Public Non-Financial Institutions                                                        | -                    | -                    |
| A.1.4.4.4 Private Financial Institutions                                                           | 76,900               | 68,300               |
| A.1.4.4.5 Private Non-Financial Institutions                                                       | -                    | -                    |
| A.1.4.5 Financial Assets issued by foreign entities:                                               | -                    | -                    |
| A.1.4.5.1 Financial Assets at Fair Value through Profit or Loss                                    | -                    | -                    |
| A.1.4.5.2 Held-to-maturity Investments                                                             | -                    | -                    |
| A.1.4.5.3 Loans and Receivables                                                                    | -                    | -                    |
| A.1.4.5.4 Available-for-sale Financial Assets                                                      | -                    | -                    |
| A.1.4.6 Allowance for decline in market value (negative entry)                                     | -                    | -                    |
| A.1.5 Other Current Assets (state separately material items) (A.1.5.1 + A.1.5.2 + A.1.5.3)         | 9,045,385            | 10,958,474           |
| A.1.5.1 Costs and estimated earnings in excess of billings on uncompleted contracts                | 2,015,033            | 2,067,517            |
| A.1.5.2 Other current assets                                                                       | 7,030,352            | 8,890,957            |
| A.1.5.3                                                                                            | -                    | -                    |
| A.2 Property, plant, and equipment (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5 + A.2.6 + A.2.7 + A.2.8) | 49,440,223           | 46,880,188           |
| A.2.1 Land and Land Improvements                                                                   | 2,230,514            | 2,127,005            |
| A.2.2 Power Plant, Buildings and Building Improvements                                             | 24,989,626           | 22,871,262           |
| A.2.3 Construction Equipment, Machinery and Tools                                                  | 9,521,980            | 8,633,328            |
| A.2.4 Office Furniture, Fixtures and Equipment                                                     | 616,166              | 554,062              |
| A.2.5 Others, specify (A.2.5.1 + A.2.5.2 + A.2.5.3 + A.2.5.4 + A.2.5.5)                            | 44,847,499           | 42,239,625           |
| A.2.5.1 Transportation Equipment                                                                   | 535,801              | 504,787              |
| A.2.5.2 Coal Mining Properties and Equipment                                                       | 18,026,715           | 16,675,715           |
| A.2.5.3 Roads and Bridges                                                                          | -                    | -                    |
| A.2.5.4 Leasehold Improvements                                                                     | 207,838              | 167,769              |
| A.2.5.5 Nickel Mining Properties and Equipment                                                     | 5,647,655            | 5,633,669            |
| A.2.5.6 Construction in Progress                                                                   | 20,429,490           | 19,257,685           |
| A.2.5.7 Others                                                                                     | -                    | -                    |
| A.2.6 Appraisal increase, specify (A.2.6.1 + A.2.6.2 + A.2.6.3 + A.2.6.4 + A.2.6.5)                | -                    | -                    |
| A.2.6.1                                                                                            | -                    | -                    |
| A.2.6.2                                                                                            | -                    | -                    |
| A.2.6.3                                                                                            | -                    | -                    |
| A.2.6.4                                                                                            | -                    | -                    |
| A.2.6.5                                                                                            | -                    | -                    |
| A.2.7 Accumulated Depreciation (negative entry)                                                    | (32,765,562)         | (29,545,094)         |
| A.2.8 Impairment Loss or Reversal (if loss, negative entry)                                        | -                    | -                    |
| A.3 Investments accounted for using the equity method (A.3.1 + A.3.2 + A.3.3)                      | 11,457,732           | 10,911,490           |
| A.3.1 Equity in domestic subsidiaries/affiliates                                                   | -                    | -                    |
| A.3.2 Equity in foreign branches/subsidiaries/affiliates                                           | -                    | -                    |
| A.3.3 Others, specify (A.3.3.1 + A.3.3.2 + A.3.3.3 + A.3.3.4 + A.3.3.5)                            | 11,457,732           | 10,911,490           |
| A.3.3.1 Investment in Associates and Joint Ventures                                                | 446,138              | 1,943,819            |
| A.3.3.2 Accumulated Equity in net earnings (losses)                                                | 11,019,422           | 8,975,499            |
| A.3.3.3 Allowance for probable losses (negative entry)                                             | (7,828)              | (7,828)              |
| A.3.3.4                                                                                            | -                    | -                    |
| A.3.3.5                                                                                            | -                    | -                    |
| A.4 Investment Property                                                                            | 288,542              | 242,790              |
| A.5 Biological Assets                                                                              | -                    | -                    |
| A.6 Intangible Assets                                                                              | 82,423               | 80,842               |
| A.6.1 Major item/s, specify (A.6.1.1 + A.6.1.2)                                                    | 82,423               | 80,842               |
| A.6.1.1 Software Cost                                                                              | 82,423               | 80,842               |
| A.6.1.2 Others                                                                                     | -                    | -                    |
| A.6.2 Others, specify (A.6.2.1 + A.6.2.2)                                                          | -                    | -                    |
| A.6.2.1                                                                                            | -                    | -                    |
| A.6.2.2                                                                                            | -                    | -                    |
| A.7 Assets Classified as Held for Sale                                                             | -                    | -                    |
| A.8 Assets included in Disposal Groups Classified as Held for Sale                                 | -                    | -                    |

**SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES**

NAME OF CORPORATION: DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)  
CURRENT ADDRESS: 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City  
TEL. NO.: 818-3000 FAX NO.: \_\_\_\_\_  
COMPANY TYPE: Holding Company PSIC: \_\_\_\_\_

*If these are based on consolidated financial statements, please so indicate in the caption.*

Table 1. Consolidated Balance Sheet

| FINANCIAL DATA                                                                                                                                                                                               | 2015<br>( in P'000 ) | 2014<br>( in P'000 ) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3)                                                                                                                                   | 3,162,701            | 2,826,041            |
| A.9.1 From domestic entities, specify (A.9.1.1 + A.9.1.2 + A.9.1.3)                                                                                                                                          | 3,162,701            | 2,826,041            |
| A.9.1.1 Due from customers (trade)                                                                                                                                                                           | 3,162,701            | 2,826,041            |
| A.9.1.2                                                                                                                                                                                                      | -                    | -                    |
| A.9.1.3                                                                                                                                                                                                      | -                    | -                    |
| A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2 + A.9.2.3)                                                                                                                                           | -                    | -                    |
| A.9.2.1                                                                                                                                                                                                      | -                    | -                    |
| A.9.2.2                                                                                                                                                                                                      | -                    | -                    |
| A.9.2.3                                                                                                                                                                                                      | -                    | -                    |
| A.9.3 Allowance for doubtful accounts, net of current portion (negative entry)                                                                                                                               | -                    | -                    |
| A.10 Other Assets (A.10.1 + A.10.2 + A.10.3 + A.10.4 + A.10.5)                                                                                                                                               | 8,607,947            | 8,243,388            |
| A.10.1 Available-for-Sale Financial Assets                                                                                                                                                                   | -                    | -                    |
| A.10.2 Deferred Tax Assets - net                                                                                                                                                                             | 543,859              | 724,453              |
| A.10.3 Pension Assets                                                                                                                                                                                        | 958,979              | 1,178,058            |
| A.10.4 Others, specify (A.10.4.1 + A.10.4.2 + A.10.4.3 + A.10.4.4+A.10.4.5)                                                                                                                                  | 7,105,109            | 6,340,877            |
| A.10.4.1 Other Noncurrent Assets                                                                                                                                                                             | 2,229,237            | 2,566,610            |
| A.10.4.2 Goodwill                                                                                                                                                                                            | 1,637,430            | 1,637,430            |
| A.10.4.3 Exploration and evaluation asset                                                                                                                                                                    | 3,238,442            | 2,136,837            |
| A.10.4.4                                                                                                                                                                                                     | -                    | -                    |
| A.10.4.5                                                                                                                                                                                                     | -                    | -                    |
| A.10.5 Allowance for write-down of deferred charges/bad accounts (negative entry)                                                                                                                            | -                    | -                    |
| B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5)                                                                                                                                                                 | 73,781,995           | 70,564,447           |
| B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6 + B.1.7)                                                                                                                              | 44,459,614           | 35,003,986           |
| B.1.1 Trade and Other Payables to Domestic Entities<br>(B.1.1.1 + B.1.1.2 + B.1.1.3 + B.1.1.4 + B.1.1.5 + B.1.1.6)                                                                                           | 15,176,119           | 17,014,127           |
| B.1.1.1 Suppliers and Subcontractors                                                                                                                                                                         | 7,752,667            | 8,761,271            |
| B.1.1.2 Other Trade Payables                                                                                                                                                                                 | 870,797              | 1,071,522            |
| B.1.1.3 Output VAT Payable                                                                                                                                                                                   | 1,498,373            | 1,481,572            |
| B.1.1.4 Refundable deposits                                                                                                                                                                                  | 231,575              | 130,413              |
| B.1.1.5 Accruals, specify material items (B.1.1.5.1 + B.1.1.5.2 + B.1.1.5.3)                                                                                                                                 | 4,822,707            | 5,569,349            |
| B.1.1.5.1 Accrued Construction Cost                                                                                                                                                                          | 2,281,765            | 2,976,309            |
| B.1.1.5.2 Payable to Department of Energy                                                                                                                                                                    | 1,121,510            | 1,134,628            |
| B.1.1.5.3 Others                                                                                                                                                                                             | 1,419,432            | 1,458,412            |
| B.1.1.6 Others, specify (B.1.1.6.1 + B.1.1.6.2 + B.1.1.6.3)                                                                                                                                                  | -                    | -                    |
| B.1.1.6.1                                                                                                                                                                                                    | -                    | -                    |
| B.1.1.6.2                                                                                                                                                                                                    | -                    | -                    |
| B.1.1.6.3                                                                                                                                                                                                    | -                    | -                    |
| B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1 + B.1.2.2 + B.1.2.3)                                                                                                                   | -                    | -                    |
| B.1.2.1                                                                                                                                                                                                      | -                    | -                    |
| B.1.2.2                                                                                                                                                                                                      | -                    | -                    |
| B.1.2.3                                                                                                                                                                                                      | -                    | -                    |
| B.1.3 Provisions                                                                                                                                                                                             | -                    | -                    |
| B.1.4 Financial Liabilities (excluding Trade and Other Payables and Provisions)<br>(B.1.4.1 + B.1.4.2 + B.1.4.3 + B.1.4.4 + B.1.4.5)                                                                         | 17,418,228           | 6,731,862            |
| B.1.4.1 Short-term Debt                                                                                                                                                                                      | 3,707,354            | 2,026,582            |
| B.1.4.2 Current Portion of Liabilities for Purchased Land                                                                                                                                                    | 2,201,291            | 1,866,257            |
| B.1.4.3 Current Portion of Long-term Debt                                                                                                                                                                    | 11,291,955           | 2,577,233            |
| B.1.4.4 Payable to Related Parties                                                                                                                                                                           | 217,628              | 261,790              |
| B.1.4.5                                                                                                                                                                                                      | -                    | -                    |
| B.1.5 Liabilities for Current Tax                                                                                                                                                                            | 448,439              | 81,210               |
| B.1.6 Deferred Tax Liabilities                                                                                                                                                                               | 3,629,076            | 3,015,945            |
| B.1.7 Others, specify (If material, state separately; indicate if the item is payable to public/private or financial/non-financial institutions) (B.1.7.1 + B.1.7.2 + B.1.7.3 + B.1.7.4 + B.1.7.5 + B.1.7.6) | 7,787,752            | 8,160,842            |
| B.1.7.1 Billings in excess of costs and estimated earnings on uncompleted contracts                                                                                                                          | 2,095,481            | 2,553,814            |
| B.1.7.2 Customers' advances and deposits                                                                                                                                                                     | 5,692,271            | 5,607,028            |
| B.1.7.3                                                                                                                                                                                                      | -                    | -                    |
| B.1.7.4                                                                                                                                                                                                      | -                    | -                    |
| B.1.7.5                                                                                                                                                                                                      | -                    | -                    |
| B.1.7.6 Any other current liability in excess of 5% of Total Current Liabilities, specify:<br>(B.1.7.6.1 + B.1.7.6.2 + B.1.7.6.3)                                                                            | -                    | -                    |
| B.1.7.6.1                                                                                                                                                                                                    | -                    | -                    |
| B.1.7.6.2                                                                                                                                                                                                    | -                    | -                    |
| B.1.7.6.3                                                                                                                                                                                                    | -                    | -                    |

**SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES**

NAME OF CORPORATION: DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)  
CURRENT ADDRESS: 3rd Floor, Dacon Building, 2281 Don Chino Rocas Avenue, Makati City  
TEL. NO.: 818-3000 FAX NO.: \_\_\_\_\_  
COMPANY TYPE : Holding Company PSIC: \_\_\_\_\_

*If these are based on consolidated financial statements, please so indicate in the caption.*

Table 1. Consolidated Balance Sheet

| FINANCIAL DATA                                                                                            |                                                                              | 2015<br>( in P'000 ) | 2014<br>( in P'000 ) |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|----------------------|----------------------|
| B.2 Long-term Debt - Non-current Interest-bearing Liabilities (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5)     |                                                                              | 25,763,651           | 32,822,191           |
| B.2.1 Domestic Public Financial Institutions                                                              |                                                                              | -                    | -                    |
| B.2.2 Domestic Public Non-Financial Institutions                                                          |                                                                              | -                    | -                    |
| B.2.3 Domestic Private Financial Institutions                                                             |                                                                              | 25,763,651           | 32,822,191           |
| B.2.4 Domestic Private Non-Financial Institutions                                                         |                                                                              | -                    | -                    |
| B.2.5 Foreign Financial Institutions                                                                      |                                                                              | -                    | -                    |
| B.3 Indebtedness to Affiliates and Related Parties (Non-Current)                                          |                                                                              | -                    | -                    |
| B.4 Liabilities Included in the Disposal Groups Classified as Held for Sale                               |                                                                              | -                    | -                    |
| B.5 Other Liabilities (B.5.1 + B.5.2)                                                                     |                                                                              | 3,558,730            | 2,738,270            |
| B.5.1 Liabilities for Purchased Land - net of current portion                                             |                                                                              | 816,135              | 312,929              |
| B.5.2 Others, specify (B.5.2.1 + B.5.2.2 + B.5.2.3 + B.5.2.4 + B.5.2.5)                                   |                                                                              | 2,742,595            | 2,425,341            |
| B.5.2.1 Pension                                                                                           |                                                                              | 142,200              | 97,364               |
| B.5.2.2 Other Noncurrent Liabilities                                                                      |                                                                              | 2,600,395            | 2,327,977            |
| B.5.2.3                                                                                                   |                                                                              | -                    | -                    |
| B.5.2.4                                                                                                   |                                                                              | -                    | -                    |
| B.5.2.5                                                                                                   |                                                                              | -                    | -                    |
| C. EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9+C.10)                                                  |                                                                              | 74,775,180           | 66,592,458           |
| C.1 Authorized Capital Stock (no. of shares, par value and total value; show details) (C.1.1+C.1.2+C.1.3) |                                                                              | 20,000,000           | 20,000,000           |
| C.1.1 Common shares                                                                                       | 19,900,000,000 shares, P1.00 par value                                       | 19,900,000           | 19,900,000           |
| C.1.2 Preferred Shares                                                                                    | 4,000 shares, P1.00 par value                                                | 100,000              | 100,000              |
| C.1.3 Others                                                                                              |                                                                              | -                    | -                    |
| C.2 Subscribed Capital Stock (no. of shares, par value and total value) (C.2.1 + C.2.2 + C.2.3)           |                                                                              | -                    | -                    |
| C.2.1 Common shares                                                                                       |                                                                              | -                    | -                    |
| C.2.2 Preferred Shares                                                                                    |                                                                              | -                    | -                    |
| C.2.3 Others                                                                                              |                                                                              | -                    | -                    |
| C.3 Paid-up Capital Stock (C.3.1 + C.3.2)                                                                 |                                                                              | 13,277,474           | 13,277,474           |
| C.3.1 Common shares                                                                                       | 13,277,470,000 and 2,655,498,000 issued shares in 2014 and 2013 respectively | 13,277,470           | 13,277,470           |
| C.3.2 Preferred Shares                                                                                    | 3,780 issued shares in 2014 and 2013                                         | 4                    | 4                    |
| C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus                         |                                                                              | 4,672,394            | 4,672,394            |
| C.5 Non-controlling Interests                                                                             |                                                                              | 12,270,467           | 10,404,173           |
| C.6 Others, specify (C.6.1 + C.6.2 + C.6.3 + C.6.4)                                                       |                                                                              | 844,998              | 990,050              |
| C.6.1 Premium on Acquisition of Non-controlling Interests                                                 |                                                                              | (161,033)            | (161,033)            |
| C.6.2 Remeasurements on Retirement Plans - net of tax                                                     |                                                                              | 699,491              | 877,774              |
| C.6.3 Net Accumulated Unrealized Gains on AFS Financial Assets                                            |                                                                              | 21,435               | 13,057               |
| C.6.4 Cumulative Translation Adjustment                                                                   |                                                                              | 285,105              | 260,252              |
| C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus                               |                                                                              | -                    | -                    |
| C.8 Retained Earnings (C.8.1 + C.8.2)                                                                     |                                                                              | 43,709,847           | 37,248,367           |
| C.8.1 Appropriated                                                                                        |                                                                              | -                    | -                    |
| C.8.2 Unappropriated                                                                                      |                                                                              | 43,709,847           | 37,248,367           |
| C.9 Head / Home Office Account (for Foreign Branches only)                                                |                                                                              | -                    | -                    |
| C.10 Cost of Stocks Held in Treasury (negative entry)                                                     |                                                                              | -                    | -                    |
| TOTAL LIABILITIES AND EQUITY (B + C)                                                                      |                                                                              | 148,557,175          | 137,156,905          |

## SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)

CURRENT ADDRESS: 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City

TEL. NO.: 818-3000

FAX NO.: \_\_\_\_\_

COMPANY TYPE: Holding Company

PSIC: \_\_\_\_\_

*If these are based on consolidated financial statements, please so indicate in the caption.*

Table 2. Consolidated Income Statement

| FINANCIAL DATA                                                                                                                        | 2015<br>( in P'000 ) | 2014<br>( in P'000 ) | 2013<br>( in P'000 ) |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| <b>A. REVENUE / INCOME (A.1 + A.2 + A.3 + A.4)</b>                                                                                    | 61,423,996           | 61,446,054           | 68,514,150           |
| A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity) | 57,203,921           | 56,560,954           | 55,970,630           |
| A.2 Share in the Profit or Loss of Associates and Joint Ventures accounted for using the Equity Method                                | 2,376,424            | 2,015,703            | 1,764,822            |
| A.3 Other Revenue (A.3.1 + A.3.2 + A.3.3 + A.3.4 + A.3.5)                                                                             | 911,111              | 1,105,967            | 1,216,397            |
| A.3.1 Forfeitures and cancellation of contracts                                                                                       | 319,776              | 496,641              | 419,379              |
| A.3.2 Management fee                                                                                                                  | 5,112                | 3,785                | 10,890               |
| A.3.3 Rental income                                                                                                                   | 114,224              | 237,802              | 84,453               |
| A.3.4 Dividend income                                                                                                                 | 4,288                | 7,000                | 4,291                |
| A.3.5 Others, specify (A.3.5.1 + A.3.5.2 + A.3.5.3 + A.3.5.4 + A.3.5.5 + A.3.5.6 + A.3.5.7 + A.3.5.8)                                 | 467,711              | 360,739              | 697,384              |
| A.3.5.1 Sale of fly ash                                                                                                               | 133,119              | 122,600              | 203,180              |
| A.3.5.2 Others                                                                                                                        | 334,592              | 238,139              | 494,204              |
| A.3.5.3                                                                                                                               |                      |                      |                      |
| A.3.5.4                                                                                                                               |                      |                      |                      |
| A.3.5.5                                                                                                                               |                      |                      |                      |
| A.3.5.6                                                                                                                               |                      |                      |                      |
| A.3.5.7                                                                                                                               |                      |                      |                      |
| A.3.5.8                                                                                                                               |                      |                      |                      |
| A.4 Other Income (non-operating) (A.4.1 + A.4.2 + A.4.3 + A.4.4)                                                                      | 932,540              | 1,763,430            | 9,562,301            |
| A.4.1 Interest Income                                                                                                                 | 467,506              | 438,148              | 658,777              |
| A.4.2 Recoveries from insurance claims                                                                                                |                      |                      |                      |
| A.4.3 Gain / (Loss) from selling of Assets, specify (A.4.3.1 + A.4.3.2)                                                               | 90,922               | 411,488              | 144,855              |
| A.4.3.1 Gain on sale of underdeveloped land                                                                                           | -                    | 284,287              | -                    |
| A.4.3.2 Gain on sale of property, plant and equipment - net                                                                           | 90,922               | 127,201              | 144,855              |
| A.4.4 Others, specify                                                                                                                 | 374,112              | 913,794              | 8,758,669            |
| A.4.4.1 Foreign exchange gain (loss)                                                                                                  | (188,615)            | 395,213              | (356,121)            |
| A.4.4.2 Gain (loss) on previously held interest                                                                                       | -                    | 261,084              | (42,623)             |
| A.4.4.3 Gain on bargain purchase                                                                                                      | -                    | 257,497              |                      |
| A.4.4.4 Gain on sale of investments                                                                                                   | 562,727              |                      | 9,157,413            |
| A.4.4.5                                                                                                                               |                      |                      |                      |
| <b>B. COST OF GOODS SOLD (B.1 + B.2 + B.3)</b>                                                                                        | -                    | -                    | -                    |
| B.1 Cost of Goods Manufactured (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5)                                                                | -                    | -                    | -                    |
| B.1.1 Direct Material Used                                                                                                            | -                    | -                    | -                    |
| B.1.2 Direct Labor                                                                                                                    | -                    | -                    | -                    |
| B.1.3 Other Manufacturing Cost / Overhead                                                                                             | -                    | -                    | -                    |
| B.1.4 Goods in Process, Beginning                                                                                                     | -                    | -                    | -                    |
| B.1.5 Goods in Process, End (negative entry)                                                                                          | -                    | -                    | -                    |
| B.2 Finished Goods, Beginning                                                                                                         | -                    | -                    | -                    |
| B.3 Finished Goods, End (negative entry)                                                                                              | -                    | -                    | -                    |
| <b>C. COST OF SALES (C.1 + C.2 + C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9)</b>                                                         | 13,893,409           | 16,914,293           | 15,496,140           |
| C.1 Cost of real estate inventory                                                                                                     | 6,673,502            | 6,412,311            | 6,567,151            |
| C.2 Materials and supplies                                                                                                            | 3,091,755            | 4,107,099            | 3,157,875            |
| C.3 Fuel and lubricants                                                                                                               | 1,165,441            | 2,797,911            | 2,453,660            |
| C.4 Depreciation and amortization                                                                                                     | 745,144              | 1,039,826            | 911,279              |
| C.5 Outside services                                                                                                                  | 898,327              | 1,184,384            | 740,963              |
| C.6 Hauling, shiploading and handling costs                                                                                           | 128,503              | 179,088              | 540,763              |
| C.7 Direct labor                                                                                                                      | 617,852              | 609,459              | 521,267              |
| C.8 Production overhead                                                                                                               | 487,624              | 440,746              | 387,108              |
| C.9 Others                                                                                                                            | 85,261               | 143,469              | 216,074              |
| <b>D. COST OF SERVICES (D.1 + D.2 + D.3 + D.4 + D.5 + D.6 + D.7 + D.8 + D.9)</b>                                                      | 17,910,357           | 21,083,674           | 18,728,828           |
| D.1 Materials and supplies                                                                                                            | 7,360,305            | 7,722,466            | 8,850,595            |
| D.2 Outside services                                                                                                                  | 2,918,717            | 2,434,698            | 4,359,274            |
| D.3 Direct labor                                                                                                                      | 2,127,668            | 1,845,916            | 1,582,222            |
| D.4 Depreciation and amortization                                                                                                     | 2,090,768            | 2,003,746            | 1,237,949            |
| D.5 Fuel and lubricants                                                                                                               | 1,577,839            | 1,669,150            | 1,050,377            |
| D.6 Production overhead                                                                                                               | 1,554,895            | 1,130,221            | 988,879              |
| D.7 Spot purchases                                                                                                                    | 107,406              | 4,118,591            | 229,197              |
| D.8 Hauling, shiploading and handling costs                                                                                           | 110,270              | 68,582               | -                    |
| D.9 Others                                                                                                                            | 62,489               | 90,304               | 430,335              |
| <b>E. GROSS PROFIT (A - B - C - D)</b>                                                                                                | 29,620,230           | 23,448,087           | 34,289,182           |

**NOTE:** Pursuant to SRC Rule 68.1 (as amended in Nov. 2005), for fiscal years ending December 31, 2005 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparatives shall resume for year end reports beginning December 31, 2006 and onwards.

**SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES**

NAME OF CORPORATION: DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)  
CURRENT ADDRESS: 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City  
TEL. NO.: 818-3000 FAX NO.: \_\_\_\_\_  
COMPANY TYPE : Holding Company PSIC: \_\_\_\_\_

*If these are based on consolidated financial statements, please so indicate in the caption.*

Table 2. Consolidated Income Statement

| FINANCIAL DATA                                                                                                                                                                                                                                                           | 2015<br>( in P'000 ) | 2014<br>( in P'000 ) | 2013<br>( in P'000 ) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| F. OPERATING EXPENSES (F.1 + F.2 + F.3 + F.4)                                                                                                                                                                                                                            | 8,546,868            | 8,090,223            | 9,072,109            |
| F.1 Government share                                                                                                                                                                                                                                                     | 1,796,047            | 1,858,190            | 1,304,961            |
| F.2 Depreciation and amortization                                                                                                                                                                                                                                        | 798,682              | 793,505              | 2,036,834            |
| F.3 Salaries, wages and employee benefits                                                                                                                                                                                                                                | 1,276,762            | 1,261,471            | 1,112,195            |
| F.4 Other Expenses, specify (F.4.1 + F.4.2 + F.4.3 + F.4.4 + F.4.5 + F.4.6 + F.4.7 + F.4.8 + F.4.9 + F.4.10 + F.4.11 + F.4.12 + F.4.13 + F.4.14 + F.4.15 + F.4.16)                                                                                                       | 4,675,377            | 4,177,057            | 4,618,119            |
| F.4.1 Outside services                                                                                                                                                                                                                                                   | 466,538              | 615,821              | 837,816              |
| F.4.2 Repairs and maintenance                                                                                                                                                                                                                                            | 348,412              | 297,301              | 258,447              |
| F.4.3 Commission                                                                                                                                                                                                                                                         | 599,319              | 616,675              | 737,447              |
| F.4.4 Taxes and licenses                                                                                                                                                                                                                                                 | 762,003              | 583,316              | 638,735              |
| F.4.5 Provision for doubtful accounts, probable losses and loss on sale of ass                                                                                                                                                                                           | 960,954              | 514,248              | 443,650              |
| F.4.6 Advertising and marketing                                                                                                                                                                                                                                          | 549,629              | 397,549              | 309,730              |
| F.4.7 Rent                                                                                                                                                                                                                                                               | 82,382               | 127,680              | 115,773              |
| F.4.8 Communication, light and water                                                                                                                                                                                                                                     | 156,624              | 159,154              | 114,410              |
| F.4.9 Entertainment, amusement and recreation                                                                                                                                                                                                                            | 112,199              | 102,660              | 73,560               |
| F.4.10 Insurance                                                                                                                                                                                                                                                         | 105,185              | 80,720               | 66,347               |
| F.4.11 Transportation and travel                                                                                                                                                                                                                                         | 105,961              | 104,779              | 62,285               |
| F.4.12 Supplies                                                                                                                                                                                                                                                          | 59,063               | 69,640               | 55,748               |
| F.4.13 Association dues                                                                                                                                                                                                                                                  | 72,696               | 116,161              | 39,834               |
| F.4.14 Probable losses on other noncurrent assets                                                                                                                                                                                                                        | -                    | -                    | -                    |
| F.4.15 Loss on writedown of property, plant and equipment                                                                                                                                                                                                                | 16,088               | 111                  | 443,349              |
| F.4.16 Miscellaneous                                                                                                                                                                                                                                                     | 278,324              | 391,242              | 420,988              |
| G. FINANCE COSTS                                                                                                                                                                                                                                                         | 545,716              | 467,088              | 929,328              |
| H. NET INCOME (LOSS) BEFORE TAX (E - F - G)                                                                                                                                                                                                                              | 20,527,646           | 14,890,776           | 24,287,745           |
| I. INCOME TAX EXPENSE (negative entry)                                                                                                                                                                                                                                   | (3,604,830)          | (1,088,276)          | (2,104,650)          |
| J. INCOME (LOSS) AFTER TAX                                                                                                                                                                                                                                               | 16,922,816           | 13,802,500           | 22,183,095           |
| K. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on the Measurement of Fair Value less Cost to Sell or on the Disposal of the Assets or Disposal Group(s) constituting the Discontinued Operation (if any) | -                    | -                    | -                    |
| K.1                                                                                                                                                                                                                                                                      | -                    | -                    | -                    |
| K.2                                                                                                                                                                                                                                                                      | -                    | -                    | -                    |
| L. PROFIT OR LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS                                                                                                                                                                                                               | 4,088,150            | 3,027,166            | 3,319,379            |
| M. PROFIT OR LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT                                                                                                                                                                                                           | 12,834,666           | 10,775,334           | 18,863,716           |
| N. EARNINGS (LOSS) PER SHARE                                                                                                                                                                                                                                             |                      |                      |                      |
| N.1 Basic                                                                                                                                                                                                                                                                | 0.97                 | 0.81                 | 1.42                 |
| N.2 Diluted                                                                                                                                                                                                                                                              | -                    | -                    | -                    |

## SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)

CURRENT ADDRESS: 3rd Floor, Dacon Building, 2281 Don Chino Rocas Avenue, Makati City

TEL. NO.: 818-3000

FAX NO.:

COMPANY TYPE: Holding Company

PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Consolidated Cash Flow Statements

| FINANCIAL DATA                                                                               | 2015<br>(in P'000) | 2014<br>(in P'000)  | 2013<br>(in P'000) |
|----------------------------------------------------------------------------------------------|--------------------|---------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                  |                    |                     |                    |
| Net Income (Loss) Before Tax and Extraordinary Items                                         | 20,527,646         | 14,890,776          | 24,287,745         |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities             |                    |                     |                    |
| Depreciation, depletion and amortization                                                     | 3,634,594          | 3,887,077           | 4,186,062          |
| Amortization, specify                                                                        |                    |                     |                    |
| Others, specify:                                                                             |                    |                     |                    |
| Finance costs                                                                                | 545,716            | 467,088             | 929,328            |
| Net unrealized foreign exchange loss (gain)                                                  | 214,450            | 116,919             | (296,407)          |
| Provisions for doubtful accounts and loss on sale of assets                                  | 960,954            | 514,248             | 443,650            |
| Unrealized market loss (gain) on financial assets at FVPL                                    |                    | 2,520               | (1,890)            |
| Loss on PPE writedown                                                                        | 16,088             | 111                 | 443,349            |
| Equity in net earnings of associates and joint ventures                                      | (2,376,424)        | (2,015,703)         | (1,764,822)        |
| Finance income                                                                               | (467,506)          | (438,148)           | (658,777)          |
| Gain on sale of undeveloped land                                                             |                    | (284,287)           | -                  |
| Loss (gain) on remeasurement of previously held interest                                     |                    | (261,084)           | 42,623             |
| Gain on bargain purchase                                                                     |                    | (257,497)           | -                  |
| Gain on sale property, plant and equipment                                                   | (90,922)           | (127,201)           | (144,855)          |
| Movement in net retirement asset                                                             | (49,421)           | (16,637)            | 39,438             |
| Dividend income                                                                              | (4,288)            | (7,000)             | (4,291)            |
| Gain on sale of investments                                                                  | (562,727)          | -                   | (9,157,413)        |
| Reversal of impairment on other noncurrent assets                                            |                    | -                   | (61,549)           |
| Writedown on investments in jointly controlled entities                                      |                    | -                   | 409                |
| Loss on sale of available-for-sale financial assets                                          |                    | -                   | -                  |
| Changes in Assets and Liabilities:                                                           |                    |                     |                    |
| Decrease (Increase) in:                                                                      |                    |                     |                    |
| Receivables                                                                                  | (1,098,032)        | 4,266,347           | (1,794,532)        |
| Inventories                                                                                  | (4,824,339)        | (4,599,476)         | (535,209)          |
| Other current assets                                                                         | 2,002,046          | (1,683,488)         | (1,678,720)        |
| Others, specify: Costs and estimated earnings in excess of billings on uncompleted contracts | 52,484             | (1,081,158)         | (66,427)           |
| Increase (Decrease) in:                                                                      |                    |                     |                    |
| Accounts payable and accrued expenses                                                        | (1,637,690)        | 2,898,977           | 2,799,891          |
| Others, specify: Customers' advances and deposits                                            | 85,242             | 677,327             | 1,573,806          |
| Liabilities for purchased land                                                               | 838,241            | 806,709             | 217,979            |
| Billings in excess of costs and estimated earnings on uncompleted contracts                  | (458,333)          | (1,126,951)         | 348,200            |
| Others, specify:                                                                             |                    |                     |                    |
| Interest received                                                                            | 405,224            | 456,317             | 325,147            |
| Income taxes paid                                                                            | (2,723,212)        | (1,317,699)         | (1,328,752)        |
| Interest paid and capitalized as cost of inventory                                           | (856,620)          | (936,344)           | (672,582)          |
| <b>A. Net Cash Provided by Operating Activities (sum of above rows)</b>                      | <b>14,133,170</b>  | <b>14,831,743</b>   | <b>17,471,401</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                  |                    |                     |                    |
| Additions to:                                                                                |                    |                     |                    |
| Investment in financial asset at FVPL                                                        |                    | -                   | -                  |
| Property, plant and equipment                                                                | (6,327,499)        | (14,168,994)        | (10,410,820)       |
| Investments in associates, jointly controlled entity and others                              |                    | (517,013)           | (810,909)          |
| Investment properties                                                                        | (77,869)           | (49,008)            | (25,939)           |
| Exploration and evaluation asset                                                             | (718,652)          | (1,566,287)         | -                  |
| Available-for-sale financial assets                                                          |                    |                     | -                  |
| Proceeds from disposals of:                                                                  |                    |                     |                    |
| Underdeveloped land                                                                          |                    | 747,639             | -                  |
| Investments in associates, jointly controlled entity and others                              | 76,835             | 1,569               | 8,227,483          |
| Property and equipment                                                                       | 166,341            | 305,060             | 381,556            |
| Available-for-sale financial assets (Note 6)                                                 |                    | -                   | -                  |
| Others, specify: Dividends received                                                          | 562,710            | 284,280             | 5,225,306          |
| Deposit for future sale of investment                                                        |                    | 1,758,651           | -                  |
| Decrease (Increase) in other noncurrent assets                                               | 303,758            | (77,894,00)         | (1,480,444)        |
| Acquisition of a business - net of cash acquired (Note 11)                                   |                    | (2,027,381)         | (1,622,171)        |
| Interest paid and capitalized as cost of property, plant and equipment                       | (455,707)          | (304,367)           | (101,380)          |
| Net decrease in investment in associates                                                     |                    | -                   | -                  |
| <b>B. Net Cash Provided by Investing Activities (sum of above rows)</b>                      | <b>(6,470,083)</b> | <b>(15,613,745)</b> | <b>(617,318)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                  |                    |                     |                    |
| Proceeds from:                                                                               |                    |                     |                    |
| Long-term debt                                                                               | 7,475,784          | 10,173,755          | 29,021,785         |
| Short-term debt                                                                              | 8,313,038          | 1,658,753           | 1,943,995          |
| Others, specify:                                                                             |                    |                     |                    |
| Payments of:                                                                                 |                    |                     |                    |
| Long-term debt                                                                               | (5,859,510)        | (9,119,799)         | (18,938,899)       |
| Dividends paid to equity holders of DMCI Holdings, Inc                                       | (6,373,185)        | (6,366,867)         | (10,895,773)       |
| Dividends paid to non-controlling interests                                                  | (2,213,937)        | (1,871,130)         | (1,870,654)        |
| Interest                                                                                     | (589,982)          | (169,072)           | (735,102)          |
| Short-term debt                                                                              | (6,632,891)        | (2,050,842)         | (457,670)          |
| Stock issue costs                                                                            |                    | (92,923)            | -                  |
| Others, specify (negative entry):                                                            |                    |                     |                    |
| Increase (decrease) in:                                                                      |                    |                     |                    |
| Payable to related parties                                                                   | (44,162)           | 227,798             | (27,223)           |
| Other noncurrent liabilities                                                                 | 2,120,741          | (1,146,633)         | 164,692            |
| Redemption of preferred shares                                                               |                    | -                   | -                  |
| <b>C. Net Cash Used in Financing Activities (sum of above rows)</b>                          | <b>(3,804,104)</b> | <b>(8,756,960)</b>  | <b>(1,794,849)</b> |
| <b>D. Effects of Exchange Rate Changes on Cash and Cash Equivalents</b>                      | <b>61,852</b>      | <b>(5,765)</b>      | <b>(1,781)</b>     |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C + D)</b>                             | <b>3,920,835</b>   | <b>(9,544,727)</b>  | <b>15,057,453</b>  |
| Cash and Cash Equivalents                                                                    |                    |                     |                    |
| Beginning of year                                                                            | 15,229,768         | 24,774,495          | 9,717,042          |
| End of year                                                                                  | 19,150,603         | 15,229,768          | 24,774,495         |

NOTE: Pursuant to SRC Rule 68.1 (as amended in Nov. 2005), for fiscal years ending December 31, 2005 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparatives shall resume for year end reports beginning December 31, 2006 and onwards.

## SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: DMCI HOLDINGS, INC. AND SUBSIDIARIES (Consolidated)

CURRENT ADDRESS: 2281 Don Chino Roces Avenue, Makati City

TEL. NO.: 888-3000

FAX NO.:

COMPANY TYPE: HOLDING COMPANY

PSIC:

PSIC:

PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 4. Statement of Changes in Equity

| FINANCIAL DATA                                      | (Amount in P'000) |                            |                                  |                                |                                                    |                                    |                                                                     |                                   |             |                                           |              |
|-----------------------------------------------------|-------------------|----------------------------|----------------------------------|--------------------------------|----------------------------------------------------|------------------------------------|---------------------------------------------------------------------|-----------------------------------|-------------|-------------------------------------------|--------------|
|                                                     | Capital Stock     | Additional Paid-in Capital | Unappropriated Retained Earnings | Appropriated Retained Earnings | Premium on Acquisition of Non-controlling Interest | Remeasurements on Retirement Plans | Net Accumulated Gains (Loss) on Available for-Sale Financial Assets | Cumulative Translation Adjustment | TOTAL       | Attributable to Non-controlling Interests | TOTAL        |
| A. Balance, 2012                                    | 2,655,498         | 4,765,317                  | 29,033,159                       | 4,600,000                      | (161,033)                                          | 383,132                            | 28,910                                                              | -                                 | 41,304,983  | 7,451,109                                 | 48,756,092   |
| B. Balance                                          | 2,655,498         | 4,765,317                  | 29,033,159                       | 4,600,000                      | (161,033)                                          | 383,132                            | 28,910                                                              | -                                 | 41,304,983  | 7,451,109                                 | 48,756,092   |
| J.1 Balances, as previously reported                | 2,655,498         | 4,765,317                  | 29,033,159                       | 4,600,000                      | (161,033)                                          | 383,132                            | 28,910                                                              | -                                 | 41,304,983  | 7,451,109                                 | 48,756,092   |
| C. Surplus                                          | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| K.1 Surplus (Deficit) on Revaluation of Properties  | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| K.2 Surplus (Deficit) on Revaluation of Investments | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| K.3 Currency Translation Differences                | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| K.4 Other Surplus (specify)                         | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| D. Net Income (Loss) for the Period                 | -                 | -                          | 18,863,716                       | -                              | -                                                  | -                                  | -                                                                   | -                                 | 18,863,716  | 3,319,379                                 | 22,183,095   |
| L.1 Net income, as previously reported              | -                 | -                          | 18,937,380                       | -                              | -                                                  | -                                  | -                                                                   | -                                 | 18,937,380  | 3,319,379                                 | 22,256,759   |
| L.2 Effect of business combination                  | -                 | -                          | (73,664)                         | -                              | -                                                  | -                                  | -                                                                   | -                                 | (73,664)    | -                                         | (73,664)     |
| E. Dividends (negative entry)                       | -                 | -                          | (9,028,680)                      | -                              | -                                                  | -                                  | -                                                                   | -                                 | (9,028,680) | (1,870,654)                               | (10,899,334) |
| F. Appropriation for (specify)                      | -                 | -                          | 2,500,000                        | (2,500,000)                    | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| F.1 Capacity expansion and additional investment    | -                 | -                          | (1,300,000)                      | 1,300,000                      | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| F.2 Reversal of appropriation                       | -                 | -                          | 3,800,000                        | (3,800,000)                    | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| G. Issuance of Capital Stock                        | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| G.1 Common Stock                                    | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| G.2 Preferred Stock                                 | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| G.3 Others                                          | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| H. Others                                           | -                 | -                          | -                                | -                              | -                                                  | 133,543                            | (22,080)                                                            | (32,376)                          | 79,087      | 10,473                                    | 89,560       |
| H.1 Remeasurements in retirement plans              | -                 | -                          | -                                | -                              | -                                                  | 133,543                            | -                                                                   | (32,376)                          | 101,167     | 10,473                                    | 111,640      |
| H.2 Changes in fair values of AFS financial assets  | -                 | -                          | -                                | -                              | -                                                  | -                                  | (22,080)                                                            | -                                 | (22,080)    | -                                         | (22,080)     |
| I. Balance, 2013                                    | 2,655,498         | 4,765,317                  | 41,368,195                       | 2,100,000                      | (161,033)                                          | 516,675                            | 6,830                                                               | (32,376)                          | 51,219,106  | 8,910,307                                 | 60,129,413   |
| J. Balance                                          | 2,655,498         | 4,765,317                  | 41,368,195                       | 2,100,000                      | (161,033)                                          | 516,675                            | 6,830                                                               | (32,376)                          | 51,219,106  | 8,910,307                                 | 60,129,413   |
| J.1 Balances, as previously reported                | 2,655,498         | 4,765,317                  | 41,441,859                       | 2,100,000                      | (161,033)                                          | 516,675                            | 6,830                                                               | (32,376)                          | 51,292,770  | 8,910,307                                 | 60,203,077   |
| J.2 Effect of business combination                  | -                 | -                          | (73,664)                         | -                              | -                                                  | -                                  | -                                                                   | -                                 | (73,664)    | -                                         | (73,664)     |
| K. Comprehensive Income                             | -                 | -                          | 10,775,334                       | -                              | -                                                  | 361,099                            | 6,227                                                               | 292,628                           | 11,435,288  | 3,031,753                                 | 14,467,041   |
| K.1 Net Income (Loss) for the Period                | -                 | -                          | 10,775,334                       | -                              | -                                                  | -                                  | -                                                                   | -                                 | 10,775,334  | 3,027,166                                 | 13,802,500   |
| K.2 Other Comprehensive income                      | -                 | -                          | -                                | -                              | -                                                  | 361,099                            | 6,227                                                               | 292,628                           | 659,954     | 4,587                                     | 664,541      |
| L. Dividends (negative entry)                       | 10,621,976        | (92,923)                   | (16,995,162)                     | -                              | -                                                  | -                                  | -                                                                   | -                                 | (6,466,109) | (1,871,130)                               | (8,337,239)  |
| M. Appropriation for (specify)                      | -                 | -                          | 2,100,000                        | (2,100,000)                    | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| M.1 Capacity expansion and additional investment    | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| M.2 Reversal of appropriation                       | -                 | -                          | 2,100,000                        | (2,100,000)                    | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| N. Other                                            | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| N.1 Effect of business combination                  | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | 333,243                                   | 333,243      |
| O. Balance, 2014                                    | 13,277,474        | 4,672,394                  | 37,248,367                       | -                              | (161,033)                                          | 877,774                            | 13,057                                                              | 260,252                           | 56,188,285  | 10,404,173                                | 66,592,458   |
| P. Balance                                          | 13,277,474        | 4,672,394                  | 37,248,367                       | -                              | (161,033)                                          | 877,774                            | 13,057                                                              | 260,252                           | 56,188,285  | 10,404,173                                | 66,592,458   |
| P.1 Balances, as previously reported                | 13,277,474        | 4,672,394                  | 37,248,367                       | -                              | (161,033)                                          | 877,774                            | 13,057                                                              | 260,252                           | 56,188,285  | 10,404,173                                | 66,592,458   |
| P.2 Effect of business combination                  | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| Q. Comprehensive Income                             | -                 | -                          | 12,834,666                       | -                              | -                                                  | (178,283)                          | 8,378                                                               | 24,853                            | 12,689,614  | 4,080,231                                 | 16,769,845   |
| Q.1 Net Income (Loss) for the Period                | -                 | -                          | 12,834,666                       | -                              | -                                                  | -                                  | -                                                                   | -                                 | 12,834,666  | 4,088,150                                 | 16,922,816   |
| Q.2 Other Comprehensive income                      | -                 | -                          | -                                | -                              | -                                                  | (178,283)                          | 8,378                                                               | 24,853                            | (145,052)   | (7,919)                                   | (152,971)    |
| R. Dividends (negative entry)                       | -                 | -                          | (6,373,186)                      | -                              | -                                                  | -                                  | -                                                                   | -                                 | (6,373,186) | (2,213,937)                               | (8,587,123)  |
| S. Appropriation for (specify)                      | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| S.1 Capacity expansion and additional investment    | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| S.2 Reversal of appropriation                       | -                 | -                          | -                                | -                              | -                                                  | -                                  | -                                                                   | -                                 | -           | -                                         | -            |
| T. Balance, 2015                                    | 13,277,474        | 4,672,394                  | 43,709,847                       | -                              | (161,033)                                          | 699,491                            | 21,435                                                              | 285,105                           | 62,504,713  | 12,270,467                                | 74,775,180   |

COVER SHEET

A S O 9 5 0 0 2 2 8 3  
SEC Registration Number

D M C I H O L D I N G S , I N C .  
  
  
(Company's Full Name)

3 R D F L R . D A C O N B L D G . 2 2 8 1  
P A S O N G T A M O E X T . M A K A T I C I T Y  
  
(Business Address: No., Street City / Town / Province)

HERBERT M. CONSUNJI  
Contact Person

888-3000  
Company Telephone Number

(Last Wednesday of July)

1 2  
Month

3 1  
Day

Fiscal Year

SEC Form 17-Q  
First Quarter Interim Report 2016  
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N.A.  
Secondary License Type, If Applicable

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Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings  
  
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

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**DMCI HOLDINGS, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****For the Period March 31, 2016 and December 31, 2015****(Amounts in Thousands)**

|                                                                             | 2016         | 2015<br>(Audited) |
|-----------------------------------------------------------------------------|--------------|-------------------|
| <b>ASSETS</b>                                                               |              |                   |
| <b>Current Assets</b>                                                       |              |                   |
| Cash and cash equivalents                                                   | ₱19,926,647  | ₱19,150,603       |
| Available-for-sale financial assets                                         | 76,900       | 76,900            |
| Receivables - net                                                           | 14,085,388   | 12,836,956        |
| Costs and estimated earnings in excess of billings on uncompleted contracts | 2,268,304    | 2,015,033         |
| Inventories                                                                 | 34,709,701   | 34,407,763        |
| Other current assets                                                        | 7,858,853    | 7,030,352         |
| Total Current Assets                                                        | 78,925,793   | 75,517,607        |
| <b>Noncurrent Assets</b>                                                    |              |                   |
| Noncurrent receivables                                                      | 2,735,751    | 3,162,701         |
| Investments in associates, joint ventures and others                        | 11,291,919   | 11,457,732        |
| Investment properties                                                       | 288,580      | 288,542           |
| Property, plant and equipment                                               | 49,413,128   | 49,440,223        |
| Exploration and evaluation asset                                            | 3,238,442    | 3,238,442         |
| Goodwill                                                                    | 1,637,430    | 1,637,430         |
| Deferred tax assets - net                                                   | 621,921      | 543,859           |
| Pension assets – net                                                        | 958,979      | 958,979           |
| Other noncurrent assets                                                     | 2,649,077    | 2,311,660         |
| Total Noncurrent Assets                                                     | 72,835,227   | 73,039,568        |
|                                                                             | ₱151,761,020 | ₱148,557,175      |

**LIABILITIES AND EQUITY****Current Liabilities**

|                                                                             |            |            |
|-----------------------------------------------------------------------------|------------|------------|
| Short-term debt                                                             | ₱3,396,661 | ₱3,707,354 |
| Current portion of liabilities for purchased land                           | 1,335,455  | 2,201,291  |
| Accounts and other payables                                                 | 14,789,032 | 15,393,747 |
| Billings in excess of costs and estimated earnings on uncompleted contracts | 3,170,915  | 2,095,481  |
| Customers' advances and deposits                                            | 5,793,799  | 5,692,271  |
| Current portion of long-term debt                                           | 4,382,730  | 11,291,955 |
| Income tax payable                                                          | 266,796    | 448,439    |
| Total Current Liabilities                                                   | 33,135,388 | 40,830,538 |

(Forward)

|                                                              | 2016                | 2015<br>(Audited) |
|--------------------------------------------------------------|---------------------|-------------------|
| <b>Noncurrent Liabilities</b>                                |                     |                   |
| Long-term debt - net of current portion                      | <b>₱31,976,653</b>  | ₱25,763,651       |
| Liabilities for purchased land - net of current portion      | <b>966,549</b>      | 816,135           |
| Deferred tax liabilities - net                               | <b>3,818,604</b>    | 3,629,076         |
| Pension liabilities - net                                    | <b>142,200</b>      | 142,200           |
| Other noncurrent liabilities                                 | <b>2,651,965</b>    | 2,600,395         |
| Total Noncurrent Liabilities                                 | <b>39,555,971</b>   | 32,951,457        |
| Total Liabilities                                            | <b>72,691,359</b>   | 73,781,995        |
| <b>Equity</b>                                                |                     |                   |
| Equity attributable to equity holders of the Parent Company: |                     |                   |
| Paid-in capital                                              | <b>17,949,868</b>   | 17,949,868        |
| Retained earnings                                            | <b>46,746,353</b>   | 43,709,847        |
| Premium on acquisition of non-controlling interests          | <b>(161,033)</b>    | (161,033)         |
| Remeasurements on retirement plans - net of tax              | <b>699,491</b>      | 699,491           |
| Net accumulated unrealized gains on AFS financial assets     | <b>21,435</b>       | 21,435            |
| Cumulative translation adjustment                            | <b>285,105</b>      | 285,105           |
|                                                              | <b>65,541,219</b>   | 62,504,713        |
| Non-controlling interests                                    | <b>13,528,442</b>   | 12,270,467        |
| Total Equity                                                 | <b>79,069,661</b>   | 74,775,180        |
|                                                              | <b>₱151,761,020</b> | ₱148,557,175      |

# DMCI HOLDINGS, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

For the Period Ended March 31, 2016 and 2015 and Quarter Ended March 31, 2016 and 2015  
(Amounts in Thousands, except for Earnings Per Share figures)

|                                      | For the period    |                   | For the quarter   |                   |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                      | 2016              | 2015              | 2016              | 2015              |
| <b>REVENUE</b>                       |                   |                   |                   |                   |
| Real estate sales                    | ₱4,349,081        | ₱4,330,160        | ₱4,349,081        | ₱4,330,160        |
| Coal mining                          | 3,940,116         | 3,752,262         | 3,940,116         | 3,752,262         |
| Construction contracts               | 2,956,727         | 3,362,615         | 2,956,727         | 3,362,615         |
| Electricity sales                    | 2,137,939         | 3,925,090         | 2,137,939         | 3,925,090         |
| Nickel mining                        | 89,783            | 423,277           | 89,783            | 423,277           |
| Merchandise sales and others         | 55,259            | 73,723            | 55,259            | 73,723            |
|                                      | <b>13,528,905</b> | <b>15,867,127</b> | <b>13,528,905</b> | <b>15,867,127</b> |
| <b>COSTS OF SALES AND SERVICES</b>   |                   |                   |                   |                   |
| Real estate sales                    | 2,631,385         | 2,447,011         | 2,631,385         | 2,447,011         |
| Coal mining                          | 1,641,870         | 2,145,346         | 1,641,870         | 2,145,346         |
| Construction contracts               | 2,624,263         | 3,043,897         | 2,624,263         | 3,043,897         |
| Electricity sales                    | 815,735           | 1,271,556         | 815,735           | 1,271,556         |
| Nickel mining                        | 74,919            | 234,120           | 74,919            | 234,120           |
| Merchandise sales and others         | 37,035            | 50,249            | 37,035            | 50,249            |
|                                      | <b>7,825,207</b>  | <b>9,192,179</b>  | <b>7,825,207</b>  | <b>9,192,179</b>  |
| <b>GROSS PROFIT</b>                  | <b>5,703,698</b>  | <b>6,674,948</b>  | <b>5,703,698</b>  | <b>6,674,948</b>  |
| <b>OPERATING EXPENSES</b>            | <b>2,281,698</b>  | <b>2,229,302</b>  | <b>2,281,698</b>  | <b>2,229,302</b>  |
|                                      | <b>3,422,000</b>  | <b>4,445,646</b>  | <b>3,422,000</b>  | <b>4,445,646</b>  |
| <b>OTHER INCOME (EXPENSES)</b>       |                   |                   |                   |                   |
| Equity in net earnings of associates | 420,533           | 545,351           | 420,533           | 545,351           |
| Finance income                       | 108,712           | 117,506           | 108,712           | 117,506           |
| Finance costs                        | (329,671)         | (255,945)         | (329,671)         | (255,945)         |
| Gain on sale of investment           | 131,409           | —                 | 131,409           | —                 |
| Other income - net                   | 1,092,802         | 231,152           | 1,092,802         | 231,152           |
| <b>INCOME BEFORE INCOME TAX</b>      | <b>4,845,785</b>  | <b>5,083,710</b>  | <b>4,845,785</b>  | <b>5,083,710</b>  |
| <b>PROVISION FOR INCOME TAX</b>      | <b>551,303</b>    | <b>933,007</b>    | <b>551,303</b>    | <b>933,007</b>    |
| <b>NET INCOME</b>                    | <b>₱4,294,482</b> | <b>₱4,150,703</b> | <b>₱4,294,482</b> | <b>₱4,150,703</b> |
| <b>NET INCOME ATTRIBUTABLE TO</b>    |                   |                   |                   |                   |
| Equity holders of the Parent         |                   |                   |                   |                   |
| Company                              | ₱3,036,506        | ₱3,059,275        | ₱3,036,506        | ₱3,059,275        |
| Non-controlling interests            | 1,257,976         | 1,091,428         | 1,257,976         | 1,091,428         |
|                                      | <b>₱4,294,482</b> | <b>₱4,150,703</b> | <b>₱4,294,482</b> | <b>₱4,150,703</b> |
| <b>EARNINGS PER SHARE</b>            |                   |                   |                   |                   |
| <b>ATTRIBUTABLE TO EQUITY</b>        |                   |                   |                   |                   |
| <b>HOLDERS OF THE PARENT</b>         |                   |                   |                   |                   |
| <b>COMPANY-BASIC AND</b>             |                   |                   |                   |                   |
| <b>DILUTED</b>                       | <b>₱0.23</b>      | <b>₱0.23</b>      | <b>₱0.23</b>      | <b>₱0.23</b>      |

**DMCI HOLDINGS, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

For the Period Ended March 31, 2016 and 2015 and Quarter Ended March 31, 2016 and 2015  
(Amounts in Thousands)

|                                                                                 | For the period    |                   | For the quarter   |                   |
|---------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                                 | 2016              | 2015              | 2016              | 2015              |
| <b>NET INCOME</b>                                                               | <b>₱4,294,482</b> | <b>₱4,150,703</b> | <b>₱4,294,482</b> | <b>₱4,150,703</b> |
| <b>OTHER COMPREHENSIVE INCOME<br/>(LOSS)</b>                                    |                   |                   |                   |                   |
| <b>Items to be reclassified subsequently to<br/>profit or loss</b>              |                   |                   |                   |                   |
| Cumulative translation adjustment                                               | —                 | —                 | —                 | —                 |
| Changes in fair values of AFS financial<br>assets                               | —                 | —                 | —                 | —                 |
| <b>Items not to be reclassified to profit or<br/>loss in subsequent periods</b> |                   |                   |                   |                   |
| Remeasurement gains on retirement plans                                         | —                 | —                 | —                 | —                 |
| Income tax effect                                                               | —                 | —                 | —                 | —                 |
| <b>OTHER COMPREHENSIVE INCOME</b>                                               | <b>—</b>          | <b>—</b>          | <b>—</b>          | <b>—</b>          |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                               | <b>₱4,294,482</b> | <b>₱4,150,703</b> | <b>₱4,294,482</b> | <b>₱4,150,703</b> |
| <b>TOTAL COMPREHENSIVE INCOME<br/>ATTRIBUTABLE TO:</b>                          |                   |                   |                   |                   |
| Equity holders of the Parent Company                                            | <b>₱3,036,506</b> | <b>₱3,059,275</b> | <b>₱3,036,506</b> | <b>₱3,059,275</b> |
| Non-controlling interests                                                       | <b>1,257,976</b>  | <b>1,091,428</b>  | <b>1,257,976</b>  | <b>1,091,428</b>  |
|                                                                                 | <b>₱4,294,482</b> | <b>₱4,150,703</b> | <b>₱4,294,482</b> | <b>₱4,150,703</b> |

**DMCI HOLDINGS, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY****For the Period Ended March 31, 2016 and 2015****(Amounts in Thousands)**

|                                                                                                          | <b>March 31</b>    |             |
|----------------------------------------------------------------------------------------------------------|--------------------|-------------|
|                                                                                                          | <b>2016</b>        | <b>2015</b> |
| <b>TOTAL PAID-IN CAPITAL</b>                                                                             |                    |             |
| Preferred stock - ₱1 par value cumulative and convertible                                                |                    |             |
| Authorized - 100,000,000 shares                                                                          |                    |             |
| Issued and outstanding:                                                                                  |                    |             |
| Balance at beginning and end of period                                                                   | <b>₱4</b>          | <b>₱4</b>   |
| Common stock - ₱1 par value                                                                              |                    |             |
| Authorized - 19,900,000,000 shares as of September 2015 and<br>5,900,000,000 shares as of September 2014 |                    |             |
| Issued and outstanding:                                                                                  |                    |             |
| Balance at beginning and end of period                                                                   | <b>13,277,470</b>  | 13,277,470  |
| Capital stock                                                                                            | <b>13,277,474</b>  | 13,277,474  |
| Additional paid-in capital                                                                               | <b>4,672,394</b>   | 4,672,394   |
|                                                                                                          | <b>17,949,868</b>  | 17,949,868  |
| <b>RETAINED EARNINGS</b>                                                                                 |                    |             |
| Balance at beginning of the period                                                                       | <b>43,709,847</b>  | 37,248,367  |
| Net income attributable to equity holders of the Parent Company<br>for the period                        | <b>3,036,506</b>   | 3,059,275   |
| Dividends paid                                                                                           | <b>—</b>           | —           |
|                                                                                                          | <b>46,746,353</b>  | 40,307,642  |
| Premium on acquisition of non-controlling interest                                                       | <b>(161,033)</b>   | (161,033)   |
| Remeasurement gains (losses) on retirement plan                                                          | <b>699,491</b>     | 877,774     |
| Net accumulated unrealized gains on AFS financial assets                                                 | <b>21,435</b>      | 13,057      |
| Cumulative translation adjustment                                                                        | <b>285,105</b>     | 260,252     |
| <b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>                                       |                    |             |
|                                                                                                          | <b>65,541,219</b>  | 59,247,560  |
| Non-controlling interests                                                                                | <b>13,528,442</b>  | 11,366,557  |
| <b>TOTAL EQUITY</b>                                                                                      | <b>₱79,069,661</b> | ₱70,614,117 |

**DMCI HOLDINGS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Period Ended March 31, 2016 and 2015**  
**(Amounts in Thousands)**

|                                                                                                                       | <b>March 31</b>    |                   |
|-----------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|
|                                                                                                                       | <b>2016</b>        | <b>2015</b>       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                           |                    |                   |
| Income before income tax                                                                                              | <b>₱4,845,785</b>  | <b>₱5,083,710</b> |
| Adjustments for:                                                                                                      |                    |                   |
| Equity in net losses (earnings) of affiliates, depreciation, depletion<br>amortization and other non-cash items (net) | <b>728,660</b>     | 438,464           |
| Finance cost                                                                                                          | <b>329,671</b>     | 255,945           |
| Finance income                                                                                                        | <b>(108,712)</b>   | (117,506)         |
| Gain on sale of shares                                                                                                | <b>(131,409)</b>   | —                 |
| Operating income before changes in working capital                                                                    | <b>5,663,995</b>   | 5,660,613         |
| Decrease (increase) in:                                                                                               |                    |                   |
| Receivables                                                                                                           | <b>(811,387)</b>   | (751,250)         |
| Cost and estimated earnings in excess of billings                                                                     | <b>(253,271)</b>   | (846,783)         |
| Inventories                                                                                                           | <b>(263,022)</b>   | (1,494,147)       |
| Other current assets                                                                                                  | <b>(828,500)</b>   | 1,537,537         |
| Increase (decrease) in:                                                                                               |                    |                   |
| Accounts and other payables                                                                                           | <b>(623,665)</b>   | 2,110,361         |
| Billings in excess of costs and estimated earnings                                                                    | <b>1,075,433</b>   | (482,355)         |
| Customer advances and deposits                                                                                        | <b>101,529</b>     | 1,169,287         |
| Liabilities for purchased land                                                                                        | <b>(715,422)</b>   | (1,451,223)       |
| Cash generated from operations                                                                                        | <b>3,345,690</b>   | 5,452,040         |
| Interest received                                                                                                     | <b>108,712</b>     | 117,506           |
| Income taxes paid                                                                                                     | <b>(621,480)</b>   | (1,051,513)       |
| Interest paid and capitalized as cost of inventory                                                                    | <b>(24,320)</b>    | (48,347)          |
| Net cash provided by operating activities                                                                             | <b>2,808,602</b>   | 4,469,686         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                                           |                    |                   |
| Additions to:                                                                                                         |                    |                   |
| Property, plant and equipment                                                                                         | <b>(1,093,754)</b> | (678,513)         |
| Investments in associates, joint ventures and others                                                                  | <b>(13,300)</b>    | —                 |
| Investment properties                                                                                                 | <b>(1,797)</b>     | (68,116)          |
| Proceeds from disposals of:                                                                                           |                    |                   |
| Property, plant and equipment                                                                                         | <b>60,628</b>      | —                 |
| Investments in associates, joint ventures and others                                                                  | <b>210,583</b>     | —                 |
| Dividends received                                                                                                    | <b>510,417</b>     | 526,422           |
| Interest paid and capitalized as part of property, plant and equipment                                                | <b>2,648</b>       | 2,345             |
| Decrease (increase) in other noncurrent assets                                                                        | <b>(348,597)</b>   | 18,971            |
| Net cash used in investing activities                                                                                 | <b>(673,172)</b>   | (198,891)         |

(Forward)

|                                                                     | <b>March 31</b>    |             |
|---------------------------------------------------------------------|--------------------|-------------|
|                                                                     | <b>2016</b>        | <b>2015</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                         |                    |             |
| Net availments (payments) of:                                       |                    |             |
| Long-term debt                                                      | <b>(₱696,224)</b>  | (₱179,889)  |
| Short-term debt                                                     | <b>(310,693)</b>   | (287,837)   |
| Interest paid                                                       | <b>(310,726)</b>   | (255,945)   |
| Increase (decrease) in other noncurrent liabilities                 | <b>51,570</b>      | (383,737)   |
| Net cash used in investing activities                               | <b>(1,266,073)</b> | (1,107,408) |
| <b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b> | <b>(93,313)</b>    | 41,835      |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>         | <b>776,044</b>     | 3,205,222   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>               | <b>19,150,603</b>  | 15,229,768  |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                     | <b>₱19,926,647</b> | ₱18,434,990 |

# DMCI HOLDINGS, INC. AND SUBSIDIARIES

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 1. Corporate Information

DMCI Holdings, Inc. (the Parent Company) was incorporated on March 8, 1995 and is domiciled in the Philippines. The Parent Company's registered office address and principal place of business is at 3rd Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City.

The Parent Company and its subsidiaries (collectively referred to herein as the Group) is primarily engaged in general construction, coal and nickel mining, power generation, infrastructure, real estate development, water concession and manufacturing.

The Parent Company's shares of stock are listed and are currently traded at the Philippine Stock Exchange (PSE).

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD) on May 11, 2016.

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### 2. Summary of Significant Accounting Policies

#### Basis of Preparation

The interim unaudited condensed consolidated financial statements of the Group have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited condensed consolidated financial statements do not include all of the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2015.

The interim financial statements have been prepared using the historical cost basis, except for available-for-sale (AFS) financial assets and financial assets at fair value through profit or loss (FVPL) that have been measured at fair value. The Group's functional and presentation currency is the Philippine Peso (₱). All amounts are rounded to the nearest thousand (₱000), unless otherwise indicated.

#### Statement of Compliance

The unaudited condensed consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

#### Basis of Consolidation

The unaudited condensed consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intercompany balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intercompany transactions that are recognized in assets are eliminated in full.

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

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)



- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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 or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Non-controlling interests (NCI) pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. NCI represent the portion of profit or loss and net assets in subsidiaries not wholly owned by the Group and are presented separately in the consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of changes in equity and within equity in the consolidated statement of financial position, separately from equity holders' of the Parent Company.

Any equity instruments issued by a subsidiary that are not owned by the Parent Company are non-controlling interests including preferred shares.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the NCI, even if this results in the NCI having a deficit balance. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other similar events. When necessary, adjustments are made to the financial statements of subsidiaries to bring their 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any NCI
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the Parent Company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

The consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries (which are all incorporated in the Philippines, except for ENK Plc. and some of the related entities which are incorporated in England and Wales and Netherlands):

|                                                                              | March 31, 2016 |               |                                       | December 31, 2015 |          |                    |
|------------------------------------------------------------------------------|----------------|---------------|---------------------------------------|-------------------|----------|--------------------|
|                                                                              | Direct         | Indirect      | Effective Interest<br>(In percentage) | Direct            | Indirect | Effective Interest |
| <u>General Construction:</u>                                                 |                |               |                                       |                   |          |                    |
| <b>D.M. Consunji, Inc. (DMCI)</b>                                            | <b>100.00</b>  | —             | <b>100.00</b>                         | 100.00            | —        | 100.00             |
| Beta Electric Corporation (Beta Electric) <sup>1</sup>                       | —              | <b>53.95</b>  | <b>53.95</b>                          | —                 | 53.95    | 53.95              |
| Raco Haven Automation Philippines, Inc. (Raco) <sup>1</sup>                  | —              | <b>50.14</b>  | <b>50.14</b>                          | —                 | 50.14    | 50.14              |
| <u>Manufacturing and others:</u>                                             |                |               |                                       |                   |          |                    |
| Oriken Dynamix Company, Inc. (Oriken) <sup>1*</sup>                          | —              | <b>89.00</b>  | <b>89.00</b>                          | —                 | 89.00    | 89.00              |
| DMCI Technical Training Center (DMCI Training) <sup>1</sup>                  | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |
| <u>Coal Mining</u>                                                           |                |               |                                       |                   |          |                    |
| <b>Semirara Mining and Power Corporation (SMPC)</b>                          | <b>56.32</b>   | —             | <b>56.32</b>                          | 56.32             | —        | 56.32              |
| <u>On-Grid Power</u>                                                         |                |               |                                       |                   |          |                    |
| Sem-Calaca Power Corporation (SCPC) <sup>3</sup>                             | —              | <b>56.32</b>  | <b>56.32</b>                          | —                 | 56.32    | 56.32              |
| Southwest Luzon Power Generation Corporation (SLPGC) <sup>3*</sup>           | —              | <b>56.32</b>  | <b>56.32</b>                          | —                 | 56.32    | 56.32              |
| Sem-Calaca Res Corporation (SCRC) <sup>3*</sup>                              | —              | <b>56.32</b>  | <b>56.32</b>                          | —                 | 56.32    | 56.32              |
| SEM-Cal Industrial Park Developers, Inc. (SIPDI) <sup>3*</sup>               | —              | <b>56.32</b>  | <b>56.32</b>                          | —                 | 56.32    | 56.32              |
| Semirara Energy Utilities, Inc. (SEUI) <sup>3*</sup>                         | —              | <b>56.32</b>  | <b>56.32</b>                          | —                 | 56.32    | 56.32              |
| St. Raphael Power Generation Corporation (SRPGC) <sup>3*</sup>               | —              | <b>56.32</b>  | <b>56.32</b>                          | —                 | 56.32    | 56.32              |
| SEM-Balayan Power Generation Corporation (SBPGC) <sup>3*</sup>               | —              | <b>56.32</b>  | <b>56.32</b>                          | —                 | 56.32    | 56.32              |
| <u>Manufacturing</u>                                                         |                |               |                                       |                   |          |                    |
| Semirara Claystone, Inc. (SCI) <sup>3*</sup>                                 | —              | <b>56.32</b>  | <b>56.32</b>                          | —                 | 56.32    | 56.32              |
| <u>Off-Grid Power</u>                                                        |                |               |                                       |                   |          |                    |
| <b>DMCI Power Corporation (DPC)</b>                                          | <b>100.00</b>  | —             | <b>100.00</b>                         | 100.00            | —        | 100.00             |
| DMCI Masbate Power Corporation (DMCI Masbate) <sup>4</sup>                   | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |
| DMCI Palawan Power Corporation (DMCI Palawan) <sup>4</sup>                   | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |
| <u>Nickel Mining:</u>                                                        |                |               |                                       |                   |          |                    |
| <b>DMCI Mining Corporation (DMC)</b>                                         | <b>100.00</b>  | —             | <b>100.00</b>                         | 100.00            | —        | 100.00             |
| Berong Nickel Corporation (BNC) <sup>5</sup>                                 | —              | <b>74.80</b>  | <b>74.80</b>                          | —                 | 74.80    | 74.80              |
| Ulugan Resources Holdings, Inc. (URHI) <sup>5</sup>                          | —              | <b>30.00</b>  | <b>30.00</b>                          | —                 | 30.00    | 30.00              |
| Ulugan Nickel Corporation (UNC) <sup>5</sup>                                 | —              | <b>58.00</b>  | <b>58.00</b>                          | —                 | 58.00    | 58.00              |
| Nickeline Resources Holdings, Inc. (NRHI) <sup>5</sup>                       | —              | <b>58.00</b>  | <b>58.00</b>                          | —                 | 58.00    | 58.00              |
| TMM Management, Inc. (TMM) <sup>5</sup>                                      | —              | <b>40.00</b>  | <b>40.00</b>                          | —                 | 40.00    | 40.00              |
| Zambales Diversified Metals Corporation (ZDMC) <sup>5</sup>                  | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |
| Zambales Chromite Mining Company Inc. (ZCMC) <sup>5</sup>                    | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |
| Fil-Asian Strategic Resources & Properties Corporation (FASRPC) <sup>5</sup> | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |
| Montague Resources Philippines Corporation (MRPC) <sup>5</sup>               | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |
| Montemina Resources Corporation (MRC) <sup>5</sup>                           | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |
| Mt. Lanat Metals Corporation (MLMC) <sup>5</sup>                             | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |
| Fil-Euro Asia Nickel Corporation (FEANC) <sup>5</sup>                        | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |
| Heraan Holdings, Inc. (HHI) <sup>5</sup>                                     | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |
| <b>ENK Plc. (ENK)</b>                                                        | <b>100.00</b>  | —             | <b>100.00</b>                         | 100.00            | —        | 100.00             |
| European Nickel Iberia SL (EN Iberia) <sup>6</sup>                           | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |
| European Nickel Spain SL (EN Spain) <sup>6</sup>                             | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |
| Rusina Mining Ltd. (Rusina) <sup>6</sup>                                     | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |
| European Nickel Holland BV (EN Holland) <sup>6</sup>                         | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |
| European Nickel Philland BV (EN Philland) <sup>6</sup>                       | —              | <b>100.00</b> | <b>100.00</b>                         | —                 | 100.00   | 100.00             |

(Forward)

|                                                                              | March 31, 2016 |          |                                       | December 31, 2015 |          |                    |
|------------------------------------------------------------------------------|----------------|----------|---------------------------------------|-------------------|----------|--------------------|
|                                                                              | Direct         | Indirect | Effective Interest<br>(In percentage) | Direct            | Indirect | Effective Interest |
| European Nickel PLC - Regional Operating Headquarters (EN ROHQ) <sup>6</sup> | –              | 100.00   | 100.00                                | –                 | 100.00   | 100.00             |
| Enickel Holdings, Inc. (EHI) <sup>6*</sup>                                   | –              | 100.00   | 100.00                                | –                 | 100.00   | 100.00             |
| Enickel Berhold, Inc. (EBI) <sup>6</sup>                                     | –              | 100.00   | 100.00                                | –                 | 100.00   | 100.00             |
| Zambales Nickel Processing Corporation (ZNPC) <sup>6</sup>                   | –              | 100.00   | 100.00                                | –                 | 100.00   | 100.00             |
| Zamnorth Holdings Corporation (ZHC) <sup>6</sup>                             | –              | 100.00   | 100.00                                | –                 | 100.00   | 100.00             |
| ZDMC Holdings Corporation (ZDMCHC) <sup>6</sup>                              | –              | 100.00   | 100.00                                | –                 | 100.00   | 100.00             |
| <u>Real Estate Development:</u>                                              |                |          |                                       |                   |          |                    |
| <b>DMCI Project Developers, Inc. (PDI)</b>                                   | 100.00         | –        | 100.00                                | 100.00            | –        | 100.00             |
| Hampstead Gardens Corporation (Hampstead) <sup>2</sup>                       | –              | 100.00   | 100.00                                | –                 | 100.00   | 100.00             |
| Riviera Land Corporation (Riviera) <sup>2</sup>                              | –              | 100.00   | 100.00                                | –                 | 100.00   | 100.00             |
| DMCI-PDI Hotels, Inc. (PDI Hotels) <sup>2</sup>                              | –              | 100.00   | 100.00                                | –                 | 100.00   | 100.00             |
| DMCI Homes Property Management Corporation (DPMC) <sup>2</sup>               | –              | 100.00   | 100.00                                | –                 | 100.00   | 100.00             |
| Zenith Mobility Solutions Services, Inc.                                     | –              | 51.00    | 51.00                                 | –                 | 51.00    | 51.00              |
| <u>Marketing Arm:</u>                                                        |                |          |                                       |                   |          |                    |
| DMCI Homes, Inc. (DMCI Homes) <sup>2</sup>                                   | –              | 100.00   | 100.00                                | –                 | 100.00   | 100.00             |
| <u>Manufacturing:</u>                                                        |                |          |                                       |                   |          |                    |
| <b>Semirara Cement Corporation (SemCem) *</b>                                | 100.00         | –        | 100.00                                | 100.00            | –        | 100.00             |
| <b>Wire Rope Corporation of the Philippines (Wire Rope)</b>                  | 45.68          | 16.02    | 61.70                                 | 45.68             | 16.02    | 61.70              |

\* Have not yet started commercial operations as of March 31, 2016 and December 31, 2015

<sup>1</sup> DMCI's subsidiaries

<sup>2</sup> PDI's subsidiaries

<sup>3</sup> SMPC's subsidiaries

<sup>4</sup> DPC's subsidiaries

<sup>5</sup> DMC's subsidiaries

<sup>6</sup> ENK's subsidiaries

## General Construction

### *DMCI*

DMCI was incorporated in the Philippines on December 24, 1954 primarily to engage in and carry on the trade and business of engineering, general building and contracting. DMCI's secondary purpose, among others, is to engage in the real estate business.

### *Beta Electric*

Beta Electric is a domestic corporation incorporated and registered with the Securities and Exchange Commission (SEC) on March 21, 1973. Beta Electric is primarily engaged in the installation of electrical backbone and related systems thereto for building construction. It is also engaged in the general business of trading, buying or selling of electrical equipment items and commodities related thereto.

## Manufacturing and others

### *Oriken*

Oriken Dynamix Company, Inc. (Oriken) was registered with the SEC on September 16, 2005. Oriken's primary purpose is to manufacture, buy and sell ready mix concrete of every class and description. As of December 31, 2015 and 2014, Oriken is non-operational.

### *DMCI Training*

DMCI Training was registered with the SEC on August 15, 2006. The primary purpose of DMCI Training is to establish, promote, and operate training centers and or institutions in the field of science, technology, vocational and other apprenticeable trades and occupations in which qualified and deserving persons regardless of gender may be taught, developed and trained in a well-rounded theoretical and practical method.

### Coal Mining

#### *SMPC*

SMPC was incorporated and domiciled in the Philippines on February 26, 1980 primarily to search for, prospect, explore, dig and drill, mine, exploit, extract, produce, mill, purchase or otherwise acquire, store, hold transport, use experiment with, market, distribute, exchange, sell and otherwise dispose of, import, export and handle, trade, and generally deal in, ship coal, coke, and other coal products of all grades, kinds, forms, descriptions and combinations and in general the products and by-products which may be derived, produced, prepared, developed, compounded, made or manufactured there; to acquire, own, maintain and exercise the rights and privileges under the coal operating contract within the purview of Presidential Decree No. 972, "*The Coal Development Act of 1976*", and any amendments thereto. SMPC is a publicly listed entity in the Philippines. It has coal mining operations in Semirara Island in Caluya, Antique.

On August 18, 2014, the SEC approved the change in the corporate name of Semirara Mining Corporation to "Semirara Mining and Power Corporation". This change was sought to reflect the forward integration of the SMPC's business as a coal supplier or producer to power generation through its wholly-owned subsidiaries.

### On-Grid Power

#### *SCPC*

SCPC, a wholly-owned subsidiary of SMPC, was registered with the SEC on November 19, 2009. It is primarily engaged to acquire, expand, rehabilitate and maintain power generating plants, develop fuel for generation of electricity and sell electricity to any person or entity through electricity markets among others. It currently operates 2 units of coal-fired power plants located in Calaca, Batangas with a combined operating capacity of 600 MW.

#### *SLPGC*

On August 31, 2011, SLPGC, a wholly-owned subsidiary of SMPC, was incorporated to operate electric power plants and to engage in business of a power generation company. Its 2x150 MW plant is located in Calaca, Batangas and is undergoing commissioning as of December 31, 2015.

#### *SCRC*

SCRC is a stock corporation registered with the SEC on September 14, 2009, primarily to sell electricity to any person or entity through electricity markets, by trading, or by contract, to administer, conserve and manage the electricity generated by power-generating plants, owned by its affiliates or by a third party, to invest in or acquire corporations or entities engaged in any of the foregoing activities.

#### *SIPDI*

On April 24, 2011, SIPDI was incorporated to acquire, develop, construct, invest in, operate and maintain an economic zone capable of providing infrastructures and other support facilities for export manufacturing enterprises, information technology enterprises, tourism economic zone enterprises, medical tourism economic zone enterprises, retirement economic zone enterprises and/or agro-industrial enterprises, inclusive of the required facilities and utilities, such as light and power system, water supply and distribution system, sewerage and drainage system, pollution control devices, communication facilities, paved road network, and administration building as well as amenities required by professionals and workers involved in such enterprises, in accordance with R.A. No. 7916, as amended by R.A. No. 8748, otherwise known as the Special Economic Zone Act of 1995.

#### *SEUI*

On February 18, 2013, SEUI was incorporated to perform Qualified Third Party (QTP) functions pursuant to Section 9 of Republic Act 9136, otherwise known as the Electric Power Industry Reform Act (EPIRA) and its “Implementing Rules & Regulations”. DOE-Circular No. 2004-06-006 of the Department of Energy defines QTP as an alternative service provider authorized to serve remote and unviable areas pursuant to Section 59 of the EPIRA Law. SEUI intends to act as the QTP over Barangays of Semirara, Tinogboc and Alegria, all located at Semirara Island, Caluya, Antique.

#### *SRPGC*

On September 10, 2013, SRPGC was incorporated to acquire, construct, erect, assemble, rehabilitate, expand, commission, operate and maintain power-generating plants and related facilities for the generation of electricity, including facilities to purchase, manufacture, develop or process fuel for the generation of such electricity; to sell electricity to any person or entity through electricity markets, by trading, or by contract; to administer, conserve and manage the electricity generated by power-generating plants, owned by SRPGC or by a third party, to invest in or acquire corporations or entities engaged in any of the foregoing activities.

#### *SBPGC*

On September 9, 2013, SBPGC was incorporated to acquire, construct, erect, assemble, rehabilitate, expand, commission, operate and maintain power-generating plants and related facilities for the generation of electricity, including facilities to purchase, manufacture, develop or process fuel for the generation of such electricity, to sell electricity to any person or entity through electricity markets, by trading, or by contract, to administer, conserve and manage the electricity generated by power-generating plants, owned by SBPGC or by a third party, to invest in or acquire corporations or entities engaged in any of the foregoing activities.

#### Manufacturing

##### *SCI*

On November 29, 2012, SCI was incorporated to engage in, conduct, and carry on the business of manufacturing, buying, selling, distributing, marketing at wholesale and retail insofar as may be permitted by law, all kinds of goods, commodities, wares and merchandise of every kind and description including pottery earthenware, stoneware, bricks, tiles, roofs and other merchandise produce from clay; to enter into all contracts for export, import, purchase requisition, sale at wholesale or retail and other disposition for its own account as principal or in representative capacity as manufacturer’s representative, merchandise broker, indenter, commission merchant, factors or agents, upon consignment of all goods, wares, merchandise or products natural or artificial.

#### Off-Grid Power

##### *DPC*

DPC was incorporated and registered with the SEC on October 16, 2006 to engage in acquiring, designing, constructing, investing in and operating electric power plants, and engaging in the business of a generation company in accordance with Republic Act (RA) No. 9136 otherwise known as the EPIRA of 2001. It currently has 25MW modular diesel generation sets in Palawan and 4x3.889MW bunker-fired power plant in Mindoro.

##### *DMCI Masbate*

DMCI Masbate was incorporated and registered with the SEC on November 13, 2007 primarily to acquire, design, develop, construct, invest in and operate power generating plants in the province of Masbate and engage in the business of a generation company in accordance with RA No. 9136 otherwise known as the EPIRA and its implementing rules and regulations, and to design, develop, assemble and operate other power related facilities, appliances and devices. It currently has 24.4MW diesel-powered power plant in Mobo, Masbate, 3MW diesel-powered generation sets in Aroroy, Masbate and 4MW diesel-powered generation sets in Cataingan, Masbate.

#### *DMCI Palawan*

DMCI Palawan was incorporated and registered with the SEC on September 12, 2012 primarily to acquire, design, develop, construct, invest in and operate power generating plants in the province of Palawan and engage in the business of a generation company in accordance with RA No. 9136, otherwise known as EPIRA and its implementing rules and regulations, and to design, develop, assemble and operate other power related facilities, appliances and devices. DMCI Palawan has not yet started commercial operations as of December 31, 2015.

#### Nickel Mining

##### *DMC*

DMC was incorporated on May 29, 2007 primarily to carry on the business of mining, developing, exploiting, extracting, milling, concentrating, preparing for market, manufacturing, buying, shipping and transporting, all kinds of ores, metals and minerals. It involves surface mining and direct shipping of nickel laterite ore and is conducted through simple benching operation using excavators and trucks in Sta. Cruz and Candelaria, Zambales.

##### *Berong Nickel Corporation (BNC)*

BNC was registered with the SEC on September 27, 2004, for the purpose of exploring, developing and mining the Berong Mineral Properties located in Barangay Berong, Quezon, province of Palawan. BNC shall have the exclusive privilege and right to explore, develop, mine, operate, produce, utilize, process and dispose of all the minerals and the products or by-products that may be produced, extracted, gathered, recovered, unearthed or found within the Mineral Properties, inclusive of Direct Shipping Project, under the MPSA with the Government of the Philippines or under any appropriate rights granted by law or the Government of the Philippines.

##### *Ulugan Resources Holdings, Inc. (URHI)*

URHI was registered with the SEC on June 23, 2005 for the purpose of generally dealing in and with personal properties and securities of every kind and description of any government, municipality, political subdivision or agency, corporation, association or entity; exercising any and all interest in respect of any of such securities; and promoting, managing, and participating in and act as agent for the purchase and sale of any securities as may be allowed by law.

##### *Ulugan Nickel Corporation (UNC)*

UNC was registered with the SEC on June 23, 2005 for the purpose of exploring, developing and mining Ulugan Mineral Properties and the exclusive privilege and right to explore, develop, mine, operate, produce, utilize, process and dispose of all the minerals and the products or by-products that may be produced, extracted, gathered, recovered, unearthed, or found within the mineral properties, inclusive of direct shipping project, under the MPSA with the Government of the Philippines or under any appropriate rights granted by law or the Government of the Philippines.

##### *Nickeline Resources Holdings, Inc. (NRHI)*

NRHI was registered with the SEC on August 15, 2005 primarily to subscribe for, receive, purchase or otherwise acquire, obtain an interest in, own, hold, pledge, hypothecate, mortgage, assign, deposit, create trusts with respect to, deal in, exchange, sell and otherwise dispose of, alone or insyndicates or otherwise in conjunction with others, and generally deal in and with any kind of shares and securities and to exercise all the rights, powers and privileges of ownership or interest in respect to them.

##### *TMM Management Inc. (TMM)*

TMM was registered with the SEC on September 28, 2004, primarily to act as managers or managing agents of persons, firms, associations, corporations, partnership and other entities, to provide management, investment and technical advice for commercial, industrial, manufacturing and other kinds of enterprises, and to undertake, carry on or participate in the promotion,

organization, management, liquidation or reorganization of operations, partnerships and other entities, except the management of funds, securities, portfolios and other similar assets of the managed entity.

*ENK Plc. (ENK)*

ENK (an entity incorporated in London, United Kingdom) was previously treated as a joint venture investment between the Parent Company and D&A Income Ltd (D&A). The Parent Company owns 60% of ENK as of December 31, 2013. ENK has the following 100% owned foreign and local subsidiaries:

The foreign wholly-owned subsidiaries include: (a) European Nickel Iberia SL; (b) European Nickel Spain SL; (c) Rusina Mining Ltd. (Rusina); (d) European Nickel Holland BV; and (e) European Nickel Philland BV.

The local wholly-owned subsidiaries include: (a) European Nickel PLC-Regional Operating Headquarters; (b) Enickel Holdings, Inc.; (c) Enickel Berhold, Inc.; (d) Heraan Holdings, Inc.; (e) Asian Nickel Research and Technology Corporation; (f) Zambales Nickel Processing Corporation; (g) Zamnorth Holdings Corporation; (h) ZDMC Holdings Corporation; (i) Fil-Euro Asia Nickel Corporation; (j) Fil-Asian Strategic Resources & Properties Corporation; (k) Montemina Resources Corporation; (l) Montague Resources Philippines Corporation; (m) Mt. Lanat Metals Corporation; (n) Zambales Chromite Mining Company, Inc.; and (o) Zambales Diversified Metals Corp.

On March 25, 2014, the Parent Company purchased from D&A the remaining 40% interest in ENK and its subsidiaries for approximately ₱3.12 billion, making ENK and its wholly-owned foreign and local subsidiaries, wholly-owned subsidiaries of the Parent Company. The business combination was completed on April 3, 2014 when the directors representing D&A resigned and the positions were occupied by the representatives of the Parent Company. Goodwill recognized from the business combination amounted to ₱1,637.43 million.

Below are the nature of operations of the subsidiaries:

*Foreign Subsidiaries*

The following entities were acquired in 2014 and were organized primarily to participate in, to cooperate with or manage finance other enterprises and to have an interest, in whatever way, in other enterprises, as well as guarantee the debts of third parties:

- (a) European Nickel Iberia SL
- (b) European Nickel Spain SL
- (c) Rusina Mining Ltd.
- (d) European Nickel Holland BV (Netherlands)
- (e) European Nickel Philland BV (Netherlands)

*Local Subsidiaries*

- (a) European Nickel PLC-ROHQ (EN ROHQ)

The EN ROHQ was established to engage in general administration and planning; business planning and coordination; sourcing/procurement of raw materials and components; corporate finance advisory services; marketing control and sales promotion; training and personnel management; logistic services; research and development services and product development; technical support and maintenance; data processing and communication; and business development, solely for its own affiliates, subsidiaries or branches in the Philippines and other foreign markets as declared in its registration with the SEC. The SEC registration does not allow the EN ROHQ to directly or indirectly engage in the sale and distribution of goods and services of its mother company, branches, affiliates, subsidiaries or any other company.

(b) Enickel Holdings, Inc. (EHI)

EHI was incorporated in the Philippines and registered with the SEC on April 28, 2008 in accordance with the Corporation Code of the Philippines and the Foreign Investment Act of 1991, as amended. Its primary purpose is to operate as a domestic market enterprise which produces goods for sale, or renders services or otherwise engages in any business in the Philippines. As at December 31, 2015, EHI has not yet started commercial operations.

(c) Enickel Berhold, Inc. (EBI)

EBI was registered with the SEC on October 14, 2008 in accordance with the Corporation Code of the Philippines and the Foreign Investments Act of 1991, primarily to invest in, purchase, or otherwise acquire and own, hold, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of properties of every kind and description, except land, including shares of stock, membership certificates, bonds, debentures, notes, evidences of indebtedness, and other securities of obligations of any domestic or foreign corporations, for whatever lawful purposes.

(d) Heraan Holdings, Inc.(HHI)

HHI was registered with the SEC on February 27, 2008 to invest in, purchase, or otherwise acquire and own, hold, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stock, membership certificates, bonds, debentures, notes, evidences of indebtedness, and other securities, provided, that the corporation shall not engage in the business of a stock broker or dealer in securities.

(e) Asian Nickel Research and Technology Corporation (ANRTC)

ANRTC was incorporated and registered with the SEC on October 9, 2007 to operate a research laboratory and nickel and cobalt enrichment demonstration facility, to engage in the processing, milling, crushing, refining, smelting, concentrating, amalgamating, and beneficiating mineral resources, and the products or by-products thereof and to buy, sell at wholesale, and exchanging mineral resources and the products or by-products thereof, without engaging in mining.

(f) Zambales Nickel Processing Corporation (ZNPC)

ZNPC was incorporated in the Philippines and registered with the SEC on October 21, 2009 primarily to own, hold, sell, exchange, lease, mortgage or otherwise dispose of, deal in, and operate plants for processing, reducing, concentrating, smelting, converting, refining, preparing for market, or otherwise treating metals, minerals and mined products to be used in the production of nickel and cobalt products, and any and all ingredients, products and by-products of any thereof, and to produce, manufacture, process, refine, treat, sell, use, deal in, distribute, market and otherwise turn to account nickel and cobalt products and all ingredients, products and by-products of any thereof.

(g) Zamnorth Holdings Corporation (ZHC)

ZHC was incorporated in the Philippines and registered with the SEC on June 19, 2009 and started commercial operations on July 1, 2009. ZHC is primarily engaged in acquiring and disposing investments and exercise in respect thereof all the rights, powers and privileges of ownership. ZHC is also engaged in acquiring real properties and obtaining contracts, franchises and licenses from the government, corporation or person as may deemed conducive to the objects of the corporation.

(h) ZDMC Holdings Corporation (ZDMCHC)

ZDMCHC was incorporated and registered with the SEC on August 28, 2006. ZDMCHC is primarily engaged in acquiring and disposing investment and exercise in respect thereof all the rights, powers and privileges of ownership. ZDMCHC is also engaged in acquiring real properties and obtaining contracts, franchises and licenses from the government, corporation or person as may deemed conducive to the objects of the corporation.



(i) Fil-Euro Asia Nickel Corporation (FEANC)

FEANC was incorporated in the Philippines and registered with the SEC on November 7, 2008 and started operations immediately thereafter. FEANC is primarily engaged in exploring for and evaluation of mining resources. FEANC also renders financial assistance to individuals, partnerships, corporations and associations engaged in mining and to local mineral or exploration enterprises.

(j) Fil-Asian Strategic Resources & Properties Corporation (FASRPC)

FASRPC was incorporated and registered in the SEC on May 15, 2006 with the primary purpose of engaging in mining activities including the acquisition, exploration and evaluation of opportunities in gold, base metals, other minerals and diatomaceous earth.

(k) Montemina Resources Corporation (MRC)

MRC was incorporated in the Philippines and registered with the SEC on August 11, 2008 and started operations immediately thereafter. MRC is primarily engaged in exploring for and evaluation of mining resources in the Philippines. MRC also renders application of mineral production sharing agreements or financial assistance to individuals, partnerships, corporations and associations engaged in mining and to give financial assistance to local mineral or exploration enterprises.

(l) Montague Resources Phil. Corp. (MRPC)

MRPC was incorporated in the Philippines and registered with the SEC on April 9, 2002. Its primary purpose is to carry out the business of operating mines, and of prospecting, exploration and of mining, milling, concentrating, converting, smelting, treating, refining, preparing for market, manufacturing, buying, selling and exchanging ores and mineral resources and to enter into contracts with local mineral tenement owners, mineral exploration enterprises and mining enterprises in connection with the mining activities.

(j) Mt. Lanat Metals Corp. (MLMC)

MLMC was incorporated in the Philippines and registered with the SEC on November 4, 2008 and started operations immediately thereafter. MLMC is primarily engaged in exploring for and evaluation of mining resources here in the Philippines. MLMC also renders application of mineral production sharing agreements or financial assistance to individuals, partnerships, corporations and associations engaged in mining and to give financial assistance to local mineral or exploration enterprises.

(k) Zambales Chromite Mining Company, Inc. (ZCMC)

ZCMC was incorporated and registered in the Philippines with the Philippine Securities and Exchange Commission (SEC) on May 21, 1935 with its corporate life renewed in 1985. ZCMC is primarily engaged in exploring for and evaluation of mining resources in the Philippines.

(l) Zambales Diversified Metals Corp. (ZDMC)

ZDMC was incorporated and registered with the SEC on September 14, 2007. ZDMC is primarily engaged in rendering exploration work for the purpose of determining and evaluating the existence of mineral resources, development potential, extent, quality and quantity and the feasibility of mining them for profit or of applying for exploration permit, mineral processing permit, mineral production sharing agreements, and financial or technical assistance agreement, to individuals, partnerships, associations and corporations engaged in mining; or, in any manner, to engage in the acquisition, conveyance, storage, marketing, processing, refining and distribution of minerals; to give financial assistance to local mining enterprises or corporations; to extend financial assistance to local mineral exploration enterprises and mineral tenement owners through contracts without engaging in financing activity as defined in Republic Act No. 5980; and to acquire an interest in or shares of stocks of mining companies, to lease, option, locate or otherwise deal in mines, mining claims, and other property except lands to the extent allowed by law; to enter into contracts with local mineral tenement owners, mineral exploration enterprises, mining and mineral processing

enterprises in connection with the above activities; and to provide technical and/or financial assistance for the large-scale exploration, development and utilization of minerals, petroleum and other mineral oils under Mineral Production Sharing Agreements (MPSA) or Financial or Technical Assistance Agreements with the government of the Philippines; and to carry on, either solely or in co-venture with others, mining, milling, concentrating, converting, smelting, treating, refining, preparing for market, manufacturing, buying, selling, exchanging and otherwise producing and dealing in all kinds of ores, metals, minerals, hydrocarbons, acids and, chemicals, and in the products and by-products of every kind and description and by whatsoever process, the same can be or may hereafter be produced.

After the acquisition, the following re-organization was implemented in various dates in 2014 and 2015:

- a) In 2014, 100% of ZCMC was transferred from ZNHC and FEANC to DMC
- b) In 2014, 100% of ZDMC was transferred from ZDMCHC and FEANC to DMC
- c) In 2014, 100% of FASRPC was transferred from Rusina to DMC
- d) In 2014, 99% of MRC was transferred from third party sellers to DMC
- e) In 2015, 100% of FEANC was transferred from Rusina and EHI to DMC.

On August 18, 2014, ANRTC was sold to third parties resulting to a gain of ₱55.55 million which is presented net of the loss on sale of investments under Operating expenses in the consolidated statements of income (Note 25).

#### Real estate development

##### PDI

PDI was incorporated and registered with the SEC on April 27, 1995. PDI is organized to deal and engage in the development of residential subdivisions and construction of condominium and housing units. PDI offers range of products from middle-income to high-end housing and condominium projects.

Below are the subsidiaries of PDI and the nature of their operations:

- a) Hampstead Gardens Corporation - real estate developer
- b) DMCI Homes, Inc. - real estate brokerage
- c) Riviera Land Corporation - real estate developer
- d) DMCI Homes Property Management Corporation - real estate developer
- e) DMCI-PDI Hotels, Inc. - hotel operator
- f) Zenith Mobility Solution Services, Inc. - mobility services provider of the Group incorporated in 2015

#### Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended standards and improvements to PFRS which the Group has adopted starting January 1, 2015. Unless otherwise indicated, the adoption did not have any significant impact on the consolidated financial statements of the Group.

- Amendments to Philippine Accounting Standards (PAS) 19, *Defined Benefit Plans: Employee Contributions*
- Annual Improvements to PFRSs 2010 - 2012 Cycle
  - PFRS 2, *Share-based Payment - Definition of Vesting Condition*
  - PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*
  - PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
  - PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*

- PAS 24, *Related Party Disclosures - Key Management Personnel*
- Annual Improvements to PFRSs 2011 - 2013 Cycle
  - PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*
  - PFRS 13, *Fair Value Measurement - Portfolio Exception*
  - PAS 40, *Investment Property*

#### Standards Issued But Not Yet Effective

The Group has not applied the following PFRS, PAS and Philippine Interpretations which are not yet effective as of December 31, 2015. This list consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective. Unless otherwise indicated, adoption of these standards and interpretations are not expected to have any significant impact on the consolidated financial statements.

*No definite adoption date prescribed by the SEC and Financial Reporting Standards Council (FRSC)*

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

#### *Effective January 1, 2016*

- PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception (Amendments)*
- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests (Amendments)*
- PFRS 14, *Regulatory Deferral Accounts*
- PAS 1, *Presentation of Financial Statements - Disclosure Initiative (Amendments)*
- PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants*
- PAS 16, *Property, Plant and Equipment* and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)*
- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements (Amendments)*
- Annual Improvements to PFRSs (2012-2014 cycle)
  - PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
  - PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
  - PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
  - PAS 19, *Employee Benefits - Regional Market Issue regarding Discount Rate*
  - PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*

#### *Effective January 1, 2018*

- PFRS 9, *Financial Instruments*

In July 2014, the International Accounting Standards Board (IASB) issued the final version of International Financial Reporting Standards (IFRS) 9, *Financial Instruments*. The new standard (renamed as 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. Early application of previous versions of PFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The Group did not early adopt PFRS 9.

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 Group is currently assessing the impact of adopting this standard.

In addition, the IASB has issued the following new standards that have not yet been adopted locally by the SEC and FRSC. The Group is currently assessing the impact of these new standards and plans to adopt them on their required effective dates once adopted locally.

- *IFRS 15, Revenue from Contracts with Customers*  
IFRS 15 was issued in May 2014 by the IASB and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principals in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

The Group is engaged in selling activities of real estate projects while construction is in progress or even before it has started. The standard is expected to impact the revenue recognition on these precompleted real estate sales whether revenue will be recognized at a point-in-time or over time. If there will be a change in revenue recognition, this will also impact the corresponding costs, and the related trade receivables, deferred tax liabilities and retained earnings account. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

- *IFRS 16, Leases*  
On January 13, 2016, the IASB issued its new standard, IFRS 16, *Leases*, which replaces IAS 17, the current leases standard, and the related Interpretations.

Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with IAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their statements of financial position, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under IAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

The new standard is effective for annual periods beginning on or after January 1, 2019. Entities may early adopt IFRS 16 but only if they have also adopted IFRS 15. When adopting IFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs. The Group is currently assessing the impact IFRS 16 and plans to adopt the new standard on the required effective date once adopted locally.

### 3. Equity

#### Capital Stock

As of March 31, 2016 and December 31, 2015, the Parent Company's capital stock consists of:

|                                      | 2016       |             |
|--------------------------------------|------------|-------------|
|                                      | Shares     | Amount      |
| Preferred stock - ₱1 par value       |            |             |
| Authorized:                          | 100,000    | ₱100,000    |
| Issued and outstanding:              |            |             |
| Balance at beginning and end of year | 4          | ₱4          |
| Common stock - ₱1 par value          |            |             |
| Authorized:                          | 19,900,000 | ₱19,900,000 |
| Issued and outstanding:              |            |             |
| Balance at beginning and end of year | 13,277,470 | ₱13,277,470 |

|                                      | 2015       |             |
|--------------------------------------|------------|-------------|
|                                      | Shares     | Amount      |
| Preferred stock - ₱1 par value       |            |             |
| Authorized:                          | 100,000    | ₱100,000    |
| Issued and outstanding:              |            |             |
| Balance at beginning and end of year | 4          | ₱4          |
| Common stock - ₱1 par value          |            |             |
| Authorized:                          | 19,900,000 | ₱19,900,000 |
| Issued and outstanding:              |            |             |
| Balance at beginning and end of year | 13,277,470 | ₱13,277,470 |

The preferred stock is redeemable, convertible, non-voting, non-participating and cumulative with par value of ₱1.00 per share. The preferred shareholders' right of converting the preferred shares to common shares expired in March 2002.

On December 18, 1995, the Parent Company launched its Initial Public Offering where a total of 1.13 billion common shares were offered at an offering price of ₱9.12 per share.

#### *Increase in Authorized Capital Stock*

On August 5, 2014, the SEC approved the increase in authorized capital stock of the Parent Company from ₱6,000.00 million divided into ₱5,900.00 million common shares and ₱100.00 million preferred shares both with par value of ₱1.00 per share, to ₱20,000.00 million divided into ₱19,900.00 million common shares and ₱100.00 million preferred shares both with a par value of ₱1.00 per share.

#### Retained Earnings

On May 14, 2015, the BOD approved the declaration of (1) *regular cash dividends* in the amount of ₱0.24 per common share or a total of ₱3,186.59 million; and (2) *special cash dividends* of ₱0.24 per common share or a total of ₱3,186.59 million, or a grand total of ₱6,373.19 million out of the unrestricted retained earnings of the Parent Company as of December 31, 2014, in favor of the common stockholders of record as of May 29, 2015, and was paid on June 10, 2015.

### Capital Management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. There were no changes made in the Group's capital management objectives, policies or processes. The Group considers total stockholders' equity as capital. Equity, which the Group considers as capital, pertains to the equity attributable to equity holders of the Group less unrealized gain or loss on AFS financial assets.

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

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## 4. Business Segments

The following tables present the net income of the specific business segments for the period ended March 31, 2016 and 2015:

### Segment Revenues

| (in PHP Millions)                     | For the period |         | Variance | %    |
|---------------------------------------|----------------|---------|----------|------|
|                                       | 2016           | 2015    |          |      |
| Semirara Mining and Power Corporation | <b>₱5,596</b>  | ₱7,245  | (₱1,649) | -23% |
| DMCI Homes                            | <b>4,349</b>   | 4,330   | 19       | 0%   |
| D.M. Consunji, Inc.                   | <b>2,957</b>   | 3,363   | (406)    | -12% |
| DMCI Power (SPUG)                     | <b>482</b>     | 433     | 49       | 11%  |
| DMCI Mining                           | <b>90</b>      | 423     | (333)    | -79% |
| Parent and others                     | <b>55</b>      | 73      | (18)     | -25% |
|                                       | <b>₱13,529</b> | ₱15,867 | (₱2,338) | -15% |

### Net income after non-controlling interests

| (in PHP Millions)                                               | For the period |        | Variance | %     |
|-----------------------------------------------------------------|----------------|--------|----------|-------|
|                                                                 | 2016           | 2015   |          |       |
| Semirara Mining and Power Corporation                           | <b>₱1,642</b>  | ₱1,421 | ₱221     | 16%   |
| DMCI Homes                                                      | <b>665</b>     | 845    | (180)    | -21%  |
| Maynilad                                                        | <b>403</b>     | 527    | (124)    | -24%  |
| D.M. Consunji, Inc.                                             | <b>197</b>     | 191    | 6        | 3%    |
| DMCI Power (SPUG)                                               | <b>98</b>      | 74     | 24       | 32%   |
| DMCI Mining                                                     | <b>(100)</b>   | (24)   | (76)     | -321% |
| Parent and others                                               | <b>20</b>      | 25     | (5)      | 20%   |
| Core net income                                                 | <b>2,925</b>   | 3,059  | (134)    | -4%   |
| One time gain on partial sale of Subic Water shares, net of tax | <b>111</b>     | —      | 111      | 100%  |
|                                                                 | <b>₱3,036</b>  | ₱3,059 | (₱23)    | -1%   |

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## 5. Operating Expenses

The following tables present the consolidated operating expenses for the period ended March 31, 2016 and 2015:

|                                          | 2016              | 2015              |
|------------------------------------------|-------------------|-------------------|
| Government share                         | ₱692,512          | ₱880,706          |
| Salaries, wages and employee benefits    | 283,057           | 245,176           |
| Taxes and licenses                       | 215,596           | 184,943           |
| Outside services                         | 191,875           | 182,050           |
| Repairs and maintenance                  | 181,075           | 69,654            |
| Commission                               | 172,418           | 154,067           |
| Depreciation, depletion and amortization | 133,923           | 161,716           |
| Advertising and marketing                | 111,510           | 126,970           |
| Supplies                                 | 43,648            | 33,987            |
| Communication, light and water           | 30,187            | 22,951            |
| Transportation and travel                | 26,342            | 27,413            |
| Insurance                                | 22,234            | 24,948            |
| Entertainment, amusement and recreation  | 19,698            | 23,208            |
| Rent                                     | 19,156            | 15,612            |
| Association dues                         | 15,249            | 13,670            |
| Environment and community development    | 6,439             | 6,929             |
| Excise taxes                             | 1,796             | 8,353             |
| Royalties                                | 898               | 4,605             |
| Miscellaneous expense                    | 114,085           | 42,344            |
|                                          | <b>₱2,281,698</b> | <b>₱2,229,302</b> |

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## 6. Summarized Financial Information of Interests in Related Entities

Financial information as of and for the period ended March 31, 2016 and December 31, 2015 on the Group's subsidiary with material non-controlling interest (NCI) follows:

### Semirara Mining and Power Corporation and Subsidiaries

|                                           | March 31,<br>2016     | December 31,<br>2015  |
|-------------------------------------------|-----------------------|-----------------------|
| <b>Statements of Financial Position</b>   |                       |                       |
| Current assets                            | ₱15,921,839           | ₱15,092,708           |
| Noncurrent assets                         | 41,859,928            | 42,064,329            |
| Current liabilities                       | 13,180,828            | 15,555,722            |
| Noncurrent liabilities                    | 14,757,937            | 14,700,233            |
| Equity                                    | 29,843,002            | 26,901,082            |
|                                           | <b>March 31, 2016</b> | <b>March 31, 2015</b> |
| <b>Statements of Comprehensive Income</b> |                       |                       |
| Revenue                                   | ₱5,596,128            | ₱7,244,561            |
| Net income                                | 2,910,302             | 2,511,198             |
| Other comprehensive income                | —                     | —                     |
| Total comprehensive income                | 2,910,302             | 2,511,198             |

Financial information as of and for the period ended September 30, 2015 and December 31, 2014 on the Group's material interest in associate follows:

Maynilad Water Holdings Company, Inc. and Subsidiaries

|                                           | <b>March 31,<br/>2016</b> | December 31,<br>2015 |
|-------------------------------------------|---------------------------|----------------------|
| <b>Statements of Financial Position</b>   |                           |                      |
| Current assets                            | <b>₱12,289,187</b>        | ₱14,869,002          |
| Noncurrent assets                         | <b>78,310,682</b>         | 77,767,444           |
| Current liabilities                       | <b>13,954,406</b>         | 14,726,877           |
| Noncurrent liabilities                    | <b>32,406,184</b>         | 33,228,991           |
| Equity                                    | <b>44,239,279</b>         | 44,680,578           |
|                                           | <b>March 31, 2016</b>     | March 31, 2015       |
| <b>Statements of Comprehensive Income</b> |                           |                      |
| Revenue                                   | <b>₱4,935,148</b>         | ₱4,487,479           |
| Net income                                | <b>1,481,646</b>          | 1,939,490            |
| Other comprehensive income                | —                         | —                    |
| Total comprehensive income                | <b>1,481,646</b>          | 1,939,490            |

Investment in Maynilad Water Holdings Company, Inc. (MWHCI) is accounted for using the equity method. For the period ended March 31, 2016 and 2015, the Company received dividends from MWHCI amounting to ₱510.42 million and ₱505.73 million, respectively. Equity in net earnings in the three months ended amounted to ₱402.86 million in 2016 and ₱527.35 million in 2015.

Financial information as of and for the period ended March 31, 2016 and December 31, 2015 on the Group's immaterial interest in associate follows:

Subic Water

On January 22, 1997, PDI subscribed to 3.26 million shares at the par value of ₱10 per share for an aggregate value of ₱32.62 million in Subic Water, a joint venture company among Subic Bay Metropolitan Authority (SBMA), a government-owned corporation, Olongapo City Water District, and Cascal Services Limited (a company organized under the laws of England).

On March 23, 2016, the Group sold 915,580 shares in Subic Water to the City of Olongapo for a total consideration of ₱210.58 million resulting to a gain on partial sale of investment amounting to ₱131.41 million. The shares represent 10% of the outstanding capital stock of Subic Water. The Group still owns a total of 30% of Subic Water's outstanding capital stock after the sale.

The investment in Subic Water is accounted for as an investment in an associate using the equity method. The carrying amount of the investment in associate amounted to ₱237.52 million and ₱299.02 million as of March 31, 2016 and December 31, 2015, respectively. The unaudited share in net earnings amounted to ₱17.67 million and ₱18.0 million for the period ended March 31, 2016 and 2015, respectively.

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## 7. Earnings Per Share

The following table presents information necessary to calculate basic and diluted earnings per share on net income attributable to equity holders of the Parent Company (in thousands except basic earnings per share):



Basic/diluted earnings per share

|                                                             | <b>For the period<br/>(2016)</b> | For the period<br>(2015) | For 1 <sup>st</sup> Quarter<br>(2016) | For 1 <sup>st</sup> Quarter<br>(2015) |
|-------------------------------------------------------------|----------------------------------|--------------------------|---------------------------------------|---------------------------------------|
| Net income attributable to equity holders of Parent Company | <b>₱3,036,506</b>                | ₱3,059,275               | ₱3,036,506                            | ₱3,059,275                            |
| Divided by weighted average number of common shares         | <b>13,277,470</b>                | 13,277,470               | 13,277,470                            | 13,277,470                            |
| Basic and diluted earnings per share                        | <b>₱0.23</b>                     | ₱0.23                    | ₱0.23                                 | ₱0.23                                 |

**8. Related Party Transactions**

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

Transactions entered into by the Group with related parties are at arm's length and have terms similar to the transactions entered into with third parties. In the regular course of business, the Group's significant transactions with related parties include the following:

- a. Comprehensive surety, corporate and letters of guarantee issued by the Group for various credit facilities granted to and for full performance of certain obligations by certain related parties.
- b. Certain assets of the Group, associates and other related parties were placed under accommodation mortgages to secure the indebtedness of the Group, its associates and other related parties.
- c. Engineering and construction works of the water business is contracted to the construction segment of the Group. These projects are bid out to various contractors and are awarded on arms length transactions. The interrelated contracts amounted to ₱2,928 million and ₱2,718 million as of March 31, 2016 and 2015 respectively, where ₱247 million and ₱216 million were booked for the period ended March 31, 2016 and 2015, respectively.
- d. An affiliate had transactions with the Group for services rendered relating to the Group's coal operations. These include services for the confirmatory drilling for coal reserve and evaluation of identified potential areas, exploratory drilling of other minerals within the Island, dewatering well drilling along cut-off wall of Panian mine and fresh water well drilling for industrial and domestic supply under an agreement.

The affiliate also provides to the group marine vessels for use in the delivery of coal to its various customers. The coal freight billing is on a per metric ton basis plus demurrage charges when delay will be incurred in the loading and unloading of coal cargoes.

- e. An affiliate of the Group transports visitors and employees from point to point in relation to the Group's ordinary course of business and vice versa and bills the related party for the utilization costs of the aircrafts.

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## 9. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise interest-bearing loans and borrowings. The main purpose of these financial instruments is to raise financing for its operations and capital expenditures. The Group has various other financial assets and liabilities, such as receivables and payables which arise directly from its operations.

The main risks arising from the use of financial instruments are liquidity risk, market risk and credit risk. The Group's BOD reviews and approves policies for managing each of these risks and they are summarized below.

### a. *Liquidity Risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations.

A significant part of the Group's financial assets that are held to meet the cash outflows include cash equivalents and accounts receivables. Although accounts receivables are contractually collectible on a short-term basis, the Group expects continuous cash inflows. In addition, although the Group's short-term deposits are collectible at a short notice, the deposit base is stable over the long term as deposit rollovers and new deposits can offset cash outflows.

Moreover, the Group considers the following as mitigating factors for liquidity risk:

- It has available lines of credit that it can access to answer anticipated shortfall in sales and collection of receivables resulting from timing differences in programmed inflows and outflows.
- It has very diverse funding sources.
- It has internal control processes and contingency plans for managing liquidity risk. Cash flow reports and forecasts are reviewed on a weekly basis in order to quickly address liquidity concerns. Outstanding trade receivables are closely monitored to avoid past due collectibles.
- The Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both on-shore and off-shore which is included in the Group's corporate planning for liquidity management.

### b. *Market Risk*

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in equity prices, market prices, interest rates and foreign currency exchange rates.

The sensitivity analyses have been prepared on the following bases:

- Equity price risk - movements in equity indices
- Market price risk - movements in one-year historical coal and nickel prices
- Interest rate risk - market interest rate on unsecured bank loans
- Foreign currency risk - yearly movement in the foreign exchange rates

The assumption used in calculating the sensitivity analyses of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the

financial assets and financial liabilities held at March 31, 2016 and December 31, 2015.

#### *Equity Price Risk*

The Group's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity securities classified as AFS financial assets.

Quoted securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each industry or sector.

The effect on equity as a result of a change in fair value of quoted equity instruments held as financial asset at FVPL as of March 31, 2016 due to a reasonably possible change in equity indices, with all other variables held constant, will have an increase on equity by ₱0.74 million if equity indices will increase by 1%. An equal change in the opposite direction would have decreased equity by the same amount.

The effect on equity as a result of a change in fair value of quoted equity instruments held as AFS investments as of March 31, 2016 due to a reasonably possible change in equity indices, with all other variables held constant, will have an increase on equity by ₱14.72 million if equity indices will increase by 15%. An equal change in the opposite direction would have decreased equity by the same amount.

#### *Commodity Price Risk*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

#### *Coal*

The price that the Group can charge for its coal is directly and indirectly related to the price of coal in the world coal market. In addition, as the Group is not subject to domestic competition in the Philippines, the pricing of all of its coal sales is linked to the price of imported coal. World thermal coal prices are affected by numerous factors outside the Group's control, including the demand from customers which is influenced by their overall performance and demand for electricity. Prices are also affected by changes in the world supply of coal and may be affected by the price of alternative fuel supplies, availability of shipping vessels as well as shipping costs.

As the coal price is reset on a periodic basis under coal supply agreements, this may increase its exposure to short-term coal price volatility.

There can be no assurance that world coal prices will be sustained or that domestic and international competitors will not seek to replace the Group in its relationship with its key customers by offering higher quality, better prices or larger guaranteed supply volumes, any of which would have a materially adverse effect on the Group's profits.

To mitigate this risk, the Group continues to improve the quality of its coal and diversify its market from power industry, cement industry, other local industries and export market. This will allow flexibility in the distribution of coal to its target customers in such manner that minimum target average price of its coal sales across all its customers will still be achieved. Also, in order to mitigate any negative impact resulting from price changes, it is the Group's

policy to set minimum contracted volume for customers with long term supply contracts for each given period (within the duration of the contract) and pricing is negotiated on a monthly basis to even out the impact of any fluctuation in coal prices, thus, protecting its target margin. The excess volumes are allocated to spot sales which may command different price than those contracted already since the latter shall follow pricing formula per contract.

Nevertheless, on certain cases temporary adjustments on coal prices with reference to customers following a certain pricing formula are requested in order to recover at least the cost of coal if the resulting price is abnormally low vis-à-vis cost of production (i.e., abnormal rise in cost of fuel, foreign exchange).

Below are the details of the Group's coal sales to the domestic market and to the export market (as a percentage of total coal sales volume):

|                 | <b>March 31,<br/>2016</b> | December 31,<br>2015 |
|-----------------|---------------------------|----------------------|
| Domestic market | <b>42.54%</b>             | 45.82%               |
| Export market   | <b>57.46%</b>             | 54.18%               |

The following table shows the effect on income before income tax should the change in the prices of coal occur based on the inventory of the Group as of March 31, 2016 and December 31, 2015 with all other variables held constant. The change in coal prices used in the simulation assumes fluctuation from the lowest and highest price based on one-year historical price movements in 2016 and 2015.

|                                         | <u>Effect on income before income tax</u> |                      |
|-----------------------------------------|-------------------------------------------|----------------------|
|                                         | <b>March 31,<br/>2016</b>                 | December 31,<br>2015 |
| <b>Change in coal price</b>             |                                           |                      |
| <i>Based on ending coal inventory</i>   |                                           |                      |
| Increase by 25% in 2016 and 15% in 2015 | <b>₱2,343,470,260</b>                     | ₱416,498,009         |
| Decrease by 25% in 2016 and 15% in 2015 | <b>(2,343,470,260)</b>                    | (416,498,009)        |
| <i>Based on coal sales volume</i>       |                                           |                      |
| Increase by 25% in 2016 and 15% in 2015 | <b>2,507,318,150</b>                      | 2,452,398,481        |
| Decrease by 25% in 2016 and 15% in 2015 | <b>(2,507,318,150)</b>                    | (2,452,398,481)      |

#### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt obligations. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt.

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates, with all variables held constant, through the impact on floating rate borrowings:

|                                    | <u>Effect on income before income tax</u> |                      |
|------------------------------------|-------------------------------------------|----------------------|
|                                    | <b>March 31,<br/>2016</b>                 | December 31,<br>2015 |
| <b>Basis points (in thousands)</b> |                                           |                      |
| +100                               | <b>(₱183,351)</b>                         | (₱194,214)           |
| -100                               | <b>183,351</b>                            | 194,214              |

The sensitivity analyses shown above are based on the assumption that the interest movements will be more likely be limited to hundred basis points upward or downward fluctuation in both

2016 and 2015. The forecasted movements in percentages of interest rates used were derived based on the Group's historical changes in the market interest rates on unsecured bank loans.

There was no effect on the equity other than those affecting the income before tax.

#### *Foreign Currency Risk*

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group does not have any foreign currency hedging arrangements.

Information on the Group's foreign currency-denominated monetary assets and liabilities and their Philippine peso equivalents follows (amounts in thousands):

|                                       | March 31, 2016    |               |             |             |                     |
|---------------------------------------|-------------------|---------------|-------------|-------------|---------------------|
|                                       | U.S. Dollar       | Japanese Yen  | UK Pounds   | E.M.U Euro  | Equivalent in PHP   |
| <b>Financial assets</b>               |                   |               |             |             |                     |
| Cash and cash equivalents             | \$38,120          | ¥2,368        | £238        | €33         | ₱1,773,403          |
| Receivables                           | 1,110             | —             | —           | —           | 49,620              |
|                                       | <b>\$39,230</b>   | <b>2,368</b>  | <b>238</b>  | <b>33</b>   | <b>1,823,023</b>    |
| <b>Financial liabilities</b>          |                   |               |             |             |                     |
| Accounts payable and accrued expenses | (15,329)          | —             | —           | —           | (706,217)           |
| Short-term loans                      | (11,854)          | —             | —           | —           | (546,107)           |
| Long-term loans                       | (68,333)          | —             | —           | —           | (3,148,085)         |
|                                       | <b>(95,516)</b>   | <b>—</b>      | <b>—</b>    | <b>—</b>    | <b>(4,400,409)</b>  |
|                                       | <b>(\$82,772)</b> | <b>¥2,368</b> | <b>£262</b> | <b>€235</b> | <b>(₱3,918,486)</b> |

The following tables demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and equity as of March 31, 2016:

|                          | Exchange rate movement | Effect on profit |
|--------------------------|------------------------|------------------|
| In Peso per US Dollar    |                        |                  |
| Increase                 | ₱2                     | (₱112,571)       |
| Decrease                 | (2)                    | 112,571          |
| In Peso per Japanese Yen |                        |                  |
| Increase                 | 2                      | 4,736            |
| Decrease                 | (2)                    | (4,736)          |
| In Peso per UK Pound     |                        |                  |
| Increase                 | 2                      | 476              |
| Decrease                 | (2)                    | (476)            |
| In Peso per Euro         |                        |                  |
| Increase                 | 2                      | 65               |
| Decrease                 | (2)                    | (65)             |

There is no impact on the Group's equity other than those already affecting profit or loss. The movement in sensitivity analysis is derived from current observations on movement in dollar average exchange rates.

#### *c. Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's maximum exposure to credit risk for the components of the statement of financial position at March 31, 2016 and December 31, 2015 is the carrying amounts except for real estate receivables. The Group's

exposure to credit risk arises from default of the counterparties which include certain financial institutions, real estate buyers, subcontractors, suppliers and various electric companies. Credit risk management involves dealing only with recognized, creditworthy third parties. It is the Group's policy that all counterparties who wish to trade on credit terms are subject to credit verification procedures. The Treasury Department's policy sets a credit limit for each counterparty. In addition, receivable balances are monitored on an ongoing basis. The Group's financial assets are not subject to collateral and other credit enhancement except for real estate receivables. As of March 31, 2016 and December 31, 2015, the Group's exposure to bad debts is not significant.

#### *Real estate contracts*

Credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. The Group's stringent customer requirements and policies in place contribute to lower customer default. Customer payments are facilitated through various collection modes including the use of postdated checks. The credit risk for real estate receivable is also mitigated as the Group has the right to cancel the sales contract and takes possession of the subject house without need for any court action in case of default in payments by the buyer. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

#### *Electricity sales*

The Group earns substantially all of its revenue from bilateral contracts and WESM and from various electric companies. WESM and the various electric companies are committed to pay for the energy generated by the power plant facilities.

Under the current regulatory regime, the generation rate charged by the Group to WESM is not regulated but is determined in accordance with the WESM Price Determination Methodology (PDM) approved by the Energy Regulatory Commission (ERC) and are complete pass-through charges to WESM. PDM is intended to provide the specific computational formula that will enable the market participants to verify the correctness of the charges being imposed. Likewise, the generation rate charged by the Group to various electric companies is not subject to regulations and are complete pass-through charges to various electric companies.

#### *Mining*

The Group evaluates the financial condition of the local customers before deliveries are made to them. On the other hand, export sales are covered by sight letters of credit issued by foreign banks subject to the Group's approval, hence, mitigating the risk on collection.

The Group generally offers 80% of coal delivered payable within thirty (30) days upon receipt of billing and the remaining 20% payable within 15 days after receipt of final billing based on final analysis of coal delivered.

#### *Construction contracts*

The credit risk for construction receivables is mitigated by the fact that the Group can resort to carry out its contractor's lien over the project with varying degrees of effectiveness depending on the jurisprudence applicable on location of the project. A contractor's lien is the legal right of the Group to takeover the projects-in-progress and have priority in the settlement of contractor's receivables and claims on the projects-in-progress and have priority in the settlement of contractor's receivables and claims on the projects in progress is usually higher than receivables from and future commitments with the project owners. Trade and retention receivables from project owners are normally high standard because of the creditworthiness of project owners and collection remedy of contractor's lien accorded contractor in certain cases.

With respect to the credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group transacts only with institutions or banks that have proven track record in financial soundness.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

#### *Cash and Cash Equivalents*

Cash and cash equivalents are short-term placements and working cash fund placed, invested or deposited in foreign and local banks belonging to top ten (10) banks in the Philippines in terms of resources and profitability. These financial assets are classified as Grade A due to the counterparties' low probability of insolvency.

#### *AFS Financial Assets*

The Group's AFS financial assets are classified as Grade B because these assets are susceptible to untoward consequences due to the current financial positions of counterparties.

#### *Receivables*

Included under Grade A are accounts considered to be of high value and are covered with coal supply, power supply, and construction contracts. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. Grade B accounts are active accounts with minimal to regular instances of payment default, due to collection issues. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly. The Group determines financial assets as impaired when probability of recoverability is remote and in consideration of lapse in period which the asset is expected to be recovered.

For real estate receivables, advances to officers and employees and other receivables, Grade A are classified as financial assets with high credit worthiness and probability of default is minimal. While receivables under Grade B and C have favorable and acceptable risk attributes, respectively, with average credit worthiness.

Receivable from related parties are considered Grade A due to the Group's positive collection experience.

Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Receivable balances are monitored on an ongoing basis to ensure timely execution of necessary intervention efforts, such as raising the case to the Group's legal department. Regular monitoring of receivables resulted to manageable exposure to bad debts.

#### *Security and Refundable Deposits*

Security and refundable deposits are classified as Grade A since these are to be refunded by the lessor and utility companies at the end of lease term and holding period, respectively, as stipulated in the agreements.

As of March 31, 2016, the aging analysis of the Group's receivables presented per class follows:

|                   | Neither past<br>nor impaired | March 31, 2016 |            |            |             |            | Impaired<br>assets | Total       |
|-------------------|------------------------------|----------------|------------|------------|-------------|------------|--------------------|-------------|
|                   |                              | <30 days       | 30-60 days | 61-90 days | 91-120 days | >120 days  |                    |             |
| Receivables       |                              |                |            |            |             |            |                    |             |
| Trade             |                              |                |            |            |             |            |                    |             |
| Real estate       | ₱5,900,572                   | ₱111,050       | ₱14,970    | ₱122,889   | ₱35,381     | ₱506,082   | ₱—                 | ₱6,690,944  |
| General           |                              |                |            |            |             |            |                    |             |
| construction      | 147,386                      | 3,045,112      | 369,608    | 529,051    | —           | 1,433,310  | 2,775              | 5,527,242   |
| Electricity sales | 1,587,466                    | 38,873         | 76,807     | 73,360     | 19,943      | 546,006    | 1,371,941          | 3,714,396   |
| Coal mining       | 860,916                      | —              | 170,656    | —          | —           | 112,802    | 56,329             | 1,200,703   |
| Nickel mining     | 67,927                       | 30,813         | —          | —          | —           | —          | 70,933             | 169,673     |
| Merchandising     |                              |                |            |            |             |            |                    |             |
| and others        | 20,457                       | 12,788         | 8,065      | 4,020      | 1,989       | 12,896     | 2,921              | 63,136      |
| Receivables from  |                              |                |            |            |             |            |                    |             |
| related parties   | 121,375                      | —              | —          | —          | —           | —          | —                  | 121,375     |
| Other receivables | 831,879                      | —              | 3,345      | 3,345      | —           | —          | 5,815              | 844,384     |
|                   | ₱9,537,978                   | ₱3,238,636     | ₱643,451   | ₱732,665   | ₱57,313     | ₱2,611,096 | ₱1,510,714         | ₱18,331,853 |

#### Fair Value of Financial Instruments

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such fair value:

##### *Financial assets*

The fair values of cash and cash equivalents and receivables (except installment contract receivables) approximate their carrying amounts as of reporting dates due to the short-term nature of the transactions.

The fair values of installment contracts receivables are based on the discounted value of future cash flows using the applicable rates for similar types of loans and receivables.

The fair values of financial assets at FVPL are based on quoted market rates.

Refundable deposits are carried at cost since these are mostly deposits to a utility company as a consequence of its subscription to the electricity services of the said utility company needed for the Group's residential units.

In the absence of a reliable basis of determining fair values due to the unpredictable nature of future cash flows and the lack of suitable methods in arriving at a reliable fair value, security deposits other than those pertaining to operating leases and unquoted AFS financial assets are carried at cost less impairment allowance, if any.

##### *Financial liabilities*

The fair values of accounts and other payables and accrued expenses and payables to related parties approximate their carrying amounts as of reporting dates due to the short-term nature of the transactions.

Estimated fair value of long-term fixed rate loans and liabilities for purchased land are based on the discounted value of future cash flows using the applicable rates for similar types of loans with maturities consistent with those remaining for the liability being valued. For floating rate loans, the carrying value approximates the fair value because of recent and regular repricing (quarterly) based on market conditions.



#### Fair Value Hierarchy

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Fair values of receivables, long-term debt, liabilities for purchased land and investment properties are based on level 3 inputs while that of quoted AFS financial assets and financial assets at FVPL are from level 1 inputs.