COVER SHEET

A S 9 2 0 0 0

S.E.C Registration Number

G R E E N E R G Y H O L D I N G S
I N C O R P O R A T E D

(Company's Full Name)

5 4 N A T I O N A L R O A D D A M P O L II A
P U L I L A N B U L A C A N

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

KENNETH TAN

Contact Person

(02) 997-5184

Company's Telephone Number

Month Day

Fiscal Year

1 7 A

FORM TYPE

Month Day

Annual Meeting

Secondary Type, If applicable

Dept. Requiring this Doc.

Ammended Articles Number/Section

Total No. of Stockholders

Total Ammount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

ORIGINAL

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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

1. For the fiscal year ended **31 December 2016**

2. SEC Identification Number **AS092-00589** 3. BIR Tax Identification No. **001-817-292**

4. Exact name of Issuer as specified in its charter **Greenergy Holdings Incorporated**

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

6. [ ] **(SEC Use Only)**
Industrial Classification Code:

7. **54 National Road, Dampol II-A, Pulilan, Bulacan**
Address of principal office
3005
Postal Code

8. **(02) 997-5184**
Issuer's telephone number, including area code

9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding[1]
Common	**1,800,778,572**
Preferred	**1,000,000,000**
Amount of Debt Outstanding:	**₱202,954,361.00**

11. Are any or all of these securities listed on a stock exchange

Yes [**x**] No [ ]

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

The Philippines Stock Exchange ("PSE") **Common Shares**

12. Check whether the Issuer:

a. has filed all reports required to be filed by Section 17 of the Securities Regulation Code ("SRC") and SRC Rule 17.1 thereunder or Section 11 of the Revised Securities Act ("RSA") and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines (the "Code") during the preceding twelve (12) months (or for such shorter period that the Issuer was required to file such reports); and

Yes [ ] No [**x**]

[1] The Company is still in the process of implementing the change in par value of its common shares as approved by the Securities and Exchange Commission ("SEC"). For the purpose of this report, the number of shares issued and subscribed was rounded off. However, the same is still subject to change/adjustment upon completion of the implementation of the change in par value of common shares of the Company.

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

Yes [x]   No [ ]

13. The aggregate market value of the voting stock held by non-affiliates of the Issuer as of 13 May 2015 is ₱461,450,229.71 (number of shares owned by the public multiplied by the PSE trading price as of 13 May 2015).

TABLE OF CONTENTS

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

The Company was registered and incorporated with the SEC on 29 January 1992 as MUSX Corporation to primarily engage in the manufacturing and sale of semiconductor products. In 2011, the SEC approved the amendment of its Articles of Incorporation to change the Company's registered name to Greenergy Holdings Incorporated. The Company was listed in the PSE on 26 September 1996.

The Company's primary purpose is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, or otherwise dispose of real or personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidence of indebtedness, marketable securities, deposit substitutes in any valid currency, and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been organized and to pay therefor in money or by exchanging therefor stocks, bonds, or other evidence of indebtedness or securities of this or any other corporation, stocks, bonds, debentures, contracts, or obligations, to receive, collect, and dispose of the interest, dividends, proceeds, and income arising from such property, and to possess and exercise in respect therefor all voting powers of any stock so owned, provided that the Company shall not engage as stock broker or dealer in securities.

Status of Operations

AgriNurture, Inc. ("ANI")

On 2 July 2014, the Company, upon acquisition of additional shares in ANI, reclassified its AFS investment in the latter corporation to "investment in associate" amounting to ₱705.73 million.

On 7 July 2014, the Company acquired an additional 27,000,000 common shares of ANI through the open market for an aggregate consideration of ₱113.74 million, inclusive of taxes, fees, and commissions, at ₱4.21 per share. The acquisition was equivalent to 4.34% of the total issued and outstanding shares of ANI.

After the foregoing transactions, the Company currently holds a total of 30.26% of the total issued and outstanding shares of ANI.

Sunchamp Real Estate Development Corp. ("SREDC")

SREDC is a real estate company that focuses on the development of self-sustaining agri-tourism areas.

On 18 January 2013, SREDC entered into an agreement with a third party for the transfer of all the rights, title, and interests over a 150-hectare land in Rosario, Batangas, which is currently the site of a self-sustaining agri-tourism park called "Sunchamp Agri-Tourism Park" (the "Park"). The Park is intended to re-shape people's perception of agriculture and showcases the farm-to-plate business model that promotes agriculture as a commercially viable and growing business activity. The Park also uses the latest techniques for organic and natural farming.

On 2 October 2013, the Company entered into a subscription agreement with SREDC wherein the Company subscribed for 55 million shares representing 20% of the total issued and outstanding capital stock of SREDC.

On 2 July 2014, the Company subscribed for additional primary shares of SREDC, increasing its equity stake to 62.39%.

As of reporting date, SREDC has not yet started its commercial operations.

Total Waste Management Recovery System, Inc. ("TWMRSI")

In 2012, the Company acquired 51% equity interest in TWMRSI, a domestic corporation engaged in the business of building, operating, and managing waste recovery facilities and waste management systems within the Philippines. The operation of its facilities is geared toward efficient, hygienic, and economical collection, segregation, recycling, composting, filling, disposing, treating, and managing of household, office, commercial, and industrial garbage.

In 2013, the Company advanced ₱235.0 million to TWMRSI, which was used to acquire machineries, equipment, and steel structures for the latter's waste recycling project and was expected to be in full operation in 2014 but did not push through. The machineries and equipment and steel structures were stored for free in a warehouse owned by a director of TWMRSI located in Santiago Street, Barangay Lingunon, Valenzuela City.

As of reporting date, TWMRSI has not yet started its commercial operations.

Winsun Green Ventures, Inc. ("WGVI")

WGVI was incorporated in 2012 with the primary purpose of engaging in renewable energy projects.

On 16 December 2013, the Company subscribed for 15 million shares of WGVI, increasing its equity in the same to 20 million shares from 5 million shares.

As of reporting date, WGVI has not yet started its commercial operations.

AgriNurture Development Holdings Inc. ("ADHI")

On 25 April 2014, the Board of Directors of the Company approved the incorporation of ADHI. ADHI, a wholly-owned subsidiary of the Company, was incorporated on 17 June 2014. The Company intends to use ADHI as the holding company of its agricultural portfolio.

As of reporting date, ADHI has not yet started its commercial operations.

Lite Speed Technologies, Inc. ("LSTI")

On 16 June 2014, the Board of Directors of the Company approved the incorporation of LSTI. On 14 August 2014, the SEC approved the incorporation of LSTI with the primary purpose of engaging in the business of information and communications technology.

As of reporting date, LSTI has not yet started its commercial operations.

Agricultural Bank of the Philippines, Inc. ("Agribank")

On 28 February 1997, Agribank (formerly Central Equity Rural Bank) was granted a rural banking authority to enable the institution to provide financial services catering to farmers, farm owners and tenants, agribusiness entrepreneurs, bankable countryside enterprises, and all other businesses that can be legally transacted under the Rural Banks Act of 1992, as amended. Agribank was established with the intent of catering to business and household customers in the countryside to promote food sufficiency and contribute to increasing income, employment, and production in the agricultural sector and the Philippine economy as a whole. In line with this mission, Agribank's products and services are currently geared towards providing credit finance to the farm sector under the government's Agri-Agra Lending Program; granting loans for farm equipment and land acquisition; extending credit facilities for agri-producers, farmers, and micro-businesses (including barangay micro-enterprises); and providing housing, transport facilities such as motorcycles, and small business loans to eligible borrowers in rural areas. In pursuit of its mission, Agribank has established backward and forward financing linkages with other sectors related to agriculture, including domestic trading and distribution, domestic manufacturing (canning and tetra-packing), processing, and export of fresh and processed agricultural products.

On 22 November 2013, the Company entered into a subscription agreement with Agribank wherein the Company subscribed for 40 million new shares representing 26.67% of the total issued and outstanding capital stock of Agribank. Said subscription agreement is subject to the approval of the SEC and the Bangko Sentral ng Pilipinas.

Potential Risks Involved

The Industry

The Company, through its subsidiaries, associates, investments, or acquisitions, will engage in the fields of renewable energy and waste management, among others. Both fields are capital intensive and subject to high standards of government regulation. As expected, the Company may experience a lull in operations or negative operating results prior to take-off until stabilization of operations given the capital requirements, regulatory compliance, and other economic conditions and factors.

Dependence on Key Personnel

The Company's success depends to a significant extent upon the continued service of its executive and other key management and technical personnel. These people are currently challenged by the Company's market, business, and product development strategies. The Company believes that keeping a manageable number of competent personnel is one of the keys to a successful business.

Dependence on Future Capital Needs

The renewable energy and waste management systems businesses will require a considerable amount of capital requirements. While the timing and initial amount of funding requirements can be determined at the outset, future requirements in relation to expansion will depend on a number of factors, including demand for the Company's facilities, product mix, and competitive factors. Further, there can be no assurances that such additional funding will be available when needed, or if available, will be on satisfactory terms. To remain competitive, the Company must also invest in research and development.

Procedures in Place to Identify, Assess, and Manage Risks

The Company's risk assessment is based on a "what if" analysis, judged against the method used to include the particular item in the projection. The analysis can support the projection or require it to be modified.

Risks that are manageable, i.e. within the scope of control of the Company, must be managed as a natural course of running the business. When making decisions, Management considers first the effect of those risks that are in any way related to the decision.

Corporate Matters

Government Approval

There is no need for government approval of the primary activities of the Company, being essentially a holding company. Any necessary approval from government agencies, including from the Department of Energy and specific local government units, would have to be obtained by its subsidiaries, associates, or other entities acquired by or invested in by the Company, engaged in renewable energy and waste management systems, among others.

Government Regulations

The existing government regulations on renewable energy companies may affect the general direction of the Company in terms of the type of business opportunities to explore. As a holding company, however, the Company is not aware of any probable governmental regulations that will have an effect on the primary business of the Company.

Environmental Laws

The Company and its subsidiaries are compliant and will endeavor to continue to strictly comply with environmental laws.

Employees

The Company currently employs one (1) employee. No labor union exists within the Company and no collective bargaining agreement has been entered into. The employees have never been on strike nor are threatening to strike.

Item 2. Properties

The Company does not own any real estate property.

Item 3. Legal Proceedings

Republic of the Philippines, represented by AMLC v. Binay, et. al., CA-G.R. AMLA No. 00134

On 11 May 2015, the Court of Appeals issued a six-month Freeze Order (the "Freeze Order") effective immediately on specified bank accounts of the Company and one of its subsidiaries in connection with the anti-money laundering case filed by the Anti-Money Laundering Council ("AMLC") against former Vice President Jejomar C. Binay ("Mr. Binay") and persons and corporations alleged to be involved in the money laundering scheme subject of the case.

The freezing of the bank accounts was predicated solely on the allegations made by the AMLC that the multiple transactions involving receipt of inward remittances and inter-branch fund transfers between the Company, Earthright Holdings, Inc. ("EHI") (a stockholder of the Company), and SREDC (a subsidiary), as well as the alleged purchase of $20.46 million in foreign exchange from RCBC Forex Brokers Corporation ("RCBC Forex") were allegedly without any underlying legal or trade obligation, purpose, or economic justification and/or that they were allegedly not commensurate to the business or financial capacity of the parties involved.

Although the rules on confidentiality bar the Company from going into the details of the proceedings before the Court of Appeals, the Company is of the position that the AMLC's allegation is without basis. The Company's disclosures with the SEC and the PSE, which were timely filed and readily accessible to the general public, show that the receipts and transmittals involving the foregoing corporations had economic justifications and involved legitimate business transactions.

Moreover, RCBC Forex admitted and in fact issued a certification that Mr. Antonio L. Tiu ("Mr. Tiu") did not make the $20.46 million purchase of foreign currency as erroneously claimed by the AMLC.

On 6 November 2015, the Company and Mr. Tiu, among others, filed a Motion to Lift Freeze Order (the "Motion to Lift") on even date with the Court of Appeals where it was argued, among others, that the alleged unjustified bank transactions of the foregoing were above-board, legal, and duly reported to the appropriate regulatory bodies of the government even prior to any investigation conducted by any government agency.

Without resolving the Motion to Lift, the Freeze Order was *motu proprio* lifted upon the expiration of the maximum six (6)-month period to freeze bank accounts allowed under the law.

Republic of the Philippines v. Binay, et. al., AMLA Case No. 15-007-53

Upon the lifting of the Freeze Order, the Republic of the Philippines, through the AMLC (the "Petitioner"), filed a Verified *Ex Parte* Petition for Civil Forfeiture (With Urgent Prayer for Issuance of a Provisional Asset Preservation Order and/or Asset Preservation Order) dated 29 October 2015 (the "*Ex Parte* Petition") with the Regional Trial Court of Manila (the "Regional Trial Court"). In the *Ex Parte* Petition, the Petitioner prayed that (i) a Provisional Asset Preservation Order ("PAPO") be issued over specified bank accounts of the Company, among others, (ii) the PAPO be converted into an Asset Preservation Order after summary hearing, and (iii) the Company's bank accounts specified in the *Ex Parte* Petition be forfeited in favor of the government after due proceedings (the "Case"). On 13 November 2015, the Regional Trial Court issued the PAPO over specific bank accounts of the Company.

On 9 December 2015, the Company filed an Omnibus Motion of even date in response to Petitioner's *Ex Parte* Petition where it was prayed that the Case be dismissed on the following grounds:

1. The Regional Trial Court has no jurisdiction to hear the Case because it was instituted within the one (1)-year ban provided for under Republic Act No. 1379; and

2. The report of the AMLC, upon which the *Ex Parte* Petition and the issuance of the PAPO were predicated, was prepared in a manner that was violative of the Company's right to due process; hence, it cannot be used, relied upon, nor be taken cognizance of by the Regional Trial Court in determining the existence of probable cause that would justify the issuance of the PAPO.

In the Omnibus Motion, the Company also prayed for a bill of particulars or a more definite statement of facts so that it could intelligently confront the baseless imputation that the foregoing bank accounts are somehow connected with any illegal activity. A mere perusal of the *Ex Parte* Petition filed in the Case will readily show that while the foregoing accounts were mentioned, not a single allegation was made connecting any of the funds therein to any specific alleged illegal transaction or unlawful activity involving Mr. Binay.

The Company believes that the arguments and defenses raised in the Omnibus Motion are based on strong legal grounds. Thus, the Company fully intends to exhaust all legal remedies available to it in order to protect its interests and vindicate its rights. To date, the Omnibus Motion is still pending resolution by the Regional Trial Court.

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

The 2016 Annual Stockholders' Meeting of the Company was held on 15 December 2016. In attendance in said meeting were the following:

Total issued and outstanding shares	2,800,778,572
Total no. of shares represented in the meeting	2,151,186,701

The following matters, which were on the agenda, were approved/ratified by the stockholders present or represented in the said Annual Stockholders' Meeting:

1. Minutes of the Annual Meeting of Stockholders held last 16 June 2014;

2. Annual Report and Financial Statements for the years ended 31 December 2014 and 31 December 2015;

3. Issuance and listing of ₱250 million worth of primary common shares issued by the Company to EHI, subject to the approval by the SEC of the proposed increase in authorized capital stock of the Company and in compliance with the PSE Revised Listing Rules;

4. Waiver by the minority stockholders of the right to conduct a public offering in relation to the ₱250 million worth of primary common shares issued by the Company to EHI, subject to the approval by the SEC of the proposed increase in authorized capital stock of the Corporation and in compliance with the PSE Revised Listing Rules;

5. Delegation of the appointment of the external auditor for the fiscal year 2016 to the Board of Directors upon recommendation of the Audit and Compliance Committee; and

6. Ratification of all acts, resolutions, and decisions of the incumbent Board of Directors and Management since the Annual Stockholders' Meeting held on 16 June 2014.

At the same meeting, the following were elected Directors of the Company:

1. Antonio L. Tiu
2. Kenneth S. Tan
3. Ma. Pamela Grace C. Muhi
4. Antonio Peter R. Galvez
5. Lisette M. Arboleda

6. Yang Chung Ming
7. James L. Tiu
8. Martin C. Subido
9. Paula Katrina L. Nora
10. Honorio T. Tan (Independent Director)
11. Maylyn Z. Dy (Independent Director)

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

Securities

As of 31 December 2016, the Company has an authorized capital stock of ₱2,000,000,000.00 divided into the following:

a. Common shares, consisting of 1,900,000,000 shares with a par value of ₱1.00 per share for a total par value of ₱1,900,000,000.00; and

b. Preferred shares, consisting of 1,000,000,000 shares with a par value of ₱0.10 per share for a total par value of ₱100,000,000.00.

The total issued and subscribed capital of the Company is ₱1,900,778,572.00 divided into (i) 1,800,778,572 common shares with a par value of ₱1.00 per share or a total par value of ₱1,800,778,572.00, and (ii) 1,000,000,000 preferred shares with a par value of ₱0.10 per shares or a total par value of ₱100,000,000.00.[2]

Except for those exempt from registration requirements, no sales of unregistered securities were made in the past three (3) years.

No debt securities are registered or contemplated to be registered.

No securities subject to redemption or call exists or are planned to be issued.

On 14 April 2012, the Board of Directors approved the issuance of 7.5 billion warrants to Mr. George Uy at the issue price of ₱0.001 per warrant under such terms and conditions as may be agreed upon and in accordance with the rules and regulations of the SEC and the PSE.

Market Information

As of the date of this report, the trading of the Company's securities remains suspended. To recall, the trading of the Company's securities was temporarily suspended by the PSE on 13 May 2015 upon the request of the same. This was done to prevent any unusual volatility in the trading of the Company's securities that may cause investor panic as a result of a news article on the inclusion of certain bank accounts of the Company in a Freeze Order issued by the Court of Appeals. The Company's securities were trading at ₱0.37 per share at the time of the suspension.

The following is a summary of the trading prices at the PSE for each of the quarterly periods of 2016, 2015, and 2014:

Ave. Price	2016		2015		2014*	
Quarter	Low	High	Low	High	Low	High
1st	N.A.	N.A.	0.43	0.61	0.97	1.20
2nd	N.A.	N.A.	0.35	0.47	0.97	1.10
3rd**	N.A.	N.A.	N.A.	N.A.	0.99	1.20

[2] The Company is still in the process of implementing the change in par value of its common shares as approved by the SEC. For the purpose of this report, the number of shares issued and subscribed was rounded off. However, the same is still subject to change/adjustment upon completion of the implementation of the change in par value of common shares of the Company.

4th**	N.A.	N.A.	N.A.	N.A.	0.35	1.10

**Adjusted due to change in par value on 30 October 2014*
***The trading of the Company's securities was suspended starting the 3rd quarter of 2015. The stock was last traded on 13 May 2015.*

Holders[3]

The Company has a total of 1,035 stockholders of record as of 31 December 2016. The Company issues both common and preferred shares. The top twenty (20) shareholders as of 31 December 2016 are as follows:

Stockholder's Name	No. of Shares	% of Ownership
PCD Nominee Corporation	447,520,888	24.85%
ThomasLloyd Cleantech Infrastructure Fund GmbH	207,768,560	11.54%
Earthright Holdings, Inc.	187,500,000	10.41%
Jian Cheng Cai	160,000,000	8.89%
Three Star Capital Limited (BVI)	110,000,000	6.11%
PPAR Management & Holdings Corporation	58,000,000	3.22%
Southern Field Limited (BVI)	55,000,000	3.05%
Jerry G. Yu	52,000,000	2.89%
Ann Loraine B. Tiu	51,500,000	2.86%
ARC Estate & Project Corporation	50,000,000	2.78%
Mark Kenrich Duca	50,000,000	2.78%
Hung Kamtin	40,000,000	2.22%
Paul Vincent Lee	36,000,000	2.00%
Fab People, Inc.	31,000,000	1.72%
Jaime L. Tiu	30,000,000	1.67%
James L. Tiu	30,000,000	1.67%
Prestejenchrisdan (PSJCD) Inc.	30,000,000	1.67%
Sure Anthony T. Ching	30,000,000	1.67%
Jose Marie E. Fabella	30,000,000	1.67%
Leonardo S. Gayao	28,000,000	1.55%
Total	**1,714,289,448**	**95.20%**

Stockholder's Name	No. of Preferred Shares	% of Ownership
Earthright Holdings, Inc.	1,000,000,000	100.00%

The public float of the Company as of 31 December 2016 is 69.26%.

Background of Major Shareholders
(Shareholders Owning At Least 10% of the Total Outstanding Capital)

1. PCD Nominee Corporation

PCD Nominee Corporation ("PC") is a wholly-owned subsidiary of the Philippine Central Depository, Inc. ("PCD"), a corporation established to improve operations in securities transactions and to provide a fast, safe, and highly efficient system for securities settlement in the Philippines. PC acts as trustee-nominee for all shares lodged in the PCD system, where trades effected on the PSE are finally settled with the PCD.

PCD, now known as Philippine Depository and Trust Corporation, is a private institution established in March 1995 to improve operations in securities transactions. Regulated by the SEC, PCD is owned by

[3] The Company is still in the process of implementing the change in par value of its common shares as approved by the SEC. For the purpose of this report, the number of shares issued and subscribed was rounded off. However, the same is still subject to change/adjustment upon completion of the implementation of the change in par value of common shares of the Company.

major capital market players in the Philippines, namely the PSE, Bankers Association of the Philippines, Financial Executives Institute of the Philippines, Development Bank of the Philippines, Investment House Association of the Philippines, Social Security System, and Citibank N.A.

All PSE-member brokers are participants of the PCD. Other participants include custodian banks, institutional investors, and other corporations or institutions that are active players in the Philippine equities market.

2. ThomasLloyd Cleantech Infrastucture Fund GmbH

ThomasLloyd Cleantech Infrastructure Fund GmbH ("Cleantech", formerly Cleantech Projektgesellschaft mbH) was established in 2011 and duly organized under the laws of Germany, with registered address at Hanauer Landstraße 291B, 60314 Frankfurt a. M., Deutschland (Germany). It was established to launch a platform of retail and high networth investor funds, specifically to invest in clean technologies and renewable energy. The company is owned by ThomasLloyd Holdings Ltd. and its sole director is T.U. Michael Sieg. To date, Cleantech has invested in a US-based hybrid car designer and manufacturer, as well as a series of biomass projects in the Philippines.

3. Earthright Holdings, Inc.

EHI is a domestic company incorporated on 14 November 2011 with the purpose of acquiring, holding, selling, exchanging, dealing, and investing in the shares of stock, bonds, or any kind of securities of any government or any subdivision thereof or any public or private corporation in the Philippines and abroad, and in real or personal property of any kind in the Philippines and abroad, in the same manner and to the same extent as a natural person might, could, or would do, to exercise all rights, powers, and privileges or ownership, including the right to vote therein, or consent in respect thereof, for any and all purposes without managing securities portfolio or similar securities or acting as broker of securities.

Dividends

No dividends were distributed in 2016, 2015, and 2014. Except for the required presence of unrestricted retained earnings, there are no restrictions that limit the Company's ability to pay dividends on equity or that are likely to do so in the future.

Exempt Transactions

Date of Sale	Title of Securities Sold	No. of Securities sold	Underwriters and Other Purchasers	Consideration and Issue Price	Exemption from Registration Claimed
Notice of Exempt Transaction dated 25 September 2014					
2 July 2014 2 May 2013 22 May 2013	Common and Preferred Shares	i. 375,000,000 preferred shares ii. 4,000,000,000 common shares iii. 17,600,000,000 common shares	**i. Earthright Holdings, Inc.** - 375,000,000 preferred shares **ii. Hung Kamtin** - 4,000,000,000 common shares **iii. Sunchamp Real Estate Development Corp.** - 17,600,000,000 common shares	i. ₱0.10 per share or an aggregate value of ₱37,500,000.00 ii. ₱0.01 per share or an aggregate value of ₱40,000,000.00 iii. ₱0.01 per share or an aggregate value of ₱176,000,000.00	SRC 10.1(k) - The sale of securities by an issuer to fewer than twenty (20) persons in the Philippines during any twelve-month period.
Notice of Exempt Transaction dated 14 February 2014					
5 February 2014	Common Shares	375,000,000	**IT Group, Inc.** - 375,000,000 common shares	₱0.01 per share or an aggregate value of ₱3,750,000.00	SRC 10.1(k) - The sale of securities by an issuer to fewer than twenty (20) persons in the

					Philippines during any twelve-month period.
Notice of Exempt Transaction dated 8 October 2013					
8 October 2013	Common Shares	13,000,000,000	**i. Sure Anthony Ching -** 3,000,000,000 common shares **ii. ARC Estate & Project Corp. -** 5,000,000,000 common shares **iii. Three Star Capital Limited (BVI) -** 5,000,000 common shares	₱0.01 per share or an aggregate value of ₱130,000,000.	SRC 10.1(k) - The sale of securities by an issuer to fewer than twenty (20) persons in the Philippines during any twelve-month period.
Notice of Exempt Transaction dated 29 January 2013					
3 January and 31 October 2012	Common Shares	33,700,000,000	**i. Prestejenchrisdan (PSJCD) Inc. -** 3,000,000,000 common shares **ii. Jerry G. Yu -** 5,200,000,000 common shares **iii. Paul Vincent Lee -** 3,600,000,000 common shares **iv. BG Zenith Inc. -** 1,250,000,000 common shares **v. Cai, Jian-Cheng -** 2,000,000,000 common shares **vi. Marc Kenrich Duca -** 5,000,000,000 common shares **vii. Mark Kenneth Duca -** 2,500,000,000 common shares **viii. Ann Loraine Buencamino -** 2,150,000,000 common shares **ix. Southern Field Ltd. -** 3,000,000,000 common shares **x. Three Star Capital Limited -** 6,000,000,000 common shares	₱0.01 per share or an aggregate value of ₱337,000,000.00	SRC 10.1(k) - The sale of securities by an issuer to fewer than twenty (20) persons in the Philippines during any twelve-month period.

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

Management's Discussion and Analysis or Plan of Operation

Income Statement for the Fiscal Years 2016 and 2015

The Group's revenues for 2016 amounted to ₱23.80 million, an increase from the revenue generated in 2015 which totaled ₱0.28 million due to the gain on sale of investment properties sold during the year and rental income from the nine (9)-hectare property situated in Rosario, Batangas. The share in "loss of an associate" decreased from ₱132.49 million in 2015 to ₱45.27 million in 2016 due to lower results of net losses from its associate. Expenses such as impairments and write-offs in receivables investments, advances, pre-payments, and other assets contributed to the net loss of the associate during the year.

In 2016, the Group's gross loss was at ₱43.52 million, equivalent to -182.86% of revenues. In 2015, the Company's gross loss was at ₱153.56 million or -547.22% of revenues. The Company estimates that its gross profit margins will improve in the next two (2) years when returns on the Company's investments become visible, especially on the increase in service income from agri-tourism and sale of harvests from greenhouse projects of one of its subsidiaries.

Administrative expenses in 2016 totaled ₱20.73 million, an increase of 6.28% compared to that in 2015 which amounted to ₱19.50 million due to the increase in contracted services, materials, supplies, and transportation expenses. Total accounts written off in 2016 amounted to ₱0.05 million, while ₱1.80 million was the total amount of accounts written off in 2015. Accounts written off include receivables, investments, advances, pre-payments, and other assets. Provision for impairment in 2016 totaled ₱0.46 million, an increase of 2,011.94% compared to that in 2015 which amounted to ₱0.02 million due to the impairment of advances to officers and employees, input value-added tax ("VAT"), and other current assets.

Other than the Group's investment in Rosario, Batangas, new business opportunities are being explored by the Company, including those in the field of information technology and renewable energy.

As a result of the above, the Company had a consolidated operating loss in 2016 of ₱44.00 million.

Income Statement for the Fiscal Years 2015 and 2014

The Company's revenues for 2015 amounted to ₱0.28 million, a decrease from the revenue generated in 2014 which totaled ₱62.92 million as the Group did not recognize any reclassification of AFS investment to "investment in associate" which would have resulted to a gain from SREDC in 2014 amounting to ₱62.90 million, and there was a decrease on interest income from banks during the year. The share in "loss of associate" decreased from ₱355.59 million in 2014 to ₱132.49 million in 2015 due to lower results of net losses from its associate. Expenses such as impairments and write-offs in receivables investments, advances, pre-payments, and other assets contributed to the net loss of the associate during the year.

In 2015, the Company's gross loss was at ₱153.56 million, equivalent to -547.22% of revenues. In 2014, the Company's gross loss was at ₱721.50 million or -1,146.73% of revenues. The Company estimates that its gross profit margins will improve in the next two (2) years when returns on the Company's investments become visible, especially on the increase in service income from agri-tourism and the sale of harvests from greenhouse projects of one of its subsidiaries.

Administrative expenses in 2015 totaled ₱19.50 million, a decrease of 89.81% compared to that in 2014 which amounted to ₱191.40 million, due to the decrease of accounts written off and impairments in 2015 as compared in 2014. Total accounts written off in 2015 amounted to ₱1.80 million, while ₱178.47 million was written off in 2014. Accounts written off include receivables, investments, advances, pre-payments, and other assets. Provision for impairment in 2015 totaled ₱0.02 million, a decrease of 99.99% compared to that in 2014 which amounted to ₱235.05 million, as no major impairment was considered by Management during the year. Impairment of accounts in 2014 includes receivables, input VAT, and advances made for one of its subsidiaries' waste recycling project.

Other than the Group's investment in Rosario, Batangas, new business opportunities are being explored by the Company, including those in the field of information technology and renewable energy.

As a result of the above, the Company had a consolidated operating loss in 2015 of ₱153.56 million.

Balance Sheet Trends – Fiscal Years 2016 and 2015

Cash on hand and in banks increased by ₱5,724 as of 31 December 2016 from ₱1.65 million in 2015 to ₱1.66 million as of 31 December 2016 due to interest income earned from deposits during the year.

Net receivables increased by ₱23,744 as of 31 December 2016 from ₱251.16 million in 2015 to ₱251.13 million in 2016 due to the reclassification of accounts from "due from related parties" to "receivables" as a result of the assignment of receivables to Zhongshan Fucang Trade Co. Ltd. from ThomasLloyd Cleantech Infrastructure Fund GmbH in 2015 amounting to ₱250.14 million and rental receivables.

In 2016, due from related parties decreased by ₱2.33 million, ₱788.58 million, and ₱786.25 million in 2015 and 2016. The decrease is due to liquidation of advances given to a stockholder for project acquisitions and related project expenses in relation to the Park.

Other assets include pre-payments, materials and supplies, deferred taxes, and input VAT.

AFS investment remains the same at ₱0.04 million in 2016 and 2015 due to trading suspension since 2015.

The investment in associate account in 2016 amounted to ₱297.93 million, 5.69% lower than that in 2015 which amounted to ₱315.91 million. The decrease is due to the result of net losses of an associate during 2016 which reduced the carrying amount of investments.

"Property and equipment" decreased due to the depreciation expense during the year.

"Investment properties" pertain to parcels of land and all improvements located in Quezon City, which is for capital appreciation. Subsequent sales of two (2) lots transacted in the beginning of the year 2016 amounted to ₱14.54 million. Total amount as of 31 December 2016 and 2015 amounted to ₱13.05 and ₱37.0 million, respectively. The decrease is due to sale of four (4) lots in 2016.

Total current liabilities decreased by ₱21.41 million in 2016 from ₱224.36 million in 2015 to ₱202.95 million in 2016. The decrease in 2016 is the result of the payment of payables to a supplier, advances from related parties, and the reclassification of deposits from customers amounting to ₱14.54 million as cash proceeds received from the sale of investment property in Quezon City.

Loans payable decreased by ₱11.65 million in 2016 from ₱16.80 million in 2015 to ₱5.15 million in 2016 due to partial payments of the principal.

Balance Sheet Trends – Fiscal Years 2015 and 2014

Cash on hand and in banks decreased by ₱2.18 million as of 31 December 2015 from ₱3.83 million in 2014 to ₱1.65 million as of 31 December 2015 due to payments of payables during the year.

Net receivables increased by ₱250.07 million as of 31 December 2015 from ₱0.47 million in 2014 to ₱251.16 million in 2015 due to the reclassification of accounts from "due from related parties" to "receivables" as a result of the assignment of receivables to Zhongshan Fucang Trade Co. Ltd. from ThomasLloyd Cleantech Infrastructure Fund GmbH in 2015 amounting to ₱250.14 million.

In 2015, due from related parties decreased by ₱284.92 million, ₱1,073.50 million, and ₱788.58 million in 2015 and 2014. The decrease is due to the reclassification of accounts amounting to ₱250.14 million and liquidation of advances given to a stockholder for project acquisitions and related project expenses in relation to the Park.

Other assets include pre-payments, materials and supplies, deferred taxes, and input VAT.

AFS investment decreased by ₱0.12 million from ₱0.49 million in 2014 to ₱0.37 million in 2015 as a result of the decrease in market price during the year.

Investment in associate account in 2015 amounted to ₱315.91 million, 33.02% lower than that in 2014 which amounted to ₱471.61 million. The decrease is due to the result of net losses of an associate during 2015 which reduced the carrying amount of investments.

"Property and equipment" decreased due to the depreciation expense during the year.

"Investment properties" pertain to parcels of land and all improvements located in Quezon City, which is for capital appreciation. Subsequent sales of two (2) lots transacted in the beginning of the year 2016 amounted to ₱14.54 million.

Total current liabilities increased by ₱2.74 million in 2015 from ₱227.10 million in 2014 to ₱224.36 million in 2015. The increase in 2015 is a result of an additional payable to suppliers, advances from related parties, and deposits from customers amounting to ₱14.54 million as cash proceeds received from the sale of an investment property in Quezon City.

Loan payable decreased by ₱33.2 million in 2015 from ₱50.0 million in 2014 to ₱16.80 million in 2015 due to partial payments of the principal.

Changes and Disagreements with Accounts on Accounting and Financial Disclosures

None.

Discussion and Analysis of Material Events and/or Uncertainties Known to Management

Issuance of Freeze Order and Asset Preservation Order ("APO")

The freeze order issued against the specified bank accounts (the "Subject Bank Accounts") of the Company in relation to the case "Republic of the Philippines, represented by the Anti-Money Laundering Council v. Jejomar C. Binay, et al." (CA-G.R. AMLA No. 00134) (the "Freeze Order") and the APO issued in the case "Republic of the Philippines, represented by the Anti-Money Laundering Council v. Jejomar C. Binay, et al." (AMLA Case No. 15-007-53) did not and will not materially affect the business of the Company.

First, the Freeze Order had been lifted *motu proprio* upon the expiration of the maximum six-month period to freeze bank accounts allowed under the law, and therefore poses no effect on the operations of the Company.

Second, the Subject Bank Accounts only involve ₱78,196.41, which constitutes 0.006% of the Company's total assets as of 31 December 2016.

Other than the Subject Bank Accounts, no other property of the Company was included in the Freeze Order and the APO.

Imposition of Penalties

On 5 September 2016, the Company received a final demand letter from the PSE requiring the settlement of outstanding obligations in the total amount of ₱553,360.00 (the "Outstanding Obligations"). The Outstanding Obligations include penalties imposed by the PSE due to the Company's failure to file (i) the Annual Reports for the years ended 31 December 2014 and 2015, and (ii) the Quarterly Reports for the periods ended 31 March 2015, 30 June 2015, and 31 March 2016.

The Company previously disclosed to the public that the SEC imposed upon it a partial aggregate penalty amounting to ₱922,000.00 due to its failure to file the (i) Annual Reports for the fiscal years ended 31 December 2014 and 2015, and (ii) Quarterly Reports for the periods ended 31 March 2015, 30 June 2015, 30 September 2015, and 31 March 2016 (collectively, the "Reports"). The total monetary penalty shall be determined upon submission of the Reports to the SEC.

Given the above and the report under item 7 hereof, there are no other:

1. Known trends or any known demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in the Issuer's liquidity increasing or decreasing in any material way;

2. Events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation;

3. 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;

4. Material commitments for capital expenditures;

5. Known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations;

6. Significant elements of income or loss that did not arise from the Issuer's continuing operations; and

7. Seasonal aspects that had a material effect on the financial condition or results of operations.

The causes for the material changes are included in the discussion under item 6 (Management's Discussion and Analysis or Plan of Operation and Balance Sheet Trends) above.

Key Performance Indicators

The top five (5) key performance indicators are shown below for the years 2016, 2015, and 2014:

Indicator	2016	2015*	2014*
Current ratio	5.12:1	4.64:1	4.75:1
Debt to equity ratio	0.17:1	0.19:1	0.17:1
Bank debt to equity ratio	0.004:1	0.01:1	0.04:1
Loss per share	(0.03)	(0.09)	(0.33)
Return on Equity	(0.04:1)	(0.13:1)	(0.53:1)

**As restated*

The above indicators, taken together, indicate the health and dynamics of the business.

Definition of "Liquidity Ratios"

A class of financial metrics that is used to determine a company's ability to pay off its short-terms debt obligations. Generally, the higher the value of the ratio, the larger the margin of safety that the company possesses to cover short-term debts.

Common liquidity ratios include the current ratio, the quick ratio, and the operating cash flow ratio. Different analysts consider different assets to be relevant in calculating liquidity. Some analysts will calculate only the sum of cash and equivalents divided by current liabilities because they feel that they are the most liquid assets, and would be the most likely to be used to cover short-term debts in an emergency.

A company's ability to turn short-term assets into cash to cover debts is of the utmost importance when creditors are seeking payment. Bankruptcy analysts and mortgage originators frequently use the liquidity ratios to determine whether a company will be able to continue as a going concern.

Definition of "Solvency Ratio"

One of many ratios used to measure a company's ability to meet long-term obligations. The solvency ratio measures the size of a company's after-tax income, excluding non-cash depreciation expenses, as compared to the company's total debt obligations. It provides a measurement of how likely a company will be able to continue meeting its debt obligations.

The measure is usually calculated as follows:

$$\text{Solvency Ratio} = \frac{\text{After Tax Net Profit} + \text{Depreciation}}{\text{Long Term Liabilities} + \text{Short Term Liabilities}}$$

Definition of "Debt/Equity Ratio"

A measure of a company's financial leverage calculated by dividing its total liabilities by stockholders' equity. It indicates what proportion of equity and debt the company is using to finance its assets.

$$= \frac{\text{Total Liabilities}}{\text{Shareholders Equity}}$$

Note: Sometimes only interest-bearing, long-term debt is used instead of total liabilities in the calculation.

Also known as the Personal Debt/Equity Ratio, this ratio can be applied to personal financial statements as well as corporate ones.

A high debt/equity ratio generally means that a company has been aggressive in financing its growth with debt. This can result in volatile earnings as a result of the additional interest expense.

If a lot of debt is used to finance increased operations (high debt-to-equity), the company could potentially generate more earnings than it would have without this outside financing. If this were to increase earnings by a greater amount than the debt cost (interest), then the shareholders benefit as more earnings are being spread among the same number of shareholders. However, the cost of this debt financing may outweigh the return that the company generates on the debt through investment and business activities and become too much for the company to handle. This can lead to bankruptcy, which would leave shareholders with nothing.

The debt/equity ratio also depends on the industry in which the company operates. For example, capital-intensive industries such as auto manufacturing tend to have a debt/equity ratio above 2, while personal computer companies have a debt/equity of under 0.5.

Definition of "Interest Coverage Ratio"

A ratio used to determine how easily a company can pay interest on outstanding debt. The interest coverage ratio is calculated by dividing a company's earnings before interest and taxes ("EBIT") of one period by the company's interest expenses of the same period:

$$\text{Interest Coverage Ratio} = \frac{\text{EBIT}}{\text{Interest Expense}}$$

The lower the ratio, the more the company is burdened by debt expense. When a company's interest coverage ratio is 1.5 or lower, its ability to meet interest expenses may be questionable. An interest coverage ratio below 1 indicates the company is not generating sufficient revenues to satisfy interest expenses.

Definition of "Return on Equity – ROE"

The amount of net income returned as a percentage of shareholders' equity. Return on equity ("ROE") measures a company's profitability by revealing how much profit a company generates with the money shareholders have invested. ROE is expressed as a percentage and calculated as:

Return on Equity = Net Income/Shareholders' Equity

Net income is for the full fiscal year (before dividends paid to common stockholders but after dividends to preferred stock.) Shareholders' equity does not include preferred shares.

Also known as "return on net worth" ("RONW").

The ROE is useful for comparing the profitability of a company to that of other firms in the same industry.

There are several variations on the formula that investors may use:

1. Investors wishing to see the return on common equity may modify the formula above by subtracting preferred dividends from net income and subtracting preferred equity from shareholders' equity, giving the following: return on common equity ("ROCE") = net income - preferred dividends/common equity.

2. Return on equity may also be calculated by dividing net income by average shareholders' equity. Average shareholders' equity is calculated by adding the shareholders' equity at the beginning of a period to the shareholders' equity at period's end and dividing the result by two (2).

3. Investors may also calculate the change in ROE for a period by first using the shareholders' equity figure from the beginning of a period as a denominator to determine the beginning ROE. Then, the end-of-period shareholders' equity can be used as the denominator to determine the ending ROE. Calculating both beginning and ending ROE's allows an investor to determine the change in profitability over the period.

Definition of "Gross Margin"

A company's total sales revenue minus its cost of goods sold, divided by the total sales revenue, expressed as a percentage. The gross margin represents the percent of total sales revenue that the company retains after incurring the direct costs associated with producing the goods and services sold by a company. The higher the percentage, the more the company retains on each dollar of sales to service its other costs and obligations.

$$\text{Gross Margin (\%)} = \frac{\text{Revenue - Cost of Goods Sold}}{\text{Revenue}}$$

This number represents the proportion of each dollar of revenue that the company retains as gross profit. For example, if a company's gross margin for the most recent quarter was 35%, it would retain $0.35 from each dollar of revenue generated, to be put towards paying off selling, general and administrative expenses, interest expenses, and distributions to shareholders. The levels of gross margin can vary drastically from one industry to another depending on the business. For example, software companies will generally have a much higher gross margin than a manufacturing firm.

Definition of "Net Margin"

The ratio of net profits to revenues for a company or business segment—typically expressed as a percentage—that shows how much of each dollar earned by the company is translated into profits. Net margins can generally be calculated as:

$$\text{Net Margins} = \frac{\text{Net Profit}}{\text{Revenue}}$$

, where Net Profit = Revenue - COGS - Operating Expenses - Interest and Taxes

Net margins will vary from company to company, and certain ranges can be expected from industry to industry, as similar business constraints exist in each distinct industry. A company like Wal-Mart has made fortunes for its shareholders while operating on net margins less than 5% annually, while at the other end of the spectrum some technology companies can run on net margins of 15-20% or greater.

Most publicly traded companies will report their net margins both quarterly (during earnings releases) and in their annual reports. Companies that are able to expand their net margins over time will generally be rewarded with share price growth, as it leads directly to higher levels of profitability.

Audit and Audit-Related Fees – 2016

The audit fees for the services rendered by the Company's external auditor, Uy Singson Abella & Co., for its services in connection with the statutory and regulatory filings of the Company's financial statements for calendar year 2016 amounted to ₱300,000.00.

Tax Fees – 2016

For the year 2016, there were no fees paid for professional services rendered by the external auditor for tax accounting compliance, advice, planning, and any other form of tax services.

All Other Fees – 2016

For the year 2016, there were no fees paid for products and services provided by the external auditor other than the fees paid as indicated in "Audit and Audit-Related Fees – 2016" above.

Audit Committee's Approval Policies and Procedures for the Above Services

The Audit Committee approved the above fees paid to the external auditor for the calendar year 2016.

Item 7. Financial Statements

The report of the Company's independent public accountant is incorporated and attached to this report, in its entirety.

Attached as **Annex "A"** are the Audited Consolidated Financial Statements of the Company for the fiscal year 2016.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The Board of Directors is made up of eleven (11) members, with Mr. Tiu at the helm as Chairman. Board committees have been formed to focus on nomination and compensation and audit and compliance.

As of 31 December 2016, the following were the eleven (11) individuals comprising the Board of Directors:

Name	Position	Nationality	Age	Term of Office	Period Served
Antonio L. Tiu	Chairman	Filipino	41	6 years	2010 to 2016
Kenneth S. Tan*	Director	Filipino	44	2 years, 6 months	2014 to 2016
Martin C. Subido	Director	Filipino	40	6 years	2010 to 2016
Ma. Pamela Grace C. Muhi***	Director	Filipino	42	2 weeks	2016 to 2016
Paula Katrina L. Nora*	Director	Filipino	34	2 years, 6 months	2014 to 2016
Antonio Peter R. Galvez**	Director	Filipino	56	1 year	2015 to 2016
Lisette M. Arboleda**	Director	Filipino	36	1 year	2015 to 2016
Yang Chung Ming***	Director	Chinese	42	2 weeks	2016 to 2016
James L. Tiu***	Director	Filipino	33	2 weeks	2016 to 2016
Maylyn Z. Dy***	Independent Director	Filipino	52	2 weeks	2016 to 2016
Honorio T. Tan***	Independent Director	Filipino	79	2 weeks	2016 to 2016

**Elected to the Board of Directors on 16 June 2014*
***Elected to the Board of Directors on 9 December 2015*
****Elected to the Board of Directors on 15 December 2016*

ANTONIO L. TIU. Mr. Tiu is the President/CEO and Chairman of Earthright Holdings, Inc., Chairman of the Big Chill, Inc., President/CEO of Beidahuang Philippines Inc., and President/CEO and Chairman of Greenergy Holdings Incorporated. Mr. Tiu also serves as director and Chairman of Agrinurture, Inc., Sunchamp Real Estate Development Corp., First Class Agriculture Corporation, Fresh & Green Harvest Agricultural Company Inc., Best Choice Harvest Agricultural Corp., Lucky Fruits & Vegetable Products Inc., M2000 IMEX Company Inc., Fruitilicious Company Inc., Ocean Biochemistry Technology Research, Inc., and Fresh and Green Palawan Agri Ventures, Inc. He is an active member of the Integrated Food Manufacturer Association of the Philippines, PHILEXPORT, PHILFOODEX, Chinese Filipino Business Club, and Philippine Chamber of Agriculture and Food Industries. He was a part-time lecturer in International Finance at DLSU Graduate School from 1999 to 2001 and currently the board adviser of DLSU School of Management. He was awarded the Ernst and Young Emerging Entrepreneur of the Year in 2009.

Mr. Tiu has a Master's Degree in Commerce, specializing in International Finance, from the University of New South Wales, Sydney, Australia, and a Bachelor's Degree in Commerce, major in Management, from the De La Salle University, Manila.

KENNETH S. TAN. Mr. Tan serves as the Chief Financial Officer of Greenergy Holdings Incorporated and has been its Treasurer since June 2013. Mr. Tan also concurrently serves as the Treasurer and Chief Financial Officer of AgriNurture Inc. Previously, Mr. Tan served as Alternate Corporate Information and Compliance Officer of Greenergy Holdings Incorporated. Mr. Tan also served as the Vice President for Administration/Information Officer and Compliance Officer of AgriNurture, Inc. Further, he served as an officer of Citibank N.A. and Manulife Financial and was a part-time lecturer in Economics at an international school in Manila.

Mr. Tan has a Bachelor's Degree in Developmental Studies from the Ateneo de Manila University.

MA. PAMELA GRACE C. MUHI. Ms. Muhi joined the Philippine Department of Energy in 1997 where she held various positions from Science Research Specialist I to Senior Science Research Specialist of the Energy Policy and Planning Bureau until May 2013. Ms. Muhi served as Business Development Manager of Greenergy Holdings Incorporated from 2013 to 2015. She is currently the Marketing Manager of The Big Chill, Inc.

Ms. Muhi obtained her Bachelor's Degree in Mass Communication, major in Broadcast Communication, and Master's Degree in Public Administration from the Polytechnic University of the Philippines. She is currently taking her Doctorate Degree in Public Administration from the University of the Philippines.

MARTIN C. SUBIDO. Atty. Subido currently serves as director and Corporate Secretary/Corporate Information and Compliance Officer of Greenergy Holdings Incorporated. He is likewise a director and

Corporate Secretary of Sunchamp Real Estate Development Corp., Total Waste Management Recovery System, Inc., Winsun Green Ventures, Inc., Lite Speed Technologies, Inc., and AgriNurture Development Holdings Inc., among others.

Atty. Subido is a Certified Public Accountant and a member of the Integrated Bar of the Philippines. He graduated with a Bachelor's Degree in Accountancy from De La Salle University, Manila and obtained his Juris Doctor Degree, with honors, from the School of Law of the Ateneo de Manila University. He was a Senior Associate at the Villaraza & Angangco Law Offices before founding SPCMB Law Offices. Atty. Subido is currently a Senior Partner at SPCMB Law Offices.

PAULA KATRINA L. NORA. Atty. Nora currently serves as director and Assistant Corporate Secretary/Assistant Corporate Information and Compliance Officer of Greenergy Holdings Incorporated. She is likewise a director and Assistant Corporate Secretary of Sunchamp Real Estate Development Corp. and AgriNurture Development Holdings Inc. Finally, she currently acts as the Assistant Corporate Secretary of Winsun Green Ventures, Inc. and Lite Speed Technologies, Inc.

Atty. Nora is a member of the Integrated Bar of the Philippines. She graduated with a Bachelor's Degree in Political Science, with a minor in Economics, from the Ateneo de Manila University and obtained her Juris Doctor Degree from the School of Law of the Ateneo de Manila University. Atty. Nora was an Associate at SPCMB Law Offices from January 2008 to July 2010. From August 2010 to May 2011, she was an Associate at the Del Rosario & Del Rosario Law Office and subsequently a Senior Associate at Nava & Associates from June 2011 to June 2013. Atty. Nora rejoined SPCMB Law Offices in 2013 as a Senior Associate of the Corporate Department.

ANTONIO PETER R. GALVEZ. Mr. Galvez is an Executive and Leadership Coach and Business Coach with the University of Asia and the Pacific. He is also a licensed facilitator of Get Clients Now, licensed instructor of GRID International, and a director at Pastra.Net. His previous employments include various stints with the Securities Transfer Services, Inc., First Philippine Holdings Corporation and its subsidiaries, Department of Trade and Industry, and the Board of Investments.

Mr. Galvez is a holder of an Executive Master's Degree in Business Administration from the Asian Institute of Management. He graduated from the Ateneo de Manila University with a Bachelor's Degree in Economics.

JAMES L. TIU. Mr. Tiu first worked as a Chinese Interpreter for Philippine Airlines. He previously served as Treasurer of Greenergy Holdings Incorporated and General Manager of Fresh & Green Harvest Agricultural Company Inc. He is currently a director of Farmville Farming Co. and Lifedata Systems Inc.

He earned his Bachelor's Degree in Commerce, major in Marketing, from Chiang Kai Shek College.

LISETTE M. ARBOLEDA. Atty. Arboleda worked as a Political Affairs Officer in the House of Representatives from 2007 to 2010. From 2011 to 2012, Atty. Arboleda worked as a Senior Legal Officer at Rapu-Rapu Processing, Inc. Before joining AgriNurture, Inc., she was a Senior Associate at Navarro Law Offices. Currently, Atty. Arboleda is a director and the Corporate Secretary and AVP, Head of Corporate and Legal Affairs of AgriNurture, Inc. She joined Greenergy Holdings Incorporated as director in 2015.

Atty. Arboleda graduated from the University of the Philippines in 2002 with a Bachelor's Degree in Political Science and obtained her Bachelor of Laws Degree from San Beda College of Law in 2008. She was admitted to the Philippine Bar in 2009.

YANG CHUNG MING. Mr. Yang is the General Manager of Good Chance AgriNurture Marketing Co., Ltd. and Tong Shen Enterprises, which are both Taiwan-based firms.

He has a Bachelor's Degree in Computer Science from Chiang Kai Shek College, Philippines and has a Master's Degree in Business Administration from the National Chengchi University in Taiwan.

HONORIO T. TAN (Independent Director).* Mr. Tan is the Chairman, President, and owner of Beam Marketing Enterprise, Inc., a health food and herbal medicine manufacturing company. Mr. Tan is also the inventor of a number of herbal and naturopathic medicines. He served as President of Manila

Downtown YMCA from 2005 to 2010 and then from 2015 to 2016. He also served as President of Moringaling Philippines Foundation, Inc. in 2011. He was with the Bank of Asia for more than nine (9) years before the bank was sold and merged with the Bank of America.

Mr. Tan holds a Master's Degree in Business Administration from De La Salle University, Manila and a Bachelor's Degree in Economics from University of the East.

MAYLYN Z. DY (Independent Director).* Ms. Dy is currently the Corporate Secretary of Woodside Properties & Land Corp., a director at VitaMaxx Realty, and an independent consultant at First Vita Plus Marketing Corporation. She was an Assistant General Manager at R. Zalamea Pawnshop from 1986 to 1998.

Ms. Dy graduated from Maryknoll College Foundation Inc. with a Bachelor's Degree in Communication Arts.

*The independent directors were never engaged as consultants of the Company.

As of 31 December 2016, the following are the executive officers of the Company:

Name	Position	Age	Citizenship	Business Experience
Antonio L. Tiu	Chairman and President/Chief Executive Officer ("CEO")	41	Filipino	Mr. Tiu is the President/CEO and Chairman of Earthright Holdings, Inc., Chairman of the Big Chill, Inc., President/CEO of Beidahuang Philippines Inc., and President/CEO and Chairman of Greenergy Holdings Incorporated. Mr. Tiu also serves as director and Chairman of AgriNurture, Inc., Sunchamp Real Estate Development Corp., First Class Agriculture Corporation, Fresh & Green Harvest Agricultural Company Inc., Best Choice Harvest Agricultural Corp., Lucky Fruits & Vegetable Products Inc., M2000 IMEX Company Inc., Fruitilicious Company Inc., Ocean Biochemistry Technology Research, Inc., and Fresh and Green Palawan Agri Ventures, Inc. He is an active member of the Integrated Food Manufacturer Association of the Philippines, PHILEXPORT, PHILFOODEX, Chinese Filipino Business Club, and Philippine Chamber of Agriculture and Food Industries. He was a part-time lecturer in International Finance at DLSU Graduate School from 1999 to 2001 and currently the board adviser of DLSU School of Management. He was awarded the Ernst and Young Emerging Entrepreneur of the Year in 2009.
Kenneth S. Tan	Treasurer/Chief Financial Officer ("CFO")	44	Filipino	Mr. Tan serves as the Chief Financial Officer of Greenergy Holdings Incorporated and has been its Treasurer since June 2013. Mr. Tan also concurrently serves as the Treasurer and Chief Financial Officer of AgriNurture Inc. Previously, Mr. Tan served as Alternate Corporate Information and Compliance Officer of Greenergy Holdings Incorporated. Mr. Tan also served as the Vice President for Administration/Information Officer and Compliance Officer of AgriNurture, Inc. Further, he served as an officer of Citibank N.A. and Manulife Financial and was a part-time lecturer in Economics at an international school in Manila.

Ma. Pamela Grace C. Muhi	Vice President ("VP")	42	Filipino	Ms. Muhi joined the Philippine Department of Energy in 1997 where she held various positions from Science Research Specialist I to Senior Science Research Specialist of the Energy Policy and Planning Bureau until May 2013. Ms. Muhi served as Business Development Manager of Greenergy Holdings Incorporated from 2013 to 2015. She is currently the Marketing Manager of The Big Chill, Inc.
Martin C. Subido	Corporate Secretary/Corporate Information and Compliance Officer	40	Filipino	Atty. Subido currently serves as director and Corporate Secretary/Corporate Information and Compliance Officer of Greenergy Holdings Incorporated. He is likewise a director and Corporate Secretary of Sunchamp Real Estate Development Corp., Total Waste Management Recovery System, Inc., Winsun Green Ventures, Inc., Lite Speed Technologies, Inc., and AgriNurture Development Holdings Inc., among others.
Paula Katrina L. Nora	Assistant Corporate Secretary/Assistant Corporate Information and Compliance Officer	34	Filipino	Atty. Nora currently serves as director and Assistant Corporate Secretary/Assistant Corporate Information and Compliance Officer of Greenergy Holdings Incorporated. She is likewise a director and Assistant Corporate Secretary of Sunchamp Real Estate Development Corp. and AgriNurture Development Holdings Inc. Finally, she currently acts as the Assistant Corporate Secretary of Winsun Green Ventures, Inc. and Lite Speed Technologies, Inc.

Significant Employees

No single person is expected to make a significant contribution to the business since the Company considers the collective efforts of all of its employees as instrumental to the overall success of the Company's performance.

Family Relationships

Mr. James L. Tiu is the brother of Mr. Tiu.

There are no other existing family relationships within the fourth civil degree either by consanguinity or affinity among the directors, executive officers, or persons nominated or chosen by the Company to become directors or executive officers.

Involvement in Legal Proceedings

To the best of the Company's knowledge, in the last five (5) years up to 31 December 2016, only Mr. Tiu, the Chairman and President/CEO of the Company, has been involved in an event material in evaluating the ability or integrity of any director, any nominee for election as director, or executive officer of the Company, to wit:

Republic of the Philippines, represented by AMLC v. Binay, et. al., CA-G.R. AMLA No. 00134

On 11 May 2015, the Court of Appeals issued a six (6)-month Freeze Order (the "Freeze Order") effective immediately on specified bank accounts of Mr. Tiu in connection with the anti-money laundering case filed by the AMLC against Mr. Binay and persons and corporations alleged to be involved in the money laundering scheme subject of the instant case.

The freezing of the bank accounts was predicated solely on the allegations made by the AMLC that the multiple transactions involving receipt of inward remittances and inter-branch fund transfers between the Company, EHI (a stockholder of the Company), and SREDC (a subsidiary), as well as the alleged purchase of $20.46 million in foreign exchange from RCBC Forex were allegedly without any underlying legal or trade obligation, purpose or economic justification, and/or that they were allegedly not commensurate to the business or financial capacity of the parties involved.

Although the rules on confidentiality bar Mr. Tiu from going into the details of the proceedings before the Court of Appeals, he is of the position that the AMLC's allegation is without basis. The Company's disclosures with the SEC and the PSE, which were timely filed and readily accessible to the general public, show that the receipts and transmittals involving the foregoing corporations had economic justifications and involved legitimate business transactions.

Moreover, RCBC Forex admitted and in fact issued a certification that Mr. Tiu did not make the $20.46 million purchase of foreign currency as erroneously claimed by the AMLC.

Hence, on 6 November 2015, Mr. Tiu filed a Motion to Lift Freeze Order (the "Motion to Lift") of even date with the Court of Appeals where he argued, among others, that the alleged unjustified bank transactions of the foregoing corporations were above-board, legal, and duly reported to the appropriate regulatory bodies of the government even prior to any investigation conducted by any government agency.

Without resolving the Motion to Lift, the Freeze Order on the above bank accounts were *motu proprio* lifted upon the expiration of the maximum six-month period to freeze bank accounts allowed under the law.

<u>*Republic of the Philippines v. Binay, et. al.*, AMLA Case No. 15-007-53</u>

Upon the lifting of the Freeze Order, the Republic of the Philippines, through the AMLC, (the "Petitioner") filed a Verified *Ex Parte* Petition for Civil Forfeiture (With Urgent Prayer for Issuance of a Provisional Asset Preservation Order and/or Asset Preservation Order) dated 29 October 2015 (the "*Ex Parte* Petition") with the Regional Trial Court of Manila (the "Regional Trial Court"). In the *Ex Parte* Petition, the Petitioner prayed that (i) a Provisional Asset Preservation Order ("PAPO") be issued over specified bank accounts of the Company, among others, (ii) the PAPO be converted into an Asset Preservation Order after summary hearing, and (iii) the Company's bank accounts specified in the *Ex Parte* Petition be forfeited in favor of the government after due proceedings (the "Case"). On 13 November 2015, the Regional Trial Court issued the PAPO over specific bank accounts of the Company.

On 9 December 2015, Mr. Tiu filed an Omnibus Motion of even date in response to Petitioner's *Ex Parte* Petition where he prayed for the dismissal of the Case on the following grounds:

1. The Regional Trial Court has no jurisdiction to hear the Case because it was instituted within the one-year ban provided for under Republic Act No. 1379; and

2. The report of the AMLC, upon which the *Ex Parte* Petition and the issuance of the PAPO were predicated, was prepared in a manner that is violative of Mr. Tiu's right to due process; hence, it cannot be used, relied upon, nor be taken cognizance of by the Regional Trial Court in determining the existence of probable cause that would justify the issuance of the PAPO.

In the Omnibus Motion, Mr. Tiu also prayed for a bill of particulars or a more definite statement of facts so that he could intelligently confront the baseless imputation that the foregoing bank accounts are somehow connected with any illegal activity. A mere perusal of the *Ex Parte* Petition filed in the Case will readily show that while the foregoing accounts were mentioned, not a single allegation was made connecting any of the funds therein to any specific alleged illegal transaction or unlawful activity involving Mr. Binay.

Mr. Tiu believes that the arguments and defenses raised in the Omnibus Motion are based on strong legal grounds. Thus, Mr. Tiu fully intends to exhaust all legal remedies available to the Company in order to protect its interests and vindicate its rights. To date, the Omnibus Motion is still pending resolution by the Regional Trial Court.

Item 10. Executive Compensation

The following summarizes the aggregate compensation of the executive officers and directors and the amounts paid to the Chief Executive Officer and four (4) most highly compensated executive officers of the Company:

(A) Name and Position	(B) Year	(C) Salary (in ₱)	(D) Bonus	(E) Other Annual Compensation
Antonio L. Tiu, as President/CEO	2017 (estimated)	0.00	None	None
	2016	0.00	None	None
	2015	0.00	None	None
Ma. Pamela Grace C. Muhi, VP	2017 (estimated)	0.00	None	None
	2016	372,666.60	None	None
	2015	894,400.00	None	None
All other officers and directors as a group, unnamed	2017 (estimated)	0.00	None	None
	2016	0.00	None	None
	2015	431,866.76	None	None

**The President/CEO, Treasurer/CFO, Corporate Secretary/Corporate Information and Compliance Officer, and Assistant Corporate Secretary/Assistant Corporate Information and Compliance Officer did not receive compensation in the years 2016 and 2015.*

Compensation of Directors

In the years 2016, 2015, and 2014, the Board of Directors, committee chairmen, and members did not receive compensation or director's fees.

Effective January 2012, the members of the Board of Directors were entitled to reimbursement on actual transportation expenses for attendance to any regular or special meeting.

Employment Contracts

None.

Warrants and Options Outstanding

None.

Securities Subject to Redemption or Call

None.

Item 11. Security Ownership of Certain Beneficial Owners and Management[4]

Security Ownership of Certain Record and Beneficial Owners

As of 31 December 2016, the following persons or groups owned more than five percent (5%) of the Company's voting securities, equivalent to a total of 1,800,778,572 issued and outstanding common shares:

[4] The Company is still in the process of implementing the change in par value of its common shares as approved by the SEC. For the purpose of this report, the number of shares issued and subscribed was rounded off. However, the same is still subject to change/adjustment upon completion of the implementation of the change in par value of common shares of the Company.

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	*PCD Nominee Corporation* 37/F The Enterprise Center, Ayala Avenue, Makati City *No relationship with the Issuer*	PCD Nominee Corporation, a wholly-owned subsidiary of the Philippine Depository and Trust Corporation, Inc. (PDTC), is the registered owner of the shares in the books of the Company's stock transfer agent. The beneficial owner of such shares entitled to vote the same are PDTC's participants, who hold the shares either in their own behalf or on behalf of their clients. No stockholder owns more than 5% of the outstanding capital stock under the PCD Nominee Corp.	Filipino	369,176,966	20.5010%
Common	*ThomasLloyd Cleantech Infrastructure Fund GmbH (formerly, Cleantech Projektgesellschaft mbH)* Hanauer Landstraße 291B, 60314 Frankfurt a. M., Deutschland *Private placement investor*	ThomasLloyd Cleantech Infrastructure Fund GmbH (formerly, Cleantech Projektgesellschaft mbH)	German	207,768,560	11.5377%
Common	*Earthright Holdings, Inc.** Unit 3C Value Point Executive Bldg., 227 Salcedo St. Legaspi Village Makati City *Private placement investor*	Earthright Holdings, Inc.	Filipino	187,500,000	10.4122%
Common	*Jian Cheng Cai* 18 Dadiangas Street, Damar Village, Quezon City *Private placement investor*	Jian Cheng Cai	Filipino	160,000,000	8.8850%
Common	*Three Star Capital Limited (BVI)* P.O. Box 2234, IFS Chambers, Road Town, Tortola, British Virgin Islands *Private placement investor*	Three Star Capital Limited (BVI)	British Virgin Islands	110,000,000	6.1085%

**EHI also owns 1,000,000,000 preferred shares of the Company at ₱0.10 per share*

Security Ownership of Directors and Management

The following table shows the ownership of the following directors and executive officers in the Company's common shares as of 31 December 2016:

Title of Class	Name of Beneficial Owner	Citizenship	Amount and Nature of Beneficial Ownership		Percent of Class
Common	Antonio L. Tiu*	Filipino	10,000	Direct	16.52%
			297,500,000	Indirect	
Common	Martin C. Subido	Filipino	1,000	Direct	0.00%
			1,000	Indirect	
Common	Kenneth S. Tan	Filipino	0	Direct	0.00%
			10,000	Indirect	
Common	Yang Chung Ming	Chinese	1	Direct	0.00%
			0	Indirect	
Common	Paula Katrina L. Nora	Filipino	1	Direct	0.00%
			0	Indirect	
Common	Lisette M. Arboleda	Filipino	1	Direct	0.00%
			0	Indirect	
Common	Antonio Peter R. Galvez	Filipino	1	Direct	0.00%
			0	Indirect	
Common	James L. Tiu	Filipino	30,000,000	Direct	1.67%
			0	Indirect	
Common	Ma. Pamela Grace C. Muhi	Filipino	1	Direct	0.00%
			0	Indirect	
Common	Honorio T. Tan	Filipino	1	Direct	0.33%
			6,000,000	Indirect	
Common	Maylyn Z. Dy	Filipino	1	Direct	0.00%
			0	Indirect	
Total			**333,522,007**	-	**18.52%**

**Indirectly holds 1,000,000,000 preferred shares of the Company through EHI*

Voting Trust Holders of 5% or More

To the knowledge of the Company, no such voting trust exists.

Changes in Control

The Company is not aware of any change in control or arrangement that may result in a change in control of the Company since the beginning of the last fiscal year.

Item 12. Certain Relationships and Related Transactions

Please refer to Note 17 of the Audited Consolidated Financial Statements for the year ended 31 December 2016 for details on related party transactions.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

This portion has been deleted pursuant to SEC Memorandum Circular No. 5, series of 2013.

Please refer to the Annual Corporate Governance Report for 2016 attached hereto as **Annex "B."**

PART V - EXHIBITS AND SCHEDULES

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

The following are the reports on SEC Form 17-C, as amended, which were filed during the last six (6)-month period covered by this report:

<table>
<tr><th colspan="2">Disclosures</th></tr>
<tr><td>13 July 2016</td><td>The Company disclosed that the SEC imposed upon it a partial aggregate penalty amounting to ₱922,000.00 for failure to file (i) Annual Reports for the years ended 31 December 2014 and 2015, and (ii) the Quarterly Reports for the periods ended 31 March 2015, 30 June 2015, 30 September 2015, and 31 March 2016 (collectively, the "Reports"). The total monetary penalty shall be determined upon submission of the Reports to the SEC.

The Company further disclosed that it will review and consolidate the information required to complete the Reports, and that the Company will immediately submit them to the SEC.</td></tr>
<tr><td>4 August 2016</td><td>Matters approved, adopted and/or ratified during the meeting of Board of Directors of the Company held on 4 August 2016:

Postponement of the Annual Stockholders' Meeting from 9 September 2016, as provided in the Company's By-Laws, to 14 October 2016 with a record date of 23 September 2016.</td></tr>
<tr><td>16 August 2016</td><td>Matters approved, adopted and/or ratified during the meeting of Board of Directors of the Company held on 16 August 2016, among others:

a. Write-off of the following accounts as recommended by the Management:

i. investment in Music Semiconductor Philippines, Inc. in the total amount of ₱62,561,379.00;
ii. investment in Isabela Alcogas Corporation in the total amount of ₱25,000,000.00; and
iii. other receivables and current assets in the total amount of ₱613,576.04.

b. Impairment of the following accounts as recommended by the Management:

i. investment TWMRSI in the total amount of ₱1,937,500.00;
ii. advances to TWMRSI in the total amount of ₱233,522,493.76;
iii. investment in WGVI in the total amount of ₱23,750,000.00; and
iv. advances to WGVI in the total amount of ₱66,309,531.00.</td></tr>
<tr><td>8 September 2016</td><td>Postponement of the Annual Stockholders' Meeting from 14 October 2016, as provided in the Company's By-Laws, to 2 December 2016 with a record date of 11 November 2016.</td></tr>
<tr><td>8 November 2016</td><td>Postponement of the Annual Stockholders' Meeting from 2 December 2016, as provided in the Company's By-Laws, to 15 December 2016 with a record date of 25 November 2016.</td></tr>
<tr><td>15 December 2016</td><td>Matters approved, adopted and/or ratified during the Annual Stockholders' Meeting of the Board of Directors of the Company held on 15 December 2016:

The following were elected as the members of the Board of Directors of the Company during the Annual Meeting of Stockholders:

1. Antonio L. Tiu
2. Kenneth S. Tan
3. Martin C. Subido
4. Paula Katrina L. Nora
5. Ma. Pamela Grace C. Muhi
6. Lisette M. Arboleda
7. Yang Chung Ming
8. James L. Tiu</td></tr>
</table>

	9. *Antonio Peter R. Galvez* 10. Maylyn Z. Dy (Independent Director) 11. Honorio T. Tan (Independent Director) The following, among others, have been approved, ratified and/or confirmed by the stockholders: 1. Minutes of the Annual Meeting of Stockholders held last 16 June 2014; 2. Approval of Annual Reports and Financial Statements for the years ended 31 December 2014 and 31 December 2015; 3. Approval of the issuance and listing of the ₱250 million worth of primary common shares to be issued by the Company to Earthright Holdings Inc. subject to the approval by the SEC of the proposed increase in authorized capital stock of the Company, in compliance with the PSE Revised Listing Rules; 4. Waiver by the minority stockholders of the right to conduct a public offering in relation to item 3, in compliance with the PSE Revised Listing Rules; 5. Ratification of all acts, resolutions and decisions of the Board of Directors and Management since the Annual Stockholders' Meeting held on 16 June 2014; 6. Election of Directors; and 7. Delegation of the appointment of External Auditor for the fiscal year 2016 to the Board of Directors upon recommendation of the Audit and Compliance Committee. The following were appointed as officers of the Company at the Organizational Meeting of the Board of Directors: Chairman/President/Chief Executive Officer — Antonio L. Tiu Vice President — Ma. Pamela Grace C. Muhi Treasurer/Chief Financial Officer — Kenneth S. Tan Corporate Secretary/Corporate Information and Compliance Officer — Martin C. Subido Assistant Corporate Secretary/Assistant Corporate Information and Compliance Officer — Paula Katrina L. Nora The following were appointed as members of the various committees of the Board of Directors at the Organizational Meeting of the Board of Directors: i. Nomination and Compensation Committee Chairman - Antonio Peter R. Galvez Member - Honorio T. Tan Member - Kenneth S. Tan ii. Audit and Compliance Committee Chairman - Maylyn Z. Dy Member - Antonio L. Tiu Member - Martin C. Subido

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on NOV 0 9 2017, 2017.

ANTONIO L. TIU
Chairman of the Board and President

KENNETH S. TAN
Chief Financial Officer

MARTIN C. SUBIDO
Corporate Secretary

CIARA MAE ONG LIM
Controller

SUBCRIBED AND SWORN to before me this NOV 0 9 2017, affiants exhibiting to me their competent proof of identity as follow:

NAME	ID	DATE OF ISSUE	PLACE OF ISSUE
Antonio L. Tiu	Passport No. EC0183286	Valid until 30 January 2019	DFA Manila
Kenneth S. Tan	Passport No. EB8463839	valid until 23 June 2018	DFA Manila
Martin C. Subido	Passport No. EC1674951	valid until 20 July 2019	DFA Manila
Ciara Mae Ong Lim	DL No. C06-03-079582	valid until 29 July 2022	LTO - East Ave., Q.C

Doc. No. 39;
Page No. 9;
Book No. I;
Series of 2017

ATTY. KRISTINE MARGARETTE M. BERROYA
NOTARY PUBLIC
ROLL NO. 67554
MAKATI CITY, PHILS.

ATTY. KRISTINE MARGARETTE M. BERROYA
Notary Public
Until December 31, 2018
Roll of Attorneys No. 67554
IBP No. 006298/05-01-17, Makati Chapter
PTR No. 6279109/05-05-17/Makati City
Notarial Commission No.M-513(2017-2018)
TIN 413-898-563
5th Floor, Prince Building, 117 Rada Street
Legaspi Village, Makati City

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	O	9	2	-	0	0	5	8	9

COMPANY NAME

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

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

54 NATIONAL ROAD, DAMPOL II-A, PULILAN BULACAN

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
kenneth.tan@ani.com.ph	(02) 893-2687	N/A

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
1,035	Second Friday of June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Kenneth S. Tan	kenneth.tan@ani.com.ph	(02) 893-2687	N/A

CONTACT PERSON's ADDRESS

No. 7 St. Jose Maria Escriva Drive, Unit 112, Cedar Mansion 2 , Ortigas Center, Pasig 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 occurance 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 copration'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.

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016

AND

INDEPENDENT AUDITOR'S REPORT

USA & Co

UY SINGSON ABELLA & Co

CERTIFIED PUBLIC ACCOUNTANTS

Member of Russell Bedford International

GREENERGY Holdings

GREENERGY HOLDINGS INCORPORATED
(formerly Music Semiconductors Corp.)
54 National Road, Dampol II
Pulilan, Bulacan

The Securities and Exchange Commission
SECBuilding, EDSA, Greenhills
Mandaluyong City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The management of **Greenergy Holdings Inc. and Its Subsidiaries** is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended December 31, 2016 and 2015 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Uy Singson Abella & Co., CPAs and Constantino Guadalquiver and Co., CPAS, the independent auditor appointed by the Board of the Directors for the years ended December 31, 2016 and 2015, respectively, have audited the consolidated financial statements of the Company in accordance with the Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinions on the fairness of presentation upon completion of such audit.

MR. ANTONIO L. TIU
Chairman of the Board and
President

MR. KENNETH S. TAN
Chief Financial Officer

Signed this NOV 6 2017

SUBSCRIBED AND SWORN TO before me this NOV 08 2017 at the __________, Makati City, Philippines. Affiant exhibiting to me their respective IDs as indicated below.

Name of Officer	ID No.	Date Issued	Place of Issue
Antonio L. Tiu	Passport No. EC0183286		DFA Manila
Kenneth S. Tan	Passport No. EB8463839		DFA Manila

Doc. No. 126;
Page No. 27;
Book No. I;
Series of 2017.

ATTY. JOSE ANTONIO A. CERTEZA
NOTARY PUBLIC
ROLL NO. 70182
MAKATI CITY, PHILIPPINES

ATTY. JOSE ANTONIO A. CERTEZA
Notary Public
Until December 31, 2018
Roll of Attorneys No. 70182
IBP No. 004085/05-15-17/Makati Chapter
PTR No. 6279107/06-06-17/Makati City
Notarial Commission No.M-512(2017-2018)
TIN 237-871-628
5th Floor, Prince Building, 117 Rada Street
Legaspi Village, Makati City

USA&Co

UY SINGSON ABELLA & CO
CERTIFIED PUBLIC ACCOUNTANTS

Suite 1205 Antel Global Corporate Center
#3 Julia Vargas Avenue, Ortigas Center
Pasig City 1605, Philippines

Phone: (632) 687-6151 to 52
Fax: (632) 634-7564
E-mail: info@usacpas.com.ph
Website: www.usacpas.com.ph

BOA/PRC Reg. No: 0384,
September 17, 2015, valid until December 31, 2018
SEC Accreditation No: 0332-F (Group A),
August 18, 2016, valid until August 18, 2019

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Greenergy Holdings Incorporated and Subsidiaries
54 National Road, Dampol II-A
Pulilan, Bulacan

Opinion

We have audited the consolidated financial statements of Greenergy Holdings Incorporated and Subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2016, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Other Matters

As part of our audit of the 2016 consolidated financial statements, we also audited the restatements described in Note 25 that were applied on the 2015 consolidated financial statements. In our opinion, such restatements are appropriate and have been properly applied. We are not engaged to audit, review, or apply any procedures to the 2015 consolidated financial statements of the Group other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2015 consolidated financial statements taken as a whole.

The consolidated financial statements of the Group as of and for the year ended December 31, 2015 were audited by other auditors, whose report dated October 24, 2016 expressed an unmodified opinion on those consolidated financial statements. The opinion of such other auditors, however, does not cover the restatements as disclosed in Note 25 to the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in the context. We have determined that matters described below to be the key audit matters to be communicated in our report.

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

Consolidation Process

The consolidated financial statements of the Group represents the consolidation of the financial statements of Greenergy Holdings Incorporated and its subsidiaries as summarized in Note 1 to the consolidated financial statements. We consider the Group's consolidation process as a significant risk area because of the complexity involved due to the numerous component entities within the Group requiring layers of consolidation, voluminous intercompany transactions that require elimination and subsequent realization of profit or revenue, monitoring of fair value adjustments arising from business combinations and adjustments to non-controlling interests.

Audit Response

We obtained an understanding of the Group's consolidation process. We obtained an understanding of the Group's process for identifying related parties and related party transactions and the reconciliation of intercompany balances, and performed testing of the relevant controls. We tested significant consolidation adjustments, including elimination, deferral and realization of intercompany transactions and balances and recognition of non-controlling interests and other equity transactions.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2016, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2016 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Madonna Mia S. Dayego.

UY SINGSON ABELLA & CO.

MADONNA MIA S. DAYEGO
Partner
CPA Certificate No. 93985
SEC Accreditation No. 1579-A (Group A),
August 18, 2016, valid until August 18, 2019
Tax Identification No. 189-477-952
BIR Accreditation No. 07-000962-001-2015,
December 1, 2015, valid until November 30, 2018
PTR No. 2495132, January 9, 2017, Pasig City

November 8, 2017

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2016
(With Comparative Figures for 2015)

	Notes	December 31 2016	2015 (As restated – see Note 25)	January 1, 2015 (As restated – see Note 25)
ASSETS				
Current Assets				
Cash	5	**₱1,655,902**	₱1,650,178	₱3,826,833
Receivables – net	6	**251,133,983**	251,157,727	467,903
Advances to related parties – net	17	**786,249,841**	788,580,894	1,073,499,791
Other current assets – net	7	**617,837**	608,749	634,713
Total Current Assets		**1,039,657,563**	1,041,997,548	1,078,429,240
Noncurrent Assets				
Deposits for land acquisition	9	**11,000,000**	11,000,000	11,000,000
Available-for-sale (AFS) investments	10	**370,000**	370,000	490,000
Investment in associate	11	**297,927,710**	315,906,034	471,609,992
Property and equipment – net	12	**1,378,210**	1,608,546	2,086,452
Investment properties	13	**13,045,276**	36,996,141	36,996,141
Biological assets	14	**2,679,692**	–	–
Total Noncurrent Assets		**326,400,888**	365,880,721	522,182,585
TOTAL ASSETS		**₱1,366,058,451**	₱1,407,878,269	₱1,600,611,825
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	15	**₱20,328,135**	₱34,085,968	₱16,903,118
Income tax payable	22	**472,380**	–	–
Loans payable	16	**5,153,846**	13,090,000	33,200,000
Advances from related party	17	–	185,581	–
Deposit for future stock subscriptions	17	**177,000,000**	177,000,000	177,000,000
Total Current Liabilities		**202,954,361**	224,361,549	227,103,118
Noncurrent Liability				
Loans payable – net of current portion	16	–	3,710,000	16,800,000
Total Liabilities		**202,954,361**	228,071,549	243,903,118

(Forward)

	Notes	December 31 2016	2015 (As restated – see Note 25)	January 1, 2015 (As restated – see Note 25)
Equity				
Equity attributable to equity holders of Parent Company				
Capital stock	18			
Common shares		**1,703,278,572**	1,703,278,568	1,703,278,565
Preferred shares		**100,000,000**	100,000,000	100,000,000
		1,803,278,572	1,803,278,568	1,803,278,565
Additional paid-in capital		**268,090,531**	268,090,531	268,090,531
Fair value loss on AFS investments		**(390,600)**	(390,600)	(316,200)
Equity in other comprehensive income of an associate		**11,809,295**	(15,487,109)	7,731,244
Deficit		**(1,061,478,111)**	(1,015,478,051)	(866,742,086)
		1,021,309,687	1,040,013,339	1,212,042,054
Equity attributable to Non-controlling Interest	24	**141,794,403**	139,793,381	144,666,653
Total Equity		**1,163,104,090**	1,179,806,720	1,356,708,707
TOTAL LIABILITIES AND EQUITY		**₱1,366,058,451**	₱1,407,878,269	₱1,600,611,825

See accompanying Notes to Consolidated Financial Statements.

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2016
(With Comparative Figures for 2015 and 2014)

	Notes	2016	2015 (As restated – see Note 25)	2014 (As restated – see Note 25)
INCOME				
Gain on sale of investment properties	13	**₱23,499,135**	₱ –	₱ –
Rental income	19	**297,000**	270,000	–
Interest income	5	**5,484**	8,086	6,937
Gain on reclassification of AFS investments to investment in associate		–	–	62,897,949
Miscellaneous income		–	2,527	13,300
		23,801,619	280,613	62,918,186
EXPENSES				
Equity in net loss of an associate	11	**45,274,728**	132,485,607	355,592,129
General and administrative expenses	20	**20,728,139**	19,503,082	191,399,804
Finance costs	16	**865,174**	1,837,172	1,258,452
Other expenses – net	21	**456,606**	12,756	236,171,559
		67,324,647	153,838,617	784,421,944
LOSS BEFORE INCOME TAX		**(43,523,028)**	(153,558,004)	(721,503,758)
PROVISION FOR INCOME TAX	22	**476,010**	5,633	266
NET LOSS		**(43,999,038)**	(153,563,637)	(721,504,024)
OTHER COMPREHENSIVE INCOME (LOSS)				
Items to be reclassified to profit and loss in subsequent periods:				
Share on equity in other comprehensive income (loss) of associate on exchange differences on translation of foreign operations	11	**27,209,455**	(24,776,192)	8,216,682
Fair value gain (loss) on AFS investments	10	–	(120,000)	116,816,496
Item not to be reclassified to profit and loss in subsequent periods:				
Share on equity in other comprehensive income (loss) of an associate on remeasurement of pension liability – net of tax	11	**86,949**	1,557,839	(485,438)
		27,296,404	(23,338,353)	124,547,740
TOTAL COMPREHENSIVE LOSS		**(₱16,702,634)**	(₱176,901,990)	(₱596,956,284)

(Forward)

	Notes	2016	2015 (As restated – see Note 25)	2014 (As restated – see Note 25)
Net Loss Attributable to:				
Equity holders of the Parent Company		**(₱46,000,060)**	(₱148,735,965)	(₱603,282,343)
Non-controlling interest	24	**2,001,022**	(4,827,672)	(118,221,681)
		(₱43,999,038)	(₱153,563,637)	(₱721,504,024)
Total Comprehensive Income (Loss) Attributable to:				
Equity holders of the Parent Company		**(₱18,703,656)**	(₱172,028,718)	(₱478,540,803)
Non-controlling interest	24	**2,001,022**	(4,873,272)	(118,415,481)
		(₱16,702,634)	(₱176,901,990)	(₱596,956,284)
Loss Per Share				
Basic loss for the year attributable to equity holders of the Parent Company	23	**(₱0.03)**	(₱0.09)	(₱0.33)

See accompanying Notes to Consolidated Financial Statements.

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended December 31, 2016
(With Comparative Figures for 2015 and 2014)

	Notes	2016	2015 (As restated – see Note 25)	2014 (As restated – see Note 25)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY				
CAPITAL STOCK	18			
Common shares – ₱1.0 par value				
Issued and paid				
Balance at beginning of year		**₱1,598,289,451**	₱1,598,289,448	₱1,657,039,448
Issuance of shares		**4**	3	3,750,000
Converted to preferred shares		**–**	–	(62,500,000)
Balance at end of year		**1,598,289,455**	1,598,289,451	1,598,289,448
Subscribed				
Balance at beginning and end of year		**202,489,117**	202,489,117	202,489,117
Subscriptions receivable				
Balance at beginning of year		**(97,500,000)**	(97,500,000)	(535,250,000)
Issuance of shares		**–**	–	437,750,000
Balance at end of year		**(97,500,000)**	(97,500,000)	(97,500,000)
		104,989,117	104,989,117	104,989,117
		1,703,278,572	1,703,278,568	1,703,278,565
Preferred shares – ₱0.10 par value		**100,000,000**	100,000,000	100,000,000
		1,803,278,572	1,803,278,568	1,803,278,565
ADDITIONAL PAID-IN CAPITAL		**268,090,531**	268,090,531	268,090,531
FAIR VALUE LOSS ON AFS INVESTMENTS	10			
Balance at beginning of year		**(390,600)**	(316,200)	(54,428,547)
Fair value gain (loss) in AFS investments		**–**	(74,400)	117,010,296
Reclassification to profit or loss		**–**	–	(62,897,949)
Balance at end of year		**(390,600)**	(390,600)	(316,200)
EQUITY IN OTHER COMPREHENSIVE INCOME OF ASSOCIATE	11			
Balance at beginning of year		**(15,487,109)**	7,731,244	–
Exchange differences on translation of foreign operations		**27,209,455**	(24,776,192)	8,216,682
Remeasurement gains (losses) on pension liability – net of tax		**86,949**	1,557,839	(485,438)
Balance at end of year		**11,809,295**	(15,487,109)	7,731,244

(Forward)

	Notes	2016	2015 (As restated – see Note 25)	2014 (As restated – see Note 25)
DEFICIT				
Balance at beginning of year				
As previously restated		**(1,013,153,859)**	(863,390,634)	(290,671,044)
Adjustments		**(2,324,192)**	(3,351,452)	(141,432)
As restated		**(1,015,478,051)**	(866,742,086)	(290,812,476)
Net loss		**(46,000,060)**	(148,735,965)	(603,282,343)
Effect of business combination		**–**	–	25,046,132
Effect of deconsolidation		**–**	–	2,306,601
Balance at end of year		**(1,061,478,111)**	(1,015,478,051)	(866,742,086)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY		**1,021,309,687**	1,040,013,339	1,212,042,054
NON-CONTROLLING INTEREST	24			
Balance at beginning of year				
As previously restated		**142,122,304**	145,631,237	266,362,276
Adjustments		**(2,328,923)**	(964,584)	(969,328)
As restated		**139,793,381**	144,666,653	265,392,948
Net income (loss)		**2,001,022**	(4,827,672)	(118,221,681)
Share in fair value loss on AFS investments		**–**	(45,600)	(193,800)
Effect of deconsolidation		**–**	–	(265,477,186)
Effect of business combination		**–**	–	263,166,372
Balance at end of year		**141,794,403**	139,793,381	144,666,653
TOTAL EQUITY		**₱1,163,104,090**	₱1,179,806,720	₱1,356,708,707

See accompanying Notes to Consolidated Financial Statements.

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2016
(With Comparative Figures for 2015 and 2014)

	Notes	2016	2015 (As restated – see Note 25)	2014 (As restated – see Note 25)
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		**(₱43,523,028)**	(₱153,558,004)	(₱721,503,758)
Adjustments for:				
Equity in net loss of an associate	11	**45,274,728**	132,485,607	355,592,129
Interest expense	16	**865,174**	1,837,172	1,258,452
Provision for impairment losses	21	**460,951**	21,826	235,048,036
Depreciation	12	**230,336**	587,426	489,468
Accounts written off	20	**52,680**	1,798,526	178,470,555
Interest income	5	**(5,484)**	(8,086)	(6,937)
Gain on sale of investment properties	13	**(23,499,135)**	–	–
Gain on reclassification of AFS investments to investment in associate		**–**	–	(62,897,949)
Operating loss before working capital		**(20,143,778)**	(16,835,533)	(13,550,004)
Changes in working capital:				
Increase in:				
Receivables		**(326,953)**	(547,195)	(237,612)
Other current assets		**(122,412)**	(97,793)	(113,416)
Increase (decrease) in trade and other payables		**(13,757,833)**	2,638,850	16,585,858
Net cash provided (used in) operations		**(34,350,976)**	(14,841,671)	2,684,826
Interest received	5	**5,484**	8,086	6,937
Income taxes paid		**(3,630)**	(5,633)	(2,163)
Net cash flows provided by (used in) operating activities		**(34,349,122)**	(14,839,218)	2,689,600
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the sale of investment properties	13	**47,450,000**	–	–
Collection received from related parties	17	**3,486,584**	33,563,191	17,256,082
Advances made to related parties	17	**(1,205,141)**	(483,520)	(791,931,069)
Acquisition of biological assets	14	**(2,679,692)**	–	–
Deposits received from sale of investment properties	13	**–**	14,544,000	–
Acquisitions of property and equipment	12	**–**	(109,520)	(1,471,512)
Proceeds from disposal of assets held for sale		**–**	–	400,522,380
Acquisition of investment in associate	11	**–**	–	(572,773,794)
Additions to investment properties	13	**–**	–	(33,096,141)
Deposits for land acquisition	9	**–**	–	(11,000,000)
Net cash flows from (used in) investing activities		**47,051,751**	47,514,151	(992,494,054)

(Forward)

	Notes	2016	2015 (As restated – see Note 25)	2014 (As restated – see Note 25)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of loans payable	16	**(11,646,154)**	(33,200,000)	–
Interest paid	16	**(865,174)**	(1,837,172)	(1,258,452)
Advances (repayments) to related party	17	**(185,581)**	185,581	(344,126)
Proceeds from issuance of capital stock	18	**4**	3	479,000,000
Increase in non-controlling interest due to business combination	24	**–**	–	263,166,372
Deposits received from future stock subscriptions	17	**–**	–	177,000,000
Increase in retained earnings due to business combination		**–**	–	25,046,132
Proceeds from loan payables	16	**–**	–	50,000,000
Net cash flows from (used in) financing activities		**(12,696,905)**	(34,851,588)	992,609,926
NET INCREASE (DECREASE) IN CASH		**5,724**	(2,176,655)	2,805,472
CASH AT BEGINNING OF YEAR		**1,650,178**	3,826,833	1,021,361
CASH AT END OF YEAR	5	**₱1,655,902**	₱1,650,178	₱3,826,833

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

Greenergy Holdings Incorporated (the Parent Company) was registered and incorporated with the Philippine Securities and Exchange Commission (SEC) on January 29, 1992 as MUSX Corporation to primarily engage in the manufacturing and sale of semiconductor products. In 2011, the SEC approved the amendment of its Articles of Incorporation to change the registered name to Greenergy Holdings Incorporated. The Parent Company was listed in the Philippine Stock Exchange (PSE) on September 26, 1996.

The Parent Company's primary purpose is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, or otherwise dispose of real or personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidence of indebtedness, marketable securities, deposit substitutes in any valid currency, and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been organized, and to pay therefor in money or by exchanging therefor stocks, bonds, or other evidence of indebtedness or securities of this or any other corporation, stocks, bonds, debentures, contracts, or obligations; to receive, collect, and dispose of the interest, dividends, proceeds, and income arising from such property; and to possess and exercise in respect therefor all voting powers of any stock so owned, provided that the corporation shall not engage as stock broker or dealer in securities.

The Parent Company and its subsidiaries (collectively referred to as the Group) are involved in diversified industries such as renewable energy, agriculture and real estate, information technology and waste management.

The Parent Company's principal office is at 54 National Road, Dampol II-A, Pulilan, Bulacan. The Group's business address is at Unit 112 Cedar Mansion II, #7 St. Jose Maria Escriva Drive, Ortigas Center, Barangay San Antonio, Pasig City.

As of December 31, 2016 and 2015, the Parent Company holds investments in the following subsidiaries and associate:

Investee	Country of Incorporation	Nature of Business	Principal Place of Business	Effective Ownership 2016	Effective Ownership 2015
Subsidiaries					
Winsun Green Ventures, Inc. (WGVI)	Philippines	Renewable energy system	Pulilan, Bulacan	**100%**	100%
Agrinurture Development Holdings Inc. (ADHI)	Philippines	Investment holding	Pasig City	**100%**	100%
Sunchamp Real Estate Development Corp. (SREDC)	Philippines	Agriculture and real estate	Makati City	**62.39%**	62.39%
Lite Speed Technologies, Inc. (LSTI)	Philippines	Information technology	Makati City	**51%**	51%
Total Waste Management Recovery System, Inc. (TWMRSI)	Philippines	Waste management facility	Pulilan, Bulacan	**51%**	51%
Associate					
AgriNurture, Inc. (ANI)	Philippines	Trading	Pulilan, Bulacan	**30.26%**	30.26%

Approval of Financial Statements
The consolidated financial statements of the Group as of and for the year ended December 31, 2016 (with comparative figures for 2015 and 2014) were approved and authorized for issue by the Board of Directors (BOD) on November 8, 2017.

2. Status of Operations

Going Concern
The Group's consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to continue to increase its revenues and improve operations despite heavy losses from operations. Although, the Group has a deficit of ₱1.06 billion and ₱1.02 billion as of December 31, 2016 and 2015, respectively, the fair market value of the Parent Company's investment in associate (ANI) increased from ₱865.4 million as of December 31, 2016 to ₱2.3 billion as of November 8, 2017 (Note 11).

At present, the Group shall continue to expand its core business and increase coverage in various investments in diversified industries such as, but not limited to, renewable energy, real estate, agriculture, waste management facility and information technology. The Group's associate is fully operational with its respective cash flows and key subsidiaries are in the pre-operating stages with various projects in the pipeline under modest spending guidelines. Also, the Group has started an active campaign to gain new clients, as well as to revive previous relationships through marketing and selling activities in the Philippines and overseas. With these investments, the Management of the Group assessed that the going concern assumption remains to be appropriate as the Group continues to generate sufficient cash flows to sustain operations and complete its current and future plans.

Trading Suspension of the Parent Company
On May 13, 2015, the Parent Company requested for a voluntary suspension of the trading of its securities in the PSE. The request was filed to prevent any unusual volatility in the trading of the Parent Company's securities that may cause investor panic as a result of a news article on the inclusion of certain bank accounts of the Parent Company in a freeze order issued by the Court of Appeals (CA).

On said date, the PSE suspended the trading of the Parent Company's securities until further notice.

Subsidiaries

WGVI
WGVI was incorporated on June 22, 2012 with the primary purpose of engaging in the business of renewable energy projects. In 2014, WGVI's AFS investment amounting to ₱22.5 million was fully provided with an allowance for impairment loss. In addition, WGVI has a capital deficiency amounting to ₱66.4 million and ₱66.3 million as of December 31, 2016 and 2015, respectively. Accordingly, a full allowance for impairment loss was provided by the Parent Company in 2014 since Management believed that the investment in WGVI was impaired.

As of reporting date, WGVI has not yet started its commercial operations.

ADHI
On June 17, 2014, the SEC approved the incorporation of ADHI whose primary purpose shall be to serve as a holding company of the agricultural portfolio of the Group.

As of reporting date, ADHI has not yet started its commercial operations.

SREDC
The Parent Company's investment in SREDC represents 365,000,000 shares or 62.39% of the voting shares of SREDC, a real estate company that focuses on the development of self-sustaining agri-tourism areas.

On January 18, 2013, SREDC entered into an agreement with a third party for the transfer of all the rights, title and interests over a 150-hectare land in Rosario, Batangas, which is currently the site of a self-sustaining agri-tourism park called "Suncamp Agri-Tourism Park" (the Park) (Note 9). The Park is intended to re-shape people's perception of agriculture. The Park showcases the farm-to-plate business model that promotes agriculture as a commercially viable and growing business activity. The Park also uses the latest techniques for organic and natural farming.

To encourage Filipinos to become "agri-entrepreneurs" or professionals in the agriculture industry, the Park will offer agri-tourism and lifestyle center activities where families will have a hands-on agriculture and culinary experience. As regards the tourism aspect, the Park intends to showcase the Filipino farmers' creativity and hospitality, as well as educate children about the future of agriculture.

SREDC started its commercial operations in the last quarter of 2017.

LSTI
On June 16, 2014, the BOD of the Parent Company approved the incorporation of LSTI, a 51% owned subsidiary. LSTI was registered with the SEC on August 14, 2014 to engage in the business of information and communications technology.

As of reporting date, LSTI has not yet started its commercial operation.

TWMRSI
On March 27, 2012, the Parent Company acquired 51% ownership of TWMRSI, a domestic corporation engaged in the business of building, operating and managing waste recovery facilities and waste management systems within the Philippines. The operation of its facilities is geared toward efficient, hygienic and economical collection, segregation, recycling, composting, filling, disposing, treating and managing of household, office, commercial and industrial garbage.

In 2013, the Parent Company advanced ₱235.0 million to TWMRSI, which was used to acquire machineries, equipment and steel structures for the latter's Waste Recycling Project, and was expected to be in full operation in 2014 but did not push through. The machineries, equipment and steel structures were stored for free in a warehouse owned by a director of the TWMRSI located in Santiago Street, Barangay Lingunon, Valenzuela City (Note 8). In addition, TWMRSI had a capital deficiency amounting to ₱233.5 million as of December 31, 2016 and 2015.

Due to the above circumstances, the Parent Company's investment and advances to TWMRSI were provided with full allowance for impairment losses in 2016 because Management believed that these were already impaired.

As of reporting date, TWMRSI has not yet started its commercial operations.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation
The consolidated financial statements of the Group have been prepared using the historical cost basis, except for the AFS investments that are measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Group's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

Basis of Compliance
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS includes statements named PFRS, Philippine Accounting Standards and Philippine Interpretations of International Financial Reporting Interpretation Committee approved by the Financial Reporting Standards Council (FRSC) and the SEC.

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as of December 31, 2016 and 2015 and for each of the three years ended December 31, 2016, 2015 and 2014.

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 the return 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 affects its returns.

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 agreements; and
- The Group's voting rights and potential voting rights

The Group reassesses 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.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interest represents the portion of profit or loss and net assets in subsidiaries not wholly owned 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 the Parent Company's equity. Total comprehensive income within a subsidiary is attributable to the non-controlling interest even if that results in a deficit balance.

Non-controlling interest represents the portion of profit or loss and the net assets not held by the Group. Transactions with non-controlling interest are accounted for using the entity concept method, whereby the difference between the consideration and the book value of the share of the net assets acquired is recognized as an equity transaction.

A change in the ownership interest of a subsidiary, without 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, the carrying amount of any non-controlling interest and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the Parent Company's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

New Standards and Amendments and Interpretations of Existing Standards
The accounting policies adopted by the Group are consistent with those of the previous financial year, except for the following amended PFRS, amended PAS and interpretations which became effective in 2016. Adoption of the new standards and amendments did not have any significant impact on the Group's consolidated financial statements. The nature of each new standard and amendments are described below.

- PFRS 10, PFRS 12 and PAS 28, *"Investment Entities": Applying the Consolidation Exception (Amendments)*
  These amendments clarify that the exemption in PFRS 10 from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity that measures all of its subsidiaries at fair value and that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity parent is consolidated. The amendments also allow an investor (that is not an investment entity and has an investment entity associate or joint venture), when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

- PFRS 11, Joint Agreements – *"Accounting for Acquisitions of Interests in Joint Operations" (Amendments)*
  The amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business. The acquirer of an interest in a joint operation in which the activity constitutes a business is required to apply the principles on business combinations accounting. Previously held interest in joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. Amendments do not apply when the parties sharing joint control, including the reporting entity, are under the common control of the same ultimate controlling party.

- PFRS 14, *"Regulatory Deferral Accounts"*
  PFRS 14 is an optional standard that allows an entity whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

- PAS 1, *"Presentation of Financial Statements": Disclosure Initiative (Amendments)*
  The amendments were a response to comments that there were difficulties in applying the concept of materiality in practice as the wording of some of the requirements in PAS 1 had in

some cases been read to prevent the use of judgment. Certain key highlights in the amendments are follows:

- An entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

- An entity need not provide a specific disclosure required by a PFRS if the information resulting from that disclosure is not material.

- In the other comprehensive income section of a statement of profit or loss and other comprehensive income, the amendments require separate disclosure for the following items:

  - The share of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be reclassified subsequently to profit or loss; and
  - The share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified subsequently to profit or loss.

- PAS 16, *"Property, Plant and Equipment" and PAS 38, "Intangible Assets": Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)*
  The amendments clarify that revenue-based method to calculate the depreciation of an asset is inappropriate because revenue generated by an activity that includes the use of an asset reflects factors other than the consumption of the economic benefits embodied in the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

- PAS 16, *"Property, Plant and Equipment" and PAS 41, "Agriculture": Bearer Plants (Amendments)*
  The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply.

- PAS 27, *"Separate Financial Statements": Equity Method in Separate Financial Statements (Amendments)*
  The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply the change retrospectively. For first time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS.

- *Annual Improvements to PFRS (2012-2014 Cycle)*
  The annual improvements to PFRS (2012-2014 Cycle) are effective January 1, 2016 and contain non-urgent but necessary amendments to the following standards:

  - PFRS 5, *"Noncurrent Assets Held for Sale and Discontinued Operations": Changes in Methods of Disposal (Amendment)*
    The amendment is applied prospectively and clarifies that the accounting for a change in a disposal plan from a plan to sell to a plan to distribute a dividend in kind to its shareholders (or vice versa) when an entity reclassifies an asset (or disposal group) directly from one

method of disposal to other should not be considered a new plan rather as a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

- PFRS 7, *"Financial Instruments": Disclosure – Servicing Contracts (Amendments)*
  This amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity is required to disclose any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will be applied retrospectively. An entity that first applies the amendments is not required to provide comparative disclosures for any period beginning before the annual period of first application.

- PFRS 7, *"Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements" (Amendments)*
  The amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

- PAS 19, *"Employee Benefits": Regional Market Issue Regarding Discount Rate (Amendments)*
  This amendment is applied prospectively and clarifies that the rate used to discount post-employment benefit obligations (both funded and unfunded) shall be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. Where there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds shall be used. The currency and term of the corporate bonds or government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations.

- PAS 34, *"Interim Financial Reporting" Disclosure of Information 'elsewhere in the Interim Financial Report' (Amendments)*
  This amendment is applied retrospectively and clarifies that an entity discloses information elsewhere in the interim financial report when it incorporates disclosures by cross-reference to information in another statement and wherever they are included within the greater interim financial report (e.g., management commentary or risk report).

Effective beginning on or after January 1, 2017
The following amendments do not have any material impact on the Group's consolidated financial statements:

PAS 7, *"Statement of Cash Flows": Disclosure Initiative – Amendments to PAS 7*
The amendments to PAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendments, entities are not required to provide comparative information for preceding periods. Early application of the amendments is permitted.

PAS 12, *"Income Taxes": Recognition of Deferred Tax Assets for Unrealized Losses*
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in the opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. Early application is permitted.

PFRS 12, *"Clarification of the Scope of the Standard"* (Part of *Annual Improvements to PFRSs* 2014-2016 Cycle) (Amendments)
The amendments clarify that the disclosure requirements in PFRS 12, other than those relating to summarized financial information, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

Effective beginning on or after January 1, 2018
The following amendments do not have any material impact on the Group's consolidated financial statements:

PFRS 9, *"Financial Instruments: Classification and Measurement"*
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. Early application is 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.

PFRS 2, *"Share-based Payment: Classification and Measurement of Share-based Payment Transactions" (Amendments)*
The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the transaction changes its classification from cash-settled to equity-settled.

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

PFRS 4, *"Insurance Contracts: Applying PFRS 9, Financial Instruments, with PFRS 4" (Amendments)*
The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the forthcoming insurance contracts standards. They allow entities to choose between the overlay approach and the deferral approach to deal with the transitional challenges. The overlay approach gives all entities that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when PFRS 9 is applied before the new insurance contract standard is issued. On the other hand, the deferral approach gives entities whose activities are predominantly connected with insurance an optional temporary exemption from applying PFRS 9 until the earlier of application of the forthcoming insurance contracts standard or January 1, 2021.

The overlay approach and the deferral approach will only be available to an entity if it has not previously applied PFRS 9.

PAS 28, *"Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRS 2014-2016 Cycle)" (Amendments)*
The amendments clarify that an entity that is a venture capital organization, or other qualifying entity may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture

that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's' interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. The amendments should be applied retrospectively, with earlier application permitted.

PAS 40, *"Investment Property: Transfer of Investment Property" (Amendments)*
The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight.

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

IFRIC 22, *"Foreign Currency Transactions and Advances Consideration"*
The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation may be applied on a fully retrospective basis. Entities may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of the reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

Effective beginning on or after January 1, 2019
PFRS 16, *"Leases"*
Under the new standard, lessees will no longer classify their lease as either operating or finance leases in accordance with PAS 17 *Leases*. Rather, leases will apply the single-asset model, wherein lessees will recognize the assets and the related liabilities for most leases in their statement of financial position and, subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Early application of this new standard is permitted.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 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 will not have significant impact on the Group's consolidated financial statements.

Deferred Effectivity

PFRS 10 and PAS 28, *"Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (Amendments)*

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

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

Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to the 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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted prices in active markets for an identical asset or liability;
- Level 2 – Those involving inputs other than quoted prices included in Level 1 that are observable for an asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – Those with inputs for an asset or liability that are not based on observable market date (unobservable inputs).

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 assets or liability and the level of the fair value hierarchy as explained above.

Financial Assets and Liabilities

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

Initial Recognition of Financial Instruments. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The fair value of the consideration given or received is determined by reference to the transaction price or other market prices. If such market prices are not reliably determinable, the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rate of interest for similar instruments with similar maturities. The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction costs.

Determination of Fair Value. The fair value of financial instruments traded in active markets at the consolidated statement in financial position date is based on their quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models and other relevant valuation models.

Where the transaction price in a non-active market is different from the fair value of the 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 Profit) in the consolidated statement of comprehensive income, unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only the recognition in the Group's consolidated statement of comprehensive 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' profit amount.

Financial Assets

Financial Assets at FVPL. A financial asset is classified in this category if acquired principally for the purpose of selling or repurchasing in the near term, or upon initial recognition, it is designated by management as at FVPL. Derivatives are also categorized as held at FVPL, except those derivatives designated as effective hedging instruments.

Assets classified in this category are carried at fair value in the consolidated statement of financial position. Changes in the fair value of such assets are accounted for in the consolidated statement of comprehensive income. Financial instruments held at FVPL are classified as current if they are expected to be realized within twelve months from the end of financial reporting period.

The Group has no financial assets at FVPL as of December 31, 2016 and 2015.

Loans and Receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. Loans and receivables are carried initially at cost and at amortized cost subsequent to initial recognition in the Group's consolidated statement of financial position. Amortization is determined using the effective interest rate method. Loans and receivables are included in current assets if maturity is within twelve months from the end of financial reporting period. Otherwise, these are classified as noncurrent assets.

The Group's financial assets categorized as loans and receivables are presented as cash, receivables and advances to related parties. Cash includes cash on hand and cash in banks.

Held-To-Maturity (HTM) Investments. HTM investments are quoted non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Group's management has the positive intention and ability to hold to maturity. Where the Group sells other than an insignificant amount of HTM investments, the entire category would be tainted and classified as AFS investments. After initial measurement, these investments are measured at amortized cost using the effective interest method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that is an integral part of the effective interest rate.

The Group has no HTM investments as of December 31, 2016 and 2015.

Available-For-Sale (AFS) Financial Assets. AFS investments are those non-derivative financial assets that are designated as AFS or are not classified in any of the three preceding categories. After initial recognition, AFS financial assets are measured at fair value with gains or losses being recognized as separate component of equity until the investment is derecognized or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the Group's consolidated statement of comprehensive income.

The fair value of investments that are actively traded in organized financial market is determined by reference to quoted market bid prices at the close of business on the end of financial reporting period. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include recent arm's length market transaction, reference to the current market value of another instrument which is substantially the same, discounted cash flows analysis and option pricing models.

The Group has AFS investments as of December 31, 2016 and 2015.

Financial Liabilities

Financial Liabilities at FVPL. Financial liabilities are classified in this category if these result from trading activities or derivatives transactions that are not accounted for as accounting hedges, or the Group elects to designate a financial liability under this category.

As of December 31, 2016 and 2015, the Group has no financial liabilities at FVPL.

Other Financial Liabilities. This category pertains to financial liabilities that are not held for trading or not designated as at FVPL upon inception of the liability. These include liabilities arising from operations (e.g. payables excluding statutory regulated payables, accruals) or borrowing (e.g. long-term debt).

Other financial liabilities are initially recorded at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost the using the effective interest rate method. These include liabilities arising from operations and borrowings.

This category includes trade and other payables, deposit for future stock subscriptions, advances from related party and loans payable.

Impairment of Financial Assets

The Group assesses at the end of each financial reporting period whether a financial asset or group of financial assets is impaired.

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

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

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

Assets Carried at Cost. If there is objective evidence that an impairment loss has been incurred in an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

AFS Financial Assets. If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in the consolidated statement of comprehensive income, is transferred from equity to the consolidated statement of comprehensive income. Reversals in respect of equity instruments classified as AFS financial assets are not recognized in the consolidated statement of comprehensive income. For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as AFS financial assets, objective evidence would include a significant or prolonged decline in the fair value of the investment 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 investment previously recognized in the consolidated statement of comprehensive income is removed from equity and recognized in the consolidated statement of comprehensive income. Impairment losses on equity investments are not reversed through the consolidated statement of comprehensive income; increases in their fair value after impairment are recognized directly in equity.

Derecognition of Financial Assets and Liabilities

Financial Assets

A financial asset is derecognized when (1) the rights to receive cash flows from the financial instruments expire, (2) the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement, or (3) the Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or 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 of an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of an asset nor transferred control of the assets, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where the 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 consolidated statement of comprehensive income.

Classification of Financial Instrument between Debt and Equity
Financial instruments are classified as debt or equity in accordance with the substance of the contractual arrangement. Interest relating to a financial instrument or a component that is a financial liability is reported as expenses.

A financial instrument is classified as debt if it provides for a contractual obligation to: (a) deliver cash or another financial asset to another entity; or (b) exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or (c) satisfy the obligation other than by exchange of a fixed amount of cash or other financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

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

Investment in Associate
Investment in associate (Investee Company) is accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

An investment is accounted for using the equity method from the day it becomes an associate. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and is instead included as income in the determination of the share in the earnings of the investees.

Under the equity method, the investments in the investee company are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investee companies, less any impairment in values. The consolidated statement of comprehensive income reflects the share of the results of the operations of the investee companies. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when their investments in investee company are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the investee company. When the investee company subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee company and the Group are identical and the investee company's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in the consolidated statement of comprehensive income.

Deposits for Land Acquisition
Deposit for land acquisition mainly represents usufruct rights over a property and is stated at cost less impairment losses, if any.

Asset Held-for-Sale
Asset classified as held-for-sale includes properties that the Group intends to sell to a third party. These are measured at the lower of carrying amounts of assets, immediately prior to their classification as held for sale and their fair value less costs to sell.

Advances for Waste Recycling Project
Advances for waste recycling project are stated at cost less any impairment in value. It represents mainly machineries and equipment and steel structures for the construction of a waste recycling machinery and equipment. Advances for waste recycling project are transferred to property and equipment once the relevant assets are completed and put into operational use and will be subject to depreciation.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The initial cost of property and equipment consists of its purchase price, including any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and any impairment in value are removed from the accounts and any resulting gain or loss is charged to current operations.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as shown on the next page.

	Number of Years
Land improvements	15
Building and improvements	10
Transportation equipment and others	5
Furniture, fixture and equipment	5

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

Fully depreciated assets that are still being used in the operations continue to be carried in the accounts.

Investment Properties
Investment property mainly pertains to properties held for capital appreciation. These are initially recorded at cost, including transaction cost. The carrying amount includes the cost of replacing part of an existing property at the time the cost are incurred if the recognition criteria are met, and excludes the cost of day-to-day servicing of investment property. Subsequent to initial recognition, investment properties are carried at cost less any impairment in value.

Investment properties are derecognized when disposed of or when the investment properties are permanently withdrawn from use and there is no future economic benefit expected to arise from the continued use of the properties. Any gain or loss on the retirement or disposal of said properties are recognized in the consolidated statement of comprehensive income in the year of retirement or disposal. Transfer to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by: (a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property; (b) commencement if development with a view to sale for a transfer from investment property to inventories; (c) end of owner occupation, for a transfer from owner-occupied property to investment property; or, (d) commencement of an operating lease to another party, for a transfer from inventories to investment property. Transfers to or from investment properties are measured at the carrying value of the assets transferred.

Biological Assets
Biological assets comprise of breeding stocks. Breeding stocks are initially recognized at cost and are subsequently carried at cost less amortization and impairment loss. The cost and expenses incurred up to the start of the productive stage are accumulated and amortized over the estimated productive lives of the breeding stocks. The Group uses this method of valuation since fair value cannot be measured reliably. The Group's biological assets or any similar assets prior to point of harvest have no active market available. Further, the existing sector benchmarks are determined to be irrelevant and the estimates (i.e., revenues due to highly volatile prices, input costs and efficiency values) necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result in a reliable basis for determining the fair value.

Depreciation is computed using the straight-line method over the estimated productive life of seven years of breeding stocks.

Impairment of Non-financial Assets
The carrying values of assets such as deposit for land acquisition, property and equipment, investment properties, biological assets and other current assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

An assessment is made at each end of the financial reporting period to determine whether there is any indication of impairment of non-financial assets, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is computed as the higher of the asset's value in use or its net selling price. An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to operations in the period in which it arises.

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

Equity
Capital stock is measured at par value for all shares subscribed and paid, or issued.

Additional paid-in capital includes any premiums received on the initial issuance of capital stocks. Any transaction cost associated with the issuance of shares is deducted from additional paid-in capital, net of any related income tax benefits.

Subscription receivable pertains to the uncollected portion of the subscribed shares.

Fair value loss on AFS investments represents loss recognized due to changes in fair value of the asset.

Equity in other comprehensive income (loss) of associate represents share on other comprehensive income (loss) attributable to equity holders of the associate.

Deficit represents the cumulative balance of net loss.

Deposit for Future Stock Subscriptions
Deposits for future stock subscriptions represent payments made on subscription of shares which cannot be directly credited to capital stock pending registration with the SEC of the amendment to the Articles of Incorporation increasing capital stock. The paid-up subscriptions can be classified under equity if the nature of the transaction gives rise to a contractual obligation of the Group to deliver its own shares to the subscriber in exchange of the subscription amount, otherwise, it is recognized as liability. In addition, deposits for future stock subscriptions shall be classified under equity if all of the following elements are present as of reporting date:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is BOD approval on the proposed increase in authorized capital stock (for which a deposit was received by the Group);
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been filed with the SEC.

Revenue Recognition
Revenue is recognized to the extent that is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The Group has concluded that it is the principal in all of its revenue agreements since it is the primary obligor in all revenue agreements has pricing latitude and is also exposed to credit risk. The following specific recognition criteria must also be met before revenue can be recognized:

Rental income from the Group's usufructuary rights at the Park is recognized under the operating lease method. Under this method, the aggregate rentals are reported as income in the consolidated statement of comprehensive income on a straight-line basis over the life of the lease. Related expenses, like taxes and maintenance, are charged to current operations as incurred.

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

Expense Recognition
Expenses are recognized in the consolidated statement of comprehensive income upon utilization of goods and services or at the date these are incurred.

General and administrative expense incurred in the direction and general administration of day-to-day operation of the Group are generally recognized when the service is used or the expense arises.

Other income (expense) includes income (expenses) which is incidental to the Group's business operations and is recognized when earned (incurred) in the consolidated statement of comprehensive income.

Employee Benefits
Short-term employee benefits are recognized as expense in the period when the economic benefits are given. Unpaid benefits at the end of the financial reporting period are recognized as accrued expense while benefits paid in advance are recognized as prepayment to the extent that it will lead to a reduction in future payments. Short-term benefits given by the Group to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and non-monetary benefits.

Earnings (Loss) Per Share (EPS)
Basic EPS (LPS) is computed by dividing net income (loss) for the year attributable to common equity holders of the Group by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared. The Group has no dilutive potential common shares that would require disclosure of diluted earnings per share in the consolidated statement of comprehensive income.

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

Deferred Income Tax
Deferred income tax is provided, using the liability method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, tax credits from excess of minimum corporate income tax (MCIT) and net operating loss carryover (NOLCO) that is expected to reduce taxable income in the future, to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilized.

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

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

Leases
Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating lease. Lease income from operating leases is recognized on a straight-line basis over the lease term.

Foreign Currency Transactions
Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the exchange rate prevailing at the end of each reporting period. Exchange gains or losses arising from the restatement or settlement of foreign currency denominated monetary assets and liabilities are recognized in the consolidated statement of comprehensive income. For income tax purposes, foreign exchange gains and losses are recognized upon settlement of the related foreign currency denominated monetary assets and liabilities.

Related Parties
Parties are considered to be related to the Group if it has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant stakeholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

Segment Reporting
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. Financial information on business segments are presented in Note 28.

Provision and Contingent Liabilities
Provisions are recognized for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation. Accrued provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Events After the End of Reporting Period
Adjustments are made to recognize the effects, if any, of post year-end events that provide additional information about the Group's financial position at the end of the reporting period (adjusting events). Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements, when material.

4. Summary of Significant Judgments, Estimates and Assumptions

The Group's consolidated financial statements prepared in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes. 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 Group's consolidated financial statements as they become reasonably determinable.

Judgments, estimates and assumptions 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. However, actual outcome can differ from these 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:

Assessment of Going Concern

Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. As discussed in Note 2, the associate is fully operational with its respective cash flows and key subsidiaries are in pre-operating stages with various projects in the pipeline under modest spending guidelines. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

Determination of Control

The Group determines control when it is exposed, or has the rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the equity. The Group controls an entity if and only if the Group has all of the following:

a. Power over the entity;
b. Exposure, or rights, to variable returns from its involvement with the entity; and
c. The ability to use its power over the entity to affect the amount of the Group's returns.

Determination of Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency of the Group has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Group operates. It is the currency that mainly influences the sale of real properties, services, and investments and the cost of providing the services and of the sold investments.

Classification of Financial Instruments

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

Determination of Fair Value of Financial Instruments

The Group recognized certain instruments at fair value and discloses also the fair values of financial instruments, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group utilized different valuation methodologies and assumptions. Any changes in fair value of these financial assets and liabilities would affect profit and loss and equity.

The summary of the carrying values and fair values of the Group's financial instruments as of December 31, 2016 and 2015 is shown in Note 26.

Determination of Operating Leases – Group as Lessor
The Group has entered into property lease agreements on its usufructuary rights at the Park. The Group has determined that it retains all the significant risks and rewards of ownership of these properties, thus, accounted them as operating leases.

Impairment of AFS Equity Investments
The Group treats AFS equity investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or when other objective evidence of impairment exists. The Group generally considers significant decline as 20% or more of the cost and prolonged decline as greater than six months. In addition, the Group evaluates other factors, including normal volatility in share price for equities and the future cash flows and the discount factors for unquoted equities.

Income Taxes
Judgment is required in determining the provision for income tax. There are transactions and calculations for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Provisions and Contingencies
Judgment is exercised by management to distinguish between provision and contingencies. Policies on recognition and disclosures of provisions and contingencies are discussed in Note 3.

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation as at reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Estimating Allowance for Impairment of Financial Assets
Recoverability of specific receivables, including advances to related parties, is evaluated based on best available facts and circumstances, the length of the Group's relationship with its debtors, the debtors' payment behavior and known market factors. These specific reserves are re-evaluated and adjusted as additional information received affects the amount estimated to be uncollectible. Any increase in allowance would increase operating expenses and decrease related accounts.

The Group's allowance for impairment amounted to ₱40.1 million and ₱49.9 million as of December 31, 2016 and 2015, respectively (Notes 6 and 17). Accounts written off amounted to ₱10.2 million in 2016, ₱16.9 million in 2015 and ₱62.5 million in 2014 (Notes 6 and 17).

Estimating Useful Lives of Property and Equipment
The Group estimates the residual value and useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The estimated residual value and useful lives of property and equipment are reviewed periodically 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 estimates brought about by changes in these factors.

The carrying values of property and equipment are analyzed in Note 12. There is no change in the estimated useful lives and residual values of property and equipment as of December 31, 2016 and 2015 based on management's assessment.

Estimating Impairment of Non-Financial Assets
The Group's policy on estimating impairment of non-financial assets is discussed in Note 3. Though Management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these

assumptions may materially affect the assessment of recoverable values and any resulting impairment losses could have a material adverse effect on the results of operations.

The Group's allowance for impairment of non-financial assets amounted to ₱236.1 million and ₱236.0 million as of December 31, 2016 and 2015, respectively (Notes 7 and 8). Accounts written off amounted to ₱0.10 million in 2015 and ₱92.8 million in 2014 (Note 7).

Estimating Realizable Amount of Deferred Tax Assets
The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the past years and projected future taxable income. The details of the unrecognized deferred tax assets are shown in Note 22.

Estimating Cost of Lawsuit and Claims
The Group is a party to certain lawsuit and claims arising in the extra-ordinary circumstances. The probable costs for the resolution of these lawsuit and claims are estimated in consultation with legal counsel and are based upon an analysis of potential outcome. No provision for probable losses has been recognized in the Group's consolidated financial statements, as management believes that the eventual liabilities under the lawsuit and claims, if any, will not be material (Note 29).

5. Cash

The account consists of:

	2016	2015
Cash on hand	**₱378,473**	₱378,473
Cash in banks	**1,277,429**	1,271,705
	₱1,655,902	₱1,650,178

Cash in banks represent savings and current accounts with local banks which earn interest at the prevailing bank deposit rates.

Interest income, net of final tax, recognized in the Group statement of comprehensive income earned from bank deposits amounted to ₱5,484 in 2016, ₱8,086 in 2015 and ₱6,937 in 2014.

On May 11, 2015, the CA ordered the freezing of three (3) bank accounts of the Group. The freeze order was lifted *motu propio* by the CA upon the lapse of the maximum six-month period to freeze a bank account allowed under the law. However, the said bank accounts with a total deposit of ₱632,795 was subsequently included in the civil forfeiture case docketed as AMLC Case No. 15-007-53 pending with the Regional Trial Court (RTC) of Manila, Branch 53. The bank accounts became the subject of a Provisional Asset Preservation Order and subsequently an Asset Preservation Order issued by the RTC on November 13, 2015 and December 15, 2015, respectively (Note 29).

6. Receivables – Net

This account consists of:

	2016	2015 (As restated – see Note 25)
Nontrade receivables	**₱250,283,520**	₱260,480,716
Accounts receivables	**567,000**	270,000
Advances to officers and employees	**348,991**	315,627
Deposit to suppliers	**99,168**	99,168
Others	**182,931**	187,044
	251,481,610	261,352,555
Allowance for impairment loss	**(347,627)**	(10,194,828)
	₱251,133,983	₱251,157,727

Nontrade Receivables
Nontrade receivables include an unsecured, noninterest-bearing receivable from ThomasLloyd Cleantech Infrastructure Fund GMBH (TLCIF) amounting to ₱250,142,630, which was subsequently assigned by TLCIF to Zhong Shan Fu Chang Ltd. (ZSFCL) on December 29, 2014, subject to the consent of the Parent Company. The Parent Company agreed to the assignment of receivables to ZSFCL under the following terms and conditions:

a. ZSFCL shall pay the nontrade receivables on or before December 31, 2016 in cash or non-cash assets acceptable to the Parent Company; and

b. If the nontrade receivables will be paid with non-cash assets, the appraised value thereof shall be determined by an independent appraiser mutually acceptable to ZSFCL and the Parent Company.

As of December 31, 2016, the nontrade receivables from ZSFCL had not been collected. However, Management assessed that these are still fully collectible.

Nontrade receivables also include advances to Lodestar Investment Holdings, Inc. (LIHC) amounting to ₱10.2 million as of December 31, 2015. An allowance for impairment loss was fully provided on the receivable as of December 31, 2015, which was subsequently written off in 2016.

Advances to Officers and Employees
Advances to officers and employees are unsecured, noninterest-bearing advances and will be realized twelve (12) months after the reporting period. These advances are made for various business-related expenses, which are subject to liquidation on demand. As of December 31, 2016, the Parent Company had provided a full allowance for impairment on the advances as it believed that these were no longer recoverable (Note 21).

Other Advances
Other advances represent unsecured, noninterest-bearing funds advanced to the Parent Company's lawyer, which will be charged to expense upon utilization. As of December 31, 2016, the Parent Company provided a partial allowance for impairment as it believed that certain receivables amounting to ₱32,000 were no longer recoverable (Note 21). Other advances amounting to ₱3,070 were written off in 2016 (Note 20).

Allowance for Impairment Loss

The movements of allowance for impairment loss in 2016 and 2015 are shown below.

	2016	2015
Balance at beginning of year	**₱10,194,828**	₱25,351,724
Accounts written off	**(10,194,828)**	(15,156,896)
Provision for impairment loss (Note 21)	**347,627**	–
Balance at end of year	**₱347,627**	₱10,194,828

Accounts written off in 2015 totaling ₱15,156,896 consist of receivables that were no longer recoverable, for which allowance for impairment was previously provided, as follows:

a. Loans receivable of ₱8,023,363 pertaining to five-year interest-bearing loans granted by the Parent Company to its employees and the BOD (Eligible Members) for the purchase of the issued shares of the Parent Company; and

b. Advances to projects that did not push through in 2013 amounting to ₱7,133,533, which pertain to deposits made by the Parent Company to Tianjin Tianbao Investment and Development Corporation.

7. Other Current Assets – Net

This account consists of:

	2016	2015 (As restated – see Note 25)
Input tax	**₱1,694,546**	₱1,572,046
Prepaid tax	**1,319**	1,407
Miscellaneous deposits	**460**	460
	1,696,325	1,573,913
Allowance for impairment loss	**(1,078,488)**	(965,164)
	₱617,837	₱608,749

Allowance for impairment loss as of December 31, 2016 and 2015 pertains to unrecoverable input tax.

The movement of allowance for impairment loss in 2016 and 2015 are shown below.

	2016	2015
Balance at beginning of year	**₱965,164**	₱943,338
Provision for impairment loss (Note 21)	**113,324**	21,826
Balance at end of year	**₱1,078,488**	₱965,164

Materials and supplies amounting to ₱101,930 and prepaid tax amounting to ₱86,354, which Management assessed as no longer recoverable, were directly written off in 2015 and 2014, respectively (Note 20).

8. Advances For Waste Recycling Project

Advances for waste recycling project amounting to ₱235.0 million as of December 31, 2013 represent machineries, equipment and steel structures for the construction of a waste recycling machinery equipment, which will function as a wet process recovery system for solid waste (the

Facility). These are currently stored for free in a warehouse owned by a director of the Company located in Santiago Street, Barangay Lingunon, Valenzuela City. The Facility, which was expected to be fully operational in 2014, did not push through (Note 2).

In 2014, the advances were fully provided with an allowance since Management believed that the assets were already impaired and no longer recoverable.

9. Deposits for Land Acquisition

On January 18, 2013, the Group, through SREDC, entered into an agreement (the Agreement) with Mr. Laureano R. Gregorio Jr. (Mr. Gregorio), a third party, for the transfer of all the rights, title and interests over a 150-hectare land in Rosario, Batangas, which is currently the site of the Park. The initial total consideration was ₱400.0 million to be settled based on the deliverables of Mr. Gregorio. The consideration shall be adjusted depending on the fair market value of the Park as may be determined by a mutually acceptable appraisal company.

A partial payment consisting of ₱6.0 million paid on January 28, 2013 and ₱5.0 million on July 2, 2014, recognized as deposits for land acquisition, was made. Pending the delivery of the documents and titles evidencing the real and enforceable rights over the Park, which shall be delivered within two (2) years from the date of agreement, SREDC was granted usufructuary rights over the property. The parties may, however, agree to extend the period as the circumstances may warrant.

The fair value of the Park as of February 8, 2013 is ₱446.1 million, which was based on the appraised value made by an independent appraiser as stated in its appraisal report dated February 20, 2013. On March 19, 2013, SREDC and Mr. Gregorio agreed to change the total consideration from its initial consideration of ₱400.0 million to ₱446.1 million based on the appraised value. The details of the appraised value are as follows:

Land (150 hectares at ₱1.8 million per hectare or ₱180 per square meter)	₱270,000,000
Buildings	75,823,000
Other land improvements	100,250,000
	₱446,073,000

On February 16, 2013, the BOD of SREDC approved the proposed budget for the development of the Park, which includes the construction and operation of at most 60 greenhouses for high value crops and a 20-hectare asparagus farm by 2015. In connection with this, the BOD approved to advance ₱200.0 million to one of its stockholders to be adjusted as may be deemed appropriate.

The advances made by SREDC to its stockholder totaling ₱446.1 million in 2014 were made subject to liquidation for the following purposes (Note 17):

a. To cover the post-dated checks issued by the stockholder as payment to Mr. Gregorio for the Park pursuant to the Agreement;
b. To pay for the improvements that will be acquired and introduced on the Park; and
c. To pay for the day-to-day operations of the Park.

In 2015, the stockholder paid for the improvements made in the Park including the construction of 30 greenhouses with an estimated cost of ₱10.5 million, which was liquidated at the completion of the project in 2016.

On December 10, 2014, the Agreement between Mr. Gregorio and SREDC was extended for another three (3) years or until January 17, 2018 to allow Mr. Gregorio more time to meet the conditions of the Agreement. Moreover, the parties agreed to defer the encashment of the post-dated checks issued as payment for the Park since the payments are dependent on the fulfillment of the conditions of the contract.

10. Available-For-Sale Investments

AFS investments represents quoted equity investments of a subsidiary. The Group has designated the qouted equity investments as AFS investments because these are held for long-term investment rather than trading.

The fair values of AFS investments have been determined based on the latest published stock exchange-qouted market price. As of December 31, 2016 and 2015, the Group's outstanding AFS investments amounted to ₱370,000 representing 1.0 million shares with a quoted market price of ₱0.37 per share. Fair value loss on AFS investments amounted to ₱120,000 in 2015.

11. Investment in Associate

The movement of the carrying value of the investment in associate using equity method is as follows:

	2016	2015 (As restated – see Note 25)
Balance at beginning of year	**₱315,906,034**	₱471,609,993
Equity in net loss of associate	**(45,274,728)**	(132,485,607)
Equity in other comprehensive income (loss) of associate	**27,296,404**	(23,218,352)
Balance at end of year	**₱297,927,710**	₱315,906,034

The Group holds a total of 188,125,379 shares or 30.26% of the total issued and outstanding shares of AgriNurture, Inc. (ANI), a publicly listed company. In 2015, an allowance for impairment of ₱498,123,737 was provided since Management assessed that the investment in ANI was partially impaired due to recurring losses incurred by ANI.

As of December 31, 2016 and 2015, the market value of the investment in ANI amounted to ₱865,376,743 and ₱889,833,043, respectively, based on its price per share amounting to ₱4.60 and ₱4.73, respectively. As of November 8, 2017, the market value of the investment in ANI amounted to ₱2,283,842,101 at a price per share of ₱12.14.

Summarized financial information of ANI follows:

	2016	2015
Current assets	**₱1,000,914,458**	₱1,073,091,626
Noncurrent assets	**1,339,736,336**	1,813,047,193
Current liabilities	**1,400,813,771**	1,869,455,653
Noncurrent liabilities	**177,411,272**	304,979,385
Net assets	**762,425,751**	711,703,781
Revenue	**570,843,248**	1,225,752,838
Net loss	**(149,619,065)**	(437,824,211)
Other comprehensive income (loss)	**86,469,892**	(54,788,757)

In 2014, Management assessed that the investments in Music Semiconductor Philippines, Inc. (MSPI) and Isabela Alcogas Corporation (IAC) amounting to ₱68.5 million and ₱24.2 million, respectively, will not be recovered and were written off accordingly (Note 20).

12. Property and Equipment – Net

The composition and movements of property and equipment in 2016 and 2015 are summarized below.

2016

	Land Improvements	Furniture, Fixtures and Equipment	Building and Improvements	Transportation Equipment	**Total**
Cost					
January 1 and December 31	₱1,463,013	₱227,078	₱43,685	₱2,293,176	**₱4,026,952**
Accumulated Depreciation					
January 1	97,534	105,448	–	2,215,424	**2,418,406**
Depreciation	97,534	51,846	3,204	77,752	**230,336**
December 31	195,068	157,294	3,204	2,293,176	**2,648,742**
Net Book Value	**₱1,267,945**	**₱69,784**	**₱40,481**	**₱ –**	**₱1,378,210**

2015

	Land Improvements	Furniture, Fixtures and Equipment	Building and Improvements	Transportation Equipment	Total
Cost					
January 1	₱1,463,013	₱161,243	₱ –	₱2,293,176	₱3,917,432
Additions	–	65,835	43,685	–	109,520
December 31	1,463,013	227,078	43,685	2,293,176	4,026,952
Accumulated Depreciation					
January 1	–	74,191	–	1,756,789	1,830,980
Depreciation	97,534	31,257	–	458,635	587,426
December 31	97,534	105,448	–	2,215,424	2,418,406
Net Book Value	₱1,365,479	₱121,630	₱43,685	₱77,752	₱1,608,546

Based on the Group's evaluation of the carrying values of the property and equipment, management believes that there are no indications that property and equipment are impaired as of December 31, 2016 and 2015.

13. Investment Properties

This account consists of the following:

		2016		2015 (As restated – see Note 25)	
Property	Location	**Area**	**Cost**	Area	Cost
Land	Quezon City	**448 sq. m**	**₱5,987,716**	2,240 sq. m	₱29,938,581
Land	Batangas	**35,084 sq. m**	**3,157,560**	35,084 sq. m	3,157,560
Land	Laguna	**335 sq. m**	**2,400,000**	335 sq. m	2,400,000
Land	Olongapo	**467 sq. m**	**1,500,000**	467 sq. m	1,500,000
			₱13,045,276		₱36,996,141

The movement of this account is as follows:

	2016	2015 (As restated – see Note 25)
Balance at beginning of year	**₱36,996,141**	₱36,996,141
Investment properties sold	**(23,950,865)**	–
Balance at end of year	**₱13,045,276**	₱36,996,141

The land located in Quezon City, which was acquired in 2013, with a total land area of 2,240 square meters is subdivided into five lots intended to be held for capital appreciation. Two lots were subsequently sold in January 2016. Proceeds for the purchase price of the sale amounting to ₱14,544,000, inclusive of VAT, was actually received in 2015 as deposit and presented under trade and other payables (Note 15). Another two lots were sold during 2016 totaling to ₱38,600,000, inclusive of VAT, the proceeds of which were received in August and October 2016. The total gain on sale of investment properties for the sale of four lots amounted to ₱23,499,135.

The land located in Rosario, Batangas which was acquired in 2013, Cabuyao, Laguna and Olongapo City which were acquired in 2008, with a total land area of 35,886 square meters are intended to be held also for capital appreciation. The estimated fair value as of December 31, 2016 and 2015 amounted to ₱6.32 million using the Market Data Approach based on available market information. This approach was used for the land as it is commonly used in the property market since inputs and data for this approach are available.

In 2014, the SREDC obtained a loan from a local bank totaling ₱50.0 million, of which ₱31.6 million is secured by the property located in Quezon City (Note 16).

The Group's management had reviewed the carrying values of the investment property for any impairment as of December 31, 2016 and 2015. Based on the evaluation, there are no indications that the property might be impaired.

14. Biological Assets

The biological assets include breeding stocks which are valued at cost less amortization and impairment loss, amounting to ₱2,679,692 as of December 31, 2016. Amortization of the biological assets started in 2017.

The Group's management had reviewed the carrying values of biological assets for any impairment as of December 31, 2016. Based on the evaluation, there are no indications that the biological asset might be impaired.

15. Trade and Other Payables

This account consists of:

	2016	2015 (As restated – see Note 25)
Trade payable	**₱16,885,422**	₱16,494,640
Accrued expenses	**2,148,713**	2,562,002
Government payables	**1,024,000**	203,935
Refundable deposit (Note 19)	**270,000**	270,000
Deposit from customer (Note 13)	–	14,555,391
	₱20,328,135	₱34,085,968

Trade payables are unsecured, noninterest-bearing which arise from purchases of materials, supplies and services in the ordinary course of business.

Accrued expenses include professional fees and penalties.

Government payables consist mainly of Social Security, Philhealth and Pag-ibig premiums, taxes withheld and other payables for remittance to the government agencies concerned.

Refundable deposit refers to the security deposit from the lease of properties.

Deposit from customer in 2015 mainly pertains to cash proceeds received from the buyer of the investment property in Quezon City.

16. Loans Payable

The maturity profile of the loans payable as of December 31, 2016 and 2015 follows:

	2016	2015 (As restated – see Note 25)
Due within one year	**₱5,153,846**	₱13,090,000
Due more than one year to five years	**–**	3,710,000
	₱5,153,846	₱16,800,000

The movement of the loans payable is as follows:

	2016	2015 (As restated – see Note 25)
Balance at beginning of year	**₱16,800,000**	₱50,000,000
Repayments	**(11,646,154)**	(33,200,000)
Balance at end of year	**₱5,153,846**	₱16,800,000

Loans payable pertain to loan obtained in 2014 from a certain bank amounting to ₱50.0 million, which will mature on July 28, 2017 with an interest rate of 6% per annum. A portion of the loan amounting to ₱31.6 million is partially secured by a parcel of land located in Quezon City (Note 13) and the remaining balances of ₱18.4 million is unsecured. The loan is payable on or before July 28, 2017, in monthly installments of ₱1,670,000 commencing on April 27, 2016. The balance is due at maturity with interest payable in advance every 30 days.

Interest expense recognized amounted to ₱0.87 million in 2016, ₱1.84 million in 2015, and ₱0.9 million in 2014, presented under finance cost in the consolidated statement of comprehensive income.

17. Related Party Transactions

The Group enters into transactions with related parties. For financial statements disclosure purposes, an affiliate is an entity under common control of the Parent Company's stockholders.

The summary of the Group's related party transactions are shown on the next page.

	Amount of Transactions		Outstanding Balances	
	2016	2015 (As restated – see Note 25)	**2016**	2015 (As restated – see Note 25)
a. Advances to Related Parties:				
Stockholders	**₱1,107,276**	(282,329,023)	**₱757,475,780**	₱756,368,504
Associate	**(3,386,719)**	(809,252)	**53,523,548**	56,910,267
Affiliate	**(51,610)**	(1,780,622)	**14,968,435**	15,020,045
	(2,331,053)	(284,918,897)	**825,967,763**	828,298,816
Allowance for impairment loss	**–**	–	**(39,717,922)**	(39,717,922)
	(₱2,331,053)	(₱284,918,897)	**₱786,249,841**	₱788,580,894
b. Advances from Related Parties:				
Stockholder	**(₱185,581)**	₱185,581	**₱ –**	₱185,581
c. Deposit for Future Stock Subscriptions:				
Stockholder	**₱ –**	₱ –	**₱177,000,000**	₱177,000,000
d. Key Management Personnel Cost	**₱372,667**	₱2,054,817	**₱ –**	₱ –

The following are the related party transactions of the Group:

a. Advances to related parties pertain to cash advances granted by the Parent Company to related parties, which are noninterest-bearing, unsecured and have no fixed repayment terms. These are collectible in cash or offsetting with corresponding payables or subject to liquidation upon the completion of the projects of the Group.

   In 2014, the Group extended noninterest-bearing and unsecured cash advances to one of its stockholder for the acquisition and development of the Park amounting to ₱446.1 million which is subject to liquidation (Notes 2 and 9).

   Allowance for impairment loss amounting to ₱39,717,922 in 2016, 2015 and 2014 pertains to a portion of advances to an associate, which Management believes are no longer recoverable. Advances to related parties amounting to ₱49,610, ₱1,696,596 and ₱62,500,000 were directly written off in 2016, 2015 and 2014, respectively (Note 20).

   The movements of the advances to related parties in 2016 and 2015 are shown below.

	2016	2015 (As restated – see Note 25)
Balance at beginning of year	**₱788,580,894**	₱1,073,499,791
Collections/liquidations	**(3,486,584)**	(33,563,191)
Additions	**1,205,141**	483,520
Write off of advances to related parties	**(49,610)**	(1,696,596)
Reclassification to receivables	**–**	(250,142,630)
Balance at end of year	**₱786,249,841**	₱788,580,894

Advances to a related party of ₱250,142,630 were reclassified to receivables in 2015 as a result of the divestment of the Parent Company of its investment (Note 6).

b. Advances from related party amounting to ₱185,581 as of December 31, 2015 pertain to cash advances obtained from stockholders to defray the Group's expenses. The advances, which were fully paid in 2016, are noninterest-bearing, unsecured and have no fixed repayment terms.

The movements of advances from related parties in 2016 and 2015 are shown below.

	2016	2015 (As restated – see Note 25)
Balance at beginning of year	**₱185,581**	₱ –
Repayments	**(185,581)**	–
Additions	–	185,581
Balance at end of year	**₱ –**	₱185,581

c. On July 2, 2014, the Parent Company executed a subscription agreement with Earthright Holdings, Inc. (EHI). Subject to the application and approval of the SEC of the increase in the Parent Company's authorized capital stock to ₱3.0 billion (the Increase), EHI subscribed to ₱250.0 million worth of common shares at ₱1.00 per share and ₱37.5 million worth of preferred shares at ₱0.10 per share. Of the total subscription, ₱214.5 million shall be paid in cash upon execution of the subscription agreement, with the balance due upon approval by the SEC of the Increase. Payment of ₱177.0 million received upon execution of the subscription agreement was classified as deposit for future stock subscriptions.

The deposit will be converted into equity once proper documentation and approval from the SEC have been obtained. As of November 8, 2017, the Parent Company has not yet filed its application for the increase in its authorized capital stock with the SEC.

d. The total remuneration of key management personnel is shown below:

	2016	2015
Salaries and wages	**₱344,000**	₱1,607,904
Other short-term benefits	**28,667**	446,913
	₱372,667	₱2,054,817

18. Equity

Capital Stock

Details of capital stock as of December 31, 2016 and 2015 as follows:

2016

	Preferred		Common	
	Number of Shares	Peso Equivalent	Number of Shares	Peso Equivalent
Authorized – ₱0.10 par value per preferred share/ ₱1.0 par value per common share	**1,000,000,000**	**₱100,000,000**	**1,900,000,000**	**₱1,900,000,000**
Subscribed and issued	**1,000,000,000**	**₱100,000,000**	**1,800,778,572**	**₱1,800,778,572**

2015

	Preferred		Common	
	Number of Shares	Peso Equivalent	Number of Shares	Peso Equivalent
Authorized – ₱0.10 par value per preferred share/ ₱1.0 par value per common share	1,000,000,000	₱100,000,000	1,900,000,000	₱1,900,000,000
Subscribed and issued	1,000,000,000	₱100,000,000	1,800,778,568	₱1,800,778,568

The movement of the Group's common shares is shown below:

	2016	2015
Issued and paid		
Balance at beginning of year	**₱1,598,289,451**	₱1,598,289,448
Issuances of shares	**4**	3
Balance at end of year	**₱1,598,289,455**	₱1,598,289,451
Subscribed		
Balance at beginning and end of year	**₱202,489,117**	₱202,489,117

The related subscription receivable balance amounted to ₱97.5 million as of December 31, 2016 and 2015.

On June 22, 2011, the SEC approved the amendment of the Parent Company's Articles of Incorporation, which included, among others, the decrease in par value from ₱0.10 per share to ₱0.01 per share and the increase in authorized capital stock from ₱500.0 million divided into 5.0 billion shares at a par value of ₱0.10 per share to ₱1.0 billion divided into 100 billion shares at a par value of ₱0.01 per share.

On March 8, 2012, the SEC approved the increase in authorized capital stock of the Parent Company from ₱1.0 billion divided into 100.0 billion shares with a par value of ₱0.01 per share to ₱2.0 billion divided into 200.0 billion shares with a par value of ₱0.01 per share.

On January 27, 2013, the BOD approved the reclassification of ₱62.5 million worth of issued common shares to EHI into 625.0 million preferred shares with a par value of ₱0.10 per share. The application for the restructuring of the authorized capital stock was approved by the SEC on September 11, 2014.

On June 27, 2013, the BOD approved the restructuring of the authorized capital stock of the Parent Company from 200.0 billion shares at a par value of ₱0.01 per share to 2.9 billion shares divided into 1.9 billion common shares at a par value of ₱1.0 per share and 1.0 billion preferred shares at a par value of ₱0.10 per share.

Further on July 2, 2014, the Parent Company issued additional 375.0 million preferred shares to EHI for ₱37.5 million at a par value of ₱0.10 per share. Total issued preferred shares amounted to ₱100.0 million, which are divided into 1.0 billion shares at a par value ₱0.10 per share as of December 31, 2016, 2015 and 2014.

Based on the Amended Articles of Incorporation dated September 11, 2014, the Parent Company's preferred shares have, among others, the following features: (a) voting, (b) right to receive dividends at the rate as may be deemed by the BOD under the prevailing market conditions, and (c) in liquidation, dissolution and winding up of the Company, whether voluntary or otherwise, the right to be paid in full or ratably, insofar as the assets of the Company will permit, the par value or face value of each preferred share as the BOD may determine, upon issuance, plus unpaid and accrued dividends up to the current dividend period, before any assets of the Company shall be paid or distributed to the holders of the common shares.

The stockholders of the Parent Company shall have no pre-emptive rights to subscribe to or purchase any or all issues or disposition of shares of any class of the Parent Company.

The following summarizes the information on the Group's registration of securities under Securities Regulation Code:

Date of SEC Approval	Authorized Shares
September 11, 2014	2,000,000,000
March 8, 2012	200,000,000,000
June 22, 2011	100,000,000,000
October 15, 2009	5,000,000,000
June 24, 2008	2,450,000,000
December 28, 2007	1,120,000,000
September 7, 2007	160,000,000

The total number of shareholders of the Company is 1,035 and 1,026 as of December 31, 2016 and 2015, respectively.

The principal market for the Group's capital stock is the PSE. The high and low trading prices of the Group's shares are as follows:

Quarter	High	Low
January 2016 to December 2016		
First	₱0.37	₱0.37
Second	0.37	0.37
Third	0.37	0.37
Fourth	0.37	0.37
January 2015 to December 2015		
First	₱0.47	₱0.46
Second	0.40	0.35
Third	0.37	0.37
Fourth	0.37	0.37

Under an Investment Agreement dated August 15, 2012 with TLCIF, the latter subscribed to 20,776,856,000 primary shares of the Parent Company at an issue price of ₱0.02 per share equivalent to ₱415,537,300, and the Parent Company issued two (2) Warrant 13 Certificates under the American Call Option covering 10,489,500,000 shares with a strike price of ₱0.02 per share and 10,489,500,000 shares of the Parent Company with a strike price of ₱0.03 per share, exercisable within one (1) year and three (3) years from issuance, respectively. The Parent Company may also issue stock warrants that would allow subscription of up to 8,123,999,500 shares of the Parent Company from its unissued authorized capital stock. The additional warrants shall contain the same terms and conditions as the warrants issued to TLCIF. The first Warrant 13 Certificates were not exercised in 2013. The second was not exercised in 2015.

On November 15, 2012, the stockholders approved the issuance and listing of warrants in favor of the Parent Company's officers and directors under such terms and conditions to be determined by the BOD.

On May 13, 2015, Parent Company requested for a voluntary suspension in the trading of its securities in the PSE (Note 2). As of November 8, 2017, the market price per share of the Parent Company's securities is ₱0.37.

19. Rental Income

The Group, through SREDC, entered into a lease agreement on January 8, 2015 for the lease of its nine-hectare property situated at Rosario, Batangas effective from January 1, 2015 to December 31, 2015, and shall be automatically renewed for successive one-year periods unless terminated. Under the terms of the lease agreement, the rental shall be ₱30,000 per hectare per annum, exclusive of value added tax and subject to an escalation rate of ten percent (10%) per year starting from the second year of the lease agreement. Security deposit under this lease agreement amounted to ₱270,000 (Note 15). Rental income amounted to ₱297,000 in 2016 and ₱270,000 in 2015 presented in the consolidated statement of comprehensive income.

20. General and Administrative Expenses

This account consists of:

		(As restated – see Note 25)	
	2016	2015	2014
Contractual services	**₱8,697,679**	₱3,895,854	₱1,560,445
Materials and supplies	**3,423,123**	2,679,717	35,138
Utilities	**2,687,261**	1,453,197	1,249,737
Taxes and licenses	**1,374,541**	1,420,004	3,103,749
Legal and professional expense	**1,282,583**	1,562,785	1,385,984
Salaries and wages	**1,136,071**	2,429,286	3,470,368
Transportation expense	**1,033,524**	456,502	765,179
Representation and entertainment	**477,016**	113,346	174,900
Depreciation (Note 12)	**230,336**	587,426	489,468
Penalties and fines	**155,000**	2,003,244	154,746
Repairs and maintenance	**94,025**	525,350	71,169
Accounts written off (Notes 6, 7, 11 and 17)	**52,680**	1,798,526	178,470,555
Listing fees	**–**	528,000	258,000
Miscellaneous	**84,300**	49,845	210,366
	₱20,728,139	₱19,503,082	₱191,399,804

As of December 31, 2016 and 2015, the Group is not covered by the provisions of Republic Act No. 7641, Retirement Pay Law, because the total number of regular employees is not more than 10, which is the number mandated to comply with the said law. Accordingly, the Group has not made a provision for retirement benefits.

21. Other Expenses - Net

This account consists of:

		(As restated – see Note 25)	
	2016	2015	2014
Provision for impairment losses (Notes 6, 7, 8 and 17)	**₱460,951**	₱21,826	₱235,048,036
Foreign exchange loss (gain)	**(4,345)**	(9,070)	1,123,523
	₱456,606	₱12,756	₱236,171,559

22. Income Taxes

a. The current provision for income tax in the amount of ₱476,010 in 2016, ₱5,633 in 2015 and ₱266 in 2014 represent the 2% MCIT on gross taxable income.

b. A reconciliation of provision for income tax computed at the statutory tax rate and the provision for income tax reported in the consolidated statement of comprehensive income is summarized below.

	2016	2015 (As restated – see Note 25)	2014 (As restated – see Note 25)
Loss before income tax	**(₱43,523,028)**	(₱153,558,004)	(₱721,503,758)
At statutory tax rate of 30%	**(₱13,056,908)**	(₱46,067,401)	(₱216,451,127)
Add (deduct) tax effects of:			
Equity in net loss of an associate	**13,582,419**	39,745,682	106,677,639
Expired NOLCO	**1,141,482**	5,677,329	6,528,828
Non-deductible expenses	**267,618**	1,164,642	124,127,820
Expired MCIT	**1,897**	17,468	58,527
Utilization of NOLCO	**(791,483)**	–	–
Unrecognized deferred tax assets	**(667,370)**	(529,661)	(2,069,955)
Interest income subjected to final tax	**(1,645)**	(2,426)	(2,081)
Nontaxable gain on reclassification of AFS investments	**–**	–	(18,869,385)
	₱476,010	₱5,633	₱266

c. The Group has unrecognized deferred tax assets amounting to ₱10,158,546 and ₱11,617,399 as of December 31, 2016 and 2015, respectively, pertaining to the tax effects on NOLCO and MCIT. The Group's management believes that it is not probable that sufficient profit will be available against which these deferred tax assets can be utilized. The details of the unrecognized deferred tax assets are shown below.

	2016	2015 (As restated – see Note 25)
NOLCO	**₱9,676,637**	₱11,609,603
MCIT	**481,909**	7,796
	₱10,158,546	₱11,617,399

d. As of December 31, 2016, NOLCO and MCIT that can be claimed as deduction from taxable income and used as deduction against income tax liabilities, respectively, in the next three years are as follows:

		NOLCO		MCIT	
Year Incurred	Expiry Date	2016	2015 (As restated – see Note 25)	2016	2015 (As restated – see Note 25)
2016	2019	**₱ –**	₱ –	**₱251,121**	₱ –
2015	2018	**17,198,344**	17,198,344	**5,633**	5,633
2014	2017	**15,057,115**	15,057,116	**266**	266
2013	2016	**–**	6,443,216	**–**	1,897
		₱32,255,459	₱38,698,676	**₱257,020**	₱7,796

In 2016, NOLCO amounting to ₱2,638,277 in 2013 was claimed as deduction from taxable income. NOLCO and MCIT of 2013 amounting to ₱3,804,939 and ₱1,897, respectively, has expired in 2016.

23. Basic Loss Per Share

The following table presents the information necessary to compute the basic loss per share attributable to equity holders of the Parent Company:

		(As restated – see Note 25)	
	2016	2015	2014
Net loss attributable to equity holders of the Parent Company	**(₱46,000,060)**	(₱148,735,965)	(₱603,282,343)
Weighted average number of common shares	**1,703,278,570**	1,703,278,567	1,830,153,568
Basic Loss Per Share	**(₱0.03)**	(₱0.09)	(₱0.33)

The Group has no diluted shares as of December 31, 2016, 2015 and 2014.

24. Non-controlling Interest

Non-controlling interests represents the equity in subsidiaries not attributable directly or indirectly to the Parent Company. The details of the account are as follows:

	2016			
Subsidiaries	Balance at Beginning of Year	Net Income (loss)	Other Comprehensive Loss	Balance at End of Year
SREDC	**₱255,047,042**	**₱2,055,514**	**₱ –**	**₱257,102,556**
LSTI	**71,587**	**(32,553)**	**–**	**39,034**
TWMRSI	**(115,325,248)**	**(21,939)**	**–**	**(115,347,187)**
	₱139,793,381	**₱2,001,022**	**₱ –**	**₱141,794,403**

	2015 (As restated – see Note 25)			
Subsidiaries	Balance at Beginning of Year	Net Loss	Other Comprehensive Loss	Balance at End of Year
SREDC	₱259,830,812	(₱4,738,170)	(₱45,600)	₱255,047,042
LSTI	102,791	(31,204)	–	71,587
TWMRSI	(115,266,950)	(58,298)	–	(115,325,248)
	₱144,666,653	(₱4,827,672)	(₱45,600)	₱139,793,381

	2014 (As restated – see Note 25)					
Subsidiaries	Balance at Beginning of Year	Effect of Deconsolidation	Effect of Business Combination	Net Loss	Other Comprehensive Loss	Balance at End of Year
BHI	₱265,477,186	(₱265,477,186)	₱ –	₱ –	₱ –	₱ –
SREDC	–	–	263,013,245	(2,988,633)	(193,800)	259,830,812
LSTI	–	–	153,127	(50,336)	–	102,791
TWMRSI	(84,238)	–	–	(115,182,712)	–	(115,266,950)
	₱265,392,948	(₱265,477,186)	₱263,166,372	(₱118,221,681)	(₱193,800)	₱144,666,653

Other comprehensive loss pertains to the fair value of AFS investment for the year attributable to non-controlling interest.

25. Restatements and Corrections of 2015 Financial Statements

Certain accounts in 2015 were restated from the amounts previously reported to adjust unrecorded and erroneously recorded transactions.

	As Previously Reported		Adjustments	As Restated
Assets				
Cash	₱1,650,178		₱ –	₱1,650,178
Receivables – net	251,190,236	a	(32,509)	251,157,727
Advances to related parties – net	800,704,464	b	(12,123,570)	788,580,894
Other current assets – net	3,324,775	c	(2,716,026)	608,749
Deposits for land acquisition	11,000,000		–	11,000,000
AFS investments	370,000		–	370,000
Investment in associate	321,347,141	d	(5,441,107)	315,906,034
Property and equipment – net	1,608,546		–	1,608,546
Investment properties	33,096,141	b	3,900,000	36,996,141
Other noncurrent assets	179,006	e	(179,006)	–
	₱1,424,470,487		(₱16,592,218)	₱1,407,878,269
Liabilities and Equity				
Trade and other payables	₱33,607,662	f	₱478,306	₱34,085,968
Loans payable	18,740,000	b	(1,940,000)	16,800,000
Advances from related parties	5,221,883	b	(5,036,302)	185,581
Deposit for future stock subscriptions	177,000,000		–	177,000,000
Capital stock	1,803,278,568		–	1,803,278,568
Additional paid-in capital	268,090,531		–	268,090,531
Equity in other comprehensive income of associate – net	(10,046,002)	d	(5,441,107)	(15,487,109)
Fair value loss on AFS investments	(390,600)		–	(390,600)
Deficit	(1,013,153,859)		(2,324,192)	(1,015,478,051)
Non-controlling interest	142,122,304		(2,328,923)	139,793,381
	₱1,424,470,487		(₱16,592,218)	₱1,407,878,269

The details of accounts that are affected by the adjustments as of December 31, 2015 are presented below.

a. Net effect of the accounts reclassified to advances to related parties and from other current assets amounting to ₱302,509 and recognition of unrecorded rent receivable from the lease of property of SREDC amounting to ₱270,000.

b. Advances to related parties

To offset the advances to and from related parties for FS consolidation purposes	(₱5,036,302)
Reversal of prior year adjustments	(4,734,121)
Recognition of unrecorded investment properties paid by a stockholder	(3,900,000)
To correct the record of subscription of shares of an affiliated company in 2014	3,750,000

(Forward)

(Brought forward)	
Recognition of unrecorded payment of a stockholder for the principal of the loan of SREDC directly deducted to advances to stockholder	(1,940,000)
Recognition of unrecorded real property taxes of SREDC	(1,288,367)
Reclassification of advances to officers and employees from receivables	405,220
Others	620,000
	(₱12,123,570)

c. Recognition of materials and supplies used in the Park amounting to ₱2,579,995 and net effect of accounts reclassified to receivables and expense amounting to ₱136,031.

d. To adjust the understatement of equity on other comprehensive income of investment in associate in 2015 due to restatement made by the associate amounting to ₱5,441,107.

e. To reverse the goodwill erroneously recorded in previous years amounting to ₱179,006.

f. Recognition of refundable deposit from the lease of property of SREDC amounting to ₱270,000 and unrecorded other payables amounting to ₱208,306.

Reconciliation of Equity Attributable to Equity Holders of Parent Company

	December 31, 2015	December 31, 2014	January 1, 2014
Deficit as previously reported	(₱1,013,153,859)	(₱863,390,634)	(₱290,671,044)
Adjustments on effect of corrections of errors – net of tax	(2,324,192)	(3,351,452)	(141,432)
Deficit as restated	(₱1,015,478,051)	(₱866,742,086)	(₱290,812,476)

Reconciliation of Non-Controlling Interest

	December 31, 2015	December 31, 2014	January 1, 2014
Non-controlling interest as previously reported	₱142,122,304	₱145,631,237	₱266,362,276
Adjustments on effect of corrections of errors – net of tax	(2,328,923)	(964,584)	(969,328)
Non-controlling interest as restated	₱139,793,381	₱144,666,653	₱265,392,948

Reconciliation of Net Loss

	December 31, 2015	December 31, 2014
Net loss as previously reported	(₱153,226,558)	(₱718,298,748)
Adjustments on effect of corrections of errors – net of tax	(337,079)	(3,205,276)
Net loss as restated	(₱153,563,637)	(₱721,504,024)

26. Financial Instruments

Fair Values of Financial Assets and Liabilities

The following table summarizes the carrying amounts and fair values of the Group's financial assets and liabilities:

	2016		2015 (As restated – see Note 25)	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Cash	**₱1,655,902**	**₱1,655,902**	₱1,650,178	₱1,650,178
Receivables – net	**251,133,983**	**251,133,983**	251,157,727	251,157,727
Advances to related parties – net	**786,249,841**	**786,249,841**	788,580,894	788,580,894
AFS investments	**370,000**	**370,000**	370,000	370,000
	₱1,039,409,726	**₱1,039,409,726**	₱1,041,758,799	₱1,041,758,799
Financial Liabilities				
Trade and other payables	**₱19,304,135**	**₱19,304,135**	₱33,882,033	₱33,882,033
Loans payable	**5,153,846**	**5,153,846**	16,800,000	16,800,000
Advances from related parties	**–**	**–**	185,581	185,581
Deposit for future stock subscriptions	**177,000,000**	**177,000,000**	177,000,000	177,000,000
	₱201,457,981	**₱201,457,981**	₱227,867,614	₱227,867,614

Fair Value Hierarchy

Financial assets and liabilities measured at fair value are categorized in accordance with the fair value hierarchy. The different levels are defined as follows:

a. Level 1 – Quoted prices in active markets for an identical asset or liability;
b. Level 2 – Those involving inputs other than quoted prices included in Level 1 that are observable for an asset or liability, either directly (as prices) or indirectly (derived from prices); and
c. Level 3 – Those with inputs for an asset or liability that are not based on observable market date (unobservable inputs).

The carrying values of the financial assets, except AFS financial assets, approximate their fair values due to their relatively short-term maturities. The fair value of AFS financial assets is based on the latest published stock exchange-quoted market prices of the investments as of the reporting date. The AFS financial assets are categorized under Level 1 of the Fair Value Hierarchy.

The carrying values of trade and other payables, deposit for future stock subscriptions and advances from related parties are the approximate fair values due to the relatively short-term maturity of these financial liabilities. The carrying values of loans payable approximates the fair value, which is determined to be the present value of future cash flows using the prevailing market rate as the discount rate. These financial liabilities are categorized under Level 3 of the Fair Value Hierarchy.

27. Financial Risk Management and Capital Management Objectives and Policies

Financial Risk Management

The Group's financial instruments arise directly from the Group's business operations. The main risks arising from the use of these financial instruments are credit, liquidity and interest risks.

Credit Risk
The Group's maximum credit exposure on its financial assets is equivalent to the carrying amount of the assets. The credit risk for cash in bank is considered negligible since the counterparty is a reputable entity with high quality external credit rating. Receivables from and advances to related parties are monitored on a regular basis to ensure that exposure to bad debts is controlled and not significant.

The credit quality of the Group's financial assets as of December 31, 2016 is presented below.

	Carrying Amount		
	2016	2015 (As restated – see Note 25)	Credit Quality
Cash	**₱1,655,902**	₱1,650,178	Unimpaired
Accounts receivables:			
Beyond 30 days outstanding	**251,133,983**	251,157,727	Past due but not impaired
Advances to related parties:			
Beyond 30 days outstanding	**786,249,841**	788,580,894	Past due but not impaired
	₱1,039,039,726	₱1,041,388,799	

Impairment Assessment
The Group recognizes impairment loss based on the results of its specific/individual credit exposure. Impairment takes place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract, or when there is inability to pay overdue principal or interest, if any, beyond a certain threshold. These and other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

The Group applies specific/individual assessment methodology in assessing and measuring impairment.

Under specific/individual assessment, the Group assesses each individual significant credit exposure for any objective evidence of impairment, and where such evidence exists, accordingly calculates the required impairment. Among the items and factors considered by the Group when assessing and measuring specific impairment allowances are: (a) the timing of the expected cash flows; (b) the projected receipts or expected cash flows; (c) the going concern of the counterparty's business; (d) the ability of the counterparty to repay its obligation during financial crises; (e) the availability of other sources of financial support; and, (f) the existing realizable value of the collateral, if any. The impairment allowances, if any, are evaluated as the need arises, in view of favorable or unfavorable developments.

Liquidity Risk
The Group monitors the maturities of its financial assets and liabilities and ensures that it has sufficient current assets to settle its current liabilities. The following table summarizes the maturity profile of the Group's financial assets and liabilities.

2016

	On Demand	Less than One Year	One to Five Years	Total
Financial Assets				
Cash	**₱1,655,902**	**₱ –**	**₱ –**	**₱1,655,902**
Receivables – net	**251,133,983**	**–**	**–**	**251,133,983**
Advances to related parties – net	**786,249,841**	**–**	**–**	**786,249,841**
AFS investments	**–**	**370,000**	**–**	**370,000**
	₱1,039,039,726	**₱370,000**	**₱ –**	**₱1,039,409,726**

	On Demand	Less than One Year	One to Five Years	Total
Financial Liabilities				
Trade and other payables	**₱19,304,134**		**–**	**₱19,304,134**
Loans payable	**–**	**5,153,846**	**–**	**5,153,846**
Deposit for future stock subscriptions	**–**	**177,000,000**	**–**	**177,000,000**
	₱19,304,134	**₱182,153,846**	**₱ –**	**₱201,457,980**

2015 (As restated – see Note 25)

	On Demand	Less than One Year	One to Five Years	Total
Financial Assets				
Cash	₱1,650,178	₱ –	₱ –	₱1,650,178
Receivables – net	251,157,727	–	–	251,157,727
Advances to related parties – net	788,580,894	–	–	788,580,894
AFS Investments	–	370,000	–	370,000
	₱1,041,388,799	₱370,000	₱ –	₱1,041,758,799
Financial Liabilities				
Trade and other payables	₱33,882,033		₱ –	₱33,882,033
Loans payable	–	13,090,000	3,710,000	16,800,000
Advances from related parties	185,581		–	185,581
Deposit for future stock subscriptions	–	177,000,000	–	177,000,000
	₱34,067,614	₱190,090,000	₱3,710,000	₱227,867,614

Interest Risk

The Company has no exposure to the risk that the value of financial liabilities will fluctuate because the market interest rates pertaining to long-term loans are fixed.

Capital Management

The primary objective of the Group's capital management policies and procedures is to ensure that capital funds are preserved and earn adequate returns to finance developmental projects and to maintain facilities and utilities on a continuous basis.

The Group's capital mainly relates to the following:

	2016	2015 (As restated – see Note 25)
Capital stock	**₱1,803,278,572**	₱1,803,278,568
Additional paid-in capital	**268,090,531**	268,090,531
Deficit	**(1,061,478,111)**	(1,015,478,051)
	₱1,009,890,992	₱1,055,891,048

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both gross debt and net debt basis. As of December 31, 2016 and 2015, the Group had the following ratios:

	2016	2015
Debt to equity	**17%**	19%
Net debt to equity	**17%**	19%

The Group has no externally imposed capital requirements and manages its capital structure and makes adjustments to it, in response to changes in economic condition.

28. Segment Reporting

Business Segments

For management purposes, the Group is organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The industry segments where the Group operates are as follows:

a. The holding segment is engaged in investment holding;
b. The renewal energy segment is engaged in the business and/or operation of renewable energy system and/or harnessing renewable energy resources;
c. The waste management segment is engaged in the business of building, operating and managing waste recovery facilities;
d. The real estate segment is engaged in business of real estate development and improvement for agri-tourism; and
e. The information technology segment is engaged in the business of software and other communication technology solutions and value added services arising from or connected to telecommunications.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, advances to related parties, property and equipment and investment properties. Segment liabilities include all operating liabilities and consist principally of trade and other payables and loans payable.

Segment Transactions

Segment income, expenses and performance include income and expenses from operations. Intercompany transactions are eliminated in consolidation.

2016

	Holding	Renewable Energy	Waste Management	Real Estate	Information Technology	Eliminations	Total
Income							
Revenue	₱ –	₱ –	₱ –	₱23,796,135	₱ –	₱ –	₱23,796,135
Inter-segment revenues	–	–	–	–	–	–	–
Total revenues	–	–	–	23,796,135	–	–	23,796,135
Expenses							
Equity in net loss of an associate	(45,274,728)	–	–	–	–	–	(45,274,728)
General and administrative expenses	(3,522,238)	(44,542)	(44,773)	(17,049,954)	(66,632)	–	(20,728,139)
Finance costs	–	–	–	(865,174)	–	–	(865,174)
Other expenses – net	(455,961)	480	–	4,162	197	–	(451,122)
Provision for income tax	(87)	–	–	(475,923)	–	–	(476,010)
Net income	(₱49,253,014)	(₱44,062)	(₱44,773)	₱5,409,246	(₱66,435)	₱ –	(₱43,999,038)
Net income attributable to:							
Equity holders of the Parent Company	(₱49,253,014)	(₱44,062)	(₱22,834)	₱3,353,732	(₱33,882)	₱ –	(₱46,000,060)
Non-controlling interest	–	–	(21,939)	2,055,514	(32,553)	–	2,001,022
	(₱49,253,014)	(₱44,062)	(₱44,773)	₱5,409,246	(₱66,435)	₱ –	(₱43,999,038)
Segment Assets	₱1,110,437,950	₱832,129	₱41,118	₱658,824,412	₱316,170	(₱404,393,328)	₱1,366,058,451
Segment Liabilities	₱195,660,931	₱67,198,620	₱233,570,111	₱21,319,482	₱237,492	(₱315,032,275)	₱202,954,361
Capital expenditures	₱ –	₱ –	₱ –	₱2,679,692	₱ –	₱ –	₱2,679,692
Depreciation and amortization	105,460	–	–	124,876	–	–	230,336
Non-cash expenses other than depreciations	513,631	–	–	–	–	–	513,631

2015 (As restated – see Note 25)

	Holding	Renewable Energy	Waste Management	Real Estate	Information Technology	Eliminations	Total
Income							
Revenue	₱ –	₱ –	₱ –	₱272,367	₱ –	₱ –	₱272,367
Inter-segment revenues	–	–	–	–	–	–	–
Total revenues	–	–	–	272,367	–	–	272,367
Expenses							
Equity in net loss of an associate	(₱132,485,607)	₱ –	₱ –	₱ –	₱ –	₱ –	(₱132,485,607)
General and administrative expenses	(8,358,158)	(59,165)	(118,999)	(10,903,080)	(63,680)	–	(19,503,082)
Finance costs	–	–	–	(1,837,172)	–	–	(1,837,172)
Other expenses – net	(10,847)	1,848	23	4,466	–	–	(4,510)
Provision for income tax	(185)	–	–	(5,448)	–	–	(5,633)
Net income	(₱140,854,797)	(₱57,317)	(₱118,976)	(₱12,468,867)	(₱63,680)	₱ –	(₱153,563,637)
Net income attributable to:							
Equity holders of the Parent Company	(₱140,854,797)	(₱57,317)	(₱60,677)	(₱7,730,697)	(₱32,477)	₱ –	(₱148,735,965)
Non-controlling interest	–	–	(58,299)	(4,738,170)	(31,203)	–	(4,827,672)
	(₱140,854,797)	(₱57,317)	(₱118,976)	(₱12,468,867)	(₱63,680)	₱ –	(₱153,563,637)
Segment Assets	₱1,114,362,657	₱763,321	₱41,118	₱678,116,976	₱315,973	(₱385,721,776)	₱1,407,878,269
Segment Liabilities	₱195,607,358	₱67,085,750	₱233,525,338	₱46,021,292	₱170,860	(₱314,339,049)	₱228,071,549
Capital expenditures	₱ –	₱ –	₱ –	₱109,520	₱ –	₱ –	₱109,520
Depreciation and amortization	489,892	–	–	97,534	–	–	587,426
Non-cash expenses other than depreciations	1,820,352	–	–	–	–	–	1,820,352

2014 (As restated – see Note 25)

	Holding	Renewable Energy	Waste Management	Real Estate	Information Technology	Eliminations	Total
Expenses							
Equity in net loss of an associate	(₱355,592,129)	₱ –	₱ –	₱ –	₱ –	₱ –	(₱355,592,129)
General and administrative expenses	(99,293,126)	(85,042,980)	(58,004)	(6,901,987)	(103,707)	–	(191,399,804)
Finance costs	(294,000)	–	–	(964,452)	–	–	(1,258,452)
Other expenses – net	61,752,704	75	(235,007,776)	1,624	–	–	(173,253,373)
Provision for income tax	(256)	–	–	(10)	–	–	(266)
Net income	(₱393,426,807)	(₱85,042,905)	(₱235,065,780)	(₱7,864,825)	(₱103,707)	₱ –	(₱721,504,024)
Net income attributable to:							
Equity holders of the Parent Company	(₱393,426,807)	(₱85,042,905)	(₱119,883,548)	(₱4,876,192)	(₱52,891)	₱ –	(₱603,282,343)
Non-controlling interest	–	–	(115,182,232)	(2,988,633)	(50,816)	–	(118,221,681)
	(₱393,426,807)	(₱85,042,905)	(₱235,065,780)	(₱7,864,825)	(₱103,707)	₱ –	(₱721,504,024)
Segment Assets	₱1,618,283,378	₱4,420	₱157,249	₱702,198,078	₱265,973	(₱720,297,273)	₱1,600,611,825
Segment Liabilities	₱193,546,927	₱66,269,531	₱233,522,494	₱57,513,526	₱57,180	(₱307,006,540)	₱243,903,118
Capital expenditures	₱ –	₱ –	₱ –	₱33,096,141	₱ –	₱ –	₱33,096,141
Depreciation and amortization	489,468	–	–	–	–	–	489,468
Non-cash expenses other than depreciations	93,510,815	85,000,000	235,007,776	–	–	–	413,518,591

29. **Other Matter**

On Civil Forfeiture

On December 15, 2015, the Regional Trial Court of the City of Manila, Branch 53, (the Court) placed under asset preservation specified bank accounts of (i) the Parent Company and (ii) SREDC, a subsidiary of the Parent Company (the Order). The Order was predicated solely on the allegation made by the Anti-Money Laundering Council that multiple transactions involving receipt of inward remittances and inter-branch fund transfers between the Parent Company, SREDC and EHI, a stockholder of the Parent Company, were allegedly without any underlying legal or trade obligation, purpose, or economic justification and/or that they were allegedly not commensurate to the business or financial capacity of the parties involved.

The rules on confidentiality and *sub judice* bar the Parent Company from publicly going into the details of the ongoing proceedings with the Court; however, the Parent Company wishes to draw attention to the disclosures dated June 30, 2014 and July 1, 2, 3, 7, and 10, 2014 lodged by the same with the PSE (hence, already public and readily accessible) that would show that the receipts and transmittals involving the corporations had economic justifications and involved business transactions, which were timely made public.

GREENERGY HOLDINGS INCORPORATED
AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2016

AND

INDEPENDENT AUDITOR'S REPORT

USA & Co
UY SINGSON ABELLA & Co
CERTIFIED PUBLIC ACCOUNTANTS

Member of Russell Bedford International

USA&Co

UY SINGSON ABELLA & CO
CERTIFIED PUBLIC ACCOUNTANTS

Suite 1205 Antel Global Corporate Center
#3 Julia Vargas Avenue, Ortigas Center
Pasig City 1605, Philippines

Phone: (632) 687-6151 to 52
Fax: (632) 634-7564
E-mail: info@usacpas.com.ph
Website: www.usacpas.com.ph

BOA/PRC Reg. No: 0384,
September 17, 2015, valid until December 31, 2018
SEC Accreditation No: 0332-F (Group A),
August 18, 2016, valid until August 18, 2019

REPORT OF INDEPENDENT AUDITOR ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Greenergy Holdings Incorporated and Subsidiaries
54 National Road, Dampol II-A
Pulilan, Bulacan

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Greenergy Holdings Incorporated and subsidiaries (the Group) for the year ended December 31, 2016, on which we have rendered the attached report dated November 8, 2017. The consolidated financial statements of the Group for the year ended December 31, 2015 were audited by other auditors, whose report dated October 24, 2016 expressed an unmodified opinion on those financial statements. The opinion of such other auditors, however, does not cover the restatements as disclosed in Note 25 to the financial statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the List of Supplementary Schedules are presented for purposes of additional analyses in compliance with the requirements of the Securities and Exchange Commission (SEC) Securities Regulation Code No. 68, Series 2011, as Amended (2011), Part I, Paragraph 4(c), (d), (h) and (j), *Other Documents to be Filed with the Financial Statements,* and Part II, Paragraph 6(d), *Additional Disclosure Requirements of SRC Rule No. 68, as Amended,* and are not required parts of the basic financial statements in accordance with Philippine Financial Reporting Standards. Such supplementary schedules are the responsibility of the management of the Group. The supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

UY SINGSON ABELLA & CO.

MADONNA MIA S. DAYEGO
Partner
CPA Certificate No. 93985
SEC Accreditation No. 1579-A (Group A),
August 18, 2016, valid until August 18, 2019
Tax Identification No. 189-477-952
BIR Accreditation No. 07-000962-001-2015,
December 1, 2015 valid until November 30, 2018
PTR No. 2495132, January 9, 2017, Pasig City

November 8, 2017

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
54 NATIONAL ROAD, DAMPOL II-A
PULILAN, BULACAN

LIST OF SUPPLEMENTARY SCHEDULES
REQUIRED UNDER SRC NO. 68, AS AMENDED (2011)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
I. SUPPLEMENTAL SCHEDULES REQUIRED BY ANNEX 68-E
AS OF DECEMBER 31, 2016

Schedule A. Financial Assets

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and rates	Amount shown in the balance sheet	Value based on market quotation at end of reporting period	Income received and accrued
Cash	–	**₱1,655,902**	**₱1,655,902**	**₱5,484**
Receivables – net	–	**251,133,983**	**251,133,983**	–
Available-For-Sale Investments	**1,000,000**	**370,000**	**370,000**	–
Advances to related parties – net	–	**786,249,841**	**₱786,249,841**	–
		₱1,039,409,726	**₱1,039,409,726**	**₱5,484**

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

I. SUPPLEMENTAL SCHEDULES REQUIRED BY ANNEX 68-E
AS OF DECEMBER 31, 2016

Schedule B. Amounts of Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)

Name and designation of debtor	Balance at beginning of period	Amounts (collected)/ transferred	Amounts written-off	Current	Non-current	Balance at end of period

Not Applicable

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
I. SUPPLEMENTAL SCHEDULES REQUIRED BY ANNEX 68-E
AS OF DECEMBER 31, 2016

Schedule C. Amounts of Receivable from and Payable to Related Parties which are Eliminated during the Consolidation Process of Financial Statements

Account	January 1, 2016	Additions	Deductions: Amount Collected	Deductions: Amount Written Off	Current	Non Current	December 31, 2016
RECEIVABLES							
Greenergy Holdings Incorporated	**₱309,250,764**	**₱ –**	**(₱563,060)**	**₱ –**	**₱308,687,704**	**₱ –**	**₱308,687,704**
PAYABLES							
Agrinurture Development Holdings Inc.	₱103,230	₱500	₱ –	₱ –	₱103,730	₱ –	₱103,730
Lite Speed Technologies, Inc.	110,750	–	–	–	110,750	–	110,750
Winsun Green Ventures, Inc.	65,585,151	–	(564,660)	–	65,020,491	–	65,020,491
Total Waste Management Recovery Systems, Inc.	233,513,488	500	–	–	233,513,988	–	233,513,988
Sunchamp Real Estate Development Corp.	9,938,145	600	–	–	9,938,745	–	9,938,745
	₱309,250,764	**₱1,600**	**(₱564,660)**	**₱ –**	**₱308,687,704**	**₱ –**	**₱308,687,704**

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

I. SUPPLEMENTAL SCHEDULES REQUIRED BY ANNEX 68-E
AS OF DECEMBER 31, 2016

Schedule D. Intangible Assets – Other Asset

Description	Beginning Balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other Charges additions (deductions)	Ending balance

Not Applicable

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

I. SUPPLEMENTAL SCHEDULES REQUIRED BY ANNEX 68-E
AS OF DECEMBER 31, 2016

Schedule E. Long-term Debt

Title of issue	Amount authorized by indenture	Amount shown under caption "Current portion of long term" in related balance sheet	Amount shown under caption "Long term debt" in related balance sheet
Bank Loan	**₱50,000,000**	**₱5,153,846**	**₱ –**

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

I. SUPPLEMENTAL SCHEDULES REQUIRED BY ANNEX 68-E
AS OF DECEMBER 31, 2016

Schedule F. Indebtedness to Related Parties (Long Term Loans from Related Parties)

Name of related party	Balance at beginning of period	Balance at end of period

Not Applicable

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

I. SUPPLEMENTAL SCHEDULES REQUIRED BY ANNEX 68-E
AS OF DECEMBER 31, 2016

Schedule G. Guarantees of Securities of Other Issuers

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

Not Applicable

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

I. SUPPLEMENTAL SCHEDULES REQUIRED BY ANNEX 68-E
AS OF DECEMBER 31, 2016

Schedule H. Capital Stock

Title of issue	Number of Shares authorized	Number of shares issued and outstanding as shown under related balance sheet	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common shares	1,900,000,000	1,703,278,572	–	541,290,567	333,522,007	828,465,998
Preferred shares	1,000,000,000	1,000,000,000	–	1,000,000,000	–	–
	2,900,000,000	**2,703,278,572**	**–**	**1,541,290,567**	**333,522,007**	**828,465,998**

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES
II. SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION FOR THE YEAR ENDED DECEMBER 31, 2016

Unapproriated Retained Earnings, Beginning		(₱1,013,153,859)
Net Adjustments:		
Prior year adjustments		(2,324,192)
Unapproriated Retained Earnings, as Adjusted Available For Dividends Distribution, Beginning		(1,015,478,051)
Total comprehensive income during the period closed to Retained Earnings	(₱46,000,060)	
Add: Non-actual/unrealized expense, net of tax	–	
Net loss actually earned during the period		(46,000,060)
Total Retained Earnings, End Available for Dividend Distribution		**(₱1,061,478,111)**

The Parent Company's Retained Earnings as of December 31, 2016 did not exceed its total paid-in capital stock since it is in a deficit position.

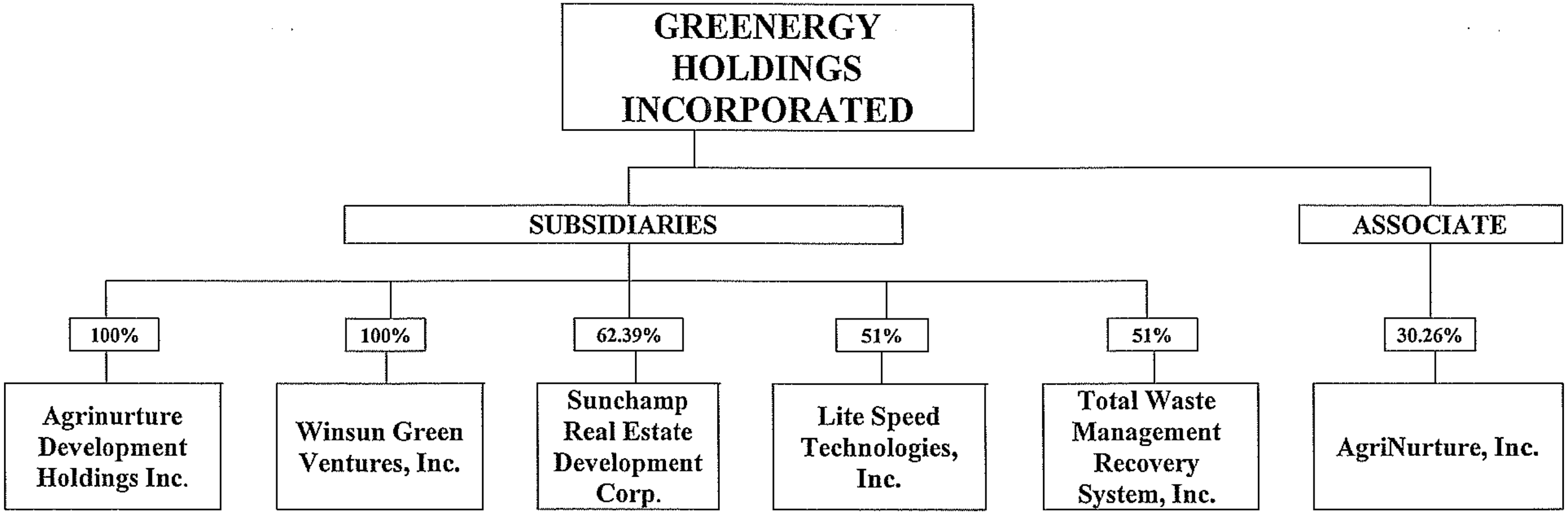
GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

III. SCHEDULE OF FINANCIAL RATIOS AS OF DECEMBER 31, 2016 AND 2015

Financial Ratios	Description	2016	2015
Current/liquidity ratio:			
Current ratio	Current assets over current liabilities 2016 $\frac{1,039,657,563}{202,954,361}$; 2015 $\frac{1,041,997,548}{224,361,549}$	**5.12:1**	4.64:1
Quick ratio	(Current assets – inventories and prepayments) over current liabilities 2016 $\frac{1,039,039,726}{202,954,361}$; 2015 $\frac{1,041,388,799}{224,361,549}$	**5.12:1**	4.64:1
Solvency ratio:			
Net debt to equity ratio	(Total liabilities less cash and cash equivalents) over total equity 2016 $\frac{201,298,459}{1,163,104,090}$; 2015 $\frac{226,421,371}{1,179,806,720}$	**0.17:1**	0.19:1
Debt-to-equity ratio	Total liabilities over total equity 2016 $\frac{202,954,361}{1,163,104,090}$; 2015 $\frac{228,071,549}{1,179,806,720}$	**0.17:1**	0.19:1
Asset-to-equity ratio	Total assets over total equity 2016 $\frac{1,366,058,451}{1,163,104,090}$; 2015 $\frac{1,407,878,269}{1,179,806,720}$	**1.17:1**	1.19:1
Interest rate coverage ratio	[Earnings (loss) before interest and taxes] over interest expense 2016 $\frac{(43,523,028)}{865,174}$; 2015 $\frac{(153,558,004)}{1,837,172}$	**(5031%)**	(8358%)
Profitability ratio:			
Return on asset	Net income (loss) over average total assets 2016 $\frac{(43,999,038)}{1,386,968,360}$; 2015 $\frac{(153,563,637)}{1,504,245,047}$	**(3%)**	(10%)
Return on equity	Net income (loss) over average total equity 2016 $\frac{(43,999,038)}{1,171,455,405}$; 2015 $\frac{(153,563,637)}{1,268,257,713}$	**(4%)**	(12%)
Net profit margin	Net income (loss) over net sales 2016 $\frac{(43,999,038)}{23,796,135}$; 2015 $\frac{(153,563,637)}{270,000}$	**(185%)**	(56875%)

GREENERGY HOLDINGS INCORPORATED

IV. MAP OF THE RELATIONSHIP OF THE COMPANY WITHIN THE GROUP
FOR THE YEAR ENDED DECEMBER 31, 2016



GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

V. LIST OF TOP 20 STOCKHOLDERS OF RECORD FOR THE YEAR ENDED DECEMEBR 31, 2016

Name of Stockholders	Subscribed	Outstanding
Common Shares		
PCD Nominee Corp. (Filipino)	447,520,888	447,520,888
ThomasLloyd Cleantech Infrastructure Fund GmBH	207,768,560	207,768,560
Earthright Holdings, Inc.	187,500,000	187,500,000
Jian Cheng Cai	160,000,000	160,000,000
Three Star Capital Ltd. (BVI)	110,000,000	110,000,000
PPAR Management & Holdings Corporation	58,000,000	14,500,000
Southern Field Limited (BVI)	55,000,000	55,000,000
Jerry G. Yu	52,000,000	52,000,000
Ann Loraine B. Tiu	51,500,000	51,500,000
Mark Kenrich Duca	50,000,000	50,000,000
Arc Estate & Project Corporation	50,000,000	50,000,000
Hung Kamtin	40,000,000	40,000,000
Paul Vincent Lee	36,000,000	36,000,000
Fab People, Inc.	31,000,000	31,000,000
James L. Tiu	30,000,000	30,000,000
Jaime L. Tiu	30,000,000	30,000,000
Prestejenchrisdan (PSJCD) Inc.	30,000,000	30,000,000
Sure Anthony T. Ching	30,000,000	30,000,000
Jose Marie E. Fabella	30,000,000	7,500,000
Leonardo S. Gayao	28,000,000	7,000,000
Others	86,489,124	75,989,124
	1,800,778,572	**1,703,278,572**
Preferred Shares		
Earthright Holdings, Inc.	**1,000,000,000**	**1,000,000,000**

GREENERGY HOLDINGS INCORPORATED AND SUBSIDIARIES

VI. SCHEDULE OF PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS ADOPTED BY THE SECURITIES AND EXCHANGE COMMISSION AND FINANCIAL REPORTING STANDARD COUNCIL EFFECTIVE AS OF DECEMBER 31, 2016

The following table summarizes the effective standards and interpretations as at December 31, 2016:

		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary		✓		
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 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			✓
	Annual Improvements to PFRS 2011-2013 Cycle – Amendments to PFRS 1, First-time Adoption of International Financial Reporting Standards (Changes to the Basis for Conclusions only)			✓
	Amendments to PFRS 1: Meaning of Effective PFRSs			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Annual Improvements to PFRS 2010-2012 Cycle – Amendments to PFRS 2: Definition of Vesting Condition			✓
PFRS 3 (Revised)	Business Combinations			✓
	Accounting for Contingent Consideration in a Business Combination			✓
	Annual Improvements to PFRS 2011-2013 Cycle – Amendments to PFRS 3: Scope of Exception for Joint Ventures'			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee contracts			✓

		Adopted	Not Adopted	Not Applicable
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		
	Amendments to PFRS 5: Changes in Methods of Disposal			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	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			✓
	Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			✓
PFRS 8	Operating Segments	✓		
	Annual Improvements to PFRS 2010-2011 Cycle – Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity Assets	✓		
PFRS 9	Financial Instruments	✓		
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Investment Entities	✓		
	Amendments to PFRS 10: Investment Entities: Applying the Consolidation Exceptions			✓
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			✓
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Investment Entities	✓		
	Amendments to PFRS 12: Transition Guidance and Investment Entities	✓		
PFRS 13	Fair Value Measurement	✓		
	Annual Improvements to PFRS 2010-2012 Cycle – Amendments to Basic Conclusions Only, Consequential Amendments to the Bases of Conclusions of Other Standards: Short-term Receivable and Payables	✓		
	Annual Improvements to PFRS 2011-2013 Cycle – Amendments to PFRS 13: Portfolio Exception			✓
PFRS 15	Revenue from Contracts with Customers			✓
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable			✓

		Adopted	Not Adopted	Not Applicable
	Financial Instruments and Obligations Arising on Liquidation			
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1: Clarification of the Requirements for Comparative Information	✓		
	Presentation of Financial Statements – Disclosure Initiative			✓
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendments to PAS 12 - Deferred Taxes: Recovery of Underlying Assets			✓
PAS 16	Property, Plant and Equipment	✓		
	Annual Improvements to PFRS 2009-2011 Cycle – Amendments to PAS 16: Property Plant and Equipment	✓		
	Annual Improvements to PFRS 2010-2012 Cycle Amendments to PAS 16: Revaluation Method – Proportionate Restatement of Accumulated Depreciation			✓
	Amendment to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization			✓
	Amendment to PAS 16: Bearer Plants			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits	✓		
PAS 19 (Revised)	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures			✓
PAS 19 (Amended)	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans – Employee Contributions			✓
	Amendments to PAS 19: Regional Market Issue regarding Discount Rate			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendments to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Consolidated and Separate Financial Statements	✓		

		Adopted	Not Adopted	Not Applicable
PAS 27 (Amended)	Separate Financial Statements			✓
	Amendments to PAS 27: Transition Guidance and Investment Entities			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements			✓
PAS 28	Investments in Associates	✓		
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 32: Classification of Right Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
	Amendments to PAS 34: Interim Financial Reporting and Segment Information for Total Asset and Liabilities			✓
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
	Annual Improvements to PFRS 2010-2012 Cycle Amendments to PAS 16: Revaluation Method – Proportionate Restatement of Accumulated Amortization			✓
	Amendment to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 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	✓		

		Adopted	Not Adopted	Not Applicable
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
	Amendments to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of derivatives and continuation of hedge accounting			✓
PAS 40	Investment Property	✓		
	Amendment to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property and Owner-Occupied Property			✓
PAS 41	Agriculture	✓		
	Amendments to PAS 41: Agriculture – Bearer Plants			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Cooperative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of PFRS 2			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC 9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 11	PFRS 2-Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC 14: Prepayments to a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distribution of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of Surface Mine			✓
IFRIC 21	Levies			✓
SIC 7	Introduction of the Euro			✓

		Adopted	Not Adopted	Not Applicable
SIC 10	Government Assistance – No Specific Relation to Operating Activities			✓
SIC 12	Consolidation – Special Purpose Entities			✓
	Amendment to SIC 12: Scope of SIC 12			✓
SIC 13	Jointly Controlled Entities – Non-monetary Contributions by Venturers			✓
SIC 15	Operating Leases – Incentives			✓
SIC 25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders			✓
SIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC 29	Service Concession Arrangements: Disclosures			✓
SIC 31	Revenue – Barter Transactions Involving Advertising Services			✓
SIC 32	Intangible Assets – Web Site Costs			✓
PIC 2016-02	PAS 32 and PAS 38: Accounting Treatment of Club Shares Held by an Entity			✓

Note: Standards identified as Not Applicable include those that were adopted by the Group but are not applicable based on current circumstance or transactions of the Group.

***

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	O	9	2	-	0	0	5	8	9

COMPANY NAME

GREENERGY HOLDINGS INCORPORATED

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

54 NATIONAL ROAD, DAMPOL II-A, PULILAN BULACAN

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
kenneth.tan@ani.com.ph	(02) 893-2687	N/A

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
1,035	Second Friday of June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Kenneth S. Tan	kenneth.tan@ani.com.ph	(02) 893-2687	N/A

CONTACT PERSON's ADDRESS

No. 7 St. Jose Maria Escriva Drive, Unit 112, Cedar Mansion 2 , Ortigas Center, Pasig 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 occurance 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 copration'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.

USA&Co

UY SINGSON ABELLA & CO
CERTIFIED PUBLIC ACCOUNTANTS

Suite 1205 Antel Global Corporate Center
#3 Julia Vargas Avenue, Ortigas Center
Pasig City 1605, Philippines

Phone: (632) 687-6151 to 52
Fax: (632) 634-7564
E-mail: info@usacpas.com.ph
Website: www.usacpas.com.ph

BOA/PRC Reg. No: 0384,
September 17, 2015 valid until December 31, 2018
SEC Accreditation No: 0332-F (Group A),
August 18, 2016, valid until August 18, 2019

SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITOR

The Stockholders and the Board of Directors
Greenergy Holdings Incorporated
54 National Road, Dampol II-A
Pulilan, Bulacan

We have audited the financial statements of Greenergy Holdings Incorporated for the year ended December 31, 2016, on which we have rendered the attached report dated November 8, 2017. The financial statements of Greenergy Holdings Incorporated for the year ended December 31, 2015 were audited by other auditors, whose report dated October 24, 2016 expressed an unmodified opinion on those financial statements. The opinion of such other auditors, however, does not cover the restatements as disclosed in Note 16 to the financial statements.

In compliance with the Securities and Exchange Commission SRC Rule 68, as amended, we are stating that the above Parent Company has 873 stockholders owning one hundred (100) or more shares each as of December 31, 2016.

UY SINGSON ABELLA & CO.

MADONNA MIA S. DAYEGO
Partner
CPA Certificate No. 93985
SEC Accreditation No. 1579-A (Group A),
August 18, 2016, valid until August 18, 2019
Tax Identification No. 189-477-952
BIR Accreditation No. 07-000962-001-2015,
December 1, 2015, valid until November 30, 2018
PTR No. 2495132, January 9, 2017, Pasig City

November 8, 2017

GREENERGY Holdings

GREENERGY HOLDINGS INCORPORATED
(formerly Music Semiconductors Corp.)
54 National Road, Dampol II
Pulilan, Bulacan

The Securities and Exchange Commission
SECBuilding, EDSA, Greenhills
Mandaluyong City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The management of **Greenergy Holdings Inc.** is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2016 and 2015 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Uy Singson Abella & Co., CPAs and Constantino Guadalquiver and Co., CPAS, the independent auditor appointed by the Board of the Directors for the years ended December 31, 2016 and 2015, respectively, have audited the financial statements of the Company in accordance with the Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinions on the fairness of presentation upon completion of such audit.

MR. ANTONIO L. TIU
Chairman of the Board and
President

MR. KENNETH S. TAN
Chief Financial Officer

Signed this NOV 8 2017

BUREAU OF INTERNAL REVENUE
RDO NO. 25A - PLARIDEL, BULACAN
RECEIVED
NOV 09 2017
HERMINIA H. NICOLAS
COLLECTION SECTION

USA&Co

UY SINGSON ABELLA & CO
CERTIFIED PUBLIC ACCOUNTANTS

Suite 1205 Antel Global Corporate Center
#3 Julia Vargas Avenue, Ortigas Center
Pasig City 1605, Philippines

Phone: (632) 687-6151 to 52
Fax: (632) 634-7564
E-mail: info@usacpas.com.ph
Website: www.usacpas.com.ph

BOA/PRC Reg. No: 0384,
September 17, 2015 valid until December 31, 2018
SEC Accreditation No: 0332-F (Group A),
August 18, 2016, valid until August 18, 2019

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Greenergy Holdings Incorporated
54 National Road, Dampol II-A
Pulilan, Bulacan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Greenergy Holdings Incorporated (Parent Company), which comprise the statement of financial position as of December 31, 2016, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Parent Company as of December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Other Matters

As part of our audit of the 2016 financial statements, we also audited the restatements described in Note 16 that were applied on the 2015 financial statements. In our opinion, such restatements are appropriate and have been properly applied. We are not engaged to audit, review, or apply any procedures to the 2015 financial statements of the Parent Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2015 financial statements taken as a whole.

The financial statements of the Parent Comapny as of and for the year ended December 31, 2015 were audited by other auditors, whose report dated October 24, 2016 expressed an unmodified opinion on those financial statements. The opinion of such other auditors, however, does not cover the restatements as disclosed in Note 16 to the financial statements.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Supplemental Information Required under Revenue Regulations No. 15-2010

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2016 required under Revenue Regulations No. 15-2010 as disclosed in Note 20 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of the management of Greenergy Holdings Incorporated. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagementpartner on the audit resulting in this independent auditor's report is Madonna Mia S. Dayego.

UY SINGSON ABELLA & CO.

MADONNA MIA S. DAYEGO
Partner
CPA Certificate No. 93985
SEC Accreditation No. 1579-A (Group A),
August 18, 2016, valid until August 18, 2019
Tax Identification No. 189-477-952
BIR Accreditation No. 07-000962-001-2015,
December 1, 2015, valid until November 30, 2018
PTR No. 2495132, January 9, 2017, Pasig City

November 8, 2017

BUREAU OF INTERNAL REVENUE
RDO NO. 25A - PLARIDEL, BULACAN
RECEIVED
NOV 09 2017
HERMINIA H. NICOLAS
COLLECTION SECTION

GREENERGY HOLDINGS INCORPORATED
PARENT COMPANY STATEMENT OF FINANCIAL POSITION
December 31, 2016
(With Comparative Figures for 2015)

	Notes	2016	December 31 2015 (As restated – see Note 16)	January 1, 2015 (As restated – see Note 16)
ASSETS				
Current Assets				
Cash	5	**₱238,209**	₱231,789	₱2,139,958
Receivables – net	6	**250,434,452**	250,782,649	458,914
Advances to related parties – net	12	**172,544,738**	176,031,299	429,716,750
Other current assets – net	7	**560,948**	551,859	589,066
Total Current Assets		**423,778,347**	427,597,596	432,904,688
Noncurrent Assets				
Investment in associate – net	8	**321,347,141**	321,347,141	819,470,878
Investments in subsidiaries – net	9	**365,221,873**	365,221,873	365,221,873
Property and equipment – net	10	**28,088**	133,547	623,439
Total Noncurrent Assets		**686,597,102**	686,702,561	1,185,316,190
TOTAL ASSETS		**₱1,110,375,449**	₱1,114,300,157	₱1,618,220,878
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	11	**₱18,503,202**	₱18,318,547	₱16,502,327
Deposit for future stock subscriptions	12	**177,000,000**	177,000,000	177,000,000
Advances from related party	12	**–**	185,581	–
Total Current Liabilities		**195,503,202**	195,504,128	193,502,327
Equity				
Capital stock	13			
Common shares		**1,703,278,572**	1,703,278,568	1,703,278,565
Preferred shares		**100,000,000**	100,000,000	100,000,000
		1,803,278,572	1,803,278,568	1,803,278,565
Additional paid-in capital		**268,090,531**	268,090,531	268,090,531
Deficit		**(1,156,496,856)**	(1,152,573,070)	(646,650,545)
Total Equity		**914,872,247**	918,796,029	1,424,718,551
TOTAL LIABILITIES AND EQUITY		**₱1,110,375,449**	₱1,114,300,157	₱1,618,220,878

See accompanying Notes to Parent Company Financial Statements.

GREENERGY HOLDINGS INCORPORATED

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2016
(With Comparative Figures for 2015)

	Notes	2016	2015
OTHER INCOME			
Realized foreign exchange gain		**₱4,345**	₱9,070
Interest income	5	**645**	1,749
Reversal of allowance for impairment loss	12	**–**	511,773
Miscellaneous income		**–**	160
		4,990	522,752
GENERAL AND ADMINISTRATIVE EXPENSES	14	**3,928,689**	506,445,092
LOSS BEFORE INCOME TAX		**3,923,699**	505,922,340
PROVISION FOR INCOME TAX	15	**87**	185
NET LOSS		**3,923,786**	505,922,525
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE LOSS		**₱3,923,786**	₱505,922,525

See accompanying Notes to Parent Company Financial Statements.

GREENERGY HOLDINGS INCORPORATED

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

For the Year Ended December 31, 2016
(With Comparative Figures for 2015)

	2016	2015 (As restated – see Note 16)
CAPITAL STOCK (Note 13)		
Common shares – ₱1.0 par value		
Issued and paid		
Balance at beginning of year	**₱1,598,289,451**	₱1,598,289,448
Issuance of shares	**4**	3
Balance at end of year	**1,598,289,455**	1,598,289,451
Subscribed		
Balance at beginning and end of year	**202,489,117**	202,489,117
Subscriptions receivable	**(97,500,000)**	(97,500,000)
	104,989,117	104,989,117
	1,703,278,572	1,703,278,568
Preferred shares – ₱0.10 par value	**100,000,000**	100,000,000
	1,803,278,572	1,803,278,568
ADDITIONAL PAID-IN CAPITAL	**268,090,531**	268,090,531
DEFICIT		
Balance at beginning of year		
As previously reported	**(1,156,323,070)**	(650,400,545)
Adjustments (Note 16)	**3,750,000**	3,750,000
As restated	**(1,152,573,070)**	(646,650,545)
Net loss	**(3,923,786)**	(505,922,525)
Balance at end of year	**(1,156,496,856)**	(1,152,573,070)
TOTAL EQUITY	**₱914,872,247**	₱918,796,029

See accompanying Notes to Parent Company Financial Statements.

GREENERGY HOLDINGS INCORPORATED

PARENT COMPANY STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2016
(With Comparative Figures for 2015)

	Notes	2016	2015 (As restated – see Note 16)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(₱3,923,699)**	(₱505,922,340)
Adjustments for:			
Provision for impairment loss	14	**460,951**	498,145,563
Depreciation	10	**105,459**	489,892
Accounts written off	14	**52,680**	1,798,525
Interest income	5	**(645)**	(1,749)
Reversal of allowance for impairment loss	12	**–**	(511,773)
Operating losses before changes in working capital		**(3,305,254)**	(6,001,882)
Changes in working capital:			
Increase in:			
Receivables		**(2,500)**	(181,102)
Other current assets		**(122,413)**	(86,552)
Trade and other payables		**184,655**	1,816,220
Net cash used in operation		**(3,245,512)**	(4,453,316)
Interest received	5	**645**	1,749
Income taxes paid	15	**(87)**	(185)
Net cash flows used in operating activities		**(3,244,954)**	(4,451,752)
CASH FLOWS FROM INVESTING ACTIVITIES			
Collection received from related parties	12	**3,620,241**	8,440,760
Advances made to related parties	12	**(183,290)**	(6,082,761)
Net cash flows from investing activities		**3,436,951**	2,357,999
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances (repayments) to related party	12	**(185,581)**	185,581
Proceeds from issuance of capital stock	13	**4**	3
Net cash flows from (used in) financing activities		**(185,577)**	185,584
NET INCREASE (DECREASE) IN CASH		**6,420**	(1,908,169)
CASH AT BEGINNING OF YEAR		**231,789**	2,139,958
CASH AT END OF YEAR	5	**₱238,209**	₱231,789

See accompanying Notes to Parent Company Financial Statements.

1. Corporate Information

Greenergy Holdings Incorporated (the Parent Company) was registered and incorporated with the Philippine Securities and Exchange Commission (SEC) on January 29, 1992 as MUSX Corporation to primarily engage in the manufacturing and sale of semiconductor products. In 2011, the SEC approved the amendment of its Articles of Incorporation to change the registered name to Greenergy Holdings Incorporated. The Parent Company was listed in the Philippine Stock Exchange (PSE) on September 26, 1996.

The Parent Company's primary purpose is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, or otherwise dispose of real or personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidence of indebtedness, marketable securities, deposit substitutes in any valid currency, and other securities or obligations of any corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been organized, and to pay therefor in money or by exchanging therefor stocks, bonds, or other evidence of indebtedness or securities of this or any other corporation, stocks, bonds, debentures, contracts, or obligations; to receive, collect, and dispose of the interest, dividends, proceeds, and income arising from such property; and to possess and exercise in respect therefor all voting powers of any stock so owned, provided that the corporation shall not engage as stock broker or dealer in securities.

The Parent Company's principal office is at 54 National Road, Dampol II-A, Pulilan, Bulacan. The Parent Company's business address is at Unit 112 Cedar Mansion II, #7 St. Jose Maria Escriva Drive, Ortigas Center, Barangay San Antonio, Pasig City.

As of December 31, 2016 and 2015, the Parent Company holds investments in the following subsidiaries and associate:

Investee	Country of Incorporation	Nature of Business	Principal Place of Business	Effective Ownership 2016	2015
Subsidiaries					
Winsun Green Ventures, Inc. (WGVI)	Philippines	Renewable energy system	Pulilan, Bulacan	**100%**	100%
Agrinurture Development Holdings Inc. (ADHI)	Philippines	Investment holding	Pasig City	**100%**	100%
Sunchamp Real Estate Development Corp. (SREDC)	Philippines	Agriculture and real estate	Makati City	**62.39%**	62.39%
Lite Speed Technologies, Inc. (LSTI)	Philippines	Information technology	Makati City	**51%**	51%
Total Waste Management Recovery System, Inc. (TWMRSI)	Philippines	Waste management facility	Pulilan, Bulacan	**51%**	51%
Associate					
AgriNurture, Inc. (ANI)	Philippines	Trading	Pulilan, Bulacan	**30.26%**	30.26%

Approval of Financial Statements

The financial statements of the Parent Company as of and for the year ended December 31, 2016 (with comparative figures for 2015) were approved and authorized for issue by the Board of Directors (BOD) on November 8, 2017.

2. Status of Operations

Going Concern
The financial statements have been prepared on a going concern basis, which assumes that the Parent Company will be able to continue to increase its revenues and improve operations despite heavy losses from operations. Although, the Parent Company has a deficit of ₱1.16 billion and ₱1.15 billion as of December 31, 2016 and 2015, respectively, the fair market value of the Parent Company's investment in associate (ANI) increased from ₱865.4 million as of December 31, 2016 to ₱2.3 billion as of November 8, 2017 (Note 8).

At present, the Parent Company shall continue to expand its core business and increase coverage in various investments in diversified industries such as, but not limited to, renewable energy, real estate, agriculture, waste management facility and information technology. The associate is fully operational with its respective cash flows and key subsidiaries are in the pre-operating stages with various projects in the pipeline under modest spending guidelines. Also, the Parent Company has started an active campaign to gain new clients, as well as to revive previous relationships through marketing and selling activities in the Philippines and overseas. With these investments, the Management of the Parent Company assessed that the going concern assumption remains to be appropriate as the Parent Company continues to generate sufficient cash flows to sustain operations and complete its current and future plans.

Trading Suspension
On May 13, 2015, the Parent Company requested for a voluntary suspension of the trading of its securities in the PSE. The request was filed to prevent any unusual volatility in the trading of the Parent Company's securities that may cause investor panic as a result of a news article on the inclusion of certain bank accounts of the Parent Company in a freeze order issued by the Court of Appeals (CA).

On said date, the PSE suspended the trading of the Parent Company's securities until further notice.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation
The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) approved by the Financial Reporting Standards Council (FRSC) and the SEC.

The Parent Company's financial statements have been prepared on an accrual basis using historical cost and are presented in Philippine peso, which is the Parent Company's functional and presentation currency. Amounts are rounded off to the nearest peso, unless otherwise specified.

The financial statements are the Parent Company's separate financial statements. The Parent Company also prepares and issues consolidated financial statements for the same periods, which include the financial statements of subsidiaries. As a publicly listed company, the Parent Company is required by the SEC to prepare both separate and consolidated financial statements.

New Standards and Amendments and Interpretations of Existing Standards
The accounting policies adopted by the Parent Company are consistent with those of the previous financial year, except for the following amended PFRS, amended PAS and interpretations which became effective in 2016. Adoption of the new standards and amendments did not have any significant impact on the Parent Company's financial statements. The nature of each new standard and amendments are described on the next page.

- PFRS 10, PFRS 12 and PAS 28, *"Investment Entities": Applying the Consolidation Exception (Amendments)*
  These amendments clarify that the exemption in PFRS 10 from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity that measures all of its subsidiaries at fair value and that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity parent is consolidated. The amendments also allow an investor (that is not an investment entity and has an investment entity associate or joint venture), when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

- PFRS 11, Joint Agreements – *"Accounting for Acquisitions of Interests in Joint Operations" (Amendments)*
  The amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business. The acquirer of an interest in a joint operation in which the activity constitutes a business is required to apply the principles on business combinations accounting. Previously held interest in joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. Amendments do not apply when the parties sharing joint control, including the reporting entity, are under the common control of the same ultimate controlling party.

- PFRS 14, *"Regulatory Deferral Accounts"*
  PFRS 14 is an optional standard that allows an entity whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

- PAS 1, *"Presentation of Financial Statements": Disclosure Initiative (Amendments)*
  The amendments were a response to comments that there were difficulties in applying the concept of materiality in practice as the wording of some of the requirements in PAS 1 had in some cases been read to prevent the use of judgment. Certain key highlights in the amendments are follows:

  - An entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

  - An entity need not provide a specific disclosure required by a PFRS if the information resulting from that disclosure is not material.

  - In the other comprehensive income section of a statement of profit or loss and other comprehensive income, the amendments require separate disclosure for the following items:

    - The share of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be reclassified subsequently to profit or loss; and
    - The share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified subsequently to profit or loss.

- PAS 16, *"Property, Plant and Equipment" and PAS 38, "Intangible Assets": Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)*
  The amendments clarify that revenue-based method to calculate the depreciation of an asset is inappropriate because revenue generated by an activity that includes the use of an asset reflects

factors other than the consumption of the economic benefits embodied in the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

- PAS 16, *"Property, Plant and Equipment" and PAS 41, "Agriculture": Bearer Plants (Amendments)*
  The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply.

- PAS 27, *"Separate Financial Statements": Equity Method in Separate Financial Statements (Amendments)*
  The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply the change retrospectively. For first time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS.

- *Annual Improvements to PFRS (2012-2014 Cycle)*
  The annual improvements to PFRS (2012-2014 Cycle) are effective January 1, 2016 and contain non-urgent but necessary amendments to the following standards:

  - PFRS 5, *"Noncurrent Assets Held for Sale and Discontinued Operations": Changes in Methods of Disposal (Amendment)*
    The amendment is applied prospectively and clarifies that the accounting for a change in a disposal plan from a plan to sell to a plan to distribute a dividend in kind to its shareholders (or vice versa) when an entity reclassifies an asset (or disposal group) directly from one method of disposal to other should not be considered a new plan rather as a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

  - PFRS 7, *"Financial Instruments": Disclosure – Servicing Contracts (Amendments)*
    This amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity is required to disclose any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will be applied retrospectively. An entity that first applies the amendments is not required to provide comparative disclosures for any period beginning before the annual period of first application.

  - PFRS 7, *"Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements" (Amendments)*
    The amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

- PAS 19, *"Employee Benefits": Regional Market Issue Regarding Discount Rate (Amendments)*
  This amendment is applied prospectively and clarifies that the rate used to discount post-employment benefit obligations (both funded and unfunded) shall be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. Where there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds shall be used. The currency and term of the corporate bonds or government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations.

- PAS 34, *"Interim Financial Reporting" Disclosure of Information 'elsewhere in the Interim Financial Report' (Amendments)*
  This amendment is applied retrospectively and clarifies that an entity discloses information elsewhere in the interim financial report when it incorporates disclosures by cross-reference to information in another statement and wherever they are included within the greater interim financial report (e.g., management commentary or risk report).

Effective beginning on or after January 1, 2017
The following amendments do not have any material impact on the Parent Company's financial statements:

PAS 7, *"Statement of Cash Flows": Disclosure Initiative – Amendments to PAS 7*
The amendments to PAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendments, entities are not required to provide comparative information for preceding periods. Early application of the amendments is permitted.

PAS 12, *"Income Taxes": Recognition of Deferred Tax Assets for Unrealized Losses*
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in the opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. Early application is permitted.

PFRS 12, *"Clarification of the Scope of the Standard" (Part of Annual Improvements to PFRSs 2014-2016 Cycle) (Amendments)*
The amendments clarify that the disclosure requirements in PFRS 12, other than those relating to summarized financial information, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

Effective beginning on or after January 1, 2018
The following amendments do not have any material impact on the Parent Company's financial statements:

PFRS 9, *"Financial Instruments: Classification and Measurement"*
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. Early application is 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.

PFRS 2, *"Share-based Payment: Classification and Measurement of Share-based Payment Transactions" (Amendments)*
The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the transaction changes its classification from cash settled to equity settled.

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

PFRS 4, *"Insurance Contracts: Applying PFRS 9, Financial Instruments, with PFRS 4" (Amendments)*
The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the forthcoming insurance contracts standards. They allow entities to choose between the overlay approach and the deferral approach to deal with the transitional challenges. The overlay approach gives all entities that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when PFRS 9 is applied before the new insurance contract standard is issued. On the other hand, the deferral approach gives entities whose activities are predominantly connected with insurance an optional temporary exemption from applying PFRS 9 until the earlier of application of the forthcoming insurance contracts standard or January 1, 2021.

The overlay approach and the deferral approach will only be available to an entity if it has no previously applied PFRS 9.

PAS 28, *"Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRS 2014-2016 Cycle)" (Amendments)*
The amendments clarify that an entity that is a venture capital organization, or other qualifying entity may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's' interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. The amendments should be applied retrospectively, with earlier application permitted.

PAS 40, *"Investment Property: Transfer of Investment Property" (Amendments)*
The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight.

PFRS 15, *"Revenue from Contracts with Customers"*
PFRS 15 was issued in May 2014 and establishes new five-step model that will apply to revenue arising from contracts with customers. Under PFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring

goods or services to a customer. The principles in PFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under PFRS. Either a full or modified retrospective application is required. Early adoption is permitted.

IFRIC 22, *"Foreign Currency Transactions and Advances Consideration"*
The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation may be applied on a fully retrospective basis. Entities may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of the reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

Effective beginning on or after January 1, 2019
PFRS 16, *"Leases"*
Under the new standard, lessees will no longer classify their lease as either operating or finance leases in accordance with PAS 17 *Leases*. Rather, leases will apply the single-asset model, wherein lessees will recognize the assets and the related liabilities for most leases in their statement of financial position and, subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. An early application of this new standard is permitted.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 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 currently not applicable to the Parent Company since it does not have any lease transactions.

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

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

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

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

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

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

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

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

- Level 1 – Quoted prices in active markets for an identical asset or liability;
- Level 2 – Those involving inputs other than quoted prices included in Level 1 that are observable for an asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – Those with inputs for an asset or liability that are not based on observable market date (unobservable inputs).

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

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

Financial Assets and Liabilities

Date of Recognition. The Parent Company recognizes a financial asset or liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using the settlement date accounting.

Initial Recognition of Financial Instruments. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The fair value of the consideration given or received is determined by reference to the transaction price or other market prices. If such market prices are not reliably determinable, the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rate of interest for similar instruments with similar maturities. The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction costs.

Determination of Fair Value. The fair value of financial instruments traded in active markets at the statement in financial position date is based on their quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models and other relevant valuation models.

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

Financial Assets

Financial Assets at FVPL. A financial asset is classified in this category if acquired principally for the purpose of selling or repurchasing in the near term, or upon initial recognition, it is designated by management as at FVPL. Derivatives are also categorized as held at FVPL, except those derivatives designated as effective hedging instruments.

Assets classified in this category are carried at fair value in the Parent Company statement of financial position. Changes in the fair value of such assets are accounted for in the Parent Company's statement of comprehensive income. Financial instruments held at FVPL are classified as current if they are expected to be realized within twelve months from the end of financial reporting period.

The Parent Company has no financial assets at FVPL as of December 31, 2016 and 2015.

Loans and Receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Parent Company provides money, goods or services directly to a debtor with no intention of trading the receivables. Loans and receivables are carried initially at cost and at amortized cost subsequent to initial recognition in the Parent Company's statement of financial position. Amortization is determined using the effective interest rate method. Loans and receivables are included in current assets if maturity is within twelve months from the end of financial reporting period. Otherwise, these are classified as noncurrent assets.

The Parent Company's financial assets categorized as loans and receivables are presented as cash, receivables and advances to related parties. Cash includes cash in banks.

Held-To-Maturity (HTM) Investments. HTM investments are quoted non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Parent Company's management has the positive intention and ability to hold to maturity. Where the Parent Company sells other than an insignificant amount of HTM investments, the entire category would be tainted and classified as AFS investments. After initial measurement, these investments are measured at amortized cost using the effective interest method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that is an integral part of the effective interest rate.

The Parent Company has no HTM investments as of December 31, 2016 and 2015.

Available-For-Sale (AFS) Financial Assets. AFS investments are those non-derivative financial assets that are designated as AFS or are not classified in any of the three preceding categories. After initial recognition, AFS financial assets are measured at fair value with gains or losses being recognized as separate component of equity until the investment is derecognized or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the Parent Company's statement of comprehensive income.

The fair value of investments that are actively traded in organized financial market is determined by reference to quoted market bid prices at the close of business on the end of financial reporting period. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include recent arm's length market transaction, reference to the current market value of another instrument which is substantially the same, discounted cash flows analysis and option pricing models.

The Parent Company has no AFS investments as of December 31, 2016 and 2015.

Financial Liabilities
Financial Liabilities at FVPL. Financial liabilities are classified in this category if these result from trading activities or derivatives transactions that are not accounted for as accounting hedges, or the Parent Company elects to designate a financial liability under this category.

As of December 31, 2016 and 2015, the Parent Company has no financial liabilities at FVPL.

Other Financial Liabilities. This category pertains to financial liabilities that are not held for trading or not designated as at FVPL upon inception of the liability. These include liabilities arising from operations (e.g. payables excluding statutory regulated payables, accruals) or borrowing (e.g. long-term debt).

The financial liabilities are initially recorded at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. These include liabilities arising from operations and borrowings.

This category includes trade and other payables, deposit for future stock subscriptions and advances from related party.

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

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

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

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

Assets Carried at Cost. If there is objective evidence that an impairment loss has been incurred in an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

AFS Financial Assets. If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in the Parent Company's statement of comprehensive income, is transferred from equity to the Parent Company's statement of comprehensive income. Reversals in respect of equity instruments classified as AFS financial assets are not recognized in the Parent Company's statement of comprehensive income. For AFS financial assets, the Parent Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as AFS financial assets, objective evidence would include a significant or prolonged decline in the fair value of the investment 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 investment previously recognized in the Parent Company's statement of comprehensive income is removed from equity and recognized in the Parent Company's statement of comprehensive income. Impairment losses on equity investments are not reversed through the Parent Company's statement of comprehensive income; increases in their fair value after impairment are recognized directly in equity.

<u>Derecognition of Financial Assets and Liabilities</u>

Financial Assets

A financial asset is derecognized when (1) the rights to receive cash flows from the financial instruments expire, (2) the Parent Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement, or (3) the Parent Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where the 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 Parent Company's statement of comprehensive income.

Classification of Financial Instrument between Debt and Equity
Financial instruments are classified as debt or equity in accordance with the substance of the contractual arrangement. Interest relating to a financial instrument or a component that is a financial liability is reported as expenses.

A financial instrument is classified as debt if it provides for a contractual obligation to: (a) deliver cash or another financial asset to another entity; or (b) exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Parent Company; or (c) satisfy the obligation other than by exchange of a fixed amount of cash or other financial asset for a fixed number of own equity shares.

If the Parent Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

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

Investments in Subsidiaries
Investments in subsidiaries in the Parent Company's financial statements are carried at cost, less any impairment in the value of the investment. A subsidiary is an entity, including an unincorporated entity such as a partnership, which is controlled by the Parent Company. The Parent Company controls entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Parent Company recognizes income from the investment only to the extent that the Parent Company receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as recovery of investment and are recognized as a reduction of the cost of the investment.

The Parent Company reduces the carrying value of its investment based on average acquisition cost per share (historical cost) when the Parent Company disposes the investment or the investee reacquires its own equity instruments from the Parent Company.

Investment in Associate
Investment in shares of stock where the Parent Company holds 20% or more of the voting power (directly or through subsidiaries) on an investee, or where it has the ability to significantly influence the investee company's operating activities is accounted for under the cost method and are carried at cost less impairment losses, if any. Accordingly, dividends received are treated as income in the year these are collectible.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The initial cost of property and equipment consists of its purchase price, including any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and any impairment in value are removed from the accounts and any resulting gain of loss is charged to current operations.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Number of Years
Transportation equipment and others	5
Furniture, fixture and equipment	5

The useful lives and the depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.
Fully depreciated assets that are still being used in the operations continue to be carried in the accounts.

Impairment of Non-financial Assets
The carrying values of assets such as investments in subsidiaries, investment in associate, property and equipment and other current assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

An assessment is made at each end of the financial reporting period to determine whether there is any indication of impairment of non-financial assets, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is computed as the higher of the asset's value in use or its net selling price. An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to operations in the period in which it arises.

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

Equity
Capital stock is measured at par value for all shares subscribed and paid, or issued.

Additional paid-in capital includes any premiums received on the initial issuance of capital stock. Any transaction cost associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits

Subscriptions receivable pertain to the uncollected portion of the subscribed shares.

Deficit represents the cumulative balance of net loss.

Deposit for Future Stock Subscriptions
Deposits for future stock subscriptions represent payments made on subscription of shares which cannot be directly credited to capital stock pending registration with the SEC of the amendment to the Articles of Incorporation increasing capital stock. The paid-up subscriptions can be classified under equity if the nature of the transaction gives rise to a contractual obligation of the Parent Company to deliver its own shares to the subscriber in exchange of the subscription amount, otherwise, it is recognized as liability. In addition, deposits for future stock subscriptions shall be classified under equity if all of the following elements are present as at reporting date:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;

- There is BOD approval on the proposed increase in authorized capital stock (for which a deposit was received by the Parent Company);
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been filed with the SEC.

Revenue Recognition
Revenue is recognized to the extent that is probable that the economic benefits will flow to the Parent Company and the revenue can be reliably measured. The Parent Company has concluded that it is the principal in all of its revenue agreements since it is the primary obligor in all revenue agreements, has pricing latitude and is also exposed to credit risk. The following specific recognition criteria must also be met before revenue can be recognized:

Interest income is recognized as the interest accrues, taking into account the effective yield on the asset.
Realized gain and loss is recognized when the sale transaction occurs.

Other income includes income which is incidental to the Parent Company's business operations and is recognized in the statement of comprehensive income when earned.

Expense Recognition
Expenses are recognized in the Parent Company's statement of comprehensive income upon utilization of goods and services or at the date these are incurred.

General and administrative expenses incurred in the direction and general administration of day-to-day operation of the Parent Company are generally recognized when the service is used or the expense arises.

Employee Benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Parent Company has a present, legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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

Deferred Income Tax
Deferred income tax is provided, using the liability method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, tax credits from excess of minimum corporate income tax (MCIT) and net operating loss carryover (NOLCO) that is expected to reduce taxable income in the future, to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilized.

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

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

Foreign Currency Transactions
Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the exchange rate prevailing at the end of each reporting period. Exchange gains or losses arising from the restatement or settlement of foreign currency denominated monetary assets and liabilities are recognized in the statement of comprehensive income. For income tax purposes, foreign exchange gains and losses are recognized upon settlement of the related foreign currency denominated monetary assets and liabilities.

Related Parties
Parties are considered to be related to the Parent Company if it has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Parent Company and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant stakeholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Parent Company where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Parent Company or of any entity that is a related party of the Parent Company.

Provision and Contingent Liabilities
Provisions are recognized for liabilities of uncertain timing or amount when the Parent Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation. Accrued provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Events After the End of Reporting Period
Adjustments are made to recognize the effects, if any, of post year-end events that provide additional information about the Parent Company's financial position at the end of the reporting period (adjusting events). Post year-end events that are not adjusting events are disclosed in the notes to financial statements, when material.

4. Summary of Significant Judgments, Estimates and Assumptions

The Parent Company's financial statements prepared in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes. 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 Parent Company's financial statements as they become reasonably determinable.

Judgments, estimates and assumptions 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. However, actual outcome can differ from these estimates.

Judgments

In the process of applying the Parent Company'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 financial statements:

Assessment of Going Concern

Management has made an assessment of the Parent Company's ability to continue as a going concern and is satisfied that the Parent Company has the resources to continue in business for the foreseeable future. As discussed in Note 2, the associate is fully operational with its respective cash flows and key subsidiaries are in pre-operating stages with various projects in the pipeline under modest spending guidelines. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Parent Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

Determination of Control

The Parent Company determines control when it is exposed, or has the right to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the equity. The Parent Company controls an entity if and only if the Parent Company has all of the following:

a. Power over the entity;
b. Exposure, or rights, to variable returns from its involvement with the entity; and
c. The ability to use its power over the entity to affect the amount of the Parent Company's returns.

Determination of Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Parent Company, the functional currency of the Parent Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Parent Company operates. It is the currency that mainly influences the sale of real properties, services, and investments and the cost of providing the services and of the sold investments.

Classification of Financial Instruments

The Parent Company classifies a financial instrument, or its component parts, on initial recognition as a financial asset, financial liability or an equity instrument in accordance with the substance of the contractual agreement and the determinations of a financial asset, a financial liability or an equity instrument. The substance of the financial instrument, rather than its legal form, governs its classification in the Parent Company's statements of financial position.

Determination of Fair Value of Financial Instruments

The Parent Company recognized certain instruments at fair value and discloses also the fair values of financial instruments, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Parent Company utilized different valuation methodologies and assumptions. Any changes in fair value of these financial assets and liabilities would affect profit and loss and equity.

The summary of the carrying values and fair values of the Parent Company's financial instruments as of December 31, 2016 and 2015 is shown in Note 17.

Income Taxes

Judgment is required in determining the provision for income tax. There are transactions and calculations for which the ultimate tax determination is uncertain. The Parent Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Provisions and Contingencies
Judgment is exercised by management to distinguish between provision and contingencies. Policies on recognition and disclosures of provisions and contingencies are discussed in Note 3.

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation as at reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Estimating Allowance of Financial Assets
Recoverability of specific receivables, including advances to related parties, is evaluated based on best available facts and circumstances, the length of the Parent Company's relationship with its debtors, the debtors' payment behavior and known market factors. These specific reserves are re-evaluated and adjusted as additional information received affects the amount estimated to be uncollectible. Any increase in allowance would increase operating expenses and decrease related accounts.

The Parent Company's allowance for impairment amounted to ₱339.3 million and ₱349.2 million as of December 31, 2016 and 2015, respectively (Notes 6 and 12). Accounts written off amounted to ₱10.2 million in 2016 and ₱16.9 million in 2015 (Notes 6 and 12).

Estimating Useful Lives of Property and Equipment
The Parent Company estimates the residual value and useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The estimated residual value and useful lives of property and equipment are reviewed periodically 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 estimates brought about by changes in these factors.

The carrying values of property and equipment are analyzed in Note 10. There is no change in the estimated useful lives and residual values of property and equipment as of December 31, 2016 and 2015 based on management's assessment.

Estimating Impairment of Non-Financial Assets
The Parent Company's policy on estimating impairment of non-financial assets is discussed in Note 3. Though Management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment losses could have a material adverse effect on the results of operations.

The Parent Company's allowance for impairment of non-financial assets amounted to ₱521.1 million and ₱521.0 million as of December 31, 2016 and 2015, respectively (Notes 7, 8 and 9). Accounts written off amounted to ₱0.10 million in 2015 (Note 7).

Estimating Realizable Amount of Deferred Tax Assets
The Parent Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The Parent Company's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the past years and projected future taxable income. The details of the unrecognized deferred tax assets are shown in Note 15.

Estimating Cost of Lawsuit and Claims
The Parent Company is a party to certain lawsuit and claims arising in the extra-ordinary circumstances. The probable costs for the resolution of these lawsuit and claims are estimated in consultation with legal counsel and are based upon an analysis of potential outcome. No provision for probable losses has been recognized in the Parent Company's financial statements, as

management believes that the eventual liabilities under the lawsuits and claims, if any, will not be material (Note 19).

5. Cash

Cash represents saving and current accounts with local banks which earn interest at the prevailing bank deposit rates.

Interest income, net of final tax, earned from bank deposits amounted to ₱645 in 2016 and ₱1,749 in 2015.

On May 11, 2015, the Court of Appeals ordered the freezing of two (2) bank accounts of the Parent Company. The freeze order was lifted *motu propio* by the CA upon the lapse of the maximum six-month period to freeze a bank account allowed under the law. However, the said bank accounts with a total deposit of ₱78,196 was subsequently included in the civil forfeiture case docketed as AMLC Case No. 15-007-53 pending with the Regional Trial Court (RTC) of Manila, Branch 53. The bank accounts became the subject of a Provisional Asset Preservation Order and subsequently an Asset Preservation Order issued by the RTC on November 13, 2015 and December 15, 2015, respectively (Note 19).

6. Receivables - Net

This account consists of:

	2016	2015
Nontrade receivables	**₱250,283,521**	₱260,478,345
Advances to officers and employees	**315,627**	315,627
Other advances	**182,931**	183,505
	250,782,079	260,977,477
Allowance for impairment loss	**(347,627)**	(10,194,828)
	₱250,434,452	₱250,782,649

Nontrade Receivables
Nontrade receivables include an unsecured, noninterest-bearing receivable from ThomasLloyd Cleantech Infrastructure Fund GMHB (TLCIF) amounting to ₱250,142,630, which was subsequently assigned by TLCIF to Zhong Shan Fu Chang Ltd. (ZSFCL) on December 29, 2014, subject to the consent of the Parent Company. The Parent Company agreed to the assignment of receivables to ZSFCL under the following terms and conditions:

a. ZSFCL shall pay the nontrade receivables on or before December 31, 2016 in cash or non-cash assets acceptable to the Parent Company; and

b. If the nontrade receivables will be paid with non-cash assets, the appraised value thereof shall be determined by an independent appraiser mutually acceptable to ZSFCL and the Parent Company.

As of December 31, 2016, the nontrade receivables from ZSFCL have not yet been collected. However, management assessed that these are still fully collectible.

Nontrade receivables also include advances to Lodestar Investment Holdings, Inc. (LIHC) amounting to ₱10.2 million as of December 31, 2015. An allowance for impairment loss was fully provided on the receivable as of December 31, 2015, which was subsequently written off in 2016.

Advances to Officers and Employees
Advances to officers and employees are unsecured, noninterest-bearing advances and will be realized twelve months after the reporting period. These advances are made for various business related expenses, which are subject to liquidation on demand. As of December 31, 2016, the Parent Company has provided a full allowance for impairment on the advances as it believes that these are no longer recoverable (Note 14).

Other Advances
Other advances represent unsecured, noninterest-bearing funds advanced to the Parent Company's lawyer, which will be charged to expense upon utilization. As of December 31, 2016, the Parent Company provided a partial allowance for impairment as it believed that certain receivables amounting to ₱32,000 were no longer recoverable (Note 14). Other advances amounting to ₱3,070 were written off in 2016 (Note 14).

Allowance for Impairment Loss
The movements of allowance for impairment loss in 2016 and 2015 are shown below.

	2016	2015
Balance at beginning of year	**₱10,194,828**	₱25,351,724
Provision for doubtful accounts	**347,627**	–
Accounts written off	**(10,194,828)**	(15,156,896)
Balance at end of year	**₱347,627**	₱10,194,828

Accounts written off in 2015 totaling ₱15,156,896 consist of receivables that were no longer recoverable, for which allowance for impairment was previously provided, as follows:

a. Loans receivable of ₱8,023,363 pertaining to five-year interest-bearing loans granted by the Parent Company to its employees and the BOD (Eligible Members) for the purchase of the issued shares of the Parent Company; and

b. Advances to projects that did not push through in 2013 amounting to ₱7,133,533, which pertain to deposits made by the Parent Company to Tianjin Tianbao Investment and Development Corporation.

7. Other Current Assets - Net

This account consists of:

	2016	2015
Input tax	**₱1,637,657**	₱1,515,157
Prepaid tax	**1,319**	1,406
Miscellaneous deposits	**460**	460
	1,639,436	1,517,023
Allowance for impairment loss	**(1,078,488)**	(965,164)
	₱560,948	₱551,859

Allowance for impairment loss as of December 31, 2016 and 2015 pertains to unrecoverable input tax.

The movement of allowance for impairment loss in 2016 and 2015 are shown below.

	2016	2015
Balance at beginning of year	**₱965,164**	₱943,338
Provision for impairment loss	**113,324**	21,826
Balance at end of year	**₱1,078,488**	₱965,164

Materials and supplies amounting to ₱101,930, which Management assessed as no longer recoverable, were directly written off in 2015 (Note 14).

8. Investment in Associate - Net

This account consists of:

	2016	2015
Investment in AgriNurture, Inc. (ANI)	**₱819,470,878**	₱819,470,878
Allowance for impairment loss	**(498,123,737)**	(498,123,737)
	₱321,347,141	₱321,347,141

The Parent Company holds a total of 188,125,379 shares or 30.26% of the total issued and outstanding shares of ANI, a publicly listed company. In 2015, an allowance for impairment of ₱498,123,737 was provided since management assessed that its investment in ANI was partially impaired due to recurring losses incurred by ANI.

As of December 31, 2016 and 2015, the market value of the investment in ANI amounted to ₱865,376,743 and ₱889,833,043, respectively, based on its price per share amounting to ₱4.60 and ₱4.73, respectively. As of November 8, 2017, the market value of the investment in ANI amounted to ₱2,283,842,101 at a price per share of ₱12.14.

Summarized financial information of ANI follows:

	2016	2015
Current assets	**₱1,000,914,458**	₱1,073,091,626
Noncurrent assets	**1,339,736,336**	1,813,047,193
Current liabilities	**1,400,813,771**	1,869,455,653
Noncurrent liabilities	**177,411,272**	304,979,385
Net assets	**762,425,751**	711,703,781
Revenue	**570,843,248**	1,225,752,838
Net loss	**(149,619,065)**	(437,824,211)
Other comprehensive income (loss)	**86,469,892**	(54,788,757)

9. Investments in Subsidiaries - Net

The details of the investments in subsidiaries are as follows:

	Percentage of Ownership	2016	2015 (As restated – see Note 16)
Sunchamp Real Estate Development Corp. (SREDC)	62.39%	**₱365,000,000**	₱365,000,000
Winsun Green Ventures, Inc. (WGVI)	100.00%	**20,000,000**	20,000,000
Total Waste Management Recovery System, Inc. (TWMRSI)	51.00%	**1,937,500**	1,937,500
Lite Speed Technologies, Inc. (LSTI)	51.00%	**159,373**	159,373
Agrinurture Development Holdings Inc. (ADHI)	100.00%	**62,500**	62,500
		387,159,373	387,159,373
Allowance for impairment loss		**(21,937,500)**	(21,937,500)
		₱365,221,873	₱365,221,873

SREDC
The Parent Company's investment in SREDC represents 365,000,000 shares or 62.39% of the voting shares of SREDC, a real estate company that focuses on the development of self-sustaining agri-tourism areas.

SREDC has started its commercial operations in the last quarter of 2017.

WGVI
WGVI was incorporated in June 22, 2012 with the primary purpose of engaging in the business of renewable energy projects. In 2014, WGVI's AFS investment amounting to ₱22.5 million was fully provided with an allowance for impairment loss. In addition, WGVI has a capital deficiency amounting to ₱66.4 million and ₱66.3 million as of December 31, 2016 and 2015, respectively. Accordingly, a full allowance for impairment loss was provided by the Parent Company in 2014 since Management believed that its investment in WGVI was impaired.

As of reporting date, WGVI has not yet started its commercial operations.

TWMRSI
On March 27, 2012, the Parent Company acquired 51% ownership of TWMRSI, a domestic corporation engaged in the business of building, operating and managing waste recovery facilities and waste management systems within the Philippines. The operation of its facilities is geared toward efficient, hygienic and economical collection, segregation, recycling, composting, filling, disposing, treating and managing of household, office, commercial and industrial garbage.

In 2013, the Parent Company advanced ₱235.0 million to TWMRSI, which was used to acquire machineries, equipment and steel structures for the latter's Waste Recycling Project, and was expected to be in full operation in 2014 but did not push through. The machineries, equipment and steel structures were stored for free in a warehouse owned by a director of the TWMRSI located in Santiago Street, Barangay Lingunon, Valenzuela City. In addition, TWMRSI had a capital deficiency amounting to ₱233.5 million as of December 31, 2016 and 2015.

Due to these circumstances, the Parent Company's investment and advances to TWMRSI were provided with full allowance for impairment losses in 2016 because Management believed that these were already impaired.

As of reporting date, TWMRSI has not yet started its commercial operations.

LSTI
On June 16, 2014, the BOD of the Parent Company approved the incorporation of LSTI, a 51% owned subsidiary. LSTI was registered with the SEC on August 14, 2014 to engage in the business of information and communications technology.

As of reporting date, LSTI has not yet started its commercial operation.

ADHI
On June 17, 2014, the SEC approved the incorporation of ADHI whose primary purpose shall be to serve as a holding company of the agriculture portfolio of the Parent Company and its subsidiaries and associate.

As of reporting date, ADHI has not yet started its commercial operations.

10. Property and Equipment - Net

The composition and movements of property and equipment in 2016 and 2015 are summarized below.

2016

	Transportation Equipment	Furniture, Fixtures and Equipment	**Total**
Cost			
January 1 and December 31	₱2,293,176	₱161,243	**₱2,454,419**
Accumulated Depreciation			
January 1	2,215,424	105,448	**2,320,872**
Depreciation	77,752	27,707	**105,459**
December 31	2,293,176	133,155	**2,426,331**
Net Book Value	**₱ –**	**₱28,088**	**₱28,088**

2015

	Transportation Equipment	Furniture, Fixtures and Equipment	Total
Cost			
January 1 and December 31	₱2,293,176	₱161,243	₱2,454,419
Accumulated Depreciation			
January 1	1,756,789	74,191	1,830,980
Depreciation	458,635	31,257	489,892
December 31	2,215,424	105,448	2,320,872
Net Book Value	₱77,752	₱55,795	₱133,547

Based on the evaluation of the carrying values of the property and equipment, management believes that there are no indications that property and equipment are impaired as of December 31, 2016 and 2015.

11. Trade and Other Payables

This account consists of:

	2016	2015
Trade payable	**₱16,711,028**	₱16,198,449
Accrued expenses	**1,765,639**	2,056,765
Government payables	**26,535**	63,333
	₱18,503,202	₱18,318,547

Trade payables are unsecured and noninterest-bearing, which arise from purchases of materials, supplies and services in the ordinary course of business that are settled within 60 days.

Accrued expenses include professional fees and penalties, which are expected to be settled within 12 months from the reporting date.

Government payables consist mainly of Social Security, Philhealth and Pag-ibig premiums, taxes withheld and other payables for remittance to the government agencies concerned.

12. Related Party Transactions

The Parent Company enters into transactions with related parties. For financial statements disclosure purposes, an affiliate is an entity under common control of the Parent Company's stockholders.

The summary of the Parent Company's related party transactions follows:

	Amount of Transactions		Outstanding Balances	
	2016	2015 (As restated – see Note 16)	**2016**	2015 (As restated – see Note 16)
a. Advances to Related Parties:				
Subsidiaries	**(₱562,560)**	₱1,066,794	**₱308,687,704**	₱309,250,264
Stockholders	**(89,496)**	(7,755,314)	**129,720,424**	129,809,920
Associate	**(2,788,605)**	2,869,770	**46,743,849**	49,532,454
Affiliate	**(45,900)**	(249,866,701)	**26,390,935**	26,436,835
	(3,486,561)	(253,685,451)	**511,542,912**	515,029,473
Allowance for impairment loss:				
Subsidiaries	**–**	–	**(299,280,252)**	(299,280,252)
Associate	**–**	–	**(39,717,922)**	(39,717,922)
	–	–	**(338,998,174)**	(338,998,174)
	(3,486,561)	(₱253,685,451)	**₱172,544,738**	₱176,031,299
b. Advances from Related Party:				
Stockholder	**(₱185,581)**	₱185,581	**₱ –**	₱185,581
c. Deposit for Future Stock Subscriptions:				
Stockholder	**₱ –**	₱ –	**₱177,000,000**	₱177,000,000
d. Key Management Personnel Cost	**₱372,667**	₱2,054,817	**₱ –**	₱ –

The following are the related party transactions of the Parent Company:

a. Advances to related parties pertain to cash advances granted by the Parent Company to related parties, which are noninterest-bearing, unsecured and have no fixed repayment terms. These are collectible in cash or offsetting with corresponding payables or subject to liquidation upon the completion of the projects of the Parent Company and its subsidiaries. Allowance for impairment loss amounting to ₱338,998,174 as of December 31, 2016 and 2015 pertains to a portion of advances to subsidiaries and associate, which Management believes are no longer recoverable. Advances to related parties amounting to ₱49,610 and ₱1,696,595 were directly written off in 2016 and 2015, respectively (Note 14).

   The movements of the advances to related parties in 2016 and 2015 are shown on the next page.

	2016	2015 (As restated – see Note 16)
Balance at beginning of year	**₱176,031,299**	₱429,716,750
Collections/ liquidations	**(3,620,241)**	(8,440,760)
Additions	**183,290**	6,082,761
Write off of advances to related parties	**(49,610)**	(1,696,595)
Reclassification to receivables	**–**	(250,142,630)
Reversal of allowance for impairment losses	**–**	511,773
Balance at end of year	**₱172,544,738**	₱176,031,299

Advances to a related party of ₱250,142,630 were reclassified to receivables in 2015 as a result of the divestment of the Parent Company of its investment.

b. Advances from related party amounting to ₱185,581 as of December 31, 2015 pertain to cash advances obtained from stockholders to defray the Parent Company's expenses. The advances, which were fully paid in 2016, are noninterest-bearing, unsecured and have no fixed repayment terms.

The movements of advances from related parties in 2016 and 2015 are shown below.

	2016	2015
Balance at beginning of year	**₱185,581**	₱ –
Repayments	**(185,581)**	–
Additions	**–**	185,581
Balance at end of year	**₱ –**	₱185,581

c. On July 2, 2014, the Parent Company executed a subscription agreement with Earthright Holdings, Inc. (EHI). Subject to the application and approval of the SEC of the increase in the Parent Company's authorized capital stock to ₱3.0 billion (the Increase), EHI subscribed to ₱ 250.0 million worth of common shares at ₱1.00 per share and ₱37.5 million worth of preferred shares at ₱0.10 per share. Of the total subscription, ₱214.5 million shall be paid in cash upon execution of the subscription agreement with the balance due upon approval by the SEC of the Increase. Payment of ₱177.0 million received upon execution of the subscription agreement was classified as deposit for future stock subscriptions.

The deposit will be into converted to equity once proper documentation and approval from the SEC have been obtained. As of reporting date, the Parent Company has not yet filed its application for the increase in its authorized capital stock with the SEC.

d. The total remuneration of key management personnel is shown below:

	2016	2015
Salaries and wages	**₱344,000**	₱1,607,904
Other short-term benefits	**28,667**	446,913
	₱372,667	₱2,054,817

13. Equity

Capital Stock

Details of capital stock as of December 31, 2016 and 2015 as follows:

2016

	Preferred		Common	
	Number of Shares	Peso Equivalent	Number of Shares	Peso Equivalent
Authorized – ₱0.10 par value per preferred share/ ₱1.0 par value per common share	**1,000,000,000**	**₱100,000,000**	**1,900,000,000**	**₱1,900,000,000**
Subscribed and issued	**1,000,000,000**	**₱100,000,000**	**1,800,778,572**	**₱1,800,778,572**

2015

	Preferred		Common	
	Number of Shares	Peso Equivalent	Number of Shares	Peso Equivalent
Authorized – ₱0.10 par value per preferred share/ ₱1.0 par value per common share	1,000,000,000	₱100,000,000	1,900,000,000	₱1,900,000,000
Subscribed and issued	1,000,000,000	₱100,000,000	1,800,778,568	₱1,800,778,568

The movement of the Parent Company's common shares is shown below.

	2016	2015
Issued and paid		
Balance at beginning of year	**₱1,598,289,451**	₱1,598,289,448
Issuances of shares	**4**	3
Balance at year end	**₱1,598,289,455**	₱1,598,289,451
Subscribed		
Balance at beginning and end of year	**₱202,489,117**	₱202,489,117

The related subscription receivable balance amounted to ₱97.5 million as of December 31, 2016 and 2015.

On June 22, 2011, the SEC approved the amendment of the Parent Company's Articles of Incorporation, which included, among others, the decrease in par value from ₱0.10 per share to ₱0.01 per share and the increase in authorized capital stock from ₱500.0 million divided into 5.0 billion shares at a par value of ₱0.10 per share to ₱1.0 billion divided into 100 billion shares at a par value of ₱0.01 per share.

On March 8, 2012, the SEC approved the increase in authorized capital stock from ₱1.0 billion divided into 100.0 billion shares with a par value of ₱0.01 per share to ₱2.0 billion divided into 200.0 billion shares with a par value of ₱0.01 per share.

On January 27, 2013, the BOD approved the reclassification of ₱62.5 million worth of issued common shares to EHI into 625.0 million preferred shares with a par value of ₱0.10 per share. The application for the restructuring of the authorized capital stock was approved by the SEC on September 11, 2014.

On June 27, 2013, the BOD approved the restructuring of the authorized capital stock of the Parent Company from 200.0 billion shares at a par value of ₱0.01 per share to 2.9 billion shares divided into 1.9 billion common shares at a par value of ₱1.0 per share and 1.0 billion preferred shares at a par value of ₱0.10 per share.

Further on July 2, 2014, the Parent Company issued additional 375.0 million preferred shares to EHI for ₱37.5 million at a par value of ₱0.10 per share. Total issued preferred shares amounted to ₱100.0 million, which are divided into 1.0 billion shares at a par value ₱0.10 per share as of December 31, 2016, 2015 and 2014.

Based on the Amended Articles of Incorporation dated September 11, 2014, the Parent Company's preferred shares have, among others, the following features: (a) voting, (b) right to receive dividend at the rate as may be deemed by the BOD under the prevailing market conditions, and (c) preferred into liquidation over common shares, whether voluntary or otherwise, to the extent of par value plus unpaid and accrued dividends up to the current dividend period.

The stockholders of the Parent Company shall have no pre-emptive rights to subscribe to or purchase any or all issues or disposition of shares of any class of the Parent Company.

14. General and Administrative Expenses

This account consists of:

	2016	2015
Salaries and wages	**₱1,136,071**	₱2,429,286
Legal and professional expense	**972,583**	947,384
Transportation expense	**602,003**	18,225
Provision for impairment losses (Notes 6, 7 and 8)	**460,951**	498,145,563
Representation and entertainment	**242,321**	632
Penalties and fines	**155,000**	2,001,694
Office supplies expense	**112,332**	7,467
Depreciation (Note 10)	**105,459**	489,892
Accounts written off (Notes 6, 7 and 12)	**52,680**	1,798,525
Taxes and licenses	**5,098**	4,598
Miscellaneous	**84,191**	601,826
	₱3,928,689	₱506,445,092

Miscellaneous expense in 2015 pertains mainly to listing fees.

As of December 31, 2016 and 2015, the Parent Company is not covered by the provisions of Republic Act No. 7641, Retirement Pay Law, because the total number of regular employees is not more than 10, which is the number mandated to comply with the said law. Accordingly, the Parent Company has not made a provision for retirement benefits.

15. Income Taxes

a. The current provision for income tax in the amount of ₱87 in 2016 and ₱185 in 2015 represents the 2% MCIT on gross taxable income.

b. A reconciliation of provision for income tax computed at the statutory tax rate and the provision for income tax reported in the Parent Company statement of comprehensive income is summarized on the next page.

	2016	2015 (As restated – see Note 16)
Loss before income tax	**(₱3,923,699)**	(₱505,922,340)
At statutory tax rate of 30%	**(₱1,177,110)**	(₱151,776,702)
Add (deduct) tax effects of:		
Expired NOLCO	**1,913,189**	3,106,375
Non-deductible expenses	**273,286**	150,586,340
Expired MCIT	**1,897**	17,468
Unrecognized deferred tax assets	**(1,010,981)**	(1,779,239)
Interest income subjected to final tax	**(194)**	(525)
Reversal of impairment losses	**–**	(153,532)
	₱87	₱185

c. The Parent Company has unrecognized deferred tax assets amounting to ₱4,399,210 and ₱5,410,191 as of December 31, 2016 and 2015, respectively, pertaining to the tax effects of NOLCO and MCIT. The Parent Company's management believes that it is not probable that sufficient profit will be available against which these deferred tax assets can be utilized. The details of the unrecognized deferred tax assets are shown below.

	2016	2015
NOLCO	**₱4,398,682**	₱5,407,853
MCIT	**528**	2,338
	₱4,399,210	₱5,410,191

d. As of December 31, 2016, NOLCO and MCIT that can be claimed as deduction from taxable income and used as deduction against income tax liabilities, respectively, in the next three years are as follows:

Year Incurred	Expiry Date	NOLCO 2016	NOLCO 2015	MCIT 2016	MCIT 2015
2016	2019	**₱3,013,392**	₱ –	**₱87**	₱ –
2015	2018	**4,481,398**	4,481,398	**185**	185
2014	2017	**7,167,485**	7,167,485	**256**	256
2013	2016	**–**	6,377,295	**–**	1,897
		₱14,662,275	₱18,026,178	**₱528**	₱2,338

NOLCO and MCIT in 2013 amounting to ₱6,377,295 and ₱1,897, respectively, expired in 2016.

16. Restatements of 2015 Financial Statements

The 2015 financial statements were restated to reflect the proper classification of advances to related parties in 2012 of ₱3,750,000, which were erroneously recorded as investment in a subsidiary and for which an allowance for impairment on the investment was fully provided in 2014.

Shown below are the effects of the restatements on the financial statements as of December 31, 2015.

	As Previously Reported	Adjustments	As Restated
Assets			
Advances to related parties	₱172,281,299	₱3,750,000	₱176,031,299
Investments in subsidiaries	₱390,909,373	(₱3,750,000)	₱387,159,373
Allowance for impairment	(25,687,500)	3,750,000	(21,937,500)
Net	₱365,221,873	₱ –	₱365,221,873
Equity			
Deficit	(₱1,156,323,070)	₱3,750,000	(₱1,152,573,070)

Reconciliation of Equity

	December 31, 2015	January 1, 2015
Deficit as previously reported	(₱1,156,323,070)	(₱650,400,545)
Adjustment on reversal of allowance for impairment	3,750,000	3,750,000
Deficit as restated	(₱1,152,573,070)	(₱646,650,545)

17. **Financial Instruments**

Fair Values of Financial Assets and Liabilities

The following table summarizes the carrying amounts and fair values of the Parent Company's financial assets and liabilities:

	2016		2015 (As restated – see Note 16)	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Cash	**₱238,209**	**₱238,209**	₱231,789	₱231,789
Receivables – net	**250,434,452**	**250,434,452**	250,782,649	250,782,649
Advances to related parties – net	**172,544,738**	**172,544,738**	176,031,299	176,031,299
	₱423,217,399	**₱423,217,399**	₱427,045,737	₱427,045,737
Financial Liabilities				
Trade and other payables	**₱18,476,667**	**₱18,476,667**	₱18,255,214	₱18,255,214
Deposit for future stock subscriptions	**177,000,000**	**177,000,000**	177,000,000	177,000,000
Advances from related party	–	–	185,581	185,581
	₱195,476,667	**₱195,476,667**	₱195,440,795	₱195,440,795

Fair Value Hierarchy

Financial assets and liabilities measured at fair value are categorized in accordance with the fair value hierarchy. The different levels are defined as follows:

- Level 1 – Quoted prices in active markets for an identical asset or liability;
- Level 2 – Those involving inputs other than quoted prices included in Level 1 that are observable for an asset or liability, either directly (as prices) or indirectly (derived from prices); and

- Level 3 – Those with inputs for an asset or liability that are not based on observable market date (unobservable inputs).

Management assessed that the carrying values of cash, receivables, advances to related parties, trade and other payables, deposit for future stock subscriptions and advances from related party approximate their fair values due to the relative short-term maturities of these financial assets and liabilities. These financial assets and liabilities are categorized under Level 3 of the Fair Value Hierarchy.

18. Financial Risk Management and Capital Management Objectives and Policies

Financial Risk Management
The Parent Company's financial instruments arise directly from the Company's business operations. The main risks arising from the use of these financial instruments are credit and liquidity risks.

Credit Risk
The Parent Company's maximum credit exposure on its financial assets is equivalent to the carrying amount of the assets. The credit risk for cash in bank is considered negligible since the counterparty is a reputable entity with high quality external credit rating. Receivables from and advances to related parties are monitored on a regular basis to ensure that exposure to bad debts is controlled and not significant.

The credit quality of the Parent Company's financial assets as of December 31, 2016 is presented below.

	Carrying Amount		
	2016	2015	Credit Quality
Cash	**₱238,209**	₱231,789	Unimpaired
Receivables:			
Beyond 30 days outstanding	**250,434,452**	250,782,649	Past due but not impaired
Advances to related parties:			
Beyond 30 days outstanding	**172,544,738**	176,031,299	Past due but not impaired
	₱423,217,399	₱427,045,737	

Impairment Assessment
The Parent Company recognizes impairment loss based on the results of its specific/individual credit exposure. Impairment takes place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract, or when there is inability to pay overdue principal or interest, if any, beyond a certain threshold. These and other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

The Parent Company applies specific/individual assessment methodology in assessing and measuring impairment.

Under specific/individual assessment, the Parent Company assesses each individual significant credit exposure for any objective evidence of impairment, and where such evidence exists, accordingly calculates the required impairment. Among the items and factors considered by the Parent Company when assessing and measuring specific impairment allowances are: (a) the timing of the expected cash flows; (b) the projected receipts or expected cash flows; (c) the going concern of the counterparty's business; (d) the ability of the counterparty to repay its obligation during financial crises; (e) the availability of other sources of financial support; and, (f) the existing realizable value of the collateral, if any. The impairment allowances, if any, are evaluated as the need arises, in view of favorable or unfavorable developments.

Liquidity Risk
The Parent Company seeks to manage its liquidity profile to be able to finance its capital expenditures and cover its operating costs. The Parent Company's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information. Additional short-term funding is obtained from related party advances.

2016

	On Demand	Less than One Year	Total
Financial Assets			
Cash	**₱238,209**	**₱ –**	**₱238,209**
Receivables – net	**250,434,452**	**–**	**250,434,452**
Advances to related parties – net	**172,544,738**	**–**	**172,544,738**
	₱423,217,399	**₱ –**	**₱423,217,399**
Financial Liabilities			
Trade and other payables	**₱18,476,667**	**₱ –**	**₱18,476,667**
Deposit for future stock subscriptions	**–**	**177,000,000**	**177,000,000**
	₱18,476,667	**₱177,000,000**	**₱195,476,667**

2015 (As restated – see Note 16)

	On Demand	Less than One Year	Total
Financial Assets			
Cash	₱231,789	₱ –	₱231,789
Receivables – net	250,782,649	–	250,782,649
Advances to related parties – net	176,031,299	–	176,031,299
	₱427,045,737	₱ –	₱427,045,737
Financial Liabilities			
Trade and other payables	₱18,255,214	₱ –	₱18,255,214
Deposit for future stock subscriptions	–	177,000,000	177,000,000
Advances from related party	185,581	–	185,581
	₱18,440,795	₱177,000,000	₱195,440,795

Capital Management
The primary objective of the Parent Company's capital management policies and procedures is to ensure that capital funds are preserved and earn adequate returns to finance developmental projects and to maintain facilities and utilities on a continuous basis. The Parent Company's capital mainly relates to the following:

	2016	2015 (As restated – see Note 16)
Capital stock	**₱1,803,278,572**	₱1,803,278,568
Additional paid-in capital	**268,090,531**	268,090,531
Deficit	**(1,156,496,856)**	(1,152,573,070)
	₱914,872,247	₱918,796,029

The Parent Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both gross debt and net debt basis.

As of December 31, 2016 and 2015, the Parent Company had the following ratios:

	2016	2015
Debt to equity	**21%**	21%
Net debt to equity	**21%**	21%

The Parent Company has no externally imposed capital requirements and manages its capital structure and makes adjustments to it, in response to changes in economic condition.

19. Other Matters

On Civil Forfeiture
On December 15, 2015, the Regional Trial Court of the City of Manila, Branch 53, (the Court) placed under asset preservation two (2) bank accounts of the Parent Company (the Order). The Order was predicated solely on the allegation made by the Anti-Money Laundering Council that multiple transactions involving receipt of inward remittances and inter-branch fund transfers between Parent Company, EHI, a stockholder of the Parent Company and a subsidiary were allegedly without any underlying legal or trade obligation, purpose, or economic justification and/or that they were allegedly not commensurate to the business or financial capacity of the parties involved.

The rules on confidentiality and *sub judice* bar the Parent Company from publicly going into the details of the ongoing proceedings with the Court; however, the Parent Company wishes to draw attention to the disclosures dated June 30, 2014 and July 1, 2, 3, 7 and 10, 2014 lodged by the same with the PSE (hence, already public and readily accessible) that would show that the receipts and transmittals involving the corporations had economic justifications and involved business transactions, which were timely made public.

20. Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010

Below is the supplementary information required by RR 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required disclosure under PFRS.

Output Value Added Tax (VAT)
The Parent Company did not engage in any activity for profit in 2016.

Input VAT
Details of net input VAT for the year ended December 31, 2016 and the movement during the year follow:

Balance at beginning of year	₱549,993
Add current year's domestic purchases of goods	9,176
Balance at end of year	₱559,169

All Other National Taxes and Local Licenses
The details of all other national taxes and local licenses paid are shown below.

License and permits fees	₱4,098
BIR registration	500
Community tax	500
	₱5,098

Withholding Taxes
Withholding taxes on compensation paid and accrued amounted to ₱203,158 and ₱11,715, respectively, for the year ended December 31, 2016.

Tax Contingencies
The Parent Company has no deficiency tax assessments or any tax case, litigation, and/or prosecution in courts or bodies outside the BIR as of December 31, 2016.

GREENERGY HOLDINGS INCORPORATED

PARENT COMPANY SUPPLEMENTARY SCHEDULE
DECEMBER 31, 2016

AND

INDEPENDENT AUDITOR'S REPORT

USA & Co
UY SINGSON ABELLA & Co
Certified Public Accountants

Member of Russell Bedford International

GREENERGY HOLDINGS INCORPORATED
54 NATIONAL ROAD, DAMPOL II-A
PULILAN, BULACAN

SCHEDULE OF PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS ADOPTED BY THE SECURITIES AND EXCHANGE COMMISSION AND FINANCIAL REPORTING STANDARD COUNCIL EFFECTIVE AS OF DECEMBER 31, 2016

The following table summarizes the effective standards and interpretations as at December 31, 2016:

		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary		✓		
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 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			✓
	Annual Improvements to PFRS 2011-2013 Cycle – Amendments to PFRS 1, First-time Adoption of International Financial Reporting Standards (Changes to the Basis for Conclusions only)			✓
	Amendments to PFRS 1: Meaning of Effective PFRSs			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Annual Improvements to PFRS 2010-2012 Cycle – Amendments to PFRS 2: Definition of Vesting Condition			✓
PFRS 3 (Revised)	Business Combinations			✓
	Accounting for Contingent Consideration in a Business Combination			✓
	Annual Improvements to PFRS 2011-2013 Cycle – Amendments to PFRS 3: Scope of Exception for Joint Ventures			✓

		Adopted	Not Adopted	Not Applicable
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendments to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Consolidated and Separate Financial Statements	✓		
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to PAS 27: Transition Guidance and Investment Entities			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements			✓
PAS 28	Investments in Associates	✓		
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 31	Interests in Joint Ventures			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 32: Classification of Right Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings per Share			✓
PAS 34	Interim Financial Reporting			✓
	Amendments to PAS 34: Interim Financial Reporting and Segment Information for Total Asset and Liabilities			✓
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
	Annual Improvements to PFRS 2010-2012 Cycle Amendments to PAS 16: Revaluation Method – Proportionate Restatement of Accumulated Amortization			✓
	Amendment to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		

		Adopted	Not Adopted	Not Applicable
	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			✓
	Amendments to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of derivatives and continuation of hedge accounting			✓
PAS 40	Investment Property			✓
	Amendment to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property and Owner-Occupied Property			✓
PAS 41	Agriculture			✓
	Amendments to PAS 41: Agriculture – Bearer Plants			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Cooperative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of PFRS 2			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC 9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 11	PFRS 2-Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓

		Adopted	Not Adopted	Not Applicable
	Amendments to Philippine Interpretations IFRIC 14: Prepayments to a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distribution of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of Surface Mine			✓
IFRIC 21	Levies			✓
SIC 7	Introduction of the Euro			✓
SIC 10	Government Assistance – No Specific Relation to Operating Activities			✓
SIC 12	Consolidation – Special Purpose Entities			✓
	Amendment to SIC 12: Scope of SIC 12			✓
SIC 13	Jointly Controlled Entities – Non-monetary Contributions by Venturers			✓
SIC 15	Operating Leases – Incentives			✓
SIC 25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders			✓
SIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC 29	Service Concession Arrangements: Disclosures			✓
SIC 31	Revenue – Barter Transactions Involving Advertising Services			✓
SIC 32	Intangible Assets – Web Site Costs			✓
PIC 2016-02	PAS 32 and PAS 38: Accounting Treatment of Club Shares Held by an Entity			✓

Note: Standards identified as Not Applicable include those that were adopted by the Company but are not applicable based on current circumstance or transactions of the Company.

***

COVER SHEET

A	S	9	2	0	0	0	5	8	9	

S.E.C Registration Number

GREENERGY HOLDINGS INCORPORATED

(Company's Full Name)

54 NATIONAL ROAD DAMPOL II A PULILAN BULACAN

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

KENNETH TAN

Contact Person

02 997-5184

Company Telephone Number

Month Day
Fiscal Year

ACGR

FORM TYPE

Month Day
Annual Meeting

Secondary License Type, if applicable

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplish by SEC Personnel concerned

File Number

LCU

Document I.D

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

GREENERGY Holdings

GREENERGY HOLDINGS INCORPORATED
(formerly MUSX Corporation)
54 National Road, Dampol II Pulilan, Bulacan
Tel. No. (02) 997-5184

30 May 2017

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City, 1307

Attention: **ATTY. JUSTINA F. CALLANGAN**
Director
Corporate Governance and Finance Department

Re: **Annual Corporate Governance Report for 2016**

Gentlemen:

In Compliance with SEC Memorandum Circular No. 12, Series of 2014, Greenergy Holdings Incorporated (the "Company") hereby submits its Annual Corporate Governance Report for the year 2016.

We trust that you will find the foregoing in order.

By:

MARTIN C. SUBIDO
Corporate Secretary/Corporate
Information and Compliance Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year **2016**

2. Exact Name of Registrant as Specified in its Charter **GREENERGY HOLDINGS INCORPORATED**

3. **54 National Road, Dampol II-A, Pulilan, Bulacan** — **3005**
   Address of Principal Office — Postal Code

4. SEC Identification Number **AS092-000589**

5. (SEC Use Only)
   Industry Classification Code

6. BIR Tax Identification Number **001-817-292**

7. **(02) 997-5184**
   Issuer's Telephone number, including area code

8. **N/A**
   Former name or former address, if changed from the last report

TABLE OF CONTENTS

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	11

Actual number of Directors for the year	11

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual /Special Meeting)	No. of years served as director
Antonio Tiu	ED	N/A	Antonio L. Tiu	23 December 2010	15 December 2016	Annual Meeting	5.98
Kenneth S. Tan	ED	N/A	Antonio L. Tiu	16 June 2014	15 December 2016	Annual Meeting	2.55
Ma. Pamela Grace C. Muhi	ED	N/A	Antonio L. Tiu	15 December 2016	15 December 2016	Annual Meeting	0.04
Antonio Peter R. Galvez	NED	N/A	Antonio L. Tiu	9 December 2015	15 December 2016	Annual Meeting	1.02
Lisette M. Arboleda	NED	N/A	Antonio L. Tiu	9 December 2015	15 December 2016	Annual Meeting	1.02
Yang Chung Ming	NED	N/A	Antonio L. Tiu	15 December 2016	15 December 2016	Annual Meeting	0.04
James L. Tiu	NED	N/A	Kenneth S. Tan	15 December 2016	15 December 2016	Annual Meeting	0.04
Martin Subido	ED	N/A	Antonio L. Tiu	23 December 2010	15 December 2016	Annual Meeting	5.98
Paula Katrina L. Nora	ED	N/A	Antonio L. Tiu	16 June 2014	15 December 2016	Annual Meeting	2.55
Honorio T. Tan	ID	N/A	Antonio L. Tiu (No relationship with nominator)	15 December 2016	15 December 2016	Annual Meeting	0.04
Maylyn Z. Dy	ID	N/A	Antonio L. Tiu (No relationship with nominator)	15 December 2016	15 December 2016	Annual Meeting	0.04

(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Board of Directors (the "Board") of Greenergy Holdings Incorporated (the "Company") follows the following policies embodied in Articles 7 to 11 of the Company's Revised Manual on Corporate Governance:

Article 7: Stockholders' Rights and Protection of Minority Stockholders' Interests

A) The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:

(i) Right to vote on all matters that requires their consent or approval;

(ii) Right to inspect corporate books and records;

(iii) Right to information;

(iv) Right to dividends; and

(v) Appraisal right.

B) The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Company. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

Although all stockholders should be treated equally or without discrimination, and without prejudice to compliance with the provisions of the Corporation Code, the Securities Regulation Code and all relevant rules and regulations, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company.

Article 8: Governance Self-Rating System

The Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in the Revised Code on Corporate Governance.

The creation and implementation of such self-rating system, including its salient features, may be disclosed in the Company's annual report.

Article 9: Disclosure and Transparency

The essence of corporate governance is transparency. The more transparent the internal workings of the corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the corporation or misappropriate its assets.

It is therefore essential that all material information about the Company which could adversely affect its viability or the interests of the stockholders and other stakeholders should be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management. All such information should be disclosed through the appropriate Exchange mechanisms and submissions to the Commission.

The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders.

Article 10: Commitment to Good Corporate Governance

The Company shall exert its best efforts to implement the corporate governance rules embodied in this Manual.

This Manual shall be made available for inspection by any shareholder at reasonable hours of the business day.

Article 11: Regular Review of the Code and the Scorecard

The Company undertakes to accomplish annually a scorecard that the Commission may require in order to monitor the scope, nature and extent of the actions the Company has taken to meet the objectives of the Revised Code on Corporate Governance.

(c) How often does the Board review and approve the vision and mission?

The Board reviews and approves the vision and mission as often as necessary.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group[1]

Identify, as and if applicable, the members of the Company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Antonio L. Tiu	1. Total Waste Management Recovery System, Inc. 2. Winsun Green Ventures, Inc. 3. Isabela Alcogas Corporation 4. Sunchamp Real Estate Development Corp. 5. Agrinurture Development Holdings, Inc. 6. Lite Speed Technologies, Inc. 7. AgriNurture, Inc.	1. Non-Executive, Chairman 2. Executive, Chairman 3. Executive, Chairman 4. Executive, Chairman 5. Executive, Chairman 6. Non-Executive, Chairman 7. Executive, Chairman
Martin C. Subido	1. Total Waste Management Recovery System, Inc. 2. Winsun Green Ventures, Inc. 3. Isabela Alcogas Corporation 4. Sunchamp Real Estate Development Corp. 5. Agrinurture Development Holdings, Inc. 6. Lite Speed Technologies, Inc. 7. AgriNurture, Inc.	1. Executive 2. Executive 3. Executive 4. Executive 5. Executive 6. Executive 7. Non-Executive
Kenneth S. Tan	1. Total Waste Management Recovery System, Inc. 2. Winsun Green Ventures, Inc. 3. Sunchamp Real Estate Development Corp. 4. Agrinurture Development Holdings, Inc. 5. Lite Speed Technologies, Inc. 6. AgriNurture, Inc.	1. Non-Executive 2. Non-Executive 3. Executive 4. Executive 5. Executive 6. Executive
Paula Katrina L. Nora	1. Winsun Green Ventures, Inc. 2. Sunchamp Real Estate Development Corp. 3. Agrinurture Development Holdings, Inc.	1. Executive 2. Executive 3. Executive
Lisette M. Arboleda	1. Agrinurture Development Holdings, Inc. 2. AgriNurture, Inc.	1. Non-Executive 2. Executive
Ma. Pamela Grace C. Muhi	Isabela Alcogas Corporation	Executive
Antonio R. Galvez	AgriNurture, Inc.	Non-Executive
Yang Chung Ming	AgriNurture, Inc.	Non-Executive
James L. Tiu	AgriNurture, Inc.	Non-Executive

[1] The Group is composed of the parent, subsidiaries, associates and joint ventures of the Company.

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the Company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
None.		

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the Company and/or in its Group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Antonio L. Tiu	Earthright Holdings, Inc.	Business. Antonio Tiu is a majority stockholder, director, President and Chairman of Earthright Holdings, Inc.
Antonio L. Tiu	Three Star Capital Limited (BVI)	Business. Antonio Tiu is the sole director of Three Star Capital Limited (BVI).
James L. Tiu	Antonio L. Tiu	Family. James L. Tiu is the brother of Antonio L. Tiu

(iv) Has the Company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously?

No.

In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

No. Under the Company's Revised Manual on Corporate Governance, the Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.

The Chief Executive Officer ("CEO") and other executive directors may be covered by a lower indicative limit for membership in other corporations' boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	The CEO and other executive directors may be covered by a lower indicative limit for membership in other corporations' boards. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.	No specific limit is explicitly set because we believe that all our directors have the capacity and ability to serve without compromising their diligence and efficiency and this is supported by their high attendance turnout during the regular monthly board meetings.

Non-Executive Director	A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.	No specific limit is explicitly set because we believe that all our directors have the capacity and ability to serve without compromising their diligence and efficiency and this is supported by their high attendance turnout during the regular monthly board meetings.
CEO	The CEO and other executive directors may be covered by a lower indicative limit for membership in other corporations' boards. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.	No specific limit is explicitly set because we believe that all our directors have the capacity and ability to serve without compromising their diligence and efficiency and this is supported by their high attendance turnout during the regular monthly board meetings.

At present, the Board is evaluating the adoption of an indicative limit for membership in other corporation's boards.

(e) Shareholding in the Company

Complete the following table on the members of the Company's Board of Directors who directly and indirectly own shares in the Company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock[2]
Antonio L. Tiu	10,000	297,500,000	16.52%
Martin C. Subido	1,000	1,000	0.00%
Kenneth S. Tan	0	10,000	0.00%
Yang Chung Ming	1	0	0.00%
Paula Katrina L. Nora	1	0	0.00%
Lisette M. Arboleda	1	0	0.00%
Antonio Peter R. Galvez	1	0	0.00%
James L. Tiu	30,000,000	0	1.67%
Honorio T. Tan	1	6,000,000	0.33%
Maylyn Z. Dy	1	0	0.00%
Ma. Pamela Grace C. Muhi	1	0	0.00%
TOTAL	30,011,007	303,511,000	18.52%

2) Chairman and CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes [ ] No [/]

Identify the Chair and CEO:

Chairman of the Board	Antonio L. Tiu
CEO/President	Antonio L. Tiu

In order to maintain independent views, the Company's Articles of Incorporation requires that the Company shall have two (2) independent directors. Moreover, the Company's Revised Manual on Corporate Governance allows the appointment of a lead director among the independent directors. The lead director has sufficient authority to lead the Board in cases where Management has clear conflicts of interest.

[2] Based on a total of 1,800,778,572 common outstanding shares.

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	The Chairman effectively manages the affairs of the Board. He exercises such powers which are given him by the Company's By-Laws and such other duties customarily incidental to the said office and those which may be prescribed by the Board from time to time. Generally, he ensures that the Board is effective in its tasks of setting and implementing the Company's direction and strategy.	Generally, the Chief Executive Officer of the Company has control over the administration and direction of the over-all objectives, policies and projects of the Company. He represents the Corporation at all functions and proceedings. He executes, on behalf of the Company, all contracts, agreements and other instruments affecting the interests of the Company which require the approval of the Board, except as otherwise directed by the Board.
Accountabilities	The accountabilities of the Chairman are as follows: a) preside over the meetings of the Board and the stockholders, and ensure that the meetings are held in accordance with the By-Laws or as the Chairman may deem necessary; b) supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and c) maintain qualitative and timely lines of communication and information between the Board and Management.	The accountabilities of the CEO are as follows: a) initiate and develop corporate objectives and policies and formulate long-range projects, plans and programs for the approval of the Board, including those for executive training, development and compensation; b) execute, on behalf of the Company, all contracts, agreements and other instruments affecting the interests of the corporation which require the approval of the Board, except as otherwise directed by the Board; c) sign certificates of stock; d) communicate and implement the Company's vision, mission, values and overall strategy and promote any organization and stakeholder change in relation to the same; e) oversee the operations of the Company and manage human and financial resources in accordance with the strategic plan; f) direct, evaluate and guide the work of key officers of the Company; g) manage the Company's resources prudently and ensure a proper balance of the same; h) build the Company culture and motivate the employees of the Company; i) serve as the link between internal operations and external stakeholders; and j) perform such other duties as are incidental to his office or are entrusted to him by the Board.

Deliverables	The deliverables of the Chairman are as follows: a) submit comments on the meeting agenda prepared by the Corporate Secretary (considers suggestions of the President, Management and the directors). b) submit recommendations regarding the business of the Company for consideration of the Board of Directors. c) cast the deciding vote in case of a tie in the Stockholders or in the Board of Directors' meetings.	The CEO submits the following for Board discussion/approval: a) corporate objectives and policies; b) short and long range projects, plans and programs for the Company; c) evaluation of the work of the key officers of the Company; and d) timely information and interfaces between the employees and the Company.

3) Explain how the Board of Directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

Under the Company's Revised Manual on Corporate Governance, the Board is tasked to adopt an effective successive planning program for Management as part of management succession and to promote dynamism in the Company. Moreover, the Board of Directors, through its Nomination and Compensation Committee, reviews and evaluates the qualifications of all persons nominated to the Board as well as those nominated to other positions, which includes the CEO, the President and the top key management positions, to ensure that only qualified, competent, honest and highly motivated officials are appointed.

4) Other Executive, Non-Executive and Independent Directors

Does the Company have a policy of ensuring diversity of experience and background of directors in the Board? Please explain.

Does it ensure that at least one (1) non-executive director has an experience in the sector or industry the Company belongs to? Please explain.

Yes. Under the Company's Revised Manual on Corporate Governance, the Board shall adopt a policy on board diversity which shall take into consideration not just gender but age, ethnicity, culture, skills, competence and knowledge. Furthermore, in addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications such as:

(i) College education or equivalent academic degree;
(ii) Practical understanding of the business of the Company;
(iii) Membership in good standing in relevant industry, business or professional organizations; and
(iv) Previous business experience.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	Generally, the Chief Executive Officer of the Company is responsible for the administration and direction of the over-all objectives, policies and projects of the Company. The President of the Company, on the other hand, is responsible for the administration and direction of the	A director's office is one of trust and confidence. Directors should act in the best interest of the Company in a manner characterized by transparency, accountability and fairness. A director should also exercise leadership, prudence and integrity in directing the Company towards sustained progress.	

	day-to-day operations and management of the Company. He shall supervise and manage the internal organization and business affairs of the Corporation and ensure that the administrative and operational policies of the Corporation are carried out under his supervision and control.	In addition, an independent director identifies the most critical issues for the Board to deal with and assist the Board in achieving consensus on important issues.
Accountabilities	Upon authority granted by the Board of Directors, the President shall: a) sign deeds, bonds, contracts, or other instruments; b) authorize the purchase or acquisition of personal properties, furniture, fixtures, or other office equipment; c) approve all expenses or disbursements authorized in the budget of the Company; d) represent the Company in any negotiation which is necessary in the usual course of business; e) represent the Company in any judicial or administrative proceedings; f) appoint and discharges employees occupying the positions authorized by the Board; and g) perform all other duties customarily incidental to his office and as may be prescribed by the Board from time to time.	A director shall observe the following norms of conduct: a) conduct fair business transactions with the corporation and ensure that personal interest does not prejudice Board decisions; b) devotes time and attention necessary to properly discharge his duties and responsibilities; c) acts judiciously; d) exercises independent judgment; e) have working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation, By-Laws, the requirements of the SEC, and, where applicable, the requirements of other government agencies f) observes confidentiality; and g) ensures the continuing soundness, effectiveness and adequacy of the Company's internal control system. Directors shall have the duty of preparing and actively participating in board meetings. Independent directors should always attend board meetings.
Deliverables	The executive directors of the Company submit and recommend for Board discussion/approval: a) corporate objectives and policies; b) short and long range projects, plans and programs for the Company; c) timely information and interfaces between the employees and the Company; d) balance sheet, profit and loss statement, budget of administration expenses; and	The Board establishes the general policies and guidelines which will enable Management to render an effective management of the Company and as part of which undertakes to: a) formulate the Company's vision and mission; b) approve and confirm management's corporate strategies, major plans of actions, risk policy, annual budget and business plan; c) adopt a succession plan; d) review annually the Company's compliance with its Revised Manual on Corporate Governance; e) approve corporate policies on major areas of

	e) annual report on the operation and condition of the Company; They also execute all resolutions of the stockholders and the Board of directors when authorized by the Board and/or the stockholders.	operations; f) ensure the adequacy and effectiveness of the Company's internal control and management information systems; g) approve annual budget and general expenses upon recommendation of the President; and h) submit annually at regular General Meeting of Stockholders the balance sheet, profit and loss statement and annual report on the condition of the Company.

Provide the Company's definition of "independence" and describe the company's compliance to the definition.

Under the Company's By-Laws, the independent directors shall have all the qualifications and none of the disqualifications set forth in Section 38 of the Securities Regulation Code ("SRC") and its implementing Rules and Regulations, as the same may be amended from time to time. Thus, the Company follows the following definition of "independent director" under Rule 38 of the Implementing Rules and Regulations of the SRC:

"As used in Section 38 of the Code, independent director means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any covered company and includes, among others, any person who:

A. is not a director or officer of the covered company or of its related companies or any of its substantial shareholders except when the same shall be an independent director of any of the foregoing;

B. does not own more than two percent (2%) of the shares of the covered company and/or its related companies or any of its substantial shareholders;

C. is not related to any director, officer or substantial shareholder of the covered company, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;

D. is not acting as a nominee or representative of any director or substantial shareholder of the covered company, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed of Trust or under any contract or arrangement;

E. has not been employed in any executive capacity by the covered company, any of its related companies and/or by any of its substantial shareholders within the last two (2) years;

F. is not retained, either personally or through his firm or any similar entity, as professional adviser, by that covered company, any of its related companies and/or any of its substantial shareholders, within the last two (2) years; or

G. has not engaged and does not engage in any transaction with the covered company and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and are immaterial."

Does the Company have a term limit of five (5) consecutive years for independent directors? If after two years, the Company wishes to bring back an independent director who had served for five (5) years, does it limit the term for no more than four (4) additional years? Please explain.

No. The Company follows the term limits under SEC Memorandum Circular No. 19, Series of 2016 which provides:

"The Board's independent director should serve for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify for nomination and election as a non-independent director. In the instance that a company wants to retain an independent director who has served nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
Leonor M. Briones	Independent Director	31 May 2016	Personal reasons

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	Under the Company's By-Laws, all nominees for election of Directors by the stockholders shall be submitted in writing to the Board and be received at the Company's principal place of business at least thirty (30) working days before the date of the regular or special meeting of stockholders for the purpose of electing directors. Further, the Nomination Committee shall have the following functions: (a) formulate screening policies to enable the Committee to effectively review the qualification of the nominees for independent directors; and (b) conduct nominations for independent directors prior to the stockholders' meeting in accordance with the procedure set forth in Rule 38 of the Amended Implementing Rules and Regulations of the SRC, as the same may be amended from time to time.	Under the Company's By-Laws, any person having at least one (1) share of stock registered in his name in the books of the Corporation may be nominated and elected to the Board provided, however, that no person shall qualify or be eligible for nomination or election to the Board if he is engaged in any business which competes with or is antagonistic to that of the Company or any of its subsidiaries or affiliates. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged: If he is an office, manager or controlling person of, or the owner (either of record or beneficial) of twenty percent (20%) or more of any outstanding class of shares of any corporation (other than one in which this Company owns at least thirty percent [30%] of the capital stock) engaged in business which the Board, by at least two-thirds (2/3) vote, determines to be competitive or antagonistic to that of the Company or any of its subsidiaries or affiliates: If he is an officer, manager or controlling person of, or the owner (either of records or beneficial) of twenty percent (20%) or more of any outstanding class of shares of, any corporation or entity engaged in any line of business of the Company or of any of its subsidiaries or affiliates , when in the judgment of the Board, by at least a two-thirds (2/3) vote, the law against combinations in restraint of trade shall be violated by such person's membership in the Board; or If the Board, in the exercise of its judgment in good faith, determines by at a least two-thirds

		(2/3) vote that he is to nominee of any person set forth in (i) or (ii) above. In determining whether or not a person is a controlling person, beneficial owner or the nominee of another, the Board may take into account such factors as business and family relationships. Further, under the Company's Revised Manual on Corporate Governance, in addition to the qualifications for membership in the Board provided for in the Corporation Code, SRC and other relevant laws, the Board may provide for additional qualifications such as: (i) College education or equivalent academic degree; (ii) Practical understanding of the business of the Company; (iii) Membership in good standing in relevant industry, business or professional organizations; and (iv) Previous business experience.
b. Re-appointment		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	Same as above under "Selection/Appointment".	Same as above under "Selection/Appointment".
c. Permanent Disqualification		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	Same as above under "Selection/Appointment".	Under the Company's Revised Manual on Corporate Governance, the following shall be grounds for the permanent disqualification of a director: (i) any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the SRC; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them; (ii) any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission

		merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities. The disqualification shall also apply if such person is currently the subject of an order of the SEC or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, SRC or any other law administered by the SEC or Bangko Sentral ng Pilipinas ("BSP"), or under any rule or regulation issued by the SEC or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization; (iii) any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts; (iv) any person who has been adjudged by final judgment or order of the SEC, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, SRC or any other law administered by the SEC or BSP, or any of its rule, regulation or order; (v) any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation; (vi) any person judicially declared as insolvent; (vii) any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (i) to (v) above; and

		(viii) conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.
d. Temporary Disqualification		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	Same as above under "Selection/Appointment".	Under the Company's Revised Manual on Corporate Governance, the Board may provide for the temporary disqualification of a director for any of the following reasons: (i) refusal to comply with the disclosure requirements of the SRC and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists; (ii) absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election; (iii) dismissal or termination for cause as director of any corporation covered by the Revised Code on Corporate Governance. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination; (iv) if the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with; and (v) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final. A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.
e. Removal		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	Under the Company's Revised Manual on Corporate Governance, to strictly observe and implement the provisions of said Manual, the	If the director possesses any of the grounds for permanent disqualification under the Company's Revised Manual on Corporate Governance, the Corporation Code and the SRC.

	following penalties shall be imposed, after notice and hearing, on the Company's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any provision of the Manual: a. In the case of a first violation, the subject person shall be reprimanded. b. Suspension from office shall be imposed in the case of a second violation. The duration of the suspension shall depend on the gravity of the violation. c. For a third violation, the maximum penalty of removal from office shall be imposed. The commission of a third violation of this Manual by any member of the Board or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship. The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend the imposable penalty for such violation to the Chairman of the Board, for further review and approval of the Board.	
f. Re-instatement		
(i) Executive Directors	Same as above under "Selection/Appointment".	Same as above under "Selection/Appointment".
(ii) Non-Executive Directors		
(iii) Independent Directors		
g. Suspension		
(i) Executive Directors	Same as above under "Removal".	If the director possesses any of the grounds for temporary disqualification under the Company's Revised Manual on Corporate Governance, the Corporation Code and the Securities Regulation Code.
(ii) Non-Executive Directors		
(iii) Independent Directors		

Voting Result of the last Annual General Meeting

Name of Director	Votes Received[3]
Antonio Tiu	2,151,186,701
Kenneth S. Tan	2,151,186,701
Ma. Pamela Grace C. Muhi	2,151,186,701
Antonio Peter R. Galvez	2,151,186,701
Lisette M. Arboleda	2,151,186,701
Yang Chung Ming	2,151,186,701
James L. Tiu	2,151,186,701
Martin Subido	2,151,186,701
Paula Katrina L. Nora	2,151,186,701
Honorio T. Tan	2,151,186,701
Maylyn Z. Dy	2,151,186,701

6) Orientation and Education Program

(a) Disclose details of the company's orientation program for new directors, if any.

The Company does not have a formal orientation program however, new directors are provided with reference reading materials to assist them in understanding better the business and operations of the Company. Among the reading materials provided are: (1) Audited Financial Statements, (2) SEC Form 20-IS Information Statement/ Annual Report, (3) Revised Manual of Corporate Governance, (4) Amended Articles of Incorporation, (5) Amended By-laws, (6) Definitive Information Statement, (7) Minutes of Annual Stockholders' Meeting, (8) Charters of Committees, and (9) Other relevant write-ups, references or industry reports.

(b) State any in-house training and external courses attended by Directors and Senior Management[4] for the past three (3) years:

The directors and senior management of the Company attended a seminar on corporate governance on 5 December 2014. In addition, the corporate secretary and assistant corporate secretary of the Company attended the mandatory continuing legal education in February 2015.

(c) Continuing education programs for directors: programs and seminars and roundtables attended.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Antonio L. Tiu	5 December 2014	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Kenneth S. Tan	5 December 2014	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Yang Chung Ming	5 December 2014	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Antonio Peter R. Galvez	5 December 2014	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Ma. Pamela Grace C. Muhi	5 December 2014	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.

[3] Composed of 1,151,186,701 common shares and 1,000,000,000 preferred voting shares. The Company is still in the process of implementing the change in par value of its common shares as approved by the SEC.
[4] Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

Lisette M. Arboleda	March 2017	Mandatory Continuing Legal Education for Lawyers	University of the Philippines Law Center Institute for the Administration of Justice
Martin C. Subido	February 2015	Mandatory Continuing Legal Education for Lawyers	Legal Management Council of the Philippines (LMCP)
Paula Katrina L. Nora	February 2015	Mandatory Continuing Legal Education for Lawyers	Legal Management Council of the Philippines (LMCP)
James L. Tiu[5]	N/A	Please see note below	N/A
Honorio T. Tan[6]	N/A	Please see note below	N/A
Maylyn Z. Dy[7]	N/A	Please see note below	N/A

B. CODE OF BUSINESS CONDUCT & ETHICS

1) Discuss briefly the Company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	The basic principle to be observed is that a director, key officer or employee should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, key officer or employee, he should fully and immediately disclose it and should not participate in the decision-making process. A director, key officer or employee who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's/key officer's/employee's personal or business interest is antagonistic to that of the Company, or stands to acquire or gain financial advantage at the expense of the Company.		
(b) Conduct of Business and Fair Dealings	The basic principle to be observed is that a director, key officer or employee should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. A director should devote sufficient time to familiarize himself with the Company's business. He should be constantly aware of and knowledgeable with the Company's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.		
(c) Receipt of gifts from third parties	Everybody is enjoined to avoid the receipt from and giving of gifts of unusually high value to persons or entities with whom the Company relates.		
(d) Compliance with Laws & Regulations	Everybody is enjoined to avoid the receipt from and giving of gifts of unusually high value to persons or entities with whom the Company relates. Further, he should have a working knowledge of the statutory and regulatory requirements that affect the Company, including its Articles of Incorporation and By-Laws, the rules and regulations of the SEC and, where applicable, the requirements of relevant regulatory agencies. A director should also keep abreast with industry developments and business trends in order to promote the Company's competitiveness.		
(e) Respect for Trade Secrets/Use of Non-public Information	A director or key officer should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director or key officer. He should not reveal confidential information to unauthorized persons without the authority of the Board.		
(f) Use of Company	Directors, key officers and employees shall use Company property and resources		

[5] Mr. James L. Tiu was elected director on 15 December 2016. The Company is still finalizing the schedule for their seminar.
[6] Mr. Honorio T. Tan was elected director on 15 December 2016. The Company is still finalizing the schedule for their seminar.
[7] Ms. Maylyn Z. Dy was elected director on 15 December 2016. The Company is still finalizing the schedule for their seminar.

Funds, Assets and Information	including Company time, supplies and software, efficiently, responsibly and only for legitimate business purposes only. They shall safeguard company assets from loss, damage, misuse or theft and shall respect intellectual property rights.
(g) Employment & Labor Laws & Policies	Employment in the Company signifies willingness and commitment to perform according to standards set by Management and to abide by all the policies and procedures as well as rules and regulations of the Company. The Company has an Employees' Manual of Policies and Procedures which provides for employee rights, obligations and sets policies on employee-related matters to ensure uniformity and consistency in the interpretation and implementation of Human Resources Policies and Programs, which are consistent with and in accordance with relevant provisions of the Labor Code.
(h) Disciplinary action	To strictly observe and implement the provisions of the Company's Revised Manual on Corporate Governance, the following penalties shall be imposed, after notice and hearing, on the Company's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any provision of the said Manual: a. In the case of a first violation, the subject person shall be reprimanded. b. In the case of a second violation, suspension from office shall be imposed. The duration of the suspension shall depend on the gravity of the violation. c. For a third violation, the maximum penalty of removal from office shall be imposed. The commission of a third violation by any member of the Board or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship. The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend the imposable penalty for such violation to the Chairman, for further review and approval of the Board.
(i) Whistle Blower	Illegal or unethical behavior by a colleague or co-employee, regardless of his or her level of authority, should not be condoned. It is the responsibility of each employee to report legitimate concerns so that problems can be properly resolved and corrective measures instituted. An officer or employee who becomes aware of any violation should immediately notify his superior. The superior officer shall in turn immediately inform the Human Resources Department ("HRD"). HRD shall conduct or manage the necessary actions or investigation of any reported violations of this Code. In case senior management or any Board member is involved, the same shall be referred to the Audit Committee.
(j) Conflict Resolution	The Audit Committee will handle resolution of reported illegal or unethical behaviour involving senior management or any Board member. The Audit Committee may ask assistance from HRD to conduct investigation of subject illegal acts or activities to further support subject reports and findings.

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

The Company does not have a formal code of ethics but its policy is to strictly follow the provisions of its Revised Manual on Corporate Governance and the provisions of the Corporation Code, SRC, Labor Code, and other applicable laws and regulations.

3) Discuss how the Company implements and monitors compliance with the code of ethics or conduct.

Not applicable.

4) **Related Party Transactions**

(a) **Policies and Procedures**

Describe the Company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
1. Parent Company 2. Joint Ventures 3. Subsidiaries 4. Entities Under Common Control 5. Substantial Stockholders 6. Officers including 7. spouse/children/siblings/parents 8. Directors including 9. spouse/children/siblings/parents 10. Interlocking director relationship of Board of Directors	The essence of corporate governance is transparency. The more transparent the internal workings of the corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the Company or misappropriate its assets. It is therefore essential that all material information about the Company which could adversely affect its viability or the interests of the stockholders should be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management. All such information should be disclosed through the appropriate Exchange mechanisms and submissions to the SEC. The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the SEC for the interest of its stockholders and other stakeholders. Clearly define the thresholds for disclosure and approval for related party transactions ("RPTs") and categorize such transactions according to those that are considered *de minimis* or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval. Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings. Have its independent directors or audit committee play an important role in reviewing significant RPTs. Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the Company's annual report. Have a clear policy in dealing with material non-public information by Company insiders. Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	There is no actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.
Name of Officer/s	There is no actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.
Name of Significant Shareholders	There is no actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the Company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	The Company promotes a culture of good corporate governance by formally adopting a policy that is founded on the Company's core business principles of fairness, accountability, integrity, transparency and honesty. In compliance with disclosure requirements of related accounting standards and the SRC reporting requirements, we promptly and properly disclose to the public all material information, including all RPTs through detailed disclosures provided in the related Notes to financial statements (Note 19. Related Party Transactions), SEC Form 17-A (Annual Report), and SEC Form 20-IS (Definitive Information Statement).
Group	

5) Family, Commercial and Contractual Relations

(a) **Indicate, if applicable, any relation of a family,[8] commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the Company:**

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
None.		

(b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the Company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
None.		

(c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the Company:

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
None.		

[8] Family relationship up to the fourth civil degree either by consanguinity or affinity.

6) **Alternative Dispute Resolution**

Describe the alternative dispute resolution system adopted by the Company for the last three (3) years in amicably settling conflicts or differences between the Company and its stockholders, and the Company and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Corporation & Stockholders	Under the Company's Revised Manual on Corporate Governance, the Board shall establish and maintain, as far as practicable, an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities.
Corporation & Third Parties	
Corporation & Regulatory Authorities	

C. BOARD MEETINGS & ATTENDANCE

1) **Are Board's meetings scheduled before or at the beginning of the year?**

No, but the Company ensures that each of the members of the Board receives the notice and agenda of the meeting within the period required by relevant laws and the rules and regulations.

2) **Attendance of Directors**

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Antonio L. Tiu[9]	15 December 2016	7	7	100.00%
Member	Martin C. Subido[10]	15 December 2016	7	7	100.00%
Member	Kenneth S. Tan[11]	15 December 2016	7	7	100.00%
Member	Paula Katrina L. Nora[12]	15 December 2016	7	7	100.00%
Member	Lisette M. Arboleda[13]	15 December 2016	7	7	100.00%
Member	Antonio R. Galvez[14]	15 December 2016	7	6	85.71%
Member	Ma. Pamela Grace C. Muhi[15]	15 December 2016	7	1	14.29%
Member	James L. Tiu[16]	15 December 2016	7	0	0.00%
Member	Yang Chung Ming[17]	15 December 2016	7	0	0.00%
Independent	Honorio T. Tan[18]	15 December 2016	7	0	0.00%
Independent	Maylyn Z. Dy[19]	15 December 2016	7	0	0.00%

3) **Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?**

No. However, moving forward, non-executive directors elected in the last Annual Stockholders' Meeting shall endeavor to hold separate meeting/s as often as necessary without the presence of any executive director.

4) **Is the minimum quorum requirement for Board decisions set at two-thirds of Board members? Please explain.**

The minimum quorum requirement for Board decisions followed by the Company is a majority of the Board of Directors, as required under the Corporation Code and the Company's By-Laws.

[9] Mr. Antonio L. Tiu was a member of the Board since 23 December 2010.
[10] Atty. Martin C. Subido was a member of the Board since 23 December 2010.
[11] Mr. Kenneth S. Tan was a member of the Board since 16 June 2014.
[12] Atty. Paula Katrina L. Nora was a member of the Board since 16 June 2014.
[13] Atty. Arboleda was elected on 9 December 2015 as replacement of Dr. Que and was re-elected on 15 December 2016.
[14] Mr. Galvez was elected on 9 December 2015 as replacement of Mr. Uy and was re-elected on 15 December 2016.
[15] Ms. Ma Pamela Grace C. Muhi was elected as member of the Board only on 15 December 2016.
[16] Mr. James L. Tiu was elected as member of the Board only on 15 December 2016.
[17] Mr. Yang Chung Ming was elected as member of the Board only on 15 December 2016.
[18] Mr. Honorio T. Tan was elected as member of the Board only on 15 December 2016.
[19] Ms. Maylyn Z. Dy was elected as member of the Board only on 15 December 2016.

5) Access to Information

(a) How many days in advance are Board papers[20] for Board meetings provided to the Board?

The Company ensures that each of the members of the Board receives the notice and agenda of the meeting within the period required by relevant laws and the rules and regulations.

(b) Do board members have independent access to Management and the Corporate Secretary?

Yes.

(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

Yes. Under the Company's By-Laws, the Corporate Secretary of the Company is the custodian of and shall maintain the corporate books and records and shall be the recorder of the corporation's formal actions and transactions. He shall have the following specific powers and duties:

a. to record the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;

b. to keep record books showing the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares of the corporation subscribed, issued and transferred;

c. to keep the corporate seal and affix it to all papers and documents requiring a seal, and to attest by his signature all corporate documents requiring the same;

d. to attend to the giving and serving of all notices of the corporation required by law or these by-laws to be given;

e. to certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him by law or by government rules and regulations;

f. to act as the inspector at the election of directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive votes, ballots or consents, hear and determine questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote. The Secretary may assign the exercise or performance of any or all of the foregoing duties, powers and functions to any other person or persons, subject always to his supervision and control; and

g. to perform such other duties as are incidental to his office or as may be assigned to him by the Board of Directors or the President.

In addition to these functions and duties, the Board of Directors has assigned to the Corporate Secretary the task of assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes.

Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

Yes. The current Corporate Secretary is Atty. Martin C. Subido. Atty. Subido is a Certified Public Accountant and a member of the Integrated Bar of the Philippines. He graduated with a B.S. Accountancy degree from De La Salle University and obtained his Juris Doctor degree, with honors, from the School of Law of the Ateneo

[20] Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

de Manila University. He was a Senior Associate of the Villaraza & Angangco Law Offices before becoming managing partner of SPCMB Law Offices. Atty. Subido is currently a Senior Partner at SPCMB Law Offices.

(a) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes [/]   No [   ]

Committee	Details of the procedures
Audit	The Notice and Agenda of the pertinent meeting, and the supporting documents for the matters included in the agenda, are given to the directors within the period required by relevant laws and rules and regulations via email and/or personal service. In the event that any director has clarifications or requests for additional information or documents, said director can directly contact the Corporate Secretary regarding said clarification or request.
Nomination	
Remuneration	

6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Procedures	Details
Seeking legal advice or opinion	Directors can contact the Corporate Secretary or legal counsel
Seeking independent opinion on financial matters and related regulatory concerns	Directors can contact external auditors

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board (during its most recent term) on existing policies that may have an effect on the business of the Company and the reason/s for the change:

In compliance with SEC Memorandum Circular No. 19, Series of 2016, the Management introduced revisions on the Company's Revised Manual on Corporate Governance. Once finalized, the Revised Manual on Corporate Governance will be submitted to the Board for approval.

Existing Policies	Changes	Reason
None.		

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

The Company has a Compensation and Remuneration Committee, which shall be composed of at least three (3) members and one of whom should be an independent director, to establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Company's culture, strategy and the business environment in which it operates.

The levels of remuneration of the Company should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance.

The Company may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the Company. No director should participate in deciding on his remuneration.

The Company's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year.

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Company Salary Structure, market rates used as a guide; salary adjustments based on performance and changes in responsibilities and authorities.	
(2) Variable remuneration	None	
(3) Per diem allowance	None	
(4) Bonus	None	
(5) Stock Options and other financial instruments	Subject to the approval of the Board of Directors	
(6) Others (specify)	None	

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the Company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	The compensation of directors, which shall not be more than 10% of the net income before income tax of the Company during the preceding year, which shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. (Amended By-Laws). Also, under Section 9, Article III of the By-Laws of the Company, by resolution of the Board, each director shall receive a reasonable per diem allowance for their attendance at each meeting of the Board.		
Non-Executive Directors	The compensation of directors, which shall not be more than 10% of the net income before income tax of the Company during the preceding year, which shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. (Amended By-Laws, page). As of this date, no standard or other arrangements have been made in respect of director's compensation. Also, under Section 9, Article III of the By-Laws of the Company, by resolution of the Board, each director shall receive a reasonable per diem allowance for their attendance at each meeting of the Board.		

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

The decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of the members of the Board is made by the Board.

Remuneration Scheme	Date of Stockholders' Approval
Not applicable.	

3) Aggregate Remuneration[21]

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	None	None	None
(b) Variable Remuneration	None	None	None
(c) Per diem Allowance	None	None	None
(d) Bonuses	None	None	None
(e) Stock Options and/or other financial instruments	None	None	None
(f) Others (Specify)	None	None	None
Total	None	None	None

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
(a) Advances	None	None	None
(b) Credit granted	None	None	None
(c) Pension Plan/s Contributions	None	None	None
(d) Pension Plans, Obligations incurred	None	None	None
(e) Life Insurance Premium	None	None	None
(f) Hospitalization Plan	None	None	None
(g) Car Plan	None	None	None
(h) Others (Specify)	None	None	None
Total	None	None	None

E. Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the Company's Board of Directors who own or are entitled to stock rights, options or warrants over the Company's shares:

Director's Name	Number of Direct Option/Rights/ Warrants	Number of Indirect Option/Rights/ Warrants	Number of Equivalent Shares	Total % from Capital Stock
Antonio Tiu	On 22 February 2012, the Company approved to issue 100 Billion warrants to the Corporation's President and CEO, Mr. Antonio L. Tiu, at the issue price of P0.001/warrant and strike price of P0.01/share with a 5-year term, and under such terms as may further be agreed upon and subject to existing requirements of the SEC and the Philippine Stock Exchange. To date, said warrants have not been formally issued.			

[21] As of 31 December 2016.

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
None.		

F. Remuneration of Management

Identify the five (5) members of management who are <u>not</u> at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
None.	

G. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Audit and Compliance	2	0	1	Currently being drafted.	The functions, key responsibilities and power of the Audit and Compliance Committee includes: a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations; b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities; c) Perform oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;		

					d) Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources and budget necessary to implement it; e) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts; f) Organize an internal audit department, and consider the appointment of an independent Internal Auditor and the terms and conditions of its engagement and removal; g) Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security; h) Review the reports submitted by the internal and external auditors; i) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters: • Any change/s in accounting policies and practices • Major judgmental areas • Significant adjustments resulting from the audit • Going concern assumptions • Compliance with accounting standards • Compliance with tax, legal and regulatory requirements. j) Coordinate, monitor and facilitate compliance with laws, rules and regulations; k) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's annual report; and l) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.

					The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.
Nomination and Compensation	2	0	1	Currently being drafted.	The functions, key responsibilities and powers of the Nomination and Compensation Committee includes: a) To review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors; and b) To establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Company's culture, strategy and the business environment in which it operates.

2) **Committee Members**

(a) **Audit and Compliance Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Maylyn Z. Dy	15 December 2016	0	0	N/A	0.04
Member (ED)	Martin C. Subido[22]	15 December 2016	2	2	100.00%	5.98
Member (ED)	Antonio L. Tiu[23]	15 December 2016	2	2	100.00%	2.55

Disclose the profile or qualifications of the Audit Committee members.

MAYLYN Z. DY (Independent Director). Ms. Dy is currently the Corporate Secretary of Woodside Properties and Land Corp. and an independent consultant of First Vita Plus Marketing Corporation. She was also the Assistant General Manager of R. Zalaema Pawnshop from 1986-1998. Ms. Dy graduated from Maryknoll College Foundation Inc., with a degree in AB Communication Arts.

MARTIN C. SUBIDO. Atty. Subido is a Certified Public Accountant and a member of the Integrated Bar of the Philippines. He graduated with a B.S. Accountancy degree from De La Salle University and obtained his Juris Doctor degree, with honors, from the School of Law of the Ateneo de Manila University. He was a Senior Associate of the Villaraza & Angangco Law Offices before becoming managing partner of SPCMB Law Offices. Atty. Subido is currently a Senior Partner at SPCMB Law Offices.

ANTONIO L. TIU. Mr. Tiu is the President/CEO and Chairman of Earthright Holdings, Inc., Chairman of the Big Chill, Inc., President/CEO of Beidahuang Philippines Inc., and Greenergy Holdings Incorporated. Mr. Tiu also serves as director and Chairman of Agrinurture, Inc., Sunchamp Real Estate Development Co, First Class Agriculture Corporation, Fresh & Green Harvest Agricultural Company Inc., Best Choice Harvest Agricultural Corp., Lucky Fruits & Vegetable Products Inc., M2000 IMEX Company Inc., Fruitilicious Company Inc., Ocean Biotech Inc., and Fresh and Green Palawan Agri Ventures.

[22] Mr. Antonio L. Tiu was a member of the Board since 23 December 2010.
[23] Atty. Martin C. Subido was a member of the Board since 23 December 2010.

He was a part-time lecturer in International Finance at DLSU Graduate School from 1999 to 2001 and currently the board adviser of DLSU School of Management. Mr. Tiu has a Master's degree in Commerce specializing in International Finance from University of New South Wales, Sydney Australia and BS Commerce major in Management from De La Salle University, Manila. He was awarded the Ernst and Young Emerging Entrepreneur of the Year (2009). He is an active member of the Integrated Food Manufacturer Association of the Philippines, PHILEXPORT, PHILFOODEX, Chinese Filipino Business Club, and Philippine Chamber of Agriculture and Food Industries.

Describe the Audit Committee's responsibility relative to the external auditor.

The Audit and Compliance Committee shall evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The Audit and Compliance Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's annual report.

Management should formulate, under the supervision of the Audit and Compliance Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

(i) The extent of its responsibility in the preparation of the financial statements of the Company, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;

(ii) An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company should be maintained;

(iii) On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Company's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;

(iv) The Company should consistently comply with the financial reporting requirements of the SEC;

(v) The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company, should be changed with the same frequency. The Internal Auditor should submit to the Audit and Compliance Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit and Compliance Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management. The Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

B) The Board, after consultations with the Audit and Compliance Committee, shall recommend to the stockholders an external auditor duly accredited by the SEC who shall undertake an independent audit of the Company, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The external auditor shall not, at the same time, provide internal audit services to the Company. Non-audit work may be given to the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence.

If the external auditor resigns, is dismissed or ceases to perform his services, the reason/s for and the date of effectivity of such action shall be reported in the Company's annual and current reports. The report shall include a discussion of any disagreement between him and the Company on accounting principles or practices, financial disclosures or audit procedures which the former auditor and the Company failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the Company to the external auditor before its submission.

If the external auditor believes that any statement made in an annual report, information statement or any report filed with the SEC or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said reports.

(b) Nomination and Compensation Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Antonio Peter R. Galvez	15 December 2016	0	0	N/A	0.04
Member (ID)	Honorio T. Tan	15 December 2016	0	0	N/A	0.04
Member (ED)	Kenneth S.Tan[24]	15 December 2016	1	1	100.00%	2.55

ANTONIO PETER R. GALVEZ. Mr. Galvez is a holder of an Executive Master's in Business Administration from the Asian Institute of Management. He graduated from the Ateneo de Manila University with a Bachelor's Degree in Economics. At present, he is an Executive and Leadership Coach, Business Coach with the University of Asia and Pacific. He is also a licensed facilitator of Get Clients Now, licensed instructor of GRID International and Director of Pastra.Net. His previous employments include various stints with the Securities Transfer Services, Inc., First Philippine Holdings Corporation and its subsidiaries, Department of Trade and Industry and Board of Investments.

HONORIO T. TAN. Mr. Tan is the Chairman, President and owner of Beam Marketing Enterprise, Inc., a health food and herbal medicine manufacturing company. Mr. Tan is also an inventor of a number of herbal and naturopathic medicines. He served as President of Manila Downtown YMCA from 2005-2010 and from 2015-2016. He also served as President of Moringaling Philippines Foundation, Inc. in 2011. He was with the Bank of Asia for more than nine years before the bank was sold and merged with then the Bank of America. Mr. Tan holds a Master's degree in Business Administration from the De La Salle University and a Bachelor of Arts in Economics from the University of the East.

KENNETH S. TAN. Mr. Tan serves as the Chief Financial Officer of Greenergy Holdings Incorporated and has been its Treasurer since June 2013; Mr. Tan also concurrently serves as the Treasurer and Chief Financial Officer of AgriNurture Inc. Previously, Mr. Tan served as Alternate Corporate Information and Compliance Officer at Greenergy Holdings Incorporated since December 23, 2010. Mr. Tan served as the Vice President for Administration/ Information Officer and Compliance Officer of AgriNurture, Inc. He served as an Officer of Citibank and Manulife Financial and was a Part-Time Lecturer in Economics at an international school in Manila. Mr. Tan has a degree in AB Developmental Studies from the Ateneo de Manila University.

(c) Others (Specify)

None.

Provide the same information on all other committees constituted by the Board of Directors:

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman						
Member (ED)						
Member (NED)						
Member (ID)						

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Audit and Compliance	Leonor M. Briones[25]	Resignation due to personal reasons
Nomination and Compensation	None	None

[24] Mr. Kenneth S. Tan was a member of the Board since 16 June 2014.
[25] Ms. Leonor M. Briones resigned on 31 May 2016 due to personal reasons.

4) **Work Done and Issues Addressed**

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Audit and Compliance	Assisted the Board in fulfilling its oversight responsibilities for financial reporting process, system of internal control, audit process and the company's process for monitoring compliance with laws and regulations and the code of conduct.	Reviewed and discussed quarterly unaudited financial statements, audited annual financial statements including Management's Discussion and analysis of financial condition and results of operations, adequacy of the company's enterprise risk management framework, and the effectiveness of the system for monitoring compliance with laws and regulations. Approved the overall scope and audit plans of Internal and external audits, effectiveness of the internal audit function and recommended for approval the re-appointment of the current external auditors. Performed a self-evaluation of the Committee in terms of expectations set out in the Board.
Nomination and Compensation	Reviewed and evaluated the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring the appointment by the Board. Provided a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration of corporate officers and directors.	Reviewed the qualifications of all nominees to the Board of directors, taking into consideration the relevant requirements of the SEC and Philippine Stock Exchange relative to qualifications and disqualifications of both regular and independent director nominees. Provided oversight over remuneration of senior management and other key personnel. No other resolution relating to director's remuneration has been adopted by the Board of Directors as the schedule of the amount of per diem for attendance in meetings of the Board of Directors/Committees has remained unchanged since 2009.

5) **Committee Program**

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Audit and Compliance	Submit an Audit and Compliance Committee Charter to the Board for approval. Conduct Board self-evaluation of the company's current and potential state of Corporate Governance practices using existing Corporate Governance scorecards and best practice guidelines. Conduct learning sessions for the Company toward improving audit consciousness and compliance awareness throughout the organization.	Review financial reporting process, system of internal control and the Company's process for monitoring compliance with laws and regulations and the code of conduct. A more-focused compliance function will ensure that all regulatory requirements are generally complied as well as internal policies and procedures are implemented accordingly. Corporate Governance practices to evolve from mere compliance to performance improvement and consistent implementation. Better understanding of roles, responsibilities, business policies, processes and procedures as well as laws, rules and good conduct lead to well-informed and more productive work force.
Nomination and Compensation	Submit a Nomination and Compensation Committee Charter to the Board for approval. Pre-screen qualifications of all nominees to the Board.	Defines the purpose, roles and responsibilities, membership, authority, frequency of meetings and other matters affecting the committee. Ensures all nominees to the Board, both regular and independent directors, possess all the qualifications and none of the disqualifications enumerated under the SRC Establish and formalize a succession plan for senior management. Provide oversight over remuneration of senior management and other key personnel. Recommend adoption of a formal succession plan for the Company Review/evaluate existing remuneration policy and procedures on executives' compensation and for fixing the remuneration of directors and corporate officers.

H. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The risk assessment is based upon a "what if" analysis, judged against the method used to include the particular item in the projection. The analysis could support the projection or require it to be modified. Risks that are manageable, i.e. within the scope of control by the Company, must be managed as a natural course of running the business. When taking decisions, management considers first the effect of those risks that are in any way related to the decision.

The Company's business activities are exposed to a variety of financial risks, which include credit risk, liquidity risk and market risk. Management ensures that it has sound policies and strategies in place to minimize potential adverse effects of these risks on the Company's consolidated financial performance. The Company's Board of Directors is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Company. It has also the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Company's approach to risk issues in order to make relevant decisions.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

The Management ensures that it has sound policies and strategies in place to minimize potential adverse effects of these risks on the Company's financial performance.

(c) Period covered by the review

2016

(d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness

The risk management system is reviewed as often as necessary.

(e) Where no review was conducted during the year, an explanation why not.

Not applicable.

2) Risk Policy

(a) Company

Give a general description of the Company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

The Company does not have a formal written risk management policy but the Company observes Board directed policies in addressing risk management and compliance processes.

The Company is exposed to variety of financial risks, which resulted from its operating, investing and financing activities. The Company's principal financial instruments comprise of cash, receivables, AFS investment, accounts payable and accrued expenses, loan payable and due to and from related parties. The main purpose of investing these financial instrument (assets) is to maximize interest yield and for capital appreciation. The main purpose of loan is to finance the Company's operations.

The Company's policies and guidelines cover credit risk, liquidity risk, interest rate risk and foreign currency risk. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Company's results and financial position. The Company actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties principles.

Risk Exposure	Risk Management Policy	Objective
Credit risk	Credit risk refers to the risk that the counterparty will default and/or fail to honor its financial or contractual obligations, resulting in financial loss to the Company. The group transacts with recognized and creditworthy counterparties, like investing in credit worthy equities.	The Company recognizes impairment losses based on the results of the specific/individual assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by

	High grade cash are placed, invested, or deposited in local banks belonging to the top 25 banks in the Philippines in terms of resources and profitability, otherwise cash in banks are considered standard. Standard grade accounts consist of receivables from its debtors with good financial condition and with relatively low defaults. Standard grade accounts on the other hand, are receivable from other counterparties with history of defaulted payments. These counterparties include banks, customers and related parties who pay on or before due date.	counterparties, infringement of the original terms of the contract has happened, or when there is inability to pay principal or interest overdue, if any, beyond a certain threshold. These and other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment. The Company applies specific/individual assessment methodology in assessing and measuring impairment. Under specific/individual assessment, the Company assesses each individual significant credit exposure for any objective evidence of impairment, and where such evidence exists, accordingly calculates the required impairment. Among the items and factors considered by the Company when assessing and measuring specific impairment allowances are: (a) the timing of the expected cash flows; (b) the projected receipts or expected cash flows; (c) the going concern of the counterparties' business; (d) the ability of the counterparty to repay its obligations during financial crises; (e) the availability of other sources of financial support; and, (f) the existing realizable value of collateral, if any. The impairment allowances, if any, are evaluated as the need arises, in view of favorable or unfavorable developments.
Liquidity risk	The Company seeks to manage its liquidity profile to be able to finance its capital expenditures and cover its operating costs.	The Company's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information. Additional short-term funding is obtained from related party advances.
Foreign Currency Risk	Currency risk arises when transactions are denominated in foreign currency.	The Company is not exposed to significant foreign currency risk given that the Company's foreign currency denominated financial assets which pertains to cash in bank is not significant in amount.
Market Risk	Market risk refers to the risk that changes in market prices, such as interest rates, foreign exchange rates and, agricultural production and prices that will affect the Company's income.	The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.
Interest Rate Risk	The Company is exposed to interest rate fluctuations on its cash in banks and loan payable. Other financial assets and liabilities which principally arise in the ordinary course of operations are generally short-term and non-interest bearing.	To mitigate the interest rate risk of the Company
Equity Price Risk	Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks.	Changes in fair value of available-for-sale equity instruments due to a reasonably possible change in equity indices, with all other variables held constant will increase

		equity by ₱3,700, if equity prices will increase by 1%. An equal change in the opposite direction would have decreased equity by the same amount.
Capital Management	The Company manages capital on the basis of the debt-to-equity ratio which is calculated as total debt divided by total equity.	The primary objective of the Company's capital management is to ensure its ability to continue as a going concern and maintains healthy ratios in order to support its business and maximizes shareholders' value.

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
The same as those indicated above for the Company.		

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
While there is a risk that the exercise of the controlling shareholders' voting power may be restrictive or authorizing preferences in their favor, the Board, in its commitment to practice good governance, is committed to respect the rights of the shareholders as provided for in the Corporation Code. These include the right to vote on all matters that require their consent or approval, such that a director shall not be removed without cause if it will deny minority shareholders representation in the Board. Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company.

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the Company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition, and liabilities are recognized. The Board reviews the financial statements are approved and submitted to the stockholders of the Company. The Board, through its Audit and Compliance Committee, continuously reviews and follow up until closure all action items needed to be in full compliance with the Company's Revised Manual on Corporate Governance and its related documents and policies. Continuous training is being under taken by the members of the Board, Management officers and personnel to fully acquaint then with the Company's Revised Manual on Corporate Governance, policies and related matters.		

(b) **Group**

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
The same as those indicated above for the Company.		

(c) **Committee**

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Audit and Compliance Committee	Performs oversight responsibilities for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations.	Mainly responsible for recommending the appointment of external auditors whose report they review; monitor the system of internal controls and corporate compliance with laws, regulations and code of ethics; serve as a direct channel of communications to the Board for the internal auditor, compliance officer and the general counsel.

I. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company;

Management should formulate, under the supervision of the Audit and Compliance Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

(i) the extent of its responsibility in the preparation of the financial statements of the Company, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;

(ii) an effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company should be maintained;

(iii) on the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Company's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;

(iv) the Company should consistently comply with the financial reporting requirements of the Commission; and

(v) The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company, should be changed with the same frequency. The Internal Auditor should submit to the Audit and Compliance Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit and Compliance Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the

Board and Management. The Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

Internal Control Responsibilities of the Board

The control environment of the Company consists of (a) the Board which ensures that the Company is properly and effectively managed and supervised; (b) a Management that actively manages and operates the Company in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the Company's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

(i) The minimum internal control mechanisms for the performance of the Board's oversight responsibility may include:

   a) Definition of the duties and responsibilities of the President who is ultimately accountable for the Company's organizational and operational controls;
   b) Selection of the person who possesses the ability, integrity and expertise essential for the position of the CEO, President and other key officers;
   c) Evaluation of proposed senior management appointments;
   d) Selection and appointment of qualified and competent management officers; and
   e) Review of the Company's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.

(ii) In determining the scope and particulars of the systems of effective organizational and operational controls, which may differ among corporations, the Company may take into consideration the following factors: (a) nature and complexity of the business and the business culture; (b) volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; (c) extent and effectiveness of information technology; and (d) extent of regulatory compliance.

(iii) The Company may establish an internal audit system that can reasonably assure the Board, the Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board may appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

The Management ensures that it has sound policies and strategies in place to minimize potential adverse effects of these risks on the Company's financial performance.

(c) Period covered by the review

2016

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system.

The Audit and Compliance Committee is tasked by the Board to review the internal control system of the Company on a semi-annual basis. Part of their regular meeting is to review the internal control system through the reports of the auditors (internal and external) and representation made by the Management.

(e) Where no review was conducted during the year, an explanation why not.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
1. Evaluating the reliability and integrity of significant information	All financial, managerial, and operating information and the means used to identify, measure, classify, and report such information is accurate, reliable and timely.	In-house	Ciara Mae Ong-Lim	Quarterly
2. Evaluating the systems established to ensure compliance	Compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization.	In-house	Ciara Mae Ong-Lim	Annual
3. Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.	All Company assets	In-house	Ciara Mae Ong-Lim	Quarterly
4. Evaluating the quality of performance of external auditors and the degree of coordination with internal audit.	Based on the leading practices criteria, as approved by Audit and Compliance Committee	In-house	Ciara Mae Ong-Lim	Annual
5. Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan.	Based on the leading practices 'criteria, as approved by Audit and Compliance Committee	In-house	Ciara Mae Ong-Lim	Quarter/ Annually
6. Reporting significant risk exposures and control issues.	All risk exposures and issues including fraud risks, governance issues, and other matters needed or requested by the Board.	In-house	Ciara Mae Ong-Lim	As needed
7. Evaluating specific operations at the request of the Board, Audit Committee or Management, as applicable.	Based on the request of the sponsor	In-house	Ciara Mae Ong-Lim	As needed

(b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

Yes.

(c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the Board and the audit committee and to all records, properties and personnel?

The Internal Auditor is directly reporting to the Audit and Compliance Committee and administratively to the President.

(d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
None.	

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	97%
Issues[26]	No critical issues were identified.
Findings[27]	No critical findings were made.
Examination Trends	Lack of updated policy and work procedures documentation

[The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

1. Preparation of an audit plan inclusive of a timeline and milestones;
2. Conduct of examination based on the plan;
3. Evaluation of the progress in the implementation of the plan;
4. Documentation of issues and findings as a result of the examination;
5. Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
6. Conduct of the foregoing procedures on a regular basis.]

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the Company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation."

Policies & Procedures	Implementation
Governance frameworks must be established to define the scope of work and policies that will regulate and control internal audit activities.	Implemented.
Risk-based plans must be established to determine the priorities of the internal audit activity, consistent with the Company's goals	Implemented.
To help ensure the efficient functioning of the people management system, written instructions, guidelines or other communications that deal with policies and procedures regarding leave, attendance reporting and record keeping, and other administrative requirements shall be issued to all employees.	Implemented.

[26] "Issues" are compliance matters that arise from adopting different interpretations.
[27] "Findings" are those with concrete basis under the Company's policies and rules.

(g) **Mechanisms and Safeguards**

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
The Internal Auditor is not authorized to: 1. Perform any operational duties for the organizations or its affiliates; 2. Initiate or approve accounting transactions external to the Internal Audit Department; and 3. Direct the activities of any organization employee not employed by the Internal Audit Department, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.	There are no independence concerns involving financial analyst, investment banks and rating agencies as there are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators within the prescribed time period for reporting.		
The External Auditor is not authorized to: 1. Perform management responsibilities; 2. Provide Financial information systems design and implementation; and 3. Provide Litigation support and legal services.	There are no independence concerns involving financial analyst, investment banks and rating agencies as there are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators within the prescribed time period for reporting.		

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the Company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the Company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

For 2016, the Company will submit its Revised Manual on Corporate Governance in accordance with the requirements of SEC Memorandum Circular No. 19, Series of 2016. The Revised Manual on Corporate Governance will be signed by the President and the Compliance Officer.

J. ROLE OF STAKEHOLDERS

1) **Disclose the Company's policy and activities relative to the following:**

	Policy	Activities
Customers' welfare	The Company does not have customers considering that it is a holding company.	
Supplier/contractor selection practice	For major suppliers or service providers, a request for proposal is required to be submitted based on an approved term of reference. A separate (board) committee may be designated to review and evaluate proposals submitted and make recommendations for Board consideration.	
Environmentally friendly value-chain	The Company practices Corporate Social Responsibility ("CSR") as part of its long-term business strategy for sustainability and continuity by providing basic social services, educational assistance, research and development aid, capability building for indigenous communities and disaster relief operations.	The Company participates in conferences on mitigating consequences of natural catastrophes. It also participates jointly in community related projects undertaken by other entities from time to time through donations, sponsorship and being resource speaker in certain events which aim to raise the insurance awareness of the general public.
Community interaction		

Anti-corruption programs and procedures	The Company does not condone any dishonest, unethical or unprofessional behavior and actions displayed by an employee, regardless of his/her level of authority. It is the responsibility of each employee to report legitimate concerns so that issues can be properly investigated or resolved and corrective measures can be instituted.	Concerns may be raised verbally or in writing to the HRD Head while concerns involving the HRD Head should be raised to the CEO and complaints concerning the CEO should be raised to the Chairman of the Nomination and Compensation Committee of the Company. Management shall maintain the confidentiality of all the concerns or complaints raised and the anonymity of the person making the complaint to the fullest extent reasonably practicable within the legitimate needs of law.
Safeguarding creditors' rights	The Company manages its cash and investment position to meet its obligations arising from its business/investment transactions and other financial liabilities.	All valid claims are settled promptly and judiciously, as part of the Company's commitment to its clients.

2) **Does the Company have a separate corporate responsibility (CR) report/section or sustainability report/section?**

   No.

3) **Performance-enhancing mechanisms for employee participation.**

   (a) What are the Company's policy for its employees' safety, health, and welfare?

   The Company is committed in providing and maintaining a safe, secure and healthy work environment. In turn, the employee has the responsibility to work safely, to keep work areas and common areas in the Company clean, not just to reduce the chances of injury but also to make the office a more attractive and pleasant place to work in.

   Employees are urged to report to their immediate superior accidents or any condition or practice which is unsafe, whether or not these result in personal injury or no matter how minor they might seem to be.

   (b) Show data relating to health, safety and welfare of its employees.

   Generally, regular employees undergo medical check-up with their preferred medical clinic/hospital. There have been no reported work-related accidents or health concerns in the Company.

   (c) State the Company's training and development programmes for its employees. Show the data.

   New employees are given orientation on the Company's policies and procedures and made to undergo basic training.

   (d) State the Company's reward/compensation policy that accounts for the performance of the Company beyond short-term financial measures

   The Company adopts a Performance Management System ("PMS") that allows for the objective assessment of an individual's performance and development needs. The PMS shall be conducted regularly and the results of which shall be the basis for the Company's compensation and rewards system, promotions policy, training and development, and succession planning programs.

4) **What are the Company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation.**

PROCEDURE IN THE DIVISION LEVEL

a. All violations of the Company policy must be processed and as much as possible, resolved at the division level. The latter may consult with the HRD as regards interpretation of the company policy.

b. Department head/managers may delegate the investigation and the reception of evidence to the supervisors or team leaders concerned, always taking into consideration the primacy of preserving good industrial relation between management and personnel.

c. If the discretion of the department head the case is of a grave or serious nature, the same may be forwarded to the Disciplinary Council for further investigation.

PROCEDURE IN THE DISCIPLINARY COUNCIL

a. Investigation for violation of Company rules and policy that are not settled at the Division Level shall start with filing of proper and duly accomplished complaint form by the Department Head concerned with the HRD.

b. Contents of the complaint form are as follows:
   - Name of the accused;
   - Designation of the offense as provided in the company policy;
   - Acts or omissions complained of as constituting the offense;
   - Name of the offended party, if any;
   - Approximate date of the commission of the offense;
   - Place where the offense was committed; and
   - Circumstances for mitigation or aggravation of the offense.

c. The HRD shall forward the complaint to the Disciplinary Council, composed of the Corporate Resource Officer, Division Head, and the Department Manager of concerned employee.

d. Upon the filing of the complaint, the accused shall be notified in writing and furnished a copy of said complaint in order for him/her to be given a chance to respond within two (2) working days from said notification and receipt.

e. The Disciplinary Council shall convene to review all evidence, including documents and testimonies of the accused and the witnesses for and against him.

f. After due consideration of all the evidence presented, the case may be dismissed, suspended or in case of conviction, the necessary penalty be imposed.

g. The majority vote of the Council shall be required for a valid decision.

h. All the parties shall be notified of the decision by the council as soon as practicable.

i. Before the decision of the Disciplinary Council becomes final, it may be appealed to the Office of the President who shall have the power to review, revise or reverse any decision of the Disciplinary Council.

j. Unless modified by the President, the decision of the Disciplinary Council shall be final and executor after five (5) days from the notice to the parties concerned.

K. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more[28]

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corp. (Filipino/Others)	369,172,066	20.5007%	PCD Nominee Corporation (No stockholder owns more than 5% of the outstanding capital stock under the PCD Nominee Corp.)
ThomasLloyd Cleantech Infrastructure Fund GmbH (formerly, Cleantech Projektgesellschaft mbH)	207,768,560	11.5377%	ThomasLloyd Cleantech Infrastructure Fund GmbH (formerly, Cleantech Projektgesellschaft mbH)
Earthright Holdings, Inc.	187,500,000 (C) 1,000,000,000(P)	10.4122% (C) 100.00% (P)	Earthright Holdings, Inc.
Jian Cheng Cai	160,000,000	8.8850%	Jian Cheng Cai
Three Star Capital Limited (BVI)	110,000,000	6.1085%	Three Star Capital Limited (BVI)

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Antonio Tiu	10,000	110,000,000 (through Three Star Capital Ltd.)	6.1085%
		187,500,000 (C) 1,000,000,000(P) (through Earthright Holdings, Inc.)	10.4122% (C) 100.00% (P)
TOTAL	**10,000**	**297,510,000 (C)**	**16.52% (C)[29]**
		1,000,000,000(P)	**100.00% (P)[30]**

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	No
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programs attended by each director/commissioner	No
Number of board of directors/commissioners meetings held during the year	No
Attendance details of each director/commissioner in respect of meetings held	No
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

[28] Based on total outstanding shares of 1,800,778,572 common shares and 1,000,000,000 preferred shares as of 31 December 2016.
[29] Based on the total issued and outstanding common stock of 1,800,778,572 as of 31 December 2016.
[30] Based on the total issued and outstanding preferred stock of 1,000,000,000 as of 31 December 2016.

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

The (i) details of whistle-blowing policy, and (ii) training and/or continuing education programs attended by each director/commissioner, are not required to be indicated in SEC Form 17-A, as amended (Annual Report).

3) **External Auditor's fee**

Name of auditor	Audit Fee	Non-audit Fee
Uy, Singson & Abella	**P300,000.00**	N/A

4) **Medium of Communication**

List down the mode/s of communication that the Company is using for disseminating information.

a) Website: http://www.ghi.com.ph

b) Facebook: https://www.facebook.com/greenergyholdings

c) Uploading of announcements, disclosures, structured and unstructured reports in the Philippine Stock Exchange portal.

d) Disclosures and reports are also public records which are available in the SEC.

5) **Date of release of audited financial report:**

To date, the Company has not yet released its audited financial statements for the year ended 2016.

6) **Company Website**

Does the Company have a website disclosing up-to-date information about the following?

Business operations	**Yes**
Financial statements/reports (current and prior years)	**Yes**
Materials provided in briefings to analysts and media	**Yes**
Shareholding structure	**Yes**
Company corporate structure	**Yes**
Downloadable annual report	**Yes**
Notice of AGM and/or EGM	**Yes**
Company's constitution (company's by-laws, memorandum and articles of association)	**Yes**

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) **Disclosure of RPT**

RPT	Relationship	Nature	Value
Due from	Stockholders, Associates and Affiliates	Due from Related Parties	₱800,704,464[31]
Due to	Stockholders and Associates	Due to Related Parties	₱5,221,883[32]

[31] As of 31 December 2015.
[32] As of 31 December 2015.

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the Company and in particular of its minority shareholders and other stakeholders?

All RPTs are fully disclosed to the Board, done in the regular course of business, conducted on an arm's length basis, and negotiated based on prevailing competitive commercial terms. None of the Company's directors, officers and shareholders are granted special privileges or concessions.

L. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	Unless otherwise provided by law, in all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	For the ratification of the acts of the Board of Directors and Officers, the vote required is a majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.
Description	The method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights not in The Corporation Code
All stockholders' rights are in accordance with the Corporation Code.	None.

Dividends

Declaration Date	Record Date	Payment Date
None	None	None

(d) Stockholders' Participation

1. **State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.**

Measures Adopted	Communication Procedure
The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Company. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor. It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights. The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval. Although all stockholders should be treated equally or without discrimination, and without prejudice to compliance with the provisions of the Corporation Code, the SRC and all relevant rules and regulations, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company.	1. Shareholders are provided through public records, communication media, and the Company's website, the disclosures, announcements and reports filed with the SEC, PSE, Insurance Commission and other regulating agencies. 2. Shareholders are allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code. 3. Shareholders, upon request, are provided with periodic reports which disclose personal and professional information about the directors, officers and certain other matters such as their shareholdings, dealings with the Company, relationships among directors and key officers, and the aggregate compensation of directors and officers. 4. Stockholders are informed at least 15 business days before the scheduled date of the Annual Stockholders' Meeting. The Notice of Meeting includes the date, time, venue and agenda of the meeting, the record date of stockholders entitled to vote, and the date and place of proxy validation. 5. Each share entitles the holder to one vote that may be exercised in person or by proxy at shareholder meetings, including the Annual Stockholders' Meeting. Shareholders have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code. 6. Voting procedures on matters presented for approval to the stockholders in the Annual Stockholders' Meeting are set out in the Definitive Information Statement, which is sent to all stockholders of record at least 15 days before the date of meeting. 7. The Company has also designated relations officers to handle investor and shareholder queries and requests, and their contact information can easily be accessed through the Company's website. 8. The Company continues to actively maintain its website to provide timely information updates on its governance, operational, and financial performance.

2. **State the Company policy of asking shareholders to actively participate in corporate decisions regarding:**

   a. **Amendments to the Company's constitution**
   b. **Authorization of additional shares**
   c. **Transfer of all or substantially all assets, which in effect results in the sale of the company**

Shareholders have the right to actively participate in the above corporate decisions (i.e., items a, b, and c above) through shares held as each share entitles the holder to one (1) vote that may be exercised in person or by proxy at shareholder meetings, including the Annual Stockholders' Meeting. Shareholders have the right to elect, remove and replace directors and vote on certain corporate acts (which also includes the above corporate decision matters) in accordance with the Corporation Code.

Voting procedures on matters presented for approval to the shareholders in the Annual Stockholders' Meeting are set out in the Definitive Information Statement, which is sent to all stockholders of record at least fifteen (15) days before the date of meeting.

3. **Does the Company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?**

No. The Company observes the minimum 15 business days requirement under Rule 20 of the 2015 Implementing Rules and Regulations of the SRC.

a. **Date of sending out notices:** A disclosure was made through the EDGE System of the PSE on 18 November 2016 and the DIS with Notice/Agenda was distributed on 23 November 2016.

b. **Date of the Annual/Special Stockholders' Meeting:** 15 December 2016.

4. **State, if any, questions and answers during the Annual/Special Stockholders' Meeting.** None.

5. **Result of Annual/Special Stockholders' Meeting's Resolutions**

Resolution	Approving	Dissenting	Abstaining
1. Approved the Minutes of the Annual Meeting of Stockholders held last 16 June 2014	2,151,186,701* (76.8063%)	None.	None.
2. Approved the Annual Report for the years 2014 and 2015 and Financial Statements for the year ended 31 December 2015	2,151,186,701* (76.8063%)	None.	None.
3. Approved the issuance and listing of the P250 million worth of primary common shares to be issued by the Company to Earthright Holdings Inc. subject to the approval by the SEC of the proposed increase in authorized capital stock of the Company, in compliance with the PSE Revised Listing Rules	2,151,186,701* (76.8063%)	None.	None.
4. Waiver by the minority stockholders of the right to conduct a public offering in relation to item 5, in compliance with the PSE Revised Listing Rules	963,686,701* (59.7347%)	None.	None.
5. Ratified all acts, resolutions and decisions of the Board of Directors and Management for the previous year	2,151,186,701* (76.8063%)	None.	None.
6. Election of Directors	2,151,186,701* (76.8063%)	None.	None.
7. Approved the delegation of the appointment of External Auditor for the year 2016 to the Board upon recommendation of the Audit and Compliance Committee	2,151,186,701* (76.8063%)	None.	None.

*The Company is still in the process of implementing the change in par value of its common shares as approved by the SEC.

6. **Date of publishing of the result of the votes taken during the most recent ASM for all resolutions:**

The results of the Annual Stockholders' Meeting were disclosed to the PSE on 16 December 2016 and to the SEC on 19 December 2016.

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
None.	

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Antonio L. Tiu Martin C. Subido Kenneth S. Tan Lisette M. Arboleda Ma. Pamela Grace C. Muhi	15 December 2016	Show of hands	76.8063%	0.0003%	76.8063%
Special	N/A	N/A	N/A	N/A	N/A	N/A

(ii) Does the Company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?

Yes. The stock transfer agent in coordination with the Corporate Secretary of the Company.

(iii) Do the Company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Yes.

(g) Proxy Voting Policies

State the policies followed by the Company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	All stockholders who will not, are unable, or do not expect to attend the meeting in person are urged to fill out, date, sign and send the proxy enclosed in the Notice to the Company not later than 5 December 2016 (for the 15 December 2016 Annual Meeting).
Notary	The proxy need not be notarized. The By-Laws of the Company does not require notarization.
Submission of Proxy	At least ten (10) days prior to the date of the meeting as provided in the By-Laws.

Several Proxies	Where the Company receives more than one (1) proxy from the same stockholder and they are all undated, the postmark dates shall be considered. If the proxies are mailed on the same date, the one bearing the latest time of day of postmark is counted. If the proxies are not mailed, then the time of their actual presentation is considered. That which is presented last will be recognized. Where a proxy is given to two (2) or more persons in the alternative in one (1) instrument, the proxy designated as an alternative can only act as proxy in the event of non-attendance designated person. Where the same stockholder gives two (2) or more proxies, the latest one given is to be deemed to revoke all former proxies. If the stockholder intends to designate several proxies, the number of shares of stock to be represented by each proxy shall be specifically indicated in the proxy form. If some of the proxy forms do not indicate the number of shares, the total shareholding of the stockholder shall be tallied and the balance thereof, if any, shall be allotted to the holder of the proxy form without the number of shares. If all are in blank, the stocks shall be distributed equally among the proxies. The number of persons to be designated as proxies may be limited by the By-laws.
Validity of Proxy	Unless stated otherwise, a proxy shall be valid only for the meeting for which it is intended. No proxy shall be valid for more than five (5) years.
Proxies executed abroad	Proxies executed abroad shall be duly authenticated by the Philippine Embassy or Consular Office.
Invalidated Proxy	Not counted in the determination of the no. of shares represented in the meeting.
Validation of Proxy	All proxies must be at the hands of the Corporate Secretary at least ten (10) days prior to the time set for the meeting, or on 5 December 2016 (for the 15 December 2016 Annual Meeting).
Violation of Proxy	Any violation shall be subject to the administrative sanctions provided for under Section 144 of the Corporation Code and Section 56 of the Revised Securities Act and PD 902-A, as amended.

(h) Sending of Notices

State the Company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
Notices for regular or special stockholders' meetings may be sent by the Secretary by personal delivery, or by mail or facsimile transmission to each stockholders of record at his last known post office address or facsimile number, or by publication in a newspaper of general circulation within such period as may from time to time be required by law or regulation.	The CD format of the Definitive Information Statement, together with the hard copy of the Agenda and proxy form, is sent out via courier and postal service, and in coordination with the stock transfer agent.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	1,035
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	23 November 2016

Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	23 November 2016
State whether CD format or hard copies were distributed	CD format
If yes, indicate whether requesting stockholders were provided hard copies	Yes

(j) **Does the Notice of Annual/Special Stockholders' Meeting include the following:**

Each resolution to be taken up deals with only one item.	Yes*
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes*
The auditors to be appointed or re-appointed.	N/A
An explanation of the dividend policy, if any dividend is to be declared.	N/A
The amount payable for final dividends.	N/A
Documents required for proxy vote.	Yes*

*Provided in the Definitive Information Statement (SEC Form 20-IS) which is sent/disseminated together with the Notice of Annual Stockholders' Meeting.

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

The Notice of Annual Stockholders' Meeting did not indicate the auditor to be appointed or re-appointed during the Annual Stockholders' Meeting. Instead, the stockholders approved the delegation of the appointment of External Auditor for the year 2016 to the Board upon recommendation of the Audit and Compliance Committee.

The Notice of Annual Stockholders' Meeting did not indicate an explanation of the dividend policy or the amount payable for final dividends, as there were no dividends declared for the year 2016.

2) Treatment of Minority Stockholders

(a) State the Company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely: (i) Right to vote on all matters that require their consent or approval; (ii) Right to inspect corporate books and records; (iii) Right to information; (iv) Right to dividends; and (v) Appraisal right. The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Company. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-	1. Shareholders are informed at least fifteen (15) business days before the scheduled date of the Annual Stockholders' Meeting. 2. Each share entitles the holder to one (1) vote that may be exercised in person or by proxy at shareholders meeting, including the Annual Stockholders' Meeting. 3. Voting procedures on matters presented for approval to the stockholders in the Annual Stockholders' meeting are set out in the Definitive Information Statement, which is sent to all stockholders of record at least fifteen (15) days before the date of meeting.

Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.	4. Shareholders are provided through public records, communication media, and the Company's website, the disclosures, announcements and reports filed with the SEC, PSE and other regulating agencies. 5. The Board of Directors are authorized to declare dividends out of the unrestricted retained earnings of the Company, which may be payable in cash, in property, or in stock to all stockholders.

(b) Do minority stockholders have a right to nominate candidates for Board?

All stockholders of the Company have the right to nominate a candidate to the Board.

M. INVESTORS RELATIONS PROGRAM

1) Discuss the Company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The Company has set-up communication channels that promote effective communication with its shareholders and the investing community. Aside from the regular reporting and disclosures to the various regulating agencies such as the SEC and PSE, the Company actively maintains its website that provides timely information updates on its governance, operational, and financial performance. The Company has also designated investor relations officers to handle investor and shareholder queries and requests, and their contact information can easily be accessed through the Company's website. The President/CEO and Chief Financial Officer (CFO) exercises oversight responsibility over this investor relations program.

2) Describe the Company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	To build better understanding and cultivate a relationship of trust with stakeholders, the Company has set-up communication channels that promote effective communication with its shareholders and the investing community.
(2) Principles	Handle investors and shareholders queries and requests as a top priority matter and therefore, immediate resolution is required.
(3) Modes of Communications	Company Website and PSE Website for all our corporate disclosures.
(4) Investors Relations Officer	Mr. Kenneth S. Tan is in charge of the investor relations program of the Company. He can be contacted through the Company's telephone numbers, i.e., (02) 997-5184

3) What are the Company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

The Company does not have a separate rule or procedure governing the acquisition of corporate control in the capital markets and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets other than the provisions stated under Sections 40, 81 and 82 of the Corporation Code of the Philippines.

SEC. 40. Sale or other disposition of assets.-"... a corporation may, by a majority vote of its board of directors or trustees, sell, lease, exchange, mortgage, pledge or otherwise dispose of all or substantially all of its property and assets, including its goodwill, upon such terms and conditions and for such consideration, which may be money, stocks, bonds or other instruments for the payment of money or other property or consideration, as its board of directors or trustees may deem expedient, when authorized by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock... in a stockholders' or members' meeting duly called for the purpose."

SEC. 81. Instances of appraisal right.- "Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

1. In case of amendment to the Articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Code; and

3. In case of merger or consolidation."

SEC. 82. How right is exercised.- "The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares..."

Name of the independent party the Board of the Company appointed to evaluate the fairness of the transaction price.

None.

N. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the Company.

Initiative	Beneficiary
Conduct medical and dental missions. The Company taps volunteers and its employees to visit different parts of Luzon and provide free professional services to selected beneficiaries.	Poor and underprivileged communities in Luzon.
Provide disaster relief during emergencies.	Victims of local disasters.

O. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the Board and its committees, individual director, and the CEO/President.

<table>
<tr><th></th><th>Process</th><th>Criteria</th></tr>
<tr><td>Board of Directors</td><td colspan="2">No formal performance evaluation is in place however, the Board, through its Audit and Compliance Committee, performs a self-evaluation in which the current and potential state of the Company's corporate governance practices were rated using best practice guidelines issued by the PSE (criteria used).</td></tr>
<tr><td>Board Committees</td><td>Audit and Compliance Committee conducts annual performance evaluation in compliance with the SEC requirement per SEC Memorandum Circular No. 4, Series of 2012.</td><td>Guidelines for the Assessment of the Performance of Audit and Compliance Committee of Companies Listed on the Exchange.</td></tr>
<tr><td>Individual Directors</td><td colspan="2">No formal evaluation process in place.</td></tr>
<tr><td>CEO/President</td><td colspan="2">The Nomination and Compensation Committee conducts a performance evaluation of the CEO/President</td></tr>
</table>

P. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

Violations	Sanctions
First violation	The subject person shall be reprimanded.
Second violation	Suspension from office shall be imposed, the duration of the suspension shall depend on the gravity of the violation.
Third violation	The maximum penalty of removal from office shall be imposed.

- Signature page follows -

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in Makati City on 29 May 2017.

SIGNATURES

ANTONIO L. TIU **Chairman of the Board**	**ANTONIO L. TIU** **Chief Executive Officer**
HONORIO T. TAN **Independent Director**	**MAYLYN Z. DY** **Independent Director**
MARTIN C. SUBIDO **Compliance Officer**	

SUBSCRIBED AND SWORN to before me this MAY 29 2017 in Makati City, affiant(s) exhibiting to me their competent evidence of identity, bearing their respective names, photographs, and signatures, as follows:

NAME	COMPETENT EVIDENCE OF IDENTITY NO.	DATE AND PLACE OF ISSUE
ANTONIO L. TIU	PASSPORT NO. EC0183286	Jan 31, 2014 DFA MANILA
HONORIO T. TAN	PASSPORT NO. EB9100896	SEPT 9, 2013 DFA MANILA
MAYLYN Z. DY	PASSPORT NO. EC1463816	Jun 23, 2014 DFA MANILA
MARTIN C. SUBIDO	PASSPORT NO. EC1674951	JULY 24, 2017 DFA MANILA

ATTY. SHIENA ANGELA DR. AQUINO
Notary Public
Until December 31, 2017
Roll of Attorneys No. 65820
IBP No. 1061437/01-10-17/Bulacan Chapter
PTR No. 5912181/01-06-17/Makati City
Notarial Commission No. M-532 (2016-2017)
TIN 500-809-613
5th Floor, Prince Building, 117 Rada Street
Legaspi Village, Makati City

ATTY. SHIENA ANGELA DR. AQUINO
NOTARY PUBLIC
ROLL NO. 65820
MAKATI CITY, PHILIPPINES

Doc No. 277;
Page No. 57;
Book No. 1;
Series of 2017.