SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

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

1. Check the appropriate box:

☐ Preliminary Information Statement

☑ Definitive Information Statement

2. Name of Registrant as specified in its charter

MJC INVESTMENTS CORPORATION

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

Philippines

4. SEC Identification Number

10020

5. BIR Tax Identification Code

000-596-509

6. Address of principal office

Winford Hotel and Casino, MJC Drive, Sta. Cruz, 1014 Manila
Postal Code
1605

7. Registrant's telephone number, including area code

(02) 632-7373

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

June 29, 2016, 2:00 P.M.; Winford Hotel and Casino, MJC Drive, Sta. Cruz, Manila

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

Jun 8, 2016

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor

NA

Address and Telephone No.

NA

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding

COMMON	3,174,405,821

13. Are any or all of registrant's securities listed on a Stock Exchange?

☑ Yes ☐ No

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

PHILIPPINE STOCK EXCHANGE, COMMON

MJC Investments Corporation
MJIC

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

Date of Stockholders' Meeting	Jun 29, 2016
Type (Annual or Special)	ANNUAL
Time	2:00 P.M.
Venue	Ballroom of Winford Hotel and Casino, MJC Drive, Sta. Cruz, Manila
Record Date	May 11, 2016

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End date	N/A

Other Relevant Information
Attached is the Definitive Information Statement of MJC Investments Corporation (MIC) as received by the Securities and Exchange Commission

Filed on behalf by:

Name	Lemuel Santos
Designation	Corporate Information Officer

COVER SHEET

1 0 0 2 0

S.E.C. Registration Number

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

(Company's Full Name)

WINFORD HOTEL AND CASINO, MJC
DRIVE, STA. CRUZ, MANILA

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

ATTY. LEMUEL M. SANTOS

Contact Person

632-7373

Company's Telephone Number

DEFINITIVE INFORMATION STATEMENT 2016

1 2	3 1	20-IS	0 6	2 9
Month	*Day*	FORM TYPE	*Month*	*Day*
Fiscal Year			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 accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

MJC INVESTMENTS CORP.

INFORMATION STATEMENT

Pursuant to Section 20 of the Securities Regulations Code

For Annual Stockholders' Meeting

On 29 June 2016

Winford Hotel and Casino

MJC Drive, Sta. Cruz, Manila

WE ARE NOT ASKING FOR A PROXY AND

YOU ARE REQUESTED NOT TO SEND US A PROXY

MJC INVESTMENTS CORP.

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

SECURITIES AND EXCHANGE COMMISSION
MAY 2 6 2016
MARKET REGULATION DEPT.
BY: TIME 11:35

25 May 2016

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Notice is hereby given that the Annual Stockholders' Meeting of MJC Investments Corporation (or the "Corporation") will be held on **29 June 2016 (*Wednesday*)** at the **Ballroom** of **Winford Hotel and Casino, MJC Drive, Sta. Cruz, Manila** at **2:00 P.M.** to take up the following:

1. Call to Order
2. Certification of Notice
3. Determination and Declaration of Quorum
4. Approval of the Minutes of the Annual Stockholders' Meeting held on 29 June 2015
5. Report of the President
6. Ratification of all acts of the Board of Directors and Management, including the Approval by the Board of the additional subscriptions of 879,232,671 shares by the Stockholders
7. Election of the Members of the Board of Directors
8. Appointment of the External Auditor
9. Adjournment

Stockholders of Record as of 11 May 2016 shall be entitled to attend and vote at said meeting. As per the by-laws of the Corporation, the cut-off date for the submission of proxies is on 27 June 2016.

Stockholders who will not, are unable to, or do not expect to attend the meeting in person may, at their option, designate their authorized representatives by means of Proxy. The Proxy instrument must be duly notarized and must be submitted to the Office of the Corporate Secretary at 12/F Strata 100 Building, F. Ortigas Road, Ortigas Center, 1605, Pasig City not later than 27 June 2016.

To expedite the registration of your attendance, please bring any valid form of identification with a photograph such as a passport, driver's license, or Company ID.

By Authority of the Board of Directors.

Ferdinand A. Domingo

ATTY. FERDINAND A. DOMINGO
Corporate Secretary
MJC Investments Corporation

PLEASE NOTE THAT THE CORPORATION IS NOT SOLICITING PROXIES

The nomination and election of the members of the Board of Directors should be in accordance with the nomination forms, procedure and requirements as set forth in the Corporation's Revised Manual on Corporate Governance. Any stockholder may obtain the required nomination form and must submit their nominations to the Nomination Committee or the Corporate Secretary at the following address not later than 11 May 2016.

NOMINATION COMMITTEE
12/F Strata 100 Building
F. Ortigas Road, Ortigas Center, Pasig City
Philippines, 1605

ATTY. FERDINAND A. DOMINGO
Corporate Secretary
12/F Strata 100 Building
F. Ortigas Road, Ortigas Center, Pasig City
Philippines, 1605

All nominations shall be in writing and duly signed by the nominating stockholders or their duly authorized (in writing) representatives, with the written acceptance and conformity of their nominees. The Nomination must indicate whether the nominees are intended to be independent directors and shall contain the nominee's age, educational attainment, full disclosure of work and/or business experience and/or affiliations. The Directors and Independent Directors shall be elected from among the Corporation's stockholders. All nominees for Directors and Independent Directors must possess the minimum requirements/qualifications and none of the disqualifications prescribed under paragraphs D and E, Article 3 the Revised Manual on Corporate Governance and the rules and regulations issued by the Securities and Exchange Commission and other regulatory agencies having jurisdiction over the Corporation, and any other relevant circular or memorandum.

Please be guided accordingly.

Ferdinand A. Domingo

ATTY. FERDINAND A. DOMINGO
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC Form 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement
   [✓] Definitive Information Statement

2. Name of Registrant as specified in its charter: **MJC INVESTMENTS CORPORATION DOING BUSINESS UNDER THE NAME AND STYLE OF WINFORD LEISURE AND ENTERTAINMENT COMPLEX AND WINFORD HOTEL AND CASINO**

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

4. SEC Identification Number: **10020**

5. BIR Tax Identification Number: **000-596-509**

6. Address of principal office: **Winford Hotel and Casino**
   MJC Drive, Sta. Cruz, 1014, Manila

SECURITIES AND EXCHANGE COMMISSION
MAY 2 5 2016
MARKET REGULATION DEPT.

7. Registrant's telephone number, including area code: **(02) 632-7373**

8. Date, time and place of the meeting of security holders: **29 June 2016, 2:00 PM**
   Winford Hotel and Casino,
   MJC Drive, Sta. Cruz, Manila

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

10. Securities registered pursuant to Section 8 and 12 of the Securities Regulation Code:

Title of Each Class Outstanding	Number of Shares of Common Stock Outstanding
Common	3,174,405,821

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

    Yes ✓ No ______

    The registrant's securities are listed with the Philippine Stock Exchange as common shares.

MJC INVESTMENTS CORPORATION

INFORMATION STATEMENT

This Information Statement is dated 13 May 2016 and is being furnished to stockholders of MJC Investments Corporation (the "Corporation") at least fifteen (15) business days prior to the Annual Stockholders' Meeting on 29 June 2016 or approximately on or before 8 June 2016.

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

A. GENERAL INFORMATION

1. Date, Time and Place of Meeting of Security Holders

Date	:	29 June 2016 *(Wednesday)*
Time	:	2:00 p.m.
Place	:	Winford Hotel and Casino, MJC Drive, Sta. Cruz, 1014, Manila

As enunciated in the Corporation's by-laws, all meetings of the stockholders shall be held: (i). at the principal office of the corporation[1], (ii). on the second to the last business day of June of each year[2], and (iii). at 2 o'clock in the afternoon[3]. Thus, the annual meeting of stockholders or security holders of the Corporation shall be held at Winford Hotel and Casino on 29 June 2016 at 2 o'clock in the afternoon.

Winford Hotel and Casino is situated at MJC Drive, Sta. Cruz, 1014, Manila, which also serves as the principal office and corporate mailing address of the Corporation.

2. Dissenters' Right of Appraisal

Section 81 of the Corporate Code of the Philippines provides that any stockholder has the right to dissent and demand payment of the fair value of his shares in the following instances: (i). in case of any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the terms of corporate existence; (ii). in case of sale, lease, exchange, transfer, mortgage or other disposition of all or substantially all of the corporate property and assets as provided in the Code, and (iii). in case of merger or consolidation.

[1] Section 1, Article XVII. Meetings of Stockholders
[2] Section 2, Article XVII. Meetings of Stockholders
[3] Ibid.

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 market value of shares[4].

With the foregoing, there are no matters to be taken up in the Annual Stockholders' Meeting that may give rise to the exercise of the Corporation's stockholders or security holders' right of appraisal.

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

   a. No director, officer, or nominee for election as director has substantial interest in any matter to be acted upon, other than election to office.

   b. No director has informed the Corporation in writing that he or she intends to oppose any action to be taken at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Holders Thereof

   a. Number of shares outstanding as of 11 May 2016 *[Record Date]*

      Common 3,174,405,821

   b. Number of Foreign Ownership: 100,031 common shares

   c. Percentage of Foreign Ownership Level: 0.00%

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

   d. Record Date: 11 May 2016

   e. Cumulative Voting Rights

      Each security holder is entitled to cumulative voting rights pursuant to Section 24 of the Corporation Code of the Philippines. Pertinent provision of which reads:

> "*Sec. 24. Election of directors or trustees.* - *xxx* In stock corporations, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing, at the time fixed in the by-laws, in his own name on the stock books of the corporation, or where the by-laws are silent, at the time of the election; and said stockholder many vote such number of shares for as may persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the

[4] Section 82, Title X. Appraisal Right, Corporation Code of the Philippines

number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, That the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected: *xxx*"

f. Security Ownership of Certain Beneficial Owners and Management

I. Stockholders Owning at Least 5% of the Outstanding Capital Stock as of 11 May 2016 *[Record Date]*

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common	PCD Nominee Corporation G/F, Makati Stock Exchange Bldg. 6767 Ayala Avenue, Makati City	N.A*	Filipino	1,406,084,497	44.29%

**There is no actual, natural or judicial person that directs the voting or disposition of the shares held by PCD Nominee Corporation. Further, there is no beneficial owner of the shares held by PCD Nominee Corporation that holds or can vote on 5% or more of the Corporation's voting securities.*

II. Security Ownership of Management (Directors and Officers) as of 11 May 2016 *[Record Date]*

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (D for Direct; I for Indirect)	Citizenship	Percent of Class
Common	ALFONSO R. REYNO, JR. 12/F Strata 100 Building, F. Ortigas Road, Ortigas Center, Pasig City	26,320,408 (D)	Filipino	0.83%
Common	TEIK SENG CHEAH 18 Nathan Road Apartment #02-08, Nathan Place, Singapore 248747	1 (D)	Malaysian	0.00%
Common	JOSE ALVARO D. RUBIO 46 Bridgestone Drive, Bridgestone Park, Pasig City	1 (D)	Filipino	0.00%
Common	ALFONSO V.G. REYNO III 12/F Strata 100 Building, F. Ortigas Road, Ortigas Center, Pasig City	1 (D)	Filipino	0.00%
Common	JOHN ANTHONY B. ESPIRITU 12/F Strata 100 Building, F.	1 (D)	Filipino	0.00%

	Ortigas Road, Ortigas Center, Pasig City			
Common	GABRIEL A. DEE 19/F Liberty Center, 104 H.V. De La Costa Street, Makati City	1 (D)	Filipino	0.00%
Common	BERNADETTE V. QUIROZ 52 Carnival Park Street, BF Resort Village, Las Piñas City	1 (D)	Filipino	0.00%
Common	DENNIS RYAN C. UY 19825 Cherry Street, Executive Heights Subdivision, Parañaque City	1 (D)	Filipino	0.00%
Common	VICTOR P. LAZATIN 237 West Batangas Street, Ayala Alabang, Muntinlupa City	1 (D)	Filipino	0.00%
Common	LAURITO E. SERRANO 4205C Madras Street, Makati City	1 (D)	Filipino	0.00%
Common	CHERRYLYN G. PRADO-CAOILI 18/F Liberty Center, 104 H.V. De La Costa Street, Makati City	1 (D)	Filipino	0.00%
Common	FERDINAND A. DOMINGO 12/F Strata 100 Building, F. Ortiga Road, Ortigas Center, Pasig City	240,022 (D)	Filipino	0.00%
Common	**All Directors and Officers**	**26,560,440**	**Filipino**	**0.83%**

III. Voting Trust Holders of 5% or More

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

IV. Changes in Control

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

V. Directors and Executive Officers as of 11 May 2016 *[Record Date]*

The Directors of the Corporation are elected at the regular annual meeting of stockholders to hold office until the next succeeding annual meeting or until their respective successors shall have been elected and qualified.

At the Annual Stockholders' Meeting last 29 June 2015, Directors Victor P. Lazatin and Laurito E. Serrano were elected Independent Directors of the Corporation. They are independent of management and free from any business or other relationship where it could or could reasonably be perceived to mutually interfere with their exercise of independent judgment to carry out their responsibilities as directors.

Directors and Independent Directors are nominated through the Nomination Committee. After the submission of names as recommended by the stockholders, the Nomination Committee evaluates the recommendations as per the requirements and disqualifications stated in Section 38 of the Securities and Regulation Code (SRC)[5] as well as in the Code of Corporate Governance. After evaluation, said names will be submitted to the stockholders as nominees for directors.

Pursuant to Section 38 of the SRC[6] and as adopted in the by-laws of the Corporation dated 21 April 2004, the following rules shall apply in the Nomination and Election of Independent Directors:

i. Nominations shall be conducted by the Nomination Committee.

ii. The Nomination Committee shall pre-screen the qualifications and prepare a final list of all candidates.

iii. After the nominations, the Nomination Committee shall prepare a Final List of Candidates.

iv. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the stockholders' meeting.

v. The conduct of election of independent directors shall be made in accordance with the standard election procedure of the Corporation.

vi. Specific slots for independent directors shall not be filled up by unqualified nominees.

vii. In case of failure of election for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

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[5] *Sec. 38. Independent Directors.* - Any corporation with a class of equity securities listed for trading on an Exchange or with assets in excess of Fifty million pesos (P50,000,000.00) and having two hundred (200) or more holders, at least of two hundred (200) of which are holding at least one hundred (100) shares of a class of its equity securities or which has sold a class of equity securities to the public pursuant to an effective registration statement in compliance with Section 12 hereof shall have at least two (2) independent directors or such independent directors shall constitute at least twenty percent (20%) of the members of such board, whichever is the lesser. For this purpose, an "independent director" shall mean a person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having a relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.
[6] Ibid.

As of 30 May 2016, all the incumbent members of the Board of Directors are being nominated as directors for the ensuing year. Messrs. Victor P. Lazatin and Laurito E. Serrano are being nominated again to serve as independent directors of the Corporation.

Other than being fellow members of the Board of Directors, none of the members of the Nomination Committee are related to the nominees. Messrs. Lazatin and Serrano are nominated as independent directors by Ms. Maritess R. Calzado, who is a stockholder of the Corporation. Ms. Calzado, Messrs. Lazatin and Serrano have no relationship whatsoever.

The nominees are pre-screened by the Nomination Committee.

The Nomination Committee is composed of Gabriel A. Dee as Chairman, Bernadette V. Quiroz, Alfonso G. Reyno III, and Victor P. Lazatin as members.

Also, since the date of the recently concluded Annual Stockholders' Meeting, no director has resigned or declined to stand for re-election because of a disagreement with the Corporation on any matter relating to the Corporation's operations, policies or practices.

There was no transaction or proposed transaction during the last two (2) years to which the Corporation was or is to be a party with: (i). any director/executive director; (ii). any nominee for election as director; (iii). any security holder of record, beneficial owner or Management; and (iv). any member of the immediate family of the foregoing person/s.

The information of the following Directors and Officers of the Corporation include their educational attainment, work experiences, and undertakings for the last five (5) years:

ALFONSO R. REYNO, JR.

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

TEIK SENG CHEAH

Malaysian, born on 9 December 1953 at Pulau Pinang. He graduated from the University of Manchester in the United Kingdom and is a Fellow of Chartered Accountants in England and Wales. He is the founding and managing partner of Aktis Singapore, an independent director of Malayan Banking Berhad, providing supervisory oversight to May Bank Investment Bank and Maybank Venture, of which he is the Chairman. He began in the civil service in the Ministry of Finance in Malaysia and has since worked in Kuala Lumpur, Singapore, London and Hong Kong with various commercial and investment banks. He worked as Managing Director of Paribas and BNP Paribas in Hong Kong. Over the past fourteen (14) years, Mr. Cheah has been involved in advisory as well as origination and distribution of capital market transactions in various Asian markets, having held senior management positions at the most prestigious investment banks including UBS Hong Kong and Singapore, Goldman Sachs Hong Kong, Merill Lynch Hong Kong, and Chase Manhattan Bank.

JOSE ALVARO D. RUBIO

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

ALFONSO VICTORIO G. REYNO III

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

GABRIEL A. DEE

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

BERNADETTE V. QUIROZ

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

CHERRYLYN G. PRADO-CAOILE

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

JOHN ANTHONY B. ESPIRITU

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

DENNIS RYAN C. UY

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

FERDINAND A. DOMINGO

Filipino, born on 22 June 1952. He graduated from the University of the Philippines in 1972 with a degree of Bachelor of Arts in Political Science and finished his Bachelor of Laws degree in the same school in 1977. In the last five (5) years or more he is affiliated with and occupies the following positions in various institutions, viz: Senior Partner, Reyno Tiu Domingo & Santos Law Offices (1 September 1991 to present); Corporate Secretary and General Counsel, Manila Jockey Club, Inc. (up to present); Corporate Secretary and General Counsel, MJC Investments Corporation (up to present); President, Aries Prime Resources, Inc., (10 July 2003 to 2009); Director, United Overseas Bank (May 2001 to July 2002); Corporate Secretary, Westmont Bank (17 May 2000 to 16 January 2004); Director, PNB Holdings Ltd. and PNB Hongkong Branch (1998 to February 2000); Bank Attorney, Philippine National Bank (1978-1984); Corporate Secretary, Philippine Racing Club, Inc. (1994-1997); Legal Counsel and Corporate Secretary, National Steel Corporation (3 May 1995 to March 1997). He resides at No. 14 Lopez Jaena Street, Ayala Heights, Quezon City.

LEMUEL M. SANTOS

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

VI. Independent Directors

VICTOR P. LAZATIN

Filipino, born on 16 August 1947. He graduated from University of the Philippines with a degree of AB Economics in 1967 and finished his Bachelor of Laws degree in the same school in 1971 (Cum Laude). He obtained a Masters of Law from University of Michigan in 1974. He resides at 237 West Batangas St., Ayala Alabang, Muntinlupa City. In the last five (5) years or more, he is affiliated with and occupied the following positions in various institutions, viz: Director, ACCRA Investment Corporation (1980-2008), Corporate Secretary/Director, Wide Wide World Express (1995-2008), Corporate Secretary, Oribanex Holdings (1996-2008), Chairman, Timog Silangan Development Corp. (1976-2008), President, Devinelle Provident lands, Inc. (1995-2008), President, Banana d' Or (2001-2008), President, Brodlas Realty Inc. (2000-2008), Senior Partner, Angara Abello Concepcion Regala & Cruz Law Offices (2002 to present). He was first elected as Independent Director of the Corporation on 6 February 2009.

LAURITO E. SERRANO

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

5. Directors and Executive Officers of the Corporation as of 11 May 2016 *[Record Date]*

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

a. Significant Employees

The Corporation has other employees aside from the corporate officers. Hence, there are other persons, executive or otherwise, who are expected to make a significant contribution to the business of the Corporation.

b. Family Relationships

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

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

c. Involvement in Certain Legal Proceedings as of 11 May 2016 *[Record Date]*

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

The Corporation is not aware of any events that occurred during the past five (5) years that are material to an evaluation of the ability and integrity of any directors, executive officers, promoter or control person of the Corporation.

d. Description of Any Material Pending Legal Proceedings

There is no pending material legal proceeding during the last five (5) years to which the Corporation or any of its subsidiaries is a party.

A legal proceeding is deemed material if such case would result in affecting at least ten percent (10%) of the total assets of the Corporation.

e. Certain Relationship and Related Transactions

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

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

			2016		2015			
Entity	Relationship	Nature	Amount	Receivable/ (Payable)	Amount	Receivable/ (Payable)	Terms	Condition
Sierra Prime Properties Corporation (SPPC)	Affiliate	Cash advances	₱–	₱5,000,000	₱–	₱5,000,000	1 year, 6% per annum, Interest bearing	Unsecured, unguaranteed
		Sale of assets and liabilities (see Note 16)	₱–	108,389,153	₱–	108,389,153	Non-interest bearing	Unsecured, unguaranteed
		Interest on Cash Advances	–	600,000	₱–	600,000	Non-interest bearing	Unsecured, unguaranteed
		Other advances	₱–	₱95,240	₱–	₱95,240	Non-interest bearing	Unsecured, unguaranteed
Manila Jockey Club, Inc. (MJCI)	Stockholder	Other advances	–	–	–	–	Non-interest bearing	Unsecured, unguaranteed
		Advances (see Note 10)	₱–	(2,779,799)	₱–	(2,779,799)	Non-interest bearing; due and demandable	Unsecured, unguaranteed
		Subscription	–	42,808,835	₱–	42,808,835	Non-interest	Unsecured,

			2016		2015			
Entity	Relationship	Nature	Amount	Receivable/ (Payable)	Amount	Receivable/ (Payable)	Terms	Condition
		of common shares (see Note 14)					bearing; payable upon call	unguaranteed
MJC Forex Corporation (MFC)	Affiliate	Dollar purchases	-	-	10,118,008	-	On demand; non-interest bearing	Unsecured, no Impairment

Sierra Prime Properties Corporation (SPPC)

In 2011, the Corporation extended an interest-bearing advances amounting to P5.0 million to SPPC for a period of one year with interest rate of 6% per annum. Interest income recognized in 2014, 2013 and 2012 amounted to P0.3 million, P0.3 million and P0.2 million, respectively (see Note 11). Noninterest-bearing receivable and interest receivable from SPPC amounting to P108.2 million and P0.2 million, respectively, pertains to the transfer of a group of assets and liabilities as part of the Memorandum of Agreement (MOA) signed 24 July 2008 in 2012 (see Note 16).

MJC Forex Corporation (MFC)

The Corporation purchases dollars as payment to international service providers of design and consultancy related to the development project in Manila.

6. Compensation of Directors and Executive Officers

Information as to the aggregate compensation paid or accrued during the last year and estimated to be paid in the ensuing year to the Corporation's Chief Executive Officer (CEO) and four (4) most highly compensated executive officers is presented below. Also included in the tabular presentation is the compensation paid to or accrued for other officers. The stated annual salary includes the mandatory thirteenth (13th) month pay.

Position	Name	Annual Compensation								
		2014			2015			2016 (estimate)		
		Salary	Bonus	Other annual compensation	Salary	Bonus	Other annual compensation	Salary	Bonus	Other annual compensation
Chairman & CEO	Alfonso R. Reyno, Jr.	₱3,250,000	-	₱-	₱5,283,000	₱-	₱-	₱7,267,569	₱-	₱-
Vice President & Director	Alfonso VictorioG. Reyno III	2,600,000	-	-	4,105,000	-	-	6,402,462	-	-
Chief Finance Officer	Rodolfo B. Reyno Jr.(Until Oct 2015)	1,820,000	-	-	2,793,000	-	-	-	-	-
Chief Finance Officer	Jose Alvaro D. Rubio(Oct 2015 – Present)	-	-	-	-	-	-	2,793,000	-	-
Corp. Sec. & Gen. Counsel	Ferdinand A. Domingo	991,000	-	-	1,608,000	-	-	2,541,442	-	-

VP for Operations	Juan Antonio S. Gatuslao	1,820,000	-	-	2,891,000	-	-	4,472,313	-	-

All directors are entitled to a per diem ranging from P10,000.00 - P15,000.00 plus a ₱3,000.00 allowance to cover their transportation, communication and other expenses for every board meeting attended. There are no contracts with the named executive officers for any compensation plan or arrangement that will result from the resignation, retirement or any other termination of employment of said executive officers. There are no outstanding warrants or options being held by the named executive officers or directors and neither are there any changes in control arrangements made with the named executive officers and the directors. Thus, there is compliance with Securities and Exchange Commission (SEC) Memorandum Circular No. 8, series of 2004[7].

AS A GROUP

	Annual Compensation					
	2014		2015		2016 (estimate)	
	Salary	Bonus	Salary	Bonus	Salary	Bonus
Directors & Officers	₱14,617,350	₱-	₱16,441,013	₱-	₱24,661,520	₱-

7. Key Management Personnel

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

C. FINANCIAL AND OTHER INFORMATION

8. Independent Public Accountants

a. The principal accountant for the fiscal year ended 31 December 2015 is SGV & Co. with address at 6760 Ayala Avenue, Makati City. The Corporation has engaged Mr. Arnel F. De Jesus, partner of SGV and Co., for the audit of the Corporation's books and accounts in 2015.

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

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

[7] Certification Requirement for Compliance Officers

d. Further, the appointment of the partner-in-charge for 2016 audit will be in compliance with paragraph 3-B, item 9 of SRC Rule 68, as amended[8], on the requirement on the rotation of external auditors. The reappointment of SGV & Co. as the Corporation's external auditors is part of the agenda for this year's Annual Stockholders' Meeting.

e. Representatives of SGV & Co. are expected to be present at the meeting and will have the opportunity to make a statement, if they desire to do so, and to respond to appropriate questions.

f. There are no disagreements with the accountants on accounting principles or practices, financial disclosures or other related matters.

9. Financial Statements

Upon recommendation of the Audit Committee of the audited financial statements, the Board of Directors approved the same during the special board meeting dated 11 April 2016. A copy of the Corporation's audited Financial Statements for the year ended 31 December 2015 is attached herewith with schedules A to K.

D. OTHER MATTERS

10. Action with Respect to Reports and Other Proposed Action

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

I. Approval of the Minutes of the Annual Stockholders' Meeting dated 27 June 2014
II. Report of the President
III. Approval of the Amendments to the Articles of Incorporation of the Corporation particularly Article First by including the business name of the Corporation to read as follows: "MJC Investments Corporation Doing Business Under the Name and Style of Winford Leisure and Entertainment Complex and Winford Hotel and Casino"[9]
IV. Approval of the Amendments to the Articles of Incorporation of the Corporation particularly Article Third by changing the principal office of the Corporation to Winford Hotel and Casino, MJC Drive, Sta. Cruz, 1014, Manila[10]
V. Ratification of All Acts of the Board and Management
VI. Election of Directors
VII. Appointment of External Auditor

[8] *(ix) Rotation of External Auditors* – The independent auditors or in the case of an audit firm, the signing partner, of the aforementioned regulated entities shall be rotated after every five (5) years of engagement. A two-year cooling off period shall be observed in the re-engagement of the same signing partner or individual auditor.
[9] Approved by the SEC on 10 August 2015
[10] Id.

11. Matters to be Submitted for Approval

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

The acts of the Board of Directors and Management pertain primarily to acts in the normal course of business and compliance with and submission of all regulatory requirements, reports and financial statements, audited and unaudited from period to period, such as, but not limited to:

a. Amendment of the authorized signatures of the Corporation's existing current account with BDO—EMERALD (ORTIGAS) Branch;
b. Authorization of the Corporation's Vice President to sign for and in behalf of the Corporation the Memorandum of Agreement between Globe Telecom, Inc. and the Corporation;
c. Authorization of the Corporation to lease out 45.09 square meters of retails space at the ground floor of Winford Hotel and Casino to Philippine Seven Corporation (7-Eleven);
d. Authorization of the Corporation's Director for Facilities Management to transact business with the Philippine Economic Zone Authority;
e. Authorization of the Corporation's Chairman and CEO to enter into a Merchant Agreement with Rizal Commercial Banking Corporation; and
f. Authorization of the Corporation's Finance Assistant Manager to represent and sign for the Corporation in its dealings with Neovine Enterprises.

Furthermore, the Board of Directors and Management seeks the ratification by the stockholders of the approval of the Board of Directors of the additional subscriptions of Eight Hundred Seventy Nine Million Two Hundred Thirty Two Six Hundred Seventy One (879,232,671) shares. Any negative vote with respect to the above matter would not affect the validity of the acts, contracts, investments and resolutions considering that Management has sufficient delegated powers to do the same.

12. Other Proposed Action

N.A.

E. NOMINATION AND VOTING PROCEDURES

13. Nomination Procedure

a. The Nomination Committee shall promulgate the guidelines or criteria to govern the conduct of the nomination. The same shall be properly disclosed in the Corporation's Information Statement or such other reports required to be submitted to the SEC.

b. All nominations for regular and independent directors shall be signed by the nominating stockholders, who must be of good standing, together with the acceptance and conformity by the would-be nominees. The nominations should specify whether the nomination is for regular or independent director.

c. All nominations must be submitted to the Nomination Committee at least five (5) days before the stockholders' meeting to enable the Nomination Committee to effectively pass upon the qualifications of all nominees for regular and independent directors.

d. After screening the qualifications of all nominees, the Nomination Committee shall prepare a Final List of Candidates of both regular and independent directors five (5) days before the stockholders' meeting. Both Lists shall contain all the information about all the nominees for regular director and independent director, as required by under the SRC and its Implementing Rules and Regulations, which shall be made available to the SEC and to the stockholders through the filing and distribution of the Information Statement.

e. Only nominees whose names appear on the Final List of Candidates for regular and independent directors shall be eligible for election as Regular and Independent Directors. No other nominations for both regular and independent director shall be entertained after the Final List of Candidates shall have been prepared by the Nomination Committee. No further nominations for regular and independent director shall be entertained or allowed on the floor during the actual annual/special stockholders' meeting.

f. Except as those required under the SRC and subject to pertinent existing laws, rules and regulations of the SEC, the conduct of the election of regular and independent directors shall be made in accordance with these rules of procedure.

g. The Corporation shall elect at least two (2) independent directors. It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing at least two (2) independent directors. He shall ensure that at least two (2) independent directors are elected during the stockholders' meeting.

14. <u>Vote Requirement</u>

a. For Election of Directors

i. The aforementioned action will require that the majority of the shares of the Corporation's common stock are present and represented and entitled to vote at the annual meeting.

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

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

b. Ratification of all Acts of Management and the Board of Directors for the period of 27 June 2015 to 29 June 2016

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

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

c. Appointment of the External Auditor

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

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

15. Procedure on Voting and Vote Requirement

  a. The Corporation's by-laws provide that at all corporate meetings, each stockholder, either in person or by proxy, shall be entitled to as many votes as he owns shares of stock, such proxy shall be in writing or filed with Secretary of the Corporation[11].

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

16. Procedure for Election of Regular and Independent Directors

  a. There shall be two (2) rounds of voting. The first round shall be the election of the nine (9) regular directors, and the second round shall be the election of the two (2) independent directors. This is to ensure that the independent directors are duly elected by the stockholders as required by the SRC.

  b. Voting is by viva voce or by acclamation. However, the election must be by ballot if requested by any stockholder.

  c. Every stockholder has the right to cumulative voting.

  d. The votes shall be tallied by the Corporation's external auditor under the supervision of the Corporate Secretary.

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[11] Article XVIII, Voting

SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, we certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig on 25 MAY 2016.

Registrant : MJC INVESTMENTS CORPORATION
Date : 25 MAY 2016

By:

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

ALFONSO VICTORIO G. REYNO III
Vice-President

JOSE ALVARO D. RUBIO
Chief Finance Officer

GLENN P. LAGUNDINO
Finance Assistant Manager

Ferdinand A. Domingo
FERDINAND A. DOMINGO
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this day of 25 MAY 2016 at Pasig City, affiants exhibiting to me their ID Nos., as follows:

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

Doc. No. 98;
Page No. 21;
Book No. IV;
Series of 2016.

ATTY. CHINO PAOLO Z. ROXAS
NOTARY PUBLIC
APPOINTMENT NO. M-142 (2015-2016)
Until December 31, 2016
PTR No. 1418810/01-07-16/PASIG CITY
IBP No. 1022069/01-07-16/MAKATI CITY
CITIES OF PASIG, TAGUIG, SAN JUAN AND PATEROS
Roll of Attorney No. 57018

REPORT REQUIRED UNDER SRC RULE 20

MANAGEMENT REPORT

A. Audited Consolidated Financial Statements

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

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

No disagreements with the independent public accountant.

C. Management Discussion and Analysis or Plan of Operation

1) Financial condition and results of operations for the last three (3) fiscal years:

	2015	2014	2013	2012
Asset	6,066,655,430	2,492,588,611	2,390,239,507.00	807,183,600.00
Liabilities	3,100,681,982	209,906,893	83,338,756.00	688,900,630.00
Capital	2,965,973,448	2,282,681,718	2,306,900,751.00	118,282,970.00
Income	4,793,659	10,178,114	10,917,012.00	29,913,188.00
Cost and Expenses	58,733,468	34,397,147	42,834,180.00	40,011,750.00
Net Income(Loss)	(53,939,809)	(24,219,033)	(31,917,168.00)	(10,098,562.00)
Deficit Beginning of Year	(112,383,887)	(88,164,854)	(47,938,131.00)	(37,364,193.00)
Deficit End of Year	(169,692,654)	(112,383,887)	(88,164,854.00)	(47,938,131.00)
Earnings(Loss) per Share	(0.020)	(0.010)	(0.020)	(0.042)
Cash Flows from Operating activities	(180,251,212)	(44,367,524)	(118,733,740.00)	(98,918,332.00)
Cash Flows from Investing activities	(2,078,924,206)	(879,118,024)	(220,323,554.00)	2,143,649.00
Cash Flows from Financing activities	(3,208,548,705)	-	(1,544,634,949.00)	86,013,825.00
Net Increase (Decrease) in Cash	949,373,287	(923,485,548)	1,205,577,655.00	(10,760,858.00)
Cash at Beginning of Year	290,984,133	1,214,469,681	8,892,026.00	19,652,884.00
Cash at End of Year	1,240,357,420	29,098,413	1,214,469,681.00	8,892,026.00

**Cost and Expenses inclusive of provision for income tax*

In 2015, total assets amounted to **P6,066.66** Million compared to **P2,492.59** Million in 2014. There was an increase of **P3,574.07** Million or 143% increase in assets in 2015 such as advances to contractors, input value added tax, and property and equipment. As compared in 2014, total assets in 2013 amounted to **P2,390.24** Million and **P807.18** Million in 2012. There was an increase of **P102.35** Million or 4.28% and **P1,583.06** Million or 196.12% in 2013 and 2012 respectively.

Cash and cash equivalents balance as of 31 December 2015 increased to **P1,240.36** Million as compared to the balance of **P290.98** Million on 31 December 2014. The increase of **P949.38** Million or 326% in 2015 is primarily due to the proceeds from loan in Union Bank of the Philippines. As compared in 2014, total Cash and cash equivalent in 2013 amounted to **P1,214.47** million and **P8.89** million in 2012. There was a decrease of **P923.49** Million or 317% in 2014 and **P1,205.58** Million increase in 2013.

There is no Held for Trading Investments for 31 December 2015, 2014, 2013 and 2012.

The advances to contractors as of 31 December 2015 increased to P481.74 Million from **P145.69** Million in 2014, with an increase of **P335.05** Million or 230%. The increase pertains mainly to the capital outlay for the development project in Manila. In 2013 recorded advances to contractors amounted to P108.32 million and nil in 2012.

Other current assets as of 31 December 2015 increased to **P333.55** Million from **P194.39** Million as of 31 December 2014, showing an increase of P139.16 Million or 71.59%. Other current assets in **2013** amounted **P103.73** Million and **P74.13** million in 2012. The significant increases are due to the Input Vat recognized on various project costs and pre-payments.

Property and equipment as of 31 December 2015 increased to **P3,816.23** Million from **P1,733.11** Million in 2014, showing an increase of **P2,083.12** Million or 120% in 2015 and increase of P891.21 million or 94.47% in 2014. The increase is due to various project costs for the ongoing construction of the hotel-entertainment complex in Sta. Cruz, Manila. The increase of **P231.22** Million in 2013 is mainly due to the property received in consideration for the subscription of MJCI to the Corporation's common shares.

In 2015, total liabilities amounted to **P3,100.69** Million compared to **P209.91** Million in 2014. There is an increase of **P126.57** Million or 1377%. The increase is due to the loans secured at Union Bank of the Philippines mainly for the development project and retention monies. Increase in accounts payable pertains to unclaimed check payments by the contractors and suppliers. The total liabilities in 2013 and 2012 in the amount of **P83.34** Million and **P13** Million respectively are mainly due to the retention payable and accrual of expenses.

The Corporation has no revenues yet from its operations as the construction of the hotel-entertainment complex is still in progress. It has earned interest income from its time deposits and interest from advances to an affiliate. In 2013 the revenue was primarily due to the Interest from Savings and Current Bank Accounts and Dividend Income for **2012**.

Cost and expenses inclusive of provision for income/final taxes during 2015 amounted to **P58.73** Million reflecting an increase of **P24.33** Million compared to the amount in 2014 of **P34.4** Million. Costs and expenses for the current year with high percentage increase on salaries & wages, professional fees, filing and listing fees, meetings and conferences and transportation and travel. Costs and expenses in 2013 amounted to **P42.83** Million and **P40.01** in 2012 with a same higher percentage in the current year except salaries and wages.

The net loss for the current year amounted to **P57.31** Million with a decrease of **P33.09** Million compared to the net loss of **P24.22** Million incurred from the previous year. The net loss for 2013 and 2012 amounted to P31.92 Million and P10.10 Million respectively.

The following are the comparative key performance indicators of the Corporation and the manner of its computation as of the years ended 31 December 2015, 2014, 2013 and 2012:

Indicators	Manner of Computaion	2015	As of the Period Ended 2014	2013	2012
Current Ratio	Curren Assets / Current Liabilities	3.54:1	3.55:1	18.50:1	0.18:1
Debt to Equity Ratio	Total Liabilities / Total Equities	0.21:1	0.09:1	0.04:1	5.82:1
Asset to Liability Ratio	Total Assets / Total Liabilities	1.96:2	11.87:1	28.68:1	1.17:1
Return on Assets	Net Income (Loss) / Total Assets	-89%	97%	-1.34%	-1.25%
Basic Earnings(Losses) Per Share	Net Income(Loss) / Outstanding Common Shares	-0.020	-0.010	-0.020	-0.042

Current ratio is regarded as a measure of the Corporation's liquidity or its ability to meet maturing obligations. As of 31 December 2015, current ratio has decreased to 3.54 from 3.55 of 31 December 2014. As such, the Corporation has P3.54 current assets to support a P1.00 current liability. Current ratio for 2013 is 18.50 and 0.18 for 2012.

The debt to equity ratio measures the riskiness of the Corporation's capital structure in terms of relationship between the funds supplied by the creditors (debt) and investors (equity). As of 31 December 2015 the debt to equity ratio has slightly changed to 0.21 from 0.09 of 31 December 2014. Debt Equity Ratio for 2013 is 0.04 and 5.82 for 2012.

The asset-liability ratio exhibits the relationship of the total assets of the Corporation with its total liabilities. As of 31 December 2015, the ratio decreased to 1.96 from 11.87 of 3 December 2014. This indicates that for every P1.00 of liability, the Corporation has P1.96 of its assets. Asset liability ratio for 2013 is 28.68 and 1.17 for 2012.

The return on assets indicates the percentage of how profitable a Corporation's assets are in generating revenue. This allows the Corporation to see how much the income is per peso of its asset. This aspect is not yet operational in the Corporation. As of 31 December 2015, the ratio changed to (0.89%) from 97% in 2014. Return on assets ratio for 2013 is (1.34%) and (1.25%) for 2012.

As of 31 December 2015, the Corporation's loss per share is (P0.020) from (P0.010) as of the same period in 2014. In 2013, the loss per share is (P0.020) and (P0.042) for 2012.

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on liquidity nor reasonably expected to have a favorable or unfavorable impact from continuing operations

There are no events that will trigger contingent financial obligation.

There are substantial commitments on capital expenditures. The construction of the Hotel-Entertainment Complex is in progress.

There are no material-off balance sheet transactions, arrangements, obligations and other relationships of the Corporation with unconsolidated entities or other persons created during the reporting period.

2) Financial condition and results of operations for the last fiscal year and for 2016 interim period.

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

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

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

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

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

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

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

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

Indicators	Manner of Computation	As of the Period Ended 31 Mar. 2016	 31 Mar. 2015
Current Ratio	Current Assets Current Liabilities	**2.07:1**	8.13:1
Debt Equity Ratio	Total Liabilities Total Equities	**1.03:1**	0.05:1
Asset Liability Ratio	Total Assets Total Liabilities	**1.97:1**	20.90:1
Return on Assets	Net Income (Loss) Total Assets	**(0.006%)**	(0.23%)
Basic Earnings(Losses) Per Share	Net Income (Loss) Outstanding Common Shares	**(P0.012)**	(P0.003)

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

The debt to equity ratio measures the riskiness of the Corporation's capital structure in terms of relationship between the funds supplied by the creditors (debt) and investors (equity). As of 31 March 2016, the debt to equity ratio has increased to 1.03 from 0.05 from 31 March 2015.The effect of high debt to equity ratio indicates higher risk, as debt holders may have higher claims on the Corporation's assets.

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

Return on Assets is computed by dividing net income over total assets. This allows the Corporation to see how much the income is, per peso asset. As of March 31, 2016 the ratio changed to (0.006%) from (0.23%) during the same period in 2015. The ratio in March 2014 is (0.013%). This profitability ratio is not yet feasible to the Corporation.

As of 31 March 2016, the Corporation's loss per share is (P0.012) from (P0.003) as of the same period in 2015 and in March 2014 the Corporation incurred a (P0.010) loss per share.

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

There are no known events or uncertainties that will have a material impact on liquidity.

There are no material-off balance sheet transactions, arrangements, obligations and other relationships of the Corporation with unconsolidated entities or other persons created during the reporting period.

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

D. External Audit Fees and Audit-Related Fees

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

The engagement of an external auditor as well as the type of services to be rendered to the Corporation is being evaluated by the Audit Committee and recommended to the Board. Likewise, the payment of audit fees is being evaluated by the same committee prior to remittance.

In the past two (2) years, the Corporation paid its external auditors the following fees:

	Audit and audit-related fees *(with VAT)*
2015	₱550,000.00
2014	₱350,000.00

There were no disagreements with the SGV & Co. on any matter of accounting and financial disclosures.

E. General Nature and Scope of Business

The Corporation was formed in 1955 to engage in mining business. However, the Corporation stopped its mining operations and eventually changed its primary purpose form mining to that of an investments holding Corporation (approved by the SEC on February 12, 1997).

As provided for in its Amended Articles of Incorporation, the Corporation is formed primarily "to carry on the business of an investment holding Corporation and for that purpose either in the name of the said Corporation or in the name of any other Corporation in which it shall have an equity interest, to receive, purchase or otherwise acquire an interest in, hold, own, pledge, mortgage, assign, dispose and generally deal in all kinds of securities including but not limited to shares of stock of Corporation which shall include but shall not be limited to financial services institution such as banking, insurance, stock broking, leasing, hire purchase and other forms of financial services as are found in modern financial market; to acquire and hold real property and personal property which includes but not limited to hotels, inns, restaurants, cafes, bars, stores and offices, barbershops and beauty lounges, sports facilities, places of amusements and entertainment of all kinds; to enter into any lawful arrangement for sharing profits with any Corporation, association, partnership, person or entity, domestic or foreign, in concessions, rights or licenses tom others to operate, manage or deal with the same; and to do any and all things necessary, suitable, convenient, proper or incidental to the accomplishment of the above purposes[12]."

The Corporation is an associate of Manila Jockey Club, Inc.

F. Plan of Operation

The Winford Hotel and Entertainment Project located at the San Lazaro Business and Toursim Park, Sta. Cruz, Manila, is being developed by the Corporation as a 22-story five-star hotel with 128 all suite rooms, an expansive podium to house high-end restaurants, a column-less 1,000+ person capacity, 900 parking slots and over 9,000 square meters of internationally designed themed indoor entertainment spaces. The estimated cost of the entire Project is P8 Billion funded by way of equity and borrowings.

The hotel's entertainment hub will fill a critical need for luxury accommodations, meetings and event facilities as well as creative and innovative entertainment concepts targeted to the expanding and affluent Chinese and Filipino-Chinese communities in central Mega Manila, where no new luxury hotel has opened in the past almost ten (10) years.

The entertainment portion is the casino to be operated by PAGCOR pursuant to the Agreement dated 18 March 2010 between PAGCOR and the Corporation. Under the said Agreement, the Corporation shall establish the gaming facility, including furnishings, with PAGCOR supervising and managing the casino operations. The Corporation shall be entitled to forty percent (40%) of the gross revenues of the casino after deducting prizes, winnings and taxes.

Construction of the hotel and entertainment complex is in full swing. It had its soft opening on 6 January 2016.

The researches, studies and surveys conducted by local and international consulting firms show very positive and encouraging outlook of the Project. The Project is targeting China, South Korea, Japan, Malaysia, and Singapore markets because of their economic growth and consumption patterns. Furthermore, these economies are just 2 to 4 hours from Manila. An initial result showed very positive returns and is expected to even improve in the coming years.

G. Market Price and Dividends

[12] Article II, Amended Articles of Incorporation

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

2014

	1st Quarter Price	2nd Quarter Price	3rd Quarter Price	4th Quarter Price
HIGH	3.55	4.00	3.50	3.80
LOW	3.10	3.16	3.16	3.16

2015

	1st Quarter Price	2nd Quarter Price	3rd Quarter Price	4th Quarter Price
HIGH	3.98	4.20	4.25	3.79
LOW	3.15	1.99	2.10	2.80

2016

	1st Quarter Price	2nd Quarter Price	3rd Quarter Price	4th Quarter Price
HIGH	4.57	--	--	--
LOW	3.00	--	--	--

The price per share is 3.49 as of 11 May 2016.

2. There are Four Hundred Forty Four (444) holders of common equity of the Corporation as of 11 May 2016. The Corporation has no other class of shares.

3. Top Twenty Stockholders as of 11 May 2016 *[Record Date]*

No.	Stockholders	No. of Shares	%	Title of Class
1.	MANILA JOCKEY CLUB, INC.	600,800,000	18.93%	Common
2.	GRAND PROSPERITY HOTEL AND LEISURE CORPORATION	126,513,013	3.99%	Common
3.	GRAND STALLION HOTELS AND AMUSEMENT, INC.	126,500,000	3.98%	Common
4.	ORCHARDSTAR HOLDINGS, INC.	125,573,000	3.96%	Common
5.	PURPLE CASSADY HOLDINGS, INC.	125,572,000	3.96%	Common
6.	FLYING HERON HOLDINGS, INC.	125,571,000	3.96%	Common
7.	BELLTOWER LAKES HOLDINGS, INC.	125,570,000	3.96%	Common
8.	CHERRYGROVE HOLDINGS, INC.	125,570,000	3.96%	Common
9.	EAST BONHAM HOLDINGS, INC.	125,570,000	3.96%	Common
10.	BRANFORD RIDGE HOLDINGS, INC.	125,569,000	3.96%	Common
11.	ONE WISTERIA LOOP HOLDINGS, INC.	63,892,500	2.01%	Common

12. MULBERRY ORCHID HOLDINGS, INC.	61,285,000	1.93%	Common
13. BELGRAVE SQUARE HOLDINGS, INC.	53,471,250	1.68%	Common
14. EVERDEEN SANDS HOLDINGS, INC.	53,471,250	1.68%	Common
15. FAIRBROOKS HOLDINGS, INC.	53,471,250	1.68%	Common
16. MONTBRECIA PLACE HOLDINGS, INC.	53,471,250	1.68%	Common
17. PEPPERBERRY VISTA HOLDINGS, INC.	53,471,250	1.68%	Common
18. SAVILE ROW HOLDINGS, INC.	53,471,250	1.68%	Common
19. ARIES PRIME GLOBAL HOLDINGS	43,145,626	1.36%	Common
20. MAGSARILI, STEPHANIE TERESA	13,170,000	0.41%	Common

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

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

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

H. Discussion on Compliance with Leading Practices on Corporate Governance

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

Some of the measures being undertaken by the Corporation include updating the persons concerned on any available seminar on Corporate Governance-related matters informing them of recent trends in Corporate Governance.

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

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

I. Undertaking

The Corporation undertakes, upon the written request of its stockholder, to provide such stockholder free of charge with a printed or electronic copy of its Annual Report or SEC Form 17-A.

Written requests shall be addressed to:

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

MJC INVESTMENTS CORP.

Winford Hotel and Casino, MJC Drive, Sta. Cruz, Manila 1014

CERTIFICATION

I, LEMUEL M. SANTOS, the duly elected and qualified Corporate Information Officer and Compliance Officer of MJC INVESTMENTS CORPORATION DOING BUSINESS UNDER THE NAME AND STYLE OF WINFORD LEISURE AND ENTERTAINMENT COMPLEX AND WINFORD HOTEL AND CASINO (the "Corporation"), a corporation duly organized and existing under Philippine laws with business address at Winford Hotel and Casino, MJC Drive, Sta. Cruz, 1014, Manila, Philippines, hereby certify that no Directors or Officers of the Corporation are connected with any government agencies or its instrumentalities.

IN WITNESS WHEREOF, this Certification has been signed this 25th of May 2016 at Pasig City.

LEMUEL M. SANTOS
Corporate Information Officer

SUBSCRIBED AND SWORN to before me this 25 MAY 2016 day of May 2016 at Pasig City, affiant exhibiting to me his Tax Identification No. 143-405-790 issued in the Philippines.

Doc. No. 97 ;
Page No. 21 ;
Book No. IV ;
Series of 2016.

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

MJC INVESTMENTS CORPORATION
BALANCE SHEETS

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

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

	2016	2015
GAMING REVENUE - 40% PAGCOR SHARE	11,837,913	-
F&B REVENUE	66,962	-
INVESTMENT GAINS (LOSSES)		
Gain on sale of held for trading investments	-	-
TOTAL OPERATING REVENUE	11,904,875	
COST OF SALES		
Food	671,593	-
Beverage	1,028,815	-
	1,700,408	
EXPENSES		
Salaries and Wages	2,705,979	6,646,999
Filing and Listing Fees	806,311	254,450
Meetings and Conferences	447,716	22,397
Travel and Transportation	444,608	17,387
Professional Fees	12,675,461	565,668
Directors Fees	-	-
Rental Expense	751,364	342,697
Representation	-	-
Suppplies	3,598,090	15,501
Utilities	13,240,005	88,462
Taxes and Licenses	2,770,939	5,066
Depreciation Expense	4,475,828	153,617
Others	5,242,310	555,118
	47,158,611	8,647,362
OTHER INCOME (CHARGES)		
Interest Income	511,272	2,078,763
		2,078,763
INCOME/ (LOSS) BEFORE INCOME TAX	(36,442,872)	(6,568,599)
PROVISION FOR (BENEFIT FROM) INCOME TAX	102,170	415,753
NET INCOME/ (LOSS)	(36,545,042)	(6,984,352)
OTHER COMPREHENSIVE INCOME		-
TOTAL COMPREHENSIVE INCOME (LOSS)	(36,545,042)	(6,984,352)
Basic/Diluted Losses Per Share	(₱0.012)	(₱0.003)

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

	Capital Stock					
	Subscribed	Subscription	Net	Additional	Deficit	Total
BALANCES AT DECEMBER 31, 2014*	2,500,614,159	(105,548,554)	2,395,065,605		(112,383,687)	2,282,681,718
Additional Subscription*	673,791,662		673,791,662			673,791,662
Collection of subscription receivable		66,808,835	66,806,835			66,808,835
Transaction cost on Stock issuance*			-		(3,368,958)	(3,368,958)
Total Comprehensive loss for the year	-	-	-	-	(53,939,809)	(53,939,809)
BALANCES AT DECEMBER 31, 2015*	3,174,405,821	(38,739,719)	3,135,666,102	-	(169,692,654)	2,965,973,448
Total Comprehensive loss for the quarter**			-		(36,545,042)	(36,545,042)
BALANCES AT MARCH 31, 2016**	3,174,405,821	(38,739,719)	3,135,666,102	-	(206,237,696)	2,929,428,406

BALANCES AT DECEMBER 31, 2013*	2,500,614,159	(105,548,554)	2,395,065,605		(88,164,854)	2,306,900,751
Total Comprehensive loss for the year					(24,219,033)	(24,219,033)
BALANCES AT DECEMBER 31, 2014*	2,500,614,159	(105,548,554)	2,395,065,605	-	(112,383,887)	2,282,681,718
Additional Subscription*	673,791,662		673,791,662			673,791,662
Transaction cost on Stock issuance*			-		(3,368,958)	(3,368,958)
Total Comprehensive loss for the quarter*					(6,984,351)	(6,984,351)
BALANCES AT MARCH 31, 2015*	3,174,405,821	(105,548,554)	3,068,857,267	-	(122,737,196)	2,946,120,071

* Audited

** Unuadited

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

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

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

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

MJC INVESTMENTS CORPORATION
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

MJC Investments Corporation (the "Company") was incorporated on July 15, 1955 as Palawan Consolidated Mining Company, Inc. On November 11, 1955, the Company was listed in the Philippine Stock Exchange (PSE). The following are the series of changes in corporate name and their effective dates of change as approved by the Philippine Securities and Exchange Commission (SEC):

Date	Corporate Name
February 12, 1997	Ebecom Holdings Inc.
September 25, 2003	Aries Prime Resources, Inc.
September 30, 2008	MJCI Investments, Inc.
October 15, 2009	MJC Investments Corporation

In 2005, the SEC approved the extension of the Company's corporate life for another fifty years starting July 2005.

On January 19, 2010, the SEC approved the amendment of the Company's primary purpose from engaging in mining operation to that of an investment holding company, which is to acquire by purchase, lease or otherwise, lands or interest in lands and realty, and to own, hold, improve or develop said land or real estate so acquired, and to build or cause to be built on any lands owned, held, occupied or acquired, buildings, facilities, and other structures with their appurtenances, for residential, commercial, mixed-use, leisure, gaming, amusement and entertainment purposes.

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

2. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies and Disclosures

Basis of Preparation
The financial statements of the Company have been prepared using the historical cost basis. The financial statements are presented in Philippine Peso (Peso, ₱), the Company's functional currency, and rounded off to the nearest Peso, except when otherwise indicated.

Statement of Compliance
The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

3. Summary of Significant Changes in Accounting Policies and Disclosures

New and amended standards and interpretation
The Company applied for the first time certain standards and interpretation, which are effective for annual periods beginning on or after January 1, 2014. Except when otherwise indicated, these standards and interpretation have no impact on the Company's financial position, performance and/or disclosures:

- PAS 32, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amendments)
  These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and are applied retrospectively.

- PAS 36, Impairment of Assets - Recoverable Amount Disclosures for Nonfinancial Assets (Amendments)
These amendments remove the unintended consequences of PFRS 13, Fair Value Measurement, on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period.

- PAS 39, Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting (Amendments)
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required.

- Investment Entities (Amendments to PFRS 10, Consolidated Financial Statements, PFRS 12, Disclosure of Interests in Other Entities and PAS 27, Separate Financial Statements)
These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss (FVPL). The amendments must be applied retrospectively, subject to certain transition relief.

- Philippine Interpretation of IFRIC 21, Levies
Philippine Interpretation of IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for this interpretation.

- Annual Improvements to PFRSs (2010 - 2012 cycle)
In the 2010 – 2012 annual improvements cycle, seven amendments to six standards were issued, which included an amendment to PFRS 13, Fair Value Measurement. The amendment to PFRS 13 is effective immediately and it clarifies that short – term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment has no impact on the Company.

- Annual Improvements to PFRSs (2011 - 2013 cycle)
In the 2011 - 2013 annual improvements cycle, four amendments to four standards were issued, which included an amendment to PFRS 1, First-time Adoption to Philippine Financial Reporting Standards – First-time Adoption of PFRS. The amendment to PFRS 1 is effective immediately. It and it clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment has no impact on the Company as it is not a first time PFRS adopter.

<u>Standards Issued but not yet Effective</u>
The Company will adopt the following new and amended standards and interpretations when these become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended standards and interpretations to have significant impact on the financial statements.

Effective in 2015

PAS 19 (Amendments), Employee Benefits - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after January 1, 2015 and are applied retrospectively)
PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.

Annual Improvements to PFRSs (2010-2012 Cycle) (effective for annual periods beginning on or after January 1, 2015)

These annual improvements include:

- PAS 16, Property, Plant and Equipment, and PAS 38, Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization
  The amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.

- PAS 24, Related Party Disclosures - Key Management Personnel
  The amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

- PFRS 2, Share-based Payment - Definition of Vesting Condition
  This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

  - A performance condition must contain a service condition.
  - A performance target must be met while the counterparty is rendering service.
  - A performance target may relate to the operations or activities of an entity, or to those of another entity in the same company.
  - A performance condition may be a market or non-market condition.
  - If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

- PFRS 3, Business Combinations - Accounting for Contingent Consideration in a Business Combination
  The amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at FVPL whether or not it falls within the scope of PAS 39, Financial Instruments: Recognition and Measurement.

- PFRS 8, Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets
  The amendments are applied retrospectively and clarify that:

  - An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
  - The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

Annual Improvements to PFRSs (2011-2013 Cycle) (effective for annual periods beginning on or after January 1, 2015)

These annual improvements include:

- PAS 40, Investment Property
  The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

- PFRS 3, Business Combinations - Scope Exceptions for Joint Arrangements
  The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:

  - Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
  - This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

- PFRS 13, Fair Value Measurement - Portfolio Exception
  The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39.

Effective in 2016

- PAS 16, Property, Plant and Equipment and PAS 38, Intangible Assets (Amendments) - Clarification of Acceptable Methods of Depreciation and Amortization (effective for annual periods beginning on or after January 1, 2016 and are applied prospectively)
  The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.
- PAS 16, Property, Plant and Equipment and PAS 41, Agriculture (Amendments) - Bearer Plants (effective for annual periods beginning on or after January 1, 2016 and are applied retrospectively)
  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 (Amendments), Separate Financial Statements - Equity Method in Separate Financial Statements (effective for annual periods beginning on or after January 1, 2016 and are applied retrospectively)
  The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after January 1, 2016 and are applied retrospectively)
  These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

- PFRS 11 (Amendments), Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after January 1, 2016 and are applied prospectively)
  The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is

retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

Annual Improvements to PFRSs (2012-2014 Cycle) (effective for annual periods beginning on or after January 1, 2016)

These annual improvements include:

- PAS 19, Employee Benefits - Regional Market Issue Regarding Discount Rate
This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

- PFRS 5, Noncurrent Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal
The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is 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: Disclosures - Servicing Contracts
PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

Effective in 2018

- PFRS 9, Financial Instruments (effective for annual periods beginning on or after January 1, 2018 and are applied retrospectively)
In July 2014, the final version of PFRS 9, Financial Instruments, was issued. 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.

  The adoption of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Company's financial liabilities. The Company is currently assessing the impact of adopting this standard.

Interpretation whose effective date was deferred

- Philippine Interpretation of IFRIC 15, Agreements for the Construction of Real Estate
This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The Philippine SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

Standard issued by the IASB but not yet been adopted by the FRSC

- IFRIC 15, Revenue from Contracts with Customers
  IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted.

  The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

4. Summary of Significant Accounting and Financial Reporting Policies

Financial Assets and Financial Liabilities
Financial assets and financial liabilities are recognized initiall.; y at fair value. Transaction costs are included in the initial measurement of all financial assets and financial liabilities, except for financial instruments measured at fair value through profit or loss (FVPL). Fair value is determined by reference to the transaction price or other market prices. If such market prices are not readily determinable, the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rates of interest for similar instruments with similar maturities.

The Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument.

All regular way purchases and sales of financial assets are recognized on the trade date, i.e., the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets are classified into the following categories:

a. Financial assets at FVPL
b. Loans and receivables
c. Held-to-maturity (HTM) investments
d. Available-for-sale (AFS) financial assets

Financial liabilities, on the other hand, are classified into the following categories:

a. Financial liabilities at FVPL
b. Other financial liabilities

As of March 31, 2016 and December 31, 2015, the Company has no financial assets or financial liabilities at FVPL, HTM investments and AFS financial assets.

The Company determines the classification at initial recognition and, where allowed and appropriate, re-evaluates this classification at every reporting date.
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 Company provides money, goods or services directly to a debtor with no intention of trading the receivables. Loans and receivables are carried at cost or amortized cost in the statement of financial position.

Amortization is determined using the effective interest rate (EIR) method. Loans and receivables are included in current assets if maturity is within 12 months from the reporting date. Otherwise, these are classified as noncurrent assets.

Included in this category are the Company's cash and cash equivalents and receivables as of March 31, 2016 and December 31, 2015.

Other financial liabilities
This category pertains to financial liabilities that are not held for trading or not designated at FVPL upon the inception of the liability. These include liabilities arising from operations (e.g., payables and accruals) or borrowings (e.g., loans and obligations arising from finance lease). The liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the EIR method of amortization (or accretion) for any related premium (or discount) and any directly attributable transaction costs.

Included in this category are the Company's accounts payable and other current liabilities as of March 31, 2016 and December 31, 2015.

Derecognition of Financial Assets and Financial Liabilities

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

- the rights to receive cash flows from the asset have expired;
- the 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
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the 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 original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

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

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

Day 1 Difference
Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in the statement of comprehensive income unless it qualifies for recognition as some other type of asset. In cases where data used is not observable, the difference between the transaction price and model value is only recognized in statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the 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 statement of financial position.

Impairment of Financial Assets
The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost
The 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. Objective evidence includes observable data that comes to the attention of the Company about loss events such as, but not limited to, significant financial difficulty of the counterparty, a breach of contract, such as a default or delinquency in interest or principal payments, probability that the borrower will enter bankruptcy or other financial reorganization. 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 the 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 the collective assessment of impairment.

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in statements of comprehensive income. Interest income continues to be accrued on the reduced carrying amount based on the original EIR of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Company. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment losses account. If a future write-off is later recovered, the recovery is recognized in the statements of comprehensive income. Any subsequent reversal of an impairment loss is recognized in the statements of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortized cost at reversal date.

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by 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.

Advances to Contractors and Suppliers

Advances to contractors and suppliers represent cash advanced to contractors and suppliers which are liquidated through progress billings.

Input VAT

Input VAT is recognized when the Company purchases goods or services from a VAT-registered supplier or vendor. This account is offset against any output VAT previously recognized.

Property and Equipment

Property and equipment, except land, is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment in value. Land is stated at cost less impairment in value.

The initial cost of an asset comprise its purchase price, any related capitalizable borrowing costs and other 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 operation, such as repairs and maintenance 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.

Depreciation commences when an asset is in its location and condition capable of being operated in the manner intended by management and ceases at the earlier of the date the assets are held for sale and the date the assets are derecognized. Depreciation of property and equipment is computed in a straight line basis over the estimated useful life of each property and equipment as follows:

Office Equipment	5 years
Transportation Equipment	5 years
Furniture and Fixtures	5 years
Computer Software and Hardware	3 years
Health and Safety Equipment	3 years

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

When assets are sold or retired, their costs and accumulated depreciation, and any accumulated impairment in value are eliminated from the accounts. Any gain or loss resulting from their disposal is included in the statements of comprehensive income.

Construction in progress represents structures under construction and is stated at cost. This includes cost of construction and other direct cost. Construction in progress is not depreciated until such time the relevant assets are completed and are available for use.

Impairment of Nonfinancial Assets
The Company assesses at each reporting date whether there is an indication that its property and equipment may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

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

Capital Stock
Capital stock represents the portion of the paid in capital representing the total par value of the shares issued. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Deficit
Deficit represents the cumulative balance of net income or loss, dividend distributions, prior period adjustments and effects of changes in accounting policy.

Basic/Diluted Losses Per Share
Basic losses per share (EPS) is computed by dividing net loss attributable to equity holders of the Company for the year by the weighted average number of common shares outstanding during the year after giving retroactive effect to stock dividends declared and stock rights exercised during the year, if any. The Company currently does not have potential dilutive common shares.

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

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

Dividend income

Revenue is recognized when the Company's right to receive the payment is established.

Expenses

Expenses are recognized in the statements of comprehensive income at the date they are incurred.

Income Taxes

Current tax

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

Deferred tax

Deferred tax is recognized using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluations. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the year when the assets are realized or the liabilities are settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the related deferred taxes relate to the same taxable entity and the same taxation authority.

Provisions

Provisions are recognized when: (1) the Company has a present obligation (legal or constructive) as a result of a past event; (2) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (3) a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. When the Company expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain and its amount is estimable.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

Segment Reporting
The Company has only one reportable segment and is presented in Note 17 to the financial statements.

Events After the Reporting Date
Events after the reporting date, that provide additional information about the financial position at the reporting date (adjusting events), if any, are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to the financial statements when material.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used are based on management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from the estimates and assumptions used. The effects of any change in estimates or assumptions are reflected in the financial statements when these become reasonably determinable.

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

Judgments
In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on amounts recognized in the financial statements.

Determination of functional currency
The Company's functional currency was determined to be the Peso. It is the currency of the primary economic environment in which the Company operates.

Classification of financial instruments
The Company classifies a financial instrument, or its component parts, on initial recognition either as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definition of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial position.

Recognition of deferred tax assets
The Company makes an estimate of its future taxable income and reviews the carrying amount of the deferred tax assets at each reporting date. The carrying amount is reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of March 31, 2016 and December 31,2015, no deferred tax assets on the Company's unused NOLCO and excess MCIT were recognized as management believes that the Company may not have sufficient future taxable income against which the excess MCIT and unused NOLCO may be applied (see Note 12).

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

Estimation of allowance for doubtful accounts
The allowance for doubtful accounts relating to receivables is estimated based on two methods. The amounts calculated using each of these methods, are combined to determine the total

allowance to be provided. First, specific accounts are evaluated based on information that certain customers may be unable to meet their financial obligations. In these cases, judgment is used based on the best available facts and circumstances, including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors, to record specific reserves against amounts due to reduce receivable amounts expected to be collected. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated. Second, a collective assessment of historical collection, write-off, experience and customer payment terms is made.

The amount and timing of recorded expenses for any period could therefore differ based on the judgments or estimates made. An increase in the Company's allowance for doubtful accounts will increase its recorded operating expenses and decrease its current assets.

The carrying values of receivables as of March 31, 2016 and December 31, 2015 are disclosed in Note 7 to the financial statements. No provision for doubtful accounts was recognized in 2016 and 2015.

Estimation of the useful lives of property and equipment
The useful lives of each of the Company's property and equipment are estimated based on the period over which the assets are expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of each asset are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. It is possible however, that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses brought about by the changes in the factors mentioned above. A reduction in the estimated useful lives of any property and equipment would increase the recorded operating expenses and decrease noncurrent assets. There were no changes in the estimated useful lives of the property and equipment as of March 31, 2016 and 2015.

As of March 31, 2016 and December 31, 2015, the carrying value of property and equipment are disclosed in Note 10 to the financial statements.

Impairment of nonfinancial assets
The Company assesses at each reporting date whether there is any indication that property and equipment may be impaired. If such indication exists, the entity shall estimate the recoverable amount of the asset, which is the higher of an asset's or CGU's fair value, less costs to sell and its value-in-use.

No impairment loss was recognized in March 2016, and December 2015 for advances to contractors and suppliers, input VAT and property and equipment. Based on management's assessment, there are no indications of impairment on the Company's nonfinancial assets.

Recoverability of input VAT
The Company assesses the recoverability of input VAT based on the estimated sale of services subject to VAT. Management has assessed that the recognized input VAT as of March 31 2016 and December 31, 2015 are recoverable and are disclosed in Note 8 to the financial statements.

Provisions
The Company provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provision is based on known information at the reporting date, net of any estimated amount that may be reimbursed to the Company. No provisions were recognized as of March 31, 2016 and December 31, 2015.

6. Cash and Cash Equivalents

This account consists of:

	2016	2015
Cash on hand	₱50,000	₱50,000
Cash in banks	268,946,703	103,711,715
Cash equivalents	6,584,558	531,914,206
	₱275,581,261	₱635,675,921

Cash in banks generally earn interest at the respective bank deposit rates. Cash equivalents are short-term deposits made for varying periods of up to three months and earn interest at the respective short-term deposit rates.

Interest income earned from bank deposits and time deposits aggregated to ₱0.511 million in March 2016 and ₱2.08 million in March 2015 (see Note 11).

7. Receivables

This account consists of:

	2016	2015
Accounts Receivables	108,439,153	108,214,153
Advances To Affiliates	2,399,766	5,095,242
Advances to Employees	319,753	200,120
Interest Receivables	765,834	775,000
	₱111,924,506	₱114,284,515

Interest receivable consists of accrued interest income from time deposit.

8. Advances to Contractors and Suppliers

The company made advances to contractors and suppliers amounting to 423.6 million and 481.7 million as of March 31, 2016 and December 31, 2015 respectively. These are non-interest bearing down payments which are applied against future progress billings by the contractors and suppliers.

9. Input VAT

This account consists of:

	2016	2015
Current	₱344,862,684	₱227,536,621
Deferred:		
Construction in progress	38,384,347	7,141,287
Others		
	38,384,347	7,141,287
	₱383,247,031	₱234,677,906

Input Vat pertains mainly to the company's purchases related to the construction of Winford Hotel Building, while deferred input vat pertains to the VAT related to the retention payable.

10. Property, Plant and Equipment

2016

	Land	Machinery	Furniture and fixtures	Art and Decorative	Computer Software and Hardware	Office Equipment	Transportation Equipment	Health and Safety Equipment	Gaming Equipment	Kitchen and Bar Equipment	Linens	Music and Audio Equipment	Operating Equipment	Tools and Other Equipment	Construction in Progress	Total
Cost																
Balance at Beginning of year	600,000,000.00	-	2,555,302.00	-	111,794,599.00	1,532,951.00	1,625,893.00	75,282,324.00	203,095,681.00	-	-	-	21,531,337.00	-	2,799,184,871.00	3,817,402,958.00
Additions		551,851.68	567,415.00	738,730.00	27,371,639.47	1,423,000.00	-	7,451,612.37	85,039,589.08	285,670.00	3,229,188.47	1,332,543.21	10,605,696.21	511,173.70	704,882,906.93	843,990,996.12
Balance at end of year	600,000,000.00	551,851.68	3,122,717.00	738,730.00	139,166,238.47	2,955,951.00	1,625,893.00	82,733,936.37	288,135,270.08	285,670.00	3,229,188.47	1,332,543.21	32,137,033.21	511,173.70	3,504,067,777.93	4,661,393,954.12
Accumulated Depreciation																
Balance at Beginning of year	-	-	55,822.00	-	442,679.00	33,157.00	640,357.00	2,902.00	-	-	-	-	-	-	-	1,174,917.00
Additions		9,187.52	29,248.99	41,040.56	2,132,102.95	52,383.24	81,294.63	263,714.51	1,268,291.27	15,870.56	89,699.68	2,209.05	452,522.04	18,252.88	-	4,475,827.88
Balance at end of year	-	9,187.52	85,070.99	41,040.56	2,574,781.95	85,540.24	721,651.63	266,616.51	1,268,291.27	15,870.56	89,699.68	2,209.05	452,522.04	18,252.88	-	5,650,744.88
Net Book Value	600,000,000.00	542,664.16	3,037,646.01	697,689.44	136,591,456.52	2,870,410.76	904,241.37	82,467,319.86	286,866,978.81	269,799.44	3,139,488.79	1,330,334.16	31,684,511.17	492,920.82	3,504,067,777.93	4,655,743,209.24

2015

	Land	Machinery	Furniture and fixtures	Art and Decorative	Computer Software and Hardware	Office Equipment	Transportation Equipment	Health and Safety Equipment	Gaming Equipment	Kitchen and Bar Equipment	Linens	Music and Audio Equipment	Operating Equipment	Tools and Other Equipment	Construction in Progress	Total
Cost																
Balance at Beginning of year	600,000,000.00		98,337.00		695,664.00	96,643.00	1,625,893.00	11,607.00	-				-		1,130,323,472.00	1,733,631,416.00
Additions			2,457,365.00		111,098,935.00	1,436,308.00	-	75,270,717.00	203,095,681.00				21,531,337.00		1,668,861,399.00	2,083,771,542.00
Balance at end of year	600,000,000.00	-	2,555,302.00	-	111,794,599.00	1,532,951.00	1,625,893.00	75,282,324.00	203,095,681.00	-	-	-	21,531,337.00	-	2,799,184,871.00	3,817,402,958.00
Accumulated Depreciation																
Balance at Beginning of year	-		15,163.00		181,773.00	12,269.00	315,179.00	-	-				-		-	524,384.00
Additions	-		40,659.00		260,906.00	20,888.00	325,178.00	2,902.00	-				-		-	650,533.00
Balance at end of year	-	-	55,822.00	-	442,679.00	33,157.00	640,357.00	2,902.00	-	-	-	-	-	-	-	1,174,917.00
Net Book Value	600,000,000.00	-	2,499,480.00	-	111,351,920.00	1,499,794.00	985,536.00	75,279,422.00	203,095,681.00	-	-	-	21,531,337.00	-	2,799,184,871.00	3,816,228,041.00

11. Accounts Payable and Other Current Liabilities

This account consists of:

	2016	2015
Accrued expenses	₱25,175,755	₱10,491,266
Accounts payable	352,775,729	388,238,778
Retention payable	204,812,297	202,160,961
Advances from an affiliate (see Note 13)	4,096,965	4,096,965
Interest Payable	-	14,047,419
Others	23,981,693	6,191,415
	₱589,763,649	₱625,226,804

As of March 31, 2016, accrued expenses pertain to the employees' 13th month pay and the monetary value of unutilized leave credits.

Accounts payable of the Company mainly pertains to unclaimed checks by contractors and suppliers for the construction cost incurred for the development project in Manila (see Note 9).

Retention payable represents the portion of construction billings which will be paid upon satisfaction by the contractors of the conditions specified in the contracts or until defects have been corrected.

12. Loans Payable

In 2015, the company signed a 7-year loan agreement with Union Bank of the Philippines for a 3.5 billion loan facility with an interest rate of 7-year PDST R2 + 125 basis points, plus gross receipts tax. The proceeds from the loan shall be used to fund acquisition of gaming system and equipment, hotel furniture and equipment and permanent working capital of the company. In November 2015, the company drew 2.5 billion from the loan facility, receiving proceeds of 2.47 billion, net issue cost of 30 million and upfront fees amounting to 17.5 million. Out of the 17.5 million upfront fee, 5 million pertains to the undrawn portion which is presented as part of "prepayments" in the company's statements of financial position as of December 31, 2015.

Outstanding loans payable as of March 31, 2016 amounted to 2.43 billion, net of unamortized debt issue cost of 24.5 million. The related interest expense recognized in 2015 amounted to 14.5 million.

Loan Covenants

The loan imposes certain restriction with respect to corporate reorganization, debt to equity ratio, disposition of all or substantial part of the company's assets, declaration or payments of dividends to its shareholders (other than dividends payable solely in share of capital stock) and payments of loans or advances from its shareholders, affiliates, subsidiaries or related entities when the company is in default.

13. Interest Income

Interest income related to:

	Mar. 2016	Mar. 2015
Cash and cash equivalents (see Note 6)	₱275,581,261	₱635,675,921
	₱275,581,261	₱635,675,921

14. Income Taxes

The provision for income tax consists of the following:

	Mar. 2016	Mar. 2015
Current:		
Final	₱102,170	₱415,753
MCIT	-	-
	₱102,170	₱415,753

There were no deferred tax liabilities as of March 31, 2016 and 2015.

No deferred tax assets were recognized on the following carry forward benefits of unused NOLCO and excess MCIT as of March 31, 2016 December 31, 2015 and 2014 as management believes that the Company may not have sufficient future taxable income against which the excess MCIT and unused NOLCO may be applied:

The details of NOLCO and excess of MCIT over RCIT are as follows:

NOLCO

Year Incurred	Beginning Balance		Incurred	Expired		Ending Balance		Available until
2012	PhP	39,774,256.00		PhP	39,774,256.00	PhP	-	2015
2013	PhP	40,141,400.00				PhP	40,141,400.00	2016
2014	PhP	32,053,407.00				PhP	32,053,407.00	2017
2015	PhP	57,532,611.00				PhP	57,532,611.00	2018

MCIT

Year Incurred	Beginning Balance		Incurred	Expired		Ending Balance		Available until
2012	PhP	3,500.00		PhP	3,500.00	PhP	-	2015
2013	PhP	6,000.00				PhP	6,000.00	2016
2014	PhP	6,000.00				PhP	6,000.00	2017
2015	PhP	3,318.00				PhP	3,318.00	2018

15. Lease Agreement

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

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

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

Rent Expense amounted to ₱0.751 million and ₱0.342 million for March 2016 and 2015 respectively.

16. PEZA Registration

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

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

17. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Transactions with Related Parties

In the ordinary course of business, the Company has significant transactions with related parties as follows:

			2016		2015			
Entity	Relationship	Nature	Amount	Receivable/ (Payable)	Amount	Receivable/ (Payable)	Terms	Condition
Sierra Prime Properties Corporation (SPPC)	Affiliate	Cash advances	₱–	₱2,304,525	₱–	₱5,000,000	1 year, 6% per annum, Interest bearing	Unsecured, unguaranteed
		Sale of assets and liabilities (see Note 16)	₱–	108,389,153	₱–	108,389,153	Non-interest bearing	Unsecured, unguaranteed
		Interest on Cash Advances	₱–	765,884	₱–	600,000	Non-interest bearing	Unsecured, unguaranteed
		Other advances	₱–	₱95,240	₱–	₱95,240	Non-interest bearing	Unsecured, unguaranteed
Manila Jockey Club, Inc. (MJCI)	Stockholder	Other advances	–	–	–	–	Non-interest bearing	Unsecured, unguaranteed
		Advances (see Note 10)	₱–	(4,096,965)	₱–	(2,779,799)	Non-interest bearing; due and demandable	Unsecured, unguaranteed
		Subscription of common shares (see Note 14)	–	–	₱–	42,808,835	Non-interest bearing; payable upon call	Unsecured, unguaranteed
MJC Forex Corporation (MFC)	Affiliate	Dollar purchases	–	–	9,786,050	–	On demand; non-interest bearing	Unsecured, no Impairment

Sierra Prime Properties Corporation (SPPC)

In 2011, the Company extended an interest-bearing advances amounting to ₱5.0 million to SPPC for a period of one year with interest rate of 6% per annum. Noninterest-bearing receivable and interest receivable from SPPC amounting to ₱108.2 million and ₱0.2 million, respectively, pertains to the transfer of a group of assets and liabilities as part of the Memorandum of Agreement (MOA) signed July 24, 2008 in 2012 (see Note 16).

MJC Forex Corporation

The Company purchased dollars as payment to international service providers of design and consultancy related to the development project in Manila.

Key Management Personnel

Compensation of the executive personnel of the Company as of March 31, 2016 and of the same period in 2015 amounted to ₱3.5 million and ₱4.7 million respectively. The Corporation has no standard arrangement with regard to the remuneration of its directors. The directors' fees in March 2016 is nil as well as in March 2015.

18. Equity

Capital Stock

The capital stock as of March 31, 2016 and December 31, 2015 consist of:

	2016		2015	
	Number of shares	Amount	Number of shares	Amount
Common shares - ₱1 par value				
Authorized - 5,000,000,000 shares				
Subscribed Shares	3,174,405,821	₱3,174,405,821	2,500,614,159	₱2,500,614,159
Additional subscription during the year	–	–	673,7991,662	₱673,791,662
Subscriptions receivable	–	(38,739,719)	–	(38,739,719)
	3,174,405,821	₱3,135,666,102	2,500,614,159	₱2,395,065,605

On January 23, 2009, MJCI executed a subscription agreement to subscribe to 107,360,137 shares out of the unissued portion of the authorized capital stock of the Company at the subscription price of ₱1.0 per share. In 2013, MJCI has paid ₱64.6 million representing the initial and partial payments of 60.13% of the subscription price. The remaining balance of ₱42.8 million was paid by MJCI on July 14, 2015.

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

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

As of March 31, 2016, the Company has an aggregate of 3,174,405,821 subscribed shares and has a total shareholder of 444 on record.

19. Basic/Diluted Losses Per Share

	2016	2015
Loss for the year	(₱36,545,042)	(₱20,583,127,43)
Divided by weighted average number of outstanding common shares	3,174,405,821	3,174,405,821
Basic/diluted losses per share	(₱0.012)	(₱0.006)

The Company has no potential dilutive common shares as of March 31, 2016 and March 31, 2015. Therefore, the basic and diluted losses per share are the same as of those dates.

20. Operating Segment Information

The Company has only one operating segment. Management monitors the operating results of its operating segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net income or loss and is measured consistently with the total comprehensive income in the financial statements.

The Company's asset-producing revenues are located in the Philippines (i.e., one geographical location). Therefore, geographical segment information is no longer presented.

Segment Revenue and Expenses
The segment results for the periods ended March 31, 2016 and of the same period in 2015 are as follows:

	2016	2015
Segment revenue	₱12,416,147	₱2,078,763
Costs and expenses	48,859,019	8,647,362
Loss before income tax	(36,442,872)	(6,568,599)
Provision for income tax	102,170	415,753
Net loss	(₱36,545,042)	(₱6,984,352)

Segment Assets and Liabilities and Other Information
The segment assets, liabilities and capital expenditures for March 31, 2016 ended December 31, 2015 are as follows:

	2016	2015
Assets	₱5,955,897,233	₱6,066,655,430
Liabilities	3,026,468,227	3,100,681,982
Capital expenditures	843,990,996	2,083,771,542
Interest income	511,272	4,793,659
Depreciation	4,475,828	650,533

21. Fair Value Measurement

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

There was no financial instrument carried at fair value as of March 31, 2016 and 2015.

22. Financial Risk Management Objectives and Policies

The Company's financial instruments comprise cash and cash equivalents, receivables and accounts payable and other liabilities. The main purpose of these financial instruments is to finance the Company's operations. The main risks arising from the use of these financial instruments include credit risk and liquidity risk. The Company's BOD reviews and approves the policies for managing these risks and these are summarized below.

Credit Risk

Credit risk arises because the counterparty may fail to discharge its contractual obligations. The Company transacts only with related parties and with recognized and creditworthy third parties.

Receivable balances are monitored on an ongoing basis. Further, management intensifies its collection efforts to collect from defaulting third parties.

The table below shows the maximum exposure to credit risk of the Company as of March 31, 2016 and December 31, 2015:

	2016	2015
Loans and receivables:		
Cash and cash equivalents*	₱275,531,261	₱1,240,307,420
Receivables	111,924,556	111,935,123
	₱387,455,817	₱1,352,242,543

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

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

Cash and Cash Equivalents
As of March 31, 2016, cash and cash equivalents (except cash on hand) in a 4 highly reputable universal banks with a minimum deposit of ₱0.5 million, which comprises approximately 99% 2015: 99% of the total cash and cash equivalents.

Receivables

As at March 31, 2016 receivables pertain to advances to related parties, employees and other counterparties that have no history of default or delinquency in collection. Receivable to related parties approximates 99% of the outstanding receivables.

As of March 31, 2016 and December 31, 2015, the following tables provide credit information and maximum exposure of the Company's financial assets:

	2016		
	Standard Grade	Past Due but not Impaired	Total
Loans and receivables:			
Cash and cash equivalents*	₱275,531,261	₱–	₱275,531,261
Receivables	111,924,556	–	111,924,556
	₱387,455,817	₱–	₱387,455,817

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

	2015		
	Standard Grade	Past Due but not Impaired	Total
Loans and receivables:			
Cash and cash equivalents*	₱1,240,307,420	₱–	₱1,240,307,420
Receivables	111,935,123	–	111,935,123
	₱1,352,242,543	₱–	₱1,352,242,543

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

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

Cash and cash equivalents
These are considered standard grade based on the nature of the counterparty (e.g., highly reputable banks, among others). Cash in banks are limited to highly reputable banks duly authorized by the BOD.

Receivables
Standard grade receivables pertain to receivables from an affiliate, officers and employees and other counterparties, that have no history of significant default or delinquency in collections.

Liquidity Risk

Liquidity risk is defined as the risk that the Company would not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain a balance between continuity of funding and flexibility by regularly evaluating its projected and actual cash flows and through the use of bank loans and extension of suppliers' credit terms. The Company maximizes the net cash inflows from operations to finance its working capital requirements.

The tables below summarize the maturity profile of the Company's financial liabilities as of March 31, 2016 and December 31, 2015 based on contractual undiscounted payments (principal and interest).

	2016			
	Due and Demandable	Less than 1 Year	1 year or above	Total
Loans Payable		PhP 148,737,500.00	PhP 2,436,701,860.20	PhP 2,585,439,360.20
Accounts Payable and other current Liabilities	PhP 145,965,886.00	PhP 444,128,583.00	PhP -	PhP 590,094,469.00
	PhP 145,965,886.00	PhP 592,866,083.00	PhP 2,436,701,860.20	PhP 3,175,533,829.20

*Amounts are exclusive of withholding taxes payable amounting to ₱330,320

	2015			
	Due and Demandable	Less than 1 Year	1 year or above	Total
Loans Payable		PhP 5,451,860.20	PhP 247,000,000.00	PhP 252,451,860.20
Accounts Payable and other current Liabilities	PhP 4,096,965.00	PhP 615,006,772.00	PhP -	PhP 619,103,737.00
	PhP 4,096,965.00	PhP 620,458,632.20	PhP 247,000,000.00	PhP 871,555,597.20

*Amounts are exclusive of withholding taxes payable amounting to ₱6,123,067.

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

	2016			
	Due and Demandable	> 1 month	> 3 months but < 1 year	Total
Loans and receivables:				
Cash and cash equivalents*	₱275,531,261	₱–	₱–	₱275,531,261
Receivables	111,924,556	–	–	111,924,556
Total	₱387,455,817	₱–	₱–	₱387,455,817

*Excluding cash on hand amounting to ₱50,000 in 2016.

	2015			
	Due and Demandable	> 1 month	> 3 months but < 1 year	Total
Loans and receivables:				
Cash and cash equivalents*	₱1,240,307,420	₱–	₱–	₱1,240,307,420
Receivables	111,935,123	–	–	111,935,123
Total	₱1,352,242,543	₱–	₱–	₱1,352,242,543

*Excluding cash on hand amounting to ₱50,000 in 2015.

23. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize stockholders' value.

The Company considers its total equity amounting to ₱2.93 billion and ₱2.97 billion as its capital as of March 31, 2016 and December 31, 2015 respectively.

The Company maintains a capital base to cover risks inherent in the business. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payments to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

24. Other Matters

On March 18, 2010, the Company was granted a permit to operate by PAGCOR for the establishment, maintenance and operation of a casino, PAGCOR San Lazaro, within the San Lazaro Tourism and Business Park (SLTBP) in Sta. Cruz, Manila. The permit shall be for a period of ten years, to commence on the date of actual operation of PAGCOR San Lazaro.

A hotel and entertainment complex is now being built at the 7,500 square meter lot of the Company within the SLTBP in Sta. Cruz, Manila. The 20-storey hotel will have 128 internationally designed hotel rooms, a 5,000 square meter space for leisure and entertainment, a grand ballroom which can accommodate 1,000 guests and 900 parking slots. The complex is named Winford Hotel and Casino.

On February 10, 2015, the registration as an Eco zone Tourist Enterprise for the development and operation of tourist, leisure and entertainment facilities was already approved by Philippine Economic Zone Authority (PEZA). The project shall be entitled only to tax and duty-free importation and zero-VAT rating on local purchases of capital equipment.

CERTIFICATION OF INDEPENDENT DIRECTORS

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

1. I am an Independent Director of MJC Investments Corporation ("MJIC").

2. I am affiliated with the following companies:

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

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of MIC as provided for in Section 38 of the Securities Regulation Code and its Implementation Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.

5. I shall inform the Corporate Secretary of MJIC of any changes in the abovementioned within five (5) days from its occurrence.

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

VICTOR P. LAZATIN
Affiant

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

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

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

CERTIFICATION OF INDEPENDENT DIRECTOR

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

1. I was re-elected as an independent director of **MJC INVESTMENTS CORPORATION (MIC)** during the Annual Shareholders' Meeting of MIC on 29June 2015.

2. I am affiliated with the following companies or organizations:

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

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of MICas provided for in Section 38 of the Securities and Regulation Code and its Implementing Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities and Regulations Code.

5. I shall inform the corporate secretary of MICof any changes in the abovementioned information within five days from its occurrence.

Done, this on 1 1 2016 inPasay City MAKATI CITY

MAY 1 1 2016

LAURITO E. SERRANO
Affiant

SUBSCRIBED AND SWORN to before me this ________________in MAKATI CITY affiant personally appeared before me and exhibited to me his Driver's License No. N05-79-030116 valid until 03 August2016.

Doc. No. 9;
Page No. 7;
Book No. XI
Series of 2016.

RUBEN T.M. RAMIREZ
NOTARY PUBLIC
31 2016
2016
6/19/19
CITY

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

Signature:
Printed Name of the Chairman of the Board / CEO: ALFONSO R. REYNO JR.

Signature:

Printed Name of Chief Financial Officer: JOSE ALVARO D. RUBIO

Signed this 15 day of April, 2016

APR 15 2016

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

APR 15 2016

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BOOK NO. VI
SERIES OF 2016

NORMA T. ANGCAO
Appointment No. 0356-15
Notary Public for and in Mandaluyong City
Until December 31, 2016
Room 103 Realty Investment Inc. Barangay Wack-Wack
Greenhills, Florida St. cor. Edsa, Mandaluyong City
PTR No. MKT 5327835/1/6/2016/Makati City
Lifetime Member No. 011338/ Rizal Chapter
Attorney's Roll No. 45810

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Building a better working world

SyCip Gorres Velayo & Co.
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1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinion

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

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

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

SYCIP GORRES VELAYO & CO.

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

April 11, 2016

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

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	**₱1,240,357,420**	₱290,984,133
Receivables (Note 7)	**111,935,123**	114,844,671
Inventories	**44,744,841**	–
Advances to contractors and suppliers (Note 8)	**481,736,341**	145,694,020
Input value added tax (VAT) (Note 9)	**320,420,400**	193,158,618
Prepayments (Note 12)	**13,132,989**	1,230,890
Total Current Assets	**2,212,327,114**	745,912,332
Noncurrent Assets		
Property and equipment (Note 10)	**3,816,228,041**	1,733,107,032
Deferred input VAT (Note 9)	**38,100,275**	13,569,247
Total Noncurrent Assets	**3,854,328,316**	1,746,676,279
Total Assets	**₱6,066,655,430**	₱2,492,588,611
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 11)	**₱625,226,804**	₱209,900,893
Income tax payable	**3,318**	6,000
Total Current Liabilities	**625,230,122**	209,906,893
Noncurrent Liabilities		
Loans payable (Note 12)	**2,475,451,860**	–
Total Liabilities	**3,100,681,982**	209,906,893
Equity		
Capital stock (Note 18)	**3,135,666,102**	2,395,065,605
Deficit	**(169,692,654)**	(112,383,887)
Total Equity	**2,965,973,448**	2,282,681,718
Total Liabilities and Equity	**₱6,066,655,430**	₱2,492,588,611

See accompanying Notes to Financial Statements.

SEC Electronic Records Management Division
APR 15 2016
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MJC INVESTMENTS CORPORATION
Doing business under the name and style of Winford Leisure And Entertainment Complex and Winford Hotel and Casino
(Formerly MJC Investments Corporation)

STATEMENTS OF COMPREHENSIVE LOSS

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

See accompanying Notes to Financial Statements.

MJC INVESTMENTS CORPORATION

Doing business under the name and style of Winford Leisure And Entertainment Complex and Winford Hotel and Casino

(Formerly MJC Investments Corporation)

STATEMENTS OF CHANGES IN EQUITY

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

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

See accompanying Notes to Financial Statements.

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MJC INVESTMENTS CORPORATION

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

STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	**(₱53,011,666)**	(₱22,237,410)	(₱29,787,791)
Adjustments for:			
Interest expense (Note 12)	**14,499,279**	–	–
Interest income (Note 13)	**(4,793,659)**	(10,178,114)	(10,917,012)
Depreciation (Note 10)	**650,533**	489,366	35,018
Operating loss before working capital changes	**(42,655,513)**	(31,926,158)	(40,669,785)
Decrease (increase) in:			
Advances to contractors and suppliers	**(336,042,321)**	(37,372,062)	–
Inventories	**(44,744,841)**	–	–
Receivables	**2,855,871**	(515,717)	(108,821,958)
Input VAT :			
Current	**(127,261,782)**	(90,328,403)	(28,699,820)
Deferred	**(24,531,028)**	(6,646,272)	(6,922,975)
Prepayments	**(6,902,099)**	(330,800)	(900,090)
Increase in accounts payable and other current liabilities	**399,961,326**	124,733,509	69,407,765
Net cash used in operations	**(179,320,387)**	(42,385,903)	(116,606,863)
Income taxes paid	**(930,825)**	(1,981,623)	(2,126,877)
Net cash flows used in operating activities	**(180,251,212)**	(44,367,526)	(118,733,740)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment (Note 10)	**(2,083,771,542)**	(891,700,348)	(231,254,282)
Interest received	**4,847,336**	10,747,698	10,002,867
Net cash flows used in investing activities	**(2,078,924,206)**	(880,952,650)	(221,251,415)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of loans (Note 12)	**2,470,000,000**	–	–
Proceeds from subscription of capital stock (Note 18)	**673,791,662**	–	1,513,158,223
Collection of subscriptions receivable (Note 18)	**66,808,835**	–	39,786,281
Transaction costs on issuance of capital stock (Note 18)	**(3,368,958)**	–	(8,309,555)
Advances received from a related party (Note 17)	**1,317,166**	1,834,628	927,861
Net cash flows provided by financing activities	**3,208,548,705**	1,834,628	1,545,562,810
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**949,373,287**	(923,485,548)	1,205,577,655
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**290,984,133**	1,214,469,681	8,892,026
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱1,240,357,420**	₱290,984,133	₱1,214,469,681

See accompanying Notes to Financial Statements.

APR 15 2016

JOHN

Revenue Officer

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

MJC INVESTMENTS CORPORATION Doing business under the name and style of Winford Leisure And Entertainment Complex and Winford Hotel and Casino (Formerly MJC Investments Corporation) (the "Company"), was incorporated on July 15, 1955 as Palawan Consolidated Mining Company, Inc. On November 11, 1955, the Company was listed in the Philippine Stock Exchange (PSE). The following are the series of changes in corporate name and their effective dates of change as approved by the Philippine Securities and Exchange Commission (SEC):

Date	Corporate Name
February 12, 1997	Ebecom Holdings Inc.
September 25, 2003	Aries Prime Resources, Inc.
September 30, 2008	MJCI Investments, Inc.
October 15, 2009	MJC Investments Corporation
June 29, 2015	MJC INVESTMENTS CORPORATION Doing business under the name and style of Winford Leisure and Entertainment Complex and Winford Hotel and Casino

In 2005, the SEC approved the extension of the Company's corporate life for another fifty years starting July 2005.

On January 19, 2010, the SEC approved the amendment of the Company's primary purpose from engaging in mining operation to that of an investment holding company, which is to acquire by purchase, lease or otherwise, lands or interest in lands and realty, and to own, hold, improve or develop said land or real estate so acquired, and to build or cause to be built on any lands owned, held, occupied or acquired, buildings, facilities, and other structures with their appurtenances, for residential, commercial, mixed-use, leisure, gaming, amusement and entertainment purposes.

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

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

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

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The financial statements of the Company are prepared using the historical cost basis. The financial statements are presented in Philippine Peso (Peso), which is the Company's functional and presentation currency. All amounts are rounded off to the nearest Peso, except when otherwise indicated.

Statement of Compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

3. Summary of Significant Changes in Accounting Policies and Disclosures

New and Amended Standards and Interpretations

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

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

Annual Improvements to PFRSs 2010 – 2012 Cycle

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

Annual Improvements to PFRSs 2011 – 2013 Cycle

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

Future Changes in Accounting Policies

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

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

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

Effective January 1, 2016

- PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investments in Associates and Joint Ventures* – Investment Entities: Applying the Consolidation Exception (Amendments)
- PAS 27, *Separate Financial Statements* – Equity Method in Separate Financial Statements (Amendments)
- PFRS 11, *Joint Arrangements* – Accounting for Acquisitions of Interests (Amendments)
- PAS 1, *Presentation of Financial Statements* – Disclosure Initiative (Amendments)
- PAS 14, *Regulatory Deferral Accounts*
- PAS 16, *Property, Plant and Equipment,* and PAS 41, *Agriculture – Bearer Plants* (Amendments)
- PAS 16, *Property, Plant and Equipment,* and PAS 38, *Intangible Assets* – Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)

Annual Improvements to PFRSs (2012 – 2014 Cycle)

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* – Changes in Methods of Disposal
- PFRS 7, *Financial Instruments: Disclosures* – Servicing Contracts
- PFRS 7, *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
- PAS 19, *Employee Benefits* – Regional Market Issue Regarding Discount Rate
- PAS 34, *Interim Financial Reporting* – Disclosure of information 'elsewhere in the interim financial report'

Effective January 1, 2018

- PFRS 9, *Financial Instruments*

In addition, the International Accounting Standards Board has issued the following new standards that have not yet been adopted locally by the SEC and FRSC. The Company is currently assessing the impact of these new standards and plans to adopt them on their required effective dates once adopted locally.

- International Financial Reporting Standards (IFRS) 15, *Revenue from Contracts with Customers*

Effective January 1, 2019

- IFRS 16, *Leases*

4. Summary of Significant Accounting and Financial Reporting Policies

Current versus Noncurrent Classification
The Company presents assets and liabilities in the statements of financial position based on current or noncurrent classification.

An asset is current when it is:
- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:
- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Fair Value Measurement
The Company measures its financial assets and liabilities at fair value at initial recognition and discloses the fair value at each reporting date. Fair value measurement and information is disclosed in Note 21 to the financial statements.

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

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

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

Cash and Cash Equivalents

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

Financial Instruments

Initial Recognition and Measurement

Financial instruments are recognized initially at fair value, adjusted for directly attributable transaction costs in the case of financial instruments not at Fair Value through Profit or Loss (FVPL). The Company recognizes a financial instrument in the statements of financial position when it becomes a party to the contractual provisions of the instrument.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Categories

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

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

Loans and Receivables

This category is the most relevant to the Company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the statements of income. The losses arising from impairment are recognized in the statements of income in interest income or other operating expenses for receivables. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statements of income. Loans and receivables are composed of cash and cash equivalents (excluding cash on hand) and receivables.

Other Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

a) Financial liabilities at fair value through profit or loss

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

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

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

b) Loans and borrowings

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

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

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

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

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

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

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

Derecognition

a. *Financial Assets*

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

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

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

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

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

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

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

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

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

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

<u>Deferred Input VAT</u>
Deferred Input VAT pertains to the VAT related to the retention payable.

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

The initial costs of property and equipment consist of their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use. Expenditures incurred after the property and equipment have been put into operation, such as repair and maintenance costs, are normally recognized in profit or loss in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. When each major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement, if the recognition criteria are satisfied.

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

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

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

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

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

Construction in progress represents structures under construction and is stated at cost. This includes cost of construction and other direct cost. Construction in progress is not depreciated until such time the relevant assets are completed and are available for use.

Borrowing Costs

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

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that nonfinancial assets composed of prepayments and property and equipment may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's or Cash Generating Unit's (CGU) fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss, if any, is recognized in profit or loss in an expense category consistent with the function of the impaired asset.

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

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. When the Company expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain and its amount is estimable. The expense relating to any provision is recognized in profit or loss, net of any reimbursement.

Equity

Capital Stock

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

Deficit

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

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company has concluded that it is the principal in all of its revenue arrangements.

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

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

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

A reassessment is made after inception of the lease only if one of the following applies:
a) there is a change in contractual terms, other than a renewal or extension of the arrangement;
b) a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
c) there is a change in the determination of whether fulfillment is dependent on a specific asset; or
d) there is a substantial change to the asset.

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

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

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

Income Taxes
Current Tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which all or part of the deductible temporary differences can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or loss.

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

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

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same entity and the same taxation authority.

Contingencies

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

Events after the Reporting Date

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

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used are based on management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from the estimates and assumptions used. The effects of any change in estimates or assumptions are reflected in the financial statements when these become reasonably determinable.

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

Judgments

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

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

Recognition of deferred tax assets
The Company makes an estimate and judgment of its future taxable income and reviews the carrying amount of the deferred tax assets at each reporting date. The carrying amount is reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

As of December 31, 2015 and 2014, no deferred tax assets on the Company's unused NOLCO and excess MCIT were recognized as management believes that the Company may not have sufficient future taxable income against which the excess MCIT and unused NOLCO may be applied (see Note 14).

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

Estimation of allowance for doubtful accounts
The allowance for doubtful accounts relating to receivables is estimated based on two methods. The amounts calculated using each of these methods is combined to determine the total allowance to be provided. First, specific accounts are evaluated based on information that certain customers may be unable to meet their financial obligations. In these cases, judgment is used based on the best available facts and circumstances, including but not limited to, the length of relationship with the customer and the customer's current credit status based on third party credit reports and known market factors, to record specific reserves against amounts due to reduce receivable amounts expected to be collected. These specific reserves are reevaluated and adjusted as additional information received impacts the amounts estimated. Second, a collective assessment of historical collection, write-off, experience and customer payment terms is made.

The amount and timing of recorded expenses for any period could therefore differ based on the judgments or estimates made. An increase in the Company's allowance for doubtful accounts will increase its recorded operating expenses and decrease its current assets.

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

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

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

Estimation of the useful lives of property and equipment
The useful lives of each of the Company's property and equipment are estimated based on the period over which the assets are expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of each asset are reviewed periodically and updated if

expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. It is possible, however, that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses brought about by the changes in the factors mentioned above. A reduction in the estimated useful lives of any property and equipment would increase the recorded operating expenses and decrease noncurrent assets. There were no changes in the estimated useful lives of the property and equipment in 2015 and 2014.

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

Impairment of nonfinancial assets
The Company assesses at each reporting date whether there is any indication that prepayments, except input VAT, and property and equipment may be impaired. If such indication exists, the entity shall estimate the recoverable amount of the asset, which is the higher of an asset's or CGU's fair value less costs to sell and its value-in-use.

No impairment loss was recognized in 2015, 2014 and 2013 for prepayments and property and equipment. Based on management's assessment, there are no indications of impairment on the Company's nonfinancial assets.

Recoverability of input VAT
The Company assesses the recoverability of input VAT based on the estimated sale of services subject to VAT. Management has assessed that the recognized input VAT as of December 31, 2015 and 2014 are recoverable and are disclosed in Note 9 to the financial statements.

Provisions
The Company provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provision is based on known information at the reporting date, net of any estimated amount that may be reimbursed to the Company. No provisions were recognized in 2015, 2014 and 2013.

6. Cash and Cash Equivalents

This account consists of:

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

Cash in banks generally earns interest at the respective bank deposit rates. Cash equivalents are short-term deposits made for varying periods of up to three months and earn interest at the respective short-term deposit rates. Interest income earned from bank deposits and time deposits aggregated to ₱4.6 million in 2015, ₱9.9 million in 2014 and ₱10.6 million in 2013 (see Note 13).

7. Receivables

This account consists of:

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

8. Advances to Contractors and Suppliers

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

9. Input VAT

This account consists of:

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

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

10. Property and Equipment

2015	Land	Furniture and Fixtures	Computer Software and Hardware	Office Equipment	Transportation Equipment	Health and Safety Equipment	Gaming Equipment	Operating Equipment	Construction in Progress	Total
Cost										
Balance at beginning of year	₱600,800,000	₱98,137	₱695,664	₱76,643	₱1,625,893	₱11,607	₱–	₱–	₱1,130,323,472	₱1,733,631,416
Additions	–	2,457,165	111,098,935	1,456,308	–	75,270,717	203,095,681	21,531,337	1,668,861,399	2,083,771,542
Balance at end of year	600,800,000	2,555,302	111,794,599	1,532,951	1,625,893	75,282,324	203,095,681	21,531,337	2,799,184,871	3,817,402,958
Accumulated depreciation										
Balance at beginning of year	–	15,163	181,773	12,269	315,179	–	–	–	–	524,384
Additions	–	40,659	260,906	20,888	325,178	2,902	–	–	–	650,533
Balance at end of year	–	55,822	442,679	33,157	640,357	2,902	–	–	–	1,174,917
Net book value	₱600,800,000	₱2,499,480	₱111,351,920	₱1,499,794	₱985,536	₱75,279,422	₱203,095,681	₱21,531,337	₱2,799,184,871	₱3,816,228,041

2014	Land	Furniture and Fixtures	Computer Software and Hardware	Office Equipment	Transportation Equipment	Health and Safety Equipment	Gaming Equipment	Operating Equipment	Construction in Progress	Total
Cost										
Balance at beginning of year	₱600,800,000	₱14,866	₱185,643	₱36,464	₱1,625,893	₱–	₱–	₱–	₱239,268,202	₱841,931,068
Additions	–	83,271	510,021	40,179	–	11,607	–	–	891,055,270	891,700,348
Balance at end of year	600,800,000	98,137	695,664	76,643	1,625,893	11,607	–	–	1,130,323,472	1,733,631,416
Accumulated depreciation										
Balance at beginning of year	–	1,987	29,394	3,637	–	–	–	–	–	35,018
Additions	–	13,176	152,379	8,632	315,179	–	–	–	–	489,366
Balance at end of year	–	15,163	181,773	12,269	315,179	–	–	–	–	524,384
Net book value	₱600,800,000	₱82,974	₱513,891	₱64,374	₱1,310,714	₱11,607	₱–	₱–	₱1,130,323,472	₱1,733,107,032

Construction in progress pertains mainly to the construction of the Winford Hotel building in San Lazaro Tourism and Business Park in Sta. Cruz, Manila.

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

11. Accounts Payable and Other Current Liabilities

This account consists of:

	2015	2014
Accounts payable	**₱388,238,778**	₱73,014,660
Retention payable	**202,160,961**	54,970,705
Interest payable (see Note 12)	**14,047,419**	–
Accrued expenses	**10,491,266**	77,463,103
Advances from related parties (see Note 17)	**4,096,965**	2,779,799
Others	**6,191,415**	1,672,626
	₱625,226,804	₱209,900,893

Accounts payable are noninterest-bearing and are normally settled within the next financial year. As of December 31, 2015 and 2014, a significant amount of the account payable pertains to the construction cost incurred for the Winford Hotel building in Sta. Cruz, Manila (see Note 10).

Accrued expenses pertain to accrual of utilities, travel and transportation, meeting and conferences, among others, which are normally settled in the next financial year.

Retention payable represents the portion of construction billings which will be paid upon satisfaction by the contractors of the conditions specified in the contracts or until defects have been corrected.

Others pertain to withholding taxes payable, accrued benefits payable and other individually insignificant items.

12. Loans Payable

In 2015, the Company signed a 7-year loan agreement with Union Bank of the Philippines for a ₱3.5 billion loan facility with an interest rate of 7-year PDST R2 + 125 basis points, plus gross receipts tax. The proceeds from the loan shall be used to fund acquisition of gaming system and equipment, hotel furniture and equipment and permanent working capital of the Company. In November 2015, the Company drew ₱2.5 billion from the loan facility, receiving proceeds of ₱2.47 billion, net of related debt issue cost of ₱30.0 million. The debt issue cost includes documentary stamp tax amounting to ₱12.5 million and upfront fees amounting to ₱17.5 million. Out of the ₱17.5 million upfront fee, ₱5.0 million pertains to the undrawn portion which is presented as part of "Prepayments" in the Company's statements of financial position as of December 31, 2015.

Outstanding loans payable as of December 31, 2015 amounted to ₱2.48 billion, net of unamortized debt issue cost of ₱24.5 million. The related interest expense recognized in 2015 amounted to ₱14.5 million.

The loan is secured by the Company's land and building under construction with an aggregate value of ₱3.4 billion as of December 31, 2015 (see Note 10).

Loan covenants

The loan imposes certain restrictions with respect to corporate reorganization, debt to equity ratio, disposition of all or substantial part of the Company's assets, declaration or payments of dividends to its shareholders (other than dividends payable solely in share of capital stock) and payments of loans or advances from its shareholders, affiliates, subsidiaries or related entities when the Company is in default.

13. Interest Income

Interest income related to:

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

14. Income Taxes

The provision for income tax consists of the following:

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

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

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

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

As of December 31, 2015, the details of NOLCO and excess of MCIT over RCIT are as follows:

NOLCO

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Available Until
2012	₱39,774,256	₱–	₱39,774,256	₱–	2015
2013	40,141,400	–	–	40,141,400	2016
2014	32,053,407	–	–	32,053,407	2017
2015	–	57,532,611	–	57,532,611	2018
	₱111,969,063	₱57,532,611	₱39,774,256	₱129,727,418	

MCIT

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Available Until
2012	₱3,500	₱–	₱3,500	₱–	2015
2013	6,000	–	–	6,000	2016
2014	6,000	–	–	6,000	2017
2015	–	3,318	–	3,318	2018
	₱15,500	₱3,318	₱3,500	₱15,318	

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

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

15. Lease Agreements

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

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

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

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

	2015	2014
Within one year	**₱304,750**	₱920,550
After one year but not more than five years	–	292,500
	₱304,750	₱1,213,050

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

16. PEZA Registration

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

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

17. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Transactions with Related Parties

In the ordinary course of business, the Company has significant transactions with related parties as follows:

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

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

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

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

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

Key Management Personnel

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

18. Equity

Capital Stock

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

	2015		2014	
	Number of shares	**Amount**	Number of shares	Amount
Common shares – ₱1 par value				
Authorized – 5,000,000,00 shares				
Subscribed shares	**2,500,614,159**	**₱2,500,614,159**	2,309,601,064	₱2,309,601,064
Additional subscription during the year	**673,791,662**	**673,791,662**	191,013,095	191,013,095
Subscriptions receivable	**–**	**(38,739,719)**	–	(105,548,554)
Total subscribed and paid-in capital (held by 444 and 452 equity holders in 2015 and 2014, respectively)	**3,174,405,821**	**₱3,135,666,102**	2,500,614,159	₱2,395,065,605

On January 23, 2009, MJCI executed a subscription agreement to subscribe to 107,360,137 shares out of the unissued portion of the authorized capital stock of the Company at the subscription price of ₱1.0 per share. In 2013, MJCI has paid ₱64.6 million representing the initial and partial payments of 60.13% of the subscription price. The remaining balance of ₱42.8 million was paid by MJCI on July 14, 2015.

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

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

19. Basic/Diluted Losses Per Share

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

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

20. Operating Segment Information

The Company has only one operating segment. Management monitors the operating results of its operating segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net income or loss and is measured consistently with the total comprehensive loss on the financial statements. The Company's asset-producing revenues are located in the Philippines (i.e., one geographical location). Therefore, geographical segment information is no longer presented.

Segment Revenue and Expenses
The segment results for the years ended December 31, 2015 and 2014 are as follows:

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

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

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

21. Fair Value Measurement

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

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

22. Financial Risk Management Objectives and Policies

The Company's financial instruments comprise cash and cash equivalents, receivables, accounts payable and other liabilities and loans payable. The main purpose of these financial instruments is to finance the Company's operations. The main risks arising from the use of these financial instruments include credit risk and liquidity risk. The Company's BOD reviews and approves the policies for managing these risks and these are summarized below.

Credit Risk
Credit risk arises because the counterparty may fail to discharge its contractual obligations. As a matter of policy, the Company limits its maximum exposure to credit risk to the amount of carrying value of the instruments. The Company transacts only with related parties and with recognized and creditworthy third parties. Receivable balances are monitored on an ongoing basis. Further, management intensifies its collection efforts to collect from defaulting third parties.

The table below shows the maximum exposure to credit risk of the Company as at December 31, 2015 and 2014.

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

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

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

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

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

Liquidity Risk
Liquidity risk is defined as the risk that the Company would not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain a balance between continuity of funding and flexibility by regularly evaluating its projected and actual cash flows and through the use of bank loans and extension of suppliers' credit terms. The Company maximizes the net cash inflows from operations to finance its working capital requirements.

The tables below summarize the maturity profile of the Company's financial liabilities as at December 31, 2015 and 2014 based on contractual undiscounted payments (principal and interest).

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

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

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

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

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

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

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

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

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

23. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize stockholders' value. The Company considers its total equity amounting to ₱3.0 billion and ₱2.3 billion as its capital as of December 31, 2015 and 2014.

The Company maintains a capital base to cover risks inherent in the business. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payments to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

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

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

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

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

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

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

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

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

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

c. Other taxes and licenses

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

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

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

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

Tax Assessments or Tax Cases

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

SGV
Building a better working world

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Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

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

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

SYCIP GORRES VELAYO & CO.

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

April 11, 2016

MJC INVESTMENTS CORPORATION

SCHEDULE A: FINANCIAL ASSETS

December 31, 2015

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

MJC INVESTMENTS CORPORATION

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

December 31, 2015

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

MJC INVESTMENTS CORPORATION

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

December 31, 2015

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

MJC INVESTMENTS CORPORATION

SCHEDULE D: INTANGIBLE ASSETS(OTHER ASSETS)

December 31, 2015

Description	Beginning Balance	Additions at Cost	Charged to Costs and Expenses	Charged to Other Accounts	Other Changes Additions (Deductions)	Ending Balance

NOT APPLICABLE

MJC INVESTMENTS CORPORATION

SCHEDULE E: LONG TERM DEBT

December 31, 2015

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

MJC INVESTMENTS CORPORATION

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

December 31, 2015

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

NOT APPLICABLE

MJC INVESTMENTS CORPORATION

SCHEDULE G: GUARANTEES OF SECURITIES OF OTHER ISSUERS

December 31, 2015

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

MJC INVESTMENTS CORPORATION

SCHEDULE H: CAPITAL STOCK

December 31, 2015

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

MJC INVESTMENTS CORPORATION

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

December 31, 2015

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

NOT APPLICABLE

MJC INVESTMENTS CORPORATION

SCHEDULE J: PARENT COMPANY RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

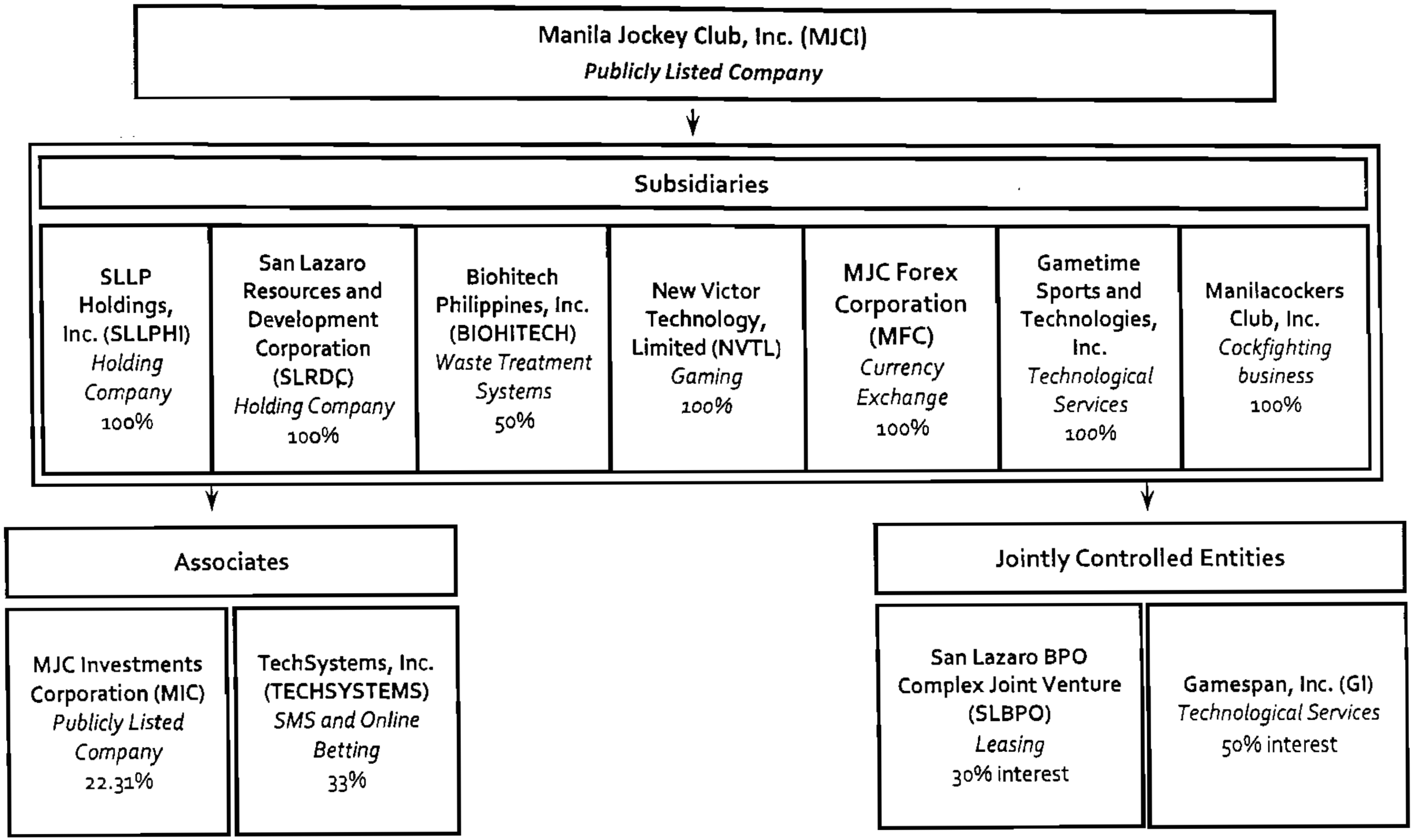
December 31, 2015

	AMOUNT
Unappropriated Parent Company Retained Earnings, Beg	
Reconciliation:	
Add (Less):	
Unrealized Foreign Exchange Loss-Net	
Deferred Tax Assets	
Mark-to-Market Gain on Derivatives	
Parent Company Net Income actually earned/realized during the period	***NOT APPLICABLE***
Less:	
Non-actual/unrealized income net of tax	
Unrealized Actuarial Gain	
Mark-to-market gain on derivatives	
Parent Company Net Income actually earned/realized during the period	
Add (Less):	
Dividend declaration during the period	
Appropriation of Retained Earnings	
Issuance of Treasury Shares	
Unappropriated Parent Company Retained Earnings, as adjusted, End	

MJC INVESTMENTS CORPORATION

SCHEDULE K: MAP OF AFFILIATES

December 31, 2015



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

SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS

SCHEDULE I

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
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			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
	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			✓
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments: Classification and Measurement of Financial Assets	✓		
	Financial Instruments: Classification and Measurement of Financial Liabilities	✓		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures			✓
	Amendments to PFRS 9: Hedge Accounting			✓
PFRS 10	Consolidated Financial Statements			✓
	Amendments to PFRS 10: Transition Guidance			✓
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture			✓
	Amendments to PFRS 10: Investment Entities: Applying the Consolidation Exception			✓
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Transition Guidance			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			✓
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendments to PFRS 12: Transition Guidance			✓
	Amendments to PFRS 12: Investment Entities			✓
	Amendments to PFRS 12: Investment Entities: Applying the Consolidation Exception			✓
PFRS 13	Fair Value Measurement	✓		
***Not early adopted**				
PFRS 14	Regulatory Deferral Accounts			✓
Philippine Accounting Standards				

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income			✓
	Amendments to PAS 1 (Revised): 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 Date	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 – Deferred Tax: Recovery of Underlying Assets			✓
PAS 14	Segment Reporting	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendments to PAS 16: Bearer Plants			✓
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19	Employee Benefits			✓
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures			✓
PAS 19 (Revised)	Employee Benefits			✓
	Amendments to PAS 19 (Revised): Defined Benefit Plans: Employee Contributions			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
**Not early adopted*				
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	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27	Consolidated and Separate Financial Statements			✓
PAS 27 (Revised)	Amendments to PAS 27 (Amended): Investment Entities			✓
	Amendments to PAS 27 (Revised): Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
PAS 27 (Amended)	Separate Financial Statements			✓
	Amendments to PAS 27 (Amended): Investment Entities			✓
	Amendments to PAS 27 (Amended): Equity Method in Separate Financial Statements			✓
PAS 28	Investments in Associates			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓
	Amendments to PAS 28 (Amended): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture			✓
	Amendments to PAS 28 (Amended): Investment Entities: Applying the Consolidation Exception			✓
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			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities			✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets			✓
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
	Amendments to PAS 38: Clarification of Acceptable Methods of Amortization			✓
PAS 39	Financial Instruments: Recognition and	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
	Measurement			
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			✓
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
	Amendments to PAS 39: Hedge Accounting			✓
PAS 40	Investment Property			✓
	Amendments to PAS 41: Bearer Plants			✓
PAS 41	Agriculture			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	*Determining Whether an Arrangement Contains a Lease*	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	*Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*			✓
IFRIC 7	*Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies*			✓
IFRIC 8	*Scope of PFRS 2*			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
IFRIC 10	*Interim Financial Reporting and Impairment*			✓
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC-14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 15	Agreements for the Construction of Real Estate			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓
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-21	Income Taxes - Recovery of Revalued Non-Depreciable Assets			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

MJC INVESTMENTS CORPORATION

SCHEDULE M: FINANCIAL SOUNDNESS INDICATOR

31 December 2015

		As of the Period Ended		
Indicators	**Manner of Computation**	**2015**	**2014**	**2013**
Current Ratio	Current Assets / Current Liabilities	3.54:1	3.55:1	18.50:1
Debt Equity Ratio	Total Liabilities / Total Equities	0.21:1	0.09:1	0.04:1
Asset Liability Ratio	Total Assets / Total Liabilities	1.96:1	11.87:1	28.68:1
Return on Assets	Net Income (Loss) / Total Assets	-0.89%	97%	-1.34%
Basic Earnings (Losses) Per Share	Net Income (Loss) / Outstanding Common Shares	-0.020	-0.010	-0.020