Securities and Exchange Commission
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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the Fiscal Year ended **December 31, 2017**

2. SEC Identification No. **427A** 3. BIR Tax Identification No. **000-707-286**

4. Exact Name as specified in its charter: **ATOK-BIG WEDGE CO., INC.**

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

6. (SEC use only) Industry Classification Code

7. Address of principal office: **Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City**

8. Postal Code **1209**

9. Registrant's telephone number, including area code: **(632) 310-7100; (632) 337-2031**

10. Former name, former address, and fiscal year, if changed since last report: **N.A.**

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

Title of Class	Number of Shares	Number of Shares of Common Stock Outstanding Par value
Common	**2,545,000,000**	**₱2,545,000,000.00**

Total Liabilities as of 31 December 2017: **nil**

12. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes [**x**] No. [ ]

13. Check whether the registrant:

(a) Has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder, or Section 11 of the Revised Securities Act and RSA rule 11-(a)-1 thereunder, and sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):

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Yes [**x**] No. [ ]

(b) Has been subject of such filing requirements for the past 90 days:

Yes [**x**] No. [ ]

14. State the aggregate market value of the voting stock held by non-affiliates of the registrant.

	Non-Affiliates No. of Shares	Market Value As of 12.31.17	Total Market Value
Common	**260,779,689**	**Php15**	**Php3,911,695,335**

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1: Description of Business

Atok-Big Wedge Co. Inc. (the "Company"), formerly Atok-Big Wedge Mining Co., Inc., was incorporated and registered with the Securities and Exchange Commission (the "SEC")on September 4, 1931. Its corporate life was extended on September 25, 1981 for another fifty (50) years to expire on September 25, 2031. The common shares of the Company are listed in the Philippine Stock Exchange (the "PSE"; ticker symbol: AB).

Since its incorporation, the Company engaged in mining as its primary purpose, producing gold as its major product and silver as a by-product. Its production was all sold to the Central Bank of the Philippines at a price subsidized by the Philippine Government, and later on at the prevailing world market price. Gold bullions are used by the Philippine Government as one of the components in the monetary reserve.

Although the Company changed its primary purpose in 1996 from mining to general investment, it reverted to its original purpose of engaging in exploration and development of mining, oil, gas, and other natural resources when it amended its Articles of Incorporation, which was approved by the SEC on May 24, 2010.

The Company has two (2) wholly-owned subsidiaries, AB Stock Transfers Corporation ("ABSTC") and Tidemark Holdings Limited ("Tidemark").

ABSTC was incorporated on June 24, 2010, with the purpose of establishing, operating, and acting as a transfer agent and/or registrar of corporations.

On the other hand, Tidemark is a holding company registered and domiciled in Hongkong SAR, which the Company bought on 3 October 2011. Tidemark used to own 9,646,757 ordinary shares of Forum Energy plc, now Forum Energy Limited ("Forum"), a company registered and domiciled in the United Kingdom representing, approximately 27.14% of Forum's outstanding capital. In March 2017, Tidemark subscribed to 6,666,667 new shares of Forum, together with the subscription simultaneously made by the other shareholder of Forum. This new subscription resulted in Tidemark owning 20% of Forum. Tidemark expects the absolute value of its 20% stake in Forum to exceed the value of its then 27.14% stake. Forum is a gas & oil exploration and production company with a portfolio of projects in the Philippines. Among these projects is the Service Contract (SC) 72 where Forum holds 70% equity. SC72 is situated offshore West of Palawan Island and is host to the Sampaguita offshore gas/condensate discovery. Drilling plans for SC72 have been placed on hold by the Philippine government pending the resolution of territorial sovereignty disputes involving claimant countries surrounding West Philippine Sea.

The Company is a regular member and signatory of the Chamber of Mines. It has adopted the spirit and substance of the Chamber of Mines' Code of Conduct which calls for sustainable mineral resources development, environmental responsibility and a social commitment to the general welfare and economic development of the people in the localities in which it operates.

Over the past seven decades, the Company has established a strong foundation in the Philippine mining industry.

Pursuant to its goal of seeking out projects to put into operation, the Company made a continued careful and diligent evaluation of multiple metallic and non-metallic prospects for possible investment. While it looked into investment possibilities in Laos, it recently decided to re-focus its efforts in the Philippines with priority on projects in the advanced stage, but not disregarding greenfield exploration prospects with potential. Discussions also continued for mines with confirmed potential and previously operated but closed down during the period with low metal prices. However, the Company has not made any publicly-announced new products or services nor it or any of its security holders acquired securities of another person, aside from the previously stated acquisition by Tidemark of additional shares of Forum. The Company has no plans of purchase or selling any significant equipment.

Participation in Bankruptcy, Receivership or Similar Proceedings

There were no bankruptcy, receivership, or similar proceedings involving the Company.

Business Indicators

The Company is exploring the possibility of entering into a business venture with local and foreign entities to maximize the potential of its mineral properties and to enhance its earnings in the very near future. It will abide by the principle of sustainable and socially acceptable mineral resources development.

The viability of expanding the current pilot plant operation and sustaining it at an economically viable scale depends on the price of gold in the world market, the peso-dollar exchange rate, the efficiency of mining and milling operations, and the grade of ore. The higher the grade of ore in grams gold per ton of ore, the higher the profit margin will be.

Patents, Franchise/Government Approvals

The Company has complied with government rules and regulations and has paid all the necessary taxes and fees. It regularly coordinates with the Department of Energy (DOE) and Department of Environment and Natural Resources (DENR) with regard to new rules and regulations that may be promulgated.

Employees

As of end of 2017, the Company has three (3) regular employees while ABSTC, the Company's subsidiary, has only one (1) regular employee, which employees are not subject to Collective Bargaining Agreement. The Company has no plans of adding additional employees for the ensuing twelve (12) months. However, if the level of activities increase parallel to a more supportive regulatory position on exploration and mining, the Company, is expected to increase the number of its employees. The principal duties and responsibilities of the employees of the Company and its subsidiaries are to conduct technical evaluation of potential mining projects, maintain the validity and existence of the subsidiary's mining rights, conduct exploration and development works, set and run a pilot gold processing plant, and secure all other properties of the subsidiary, including the plant, equipment, records, maps and other valuable information at the mine site.

Customers

The Company and its subsidiaries are not dependent on any single customer or on a few customers.

Transactions with and/or Dependence on Related Parties

Significant transactions with related parties include the following:

a. The Company has existing subleasing agreement with ABSTC and other related parties. Rent income earned from related parties amounted to zero for 2015 and 2014, and P1 million in 2013. No rent income was declared in 2015 and 2014 as this purely pertains to affiliates' share in the rental cost. ABSTC is also being billed by AMPI for the rent and utility expenses it incurs and allocates the same to its sub-lessees.

b. The Company entered into a Cost Sharing Agreement with Philweb Corporation (Philweb), a related party under common management with the Company, for its share in rental and salaries of its key management personnel. This agreement has been terminated in October 2017.

c. Noninterest-bearing advances to and from related parties which are due and demandable.

The following table summarizes the Group's transactions with related parties (entitieswith common directors) for the years ended December 31, 2017and 2016and therelated outstanding balances as at December 31, 2017and 2016:

	Nature of Transaction	Amount of Transactions 2017	Amount of Transactions 2016	Outstanding Balance 2017	Outstanding Balance 2016
Receivable from related parties					
Entities under common management:					
Alphaland Corporation (ALPHA)	Allocated costs	**₱–**	₱–	**₱2,794,966**	₱2,794,966
	Service fee	**180,000**	180,000	**16,800**	168,000
Alphaland Heavy Equipment Corporation	Allocated costs	**–**	–	**579,305**	579,305
The City Club at Alphaland Makati Place, Inc.	Service fee	**180,000**	180,000	**67,200**	84,000
AlphalandBalesin Island Club, Inc.	Reimbursements	**–**	–	**32,500**	32,500
	Service fee	**180,000**	180,000	**50,400**	100,800
Acentic Philippines Inc.	Allocated costs	**39,747**	–	**2,500**	27,441
Alphaland Aviation Inc.	Reimbursements	**–**	–	**796**	796
Alphaland Baguio Mountain Log Home, Inc.	Sale of asset	**–**	418,019	**–**	418,019
Choice Insurance Brokerage, Inc.	Allocated costs	**–**	–	**–**	629,581
Philweb Cambodia Ltd.	Reimbursements	**–**	–	**–**	190,450
Philweb	Service fee	**–**	180,000	**–**	118,560
				₱3,544,467	₱5,144,418
Payable to related parties					
Entities under common management:					
Alphaland Southgate Tower, Inc. (ASTI)	Lease of office space and utilities	**₱11,605**	₱1,566,707	**₱593,974**	₱582,369
Alphaland Makati Place, Inc. (AMPI)	Lease of office space and utilities	**266,524**	117,387	**262,392**	–
ALPHA	Reimbursements	**–**	–	**187,182**	187,182
Philweb	Allocated rent, salaries and shared costs	**–**	4,614,938	**–**	350,621
c				**₱1,043,548**	₱1,120,172

Aside from the foregoing, there are no transactions (or series of similar transactions) during the last two (2) years, with or involving the Company or its subsidiaries, in which a director, executive officer, or stockholder owning ten percent (10%) or more of the total outstanding shares, or any member of his/her immediate family, had or will have a direct or indirect material interest.

Patents, Trademarks, Copyrights, Licenses, Concessions and Royalty Agreements

The company does not own any registered patent, trademark or copyright. Neither is it a recipient of any license or concession nor a party to any royalty agreement.

Effect of Existing or Probable Governmental Regulations

The Philippine government is currently reviewing its policy on mining. Any such policy, when adopted, may have a significant on the Company's future endeavors into mining activities.

Nonetheless, a combination of political, administrative and social issues slowed the pace of mining permit processing in the Philippines. For this reason, none of the pending projects for the Company progressed. A team sent by the Company evaluated a potentially mineralized area in the Bicol region last September 2011. Surface indications combined with the presence of existing producing mines in the vicinity gave interest to this prospect. However, the existing tenement application by the claim owner was rejected by the Department of Environment and Natural Resources (DENR). Without a valid permit, a more thorough exploration program cannot be implemented.

In 2012, FEP encountered a delay in one of its drilling programs. It has submitted all the requirements for the issuance of required permits for the drilling program. However, the permit has not yet been issued by the relevant Government body. The latest resource assessment supported the case to proceed with the drilling and FEP has been granted an extension up to August 2015 to complete its obligations under the service contract. FEP expects to proceed with its commitment as soon as it is able to obtain the necessary authorization from the Government. The Philippine Department of Energy has granted a force majeure on Service Contract 72 [SC 72] because this contract area falls within the territorial disputed area of the West Philippine Sea, which is the subject of a United Nations arbitration process between the Republic of the Philippines and the People's Republic of China.

Research and Development Activities

The Company does not allocate specific amounts or fixed percentages for research and development. The allocation for such activities may vary depending on the nature of the project.

Total cost incurred, including exploration and development works, during calendar years 2013 to2017 amounted to P5.2 million broken down as follows:

Period	Revenue	Exploration Development and Environmental Cost	Percentage on Revenue
CY 2013	-	165,450	0%
CY 2014	-	2,456,558	0%
CY 2015	-	1,593,983	0%
CY 2016	-	976,428	0%
CY 2017	-	-	0%
Total		**5,192,419**	-

The above-mentioned expenses were incurred pursuant to the mandatory requirement to conduct annual assessment works, i.e. reconnaissance and semi-detailed exploration works such as geological mapping, sampling, opening up of assessment tunnels, ore reserve development and assaying of samples, etc., to prove mineable ore reserve, as provided under the Philippine Bill of 1902, Presidential Decree No. 463, the New Mining Code, and applicable laws, rules and regulations.

Compliance with Environmental Laws

The Company is currently not operating a mine or oil project. In the event that it does, all necessary pollution control and environmental protection measures will be set in place.

Competition

The Company is currently not operating a mine or oil project.

Risk Factors

The Company's profitability is dependent on the performance of its subsidiary ABSTC and affiliate Forum.

Financial Risk Management

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

- Credit Risk
- Liquidity Risk
- Market Risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. All risks faced by the Company are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the results. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors reviews and institutes policies for managing each of the risks.

<u>Credit Risk</u>

Credit risk represents the risk of loss the Company would incur if credit customers and counterparties fail to perform their contractual obligations. The Company's credit risk arises principally from the Company's cash in banks and cash equivalents, trade receivables and refundable deposits.

Receivables which are neither past due nor impaired are of good quality. These are from clients that pay on time or even before maturity date.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Company's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will adversely affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company is subject to transaction and translation exposures resulting from currency exchange fluctuations. The Company regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the changes in current exchange rates.

Capital Management

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern and that it maintains healthy capital ratios in order to support its business.

The Company monitors capital on the basis of debt-to-equity ratio which is calculated as total debt divided by total equity. Total debt comprises of accounts payable and accrued expenses, other current liabilities and due to related parties. Total equity comprises all components of equity.

Mining Claims

The Company does not have any existing mining claim.

Item 2: Description of Properties

Other than its shareholdings in ABSTC and in Forum (through Tidemark), the Company does not own any other significant property.

Item 3: Legal Proceedings

The Company is not involved in any legal proceeding.

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

During the 2017 Annual Meeting of Stockholders, the security holders present and represented (representing more than 2/3 of the Company's outstanding capital stock) approved the appointment of Reyes, Tacandong& Co. as the Company's external auditor.

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The following were elected as members of the Company's Board of Directors for 2017-2018:

Roberto V. Ongpin
Eric O. Recto
Walter W. Brown
Anna Bettina Ongpin
Michael Angelo Patrick M. Asperin
Dennis O. Valdes
Mario A. Oreta
Cliburn Anthony A. Orbe
John Peter Chick B. Castelo
Margarito B. Teves – Independent Director
Gregorio Ma. Araneta – Independent Director

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

A. Market Information

1. Principal Market – Philippine Stock Exchange, Inc.

The Company's common shares are traded in the Philippine Stock Exchange. As of last trading date for March 31, 2018 the closing price of the shares of the Company is Php12.78. The high and low sale prices of the shares for each quarter within the last three (3) years are:

Quarter Ended	High	Low
03.31.18- 1st Quarter	18.34	18.30
12.31.17 - 4th Quarter	15.00	13.52
09.30.17 - 3rd Quarter	16.00	15.00
06.30.17 - 2nd Quarter	14.90	13.20
03.31.17- 1st Quarter	11.38	10.00
12.31.16 - 4th Quarter	10.38	9.70
09.30.16 - 3rd Quarter	10.98	9.65
06.30.16 - 2nd Quarter	11.80	11.78
03.31.16 - 1st Quarter	12.78	12.58
12.31.15 - 4th Quarter	11.78	11.78
09.30.15 - 3rd Quarter	10.90	9.00
06.30.15 - 2nd Quarter	11.40	11.04
03.31.15 - 1st Quarter	10.80	10.80

B. Holders

Approximate Number of Shareholders of Each Class of Common Security as of December 31, 2017:

The Company has 4,200 stockholders as of December31, 2017.

The Top 20 Registered Stockholders of the Company as of December 31, 2017are:

The list of the top twenty (20) registered shareholders is as follows:

		No. of Shares	%
1.	Boerstar Corporation	1,775,218,804	69.75%
2.	North Kitanglad Agricultural Co., Inc.	309,000,000	12.14%
3.	PCD Nominee Corporation: Filipino - 212,140,554 Non-Filipino - 149,087	212,289,641	8.34%
4.	Strong Gain Enterprises Limited	120,000,000	4.72%
5.	Progressive Development Corporation	93,963,474	3.69%
6.	Power Merchant International Limited	30,000,000	1.18%
7.	Carroll, Charles F.,TEE Carroll Family Trust FBO Charles F. Carroll	593,200	0.02%
8.	Braasch, Herbert	84,884	0.00%
9.	Baron, Rose A. & William J.	81,197	0.00%
10.	Araneta, Jorge L.	73,535	0.00%
11.	McLarney, Jane Mary & Timothy P. McLarney	70,875	0.00%
12.	Silbert, Solomon S. & Claire B. Silbert	56,567	0.00%
13.	Cohen, Sy R. & Barbara	43,195	0.00%
14.	Steiner, Norma	38,656	0.00%
15.	Coherco Sec., Inc. FAO 181513151200	38,000	0.00%
16.	Loo Ngo Kue	36,020	0.00%
17.	Pua, Luis	35,542	0.00%
18.	Cunningham, Edmund F. & Pauline F.	33,275	0.00%
19.	Olasiman, Edilberto O.	33,100	0.00%
20.	Fores, Maria Lourdes A.	29,840	0.00%
	Roxas, Judy A.	29,840	0.00%

Total issued and outstanding shares – 2,545,000,000

NOTE: NKACI has 200,000,000 shares lodged with PCD Nominee Corporation. In all, NKACI owns 509,000,000 shares representing 20% of the total outstanding shares of the Company.

C. Beneficial Owner of More than 5% of Any Class of the Registrant's Common Equity

(1) TITLE OF CLASS	(2) NAME AND ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	(3) NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	(4) CITIZEN-SHIP	(5) NUMBER OF SHARES	(6) PERCENT TO TOTAL OUTSTANDING
Common	Boerstar Corporation 6766 Ayala Avenue corner Paseo de Roxas, Makati City *(Stockholder)*	Roberto V. Ongpin and Eric O. Recto – Beneficial Owners	Filipino	1,775,218,804*	69.75%
Common	North Kitanglad Agricultural Co., Inc. KalugmananManoloFortich, Bukidnon (Stockholder)	Walter W. Brown – controlling shareholder	Filipino	309,000,000**	12.14%
Common	PCD Nominee Corporation (Stockholder)	North Kitanglad Agricultural Co., Inc. – beneficial owner	Filipino	200,000,000**	8.35%

** All shares subscribed by Boerstar Corporation, both fully paid-up and partially paid. The total fully paid-up shares amount to 498,182,284.*
***North Kitanglad Agricultural Co., Inc. (NKACI) has 200,000,000 shares lodged with PDTC and held by PCD Nominee Corporation. In all, NKACI owns 509,000,000 shares representing 20% of the total outstanding shares of the Company. Only the 200,000,000 shares are fully-paid shares.*

Except as stated above, the Board of Directors and Management of the Company have no knowledge of any person who, as at Record Date, was indirectly or directly the beneficial owner of more than 5% of the Company's outstanding shares of common stock or who has voting power or investment power with respect to shares comprising more than five percent of the outstanding shares of common stock. There are no persons holding more than 5% of the Company's common stocks that are under a voting trust or similar agreement.

D. Dividends

The Company has not declared any dividends during the last three (3) years.

The Company's Amended By-Laws provides that its Board of Directors may declare dividends only from surplus profits arising from the business of the Company, in accordance with the preferences constituted in favor of preferred stock when and if such preferred stock be issued and outstanding. Restrictions under the Corporation Code of the Philippines also limit the Company's power to declare dividends.

Item 6: Management's Discussion and Analysis of Financial Condition and Results of Operations for the Last Three Years

a) 2017Operational Results

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		Increase (Decrease)	
	2017	2016	Amount	%
GENERAL AND ADMINISTRATIVE EXPENSES	**7,836,824**	**18,690,458**	**(10,853,634)**	**-58.07%**
OTHER INCOME (EXPENSES)				
Share in the net results of operations of an associate	(13,735,209)	(18,758,273)	5,023,064	-26.78%
Service fees	1,472,890	1,479,480	(6,590)	-0.45%
Interest income	1,051,021	2,784,483	(1,733,462)	-62.25%
Others	1,816	30,141	(28,325)	-93.97%
	(11,209,482)	**(14,464,169)**	**3,254,687**	**-22.50%**
LOSS BEFORE INCOME TAX	**(19,046,306)**	**(33,154,627)**	**14,108,321**	**-42.55%**
PROVISION FOR INCOME TAX	162,094	209,955	(47,861)	-22.80%
NET LOSS	**(19,208,400)**	**(33,364,582)**	**14,156,182**	**-42.43%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will be reclassified subsequently to profit or loss -				
Foreign exchange differences on translation of the financial statements of Tidemark Holdings Limited	1,889,325	46,933,425	(45,044,100)	-95.97%
TOTAL COMPREHENSIVE INCOME (LOSS)	**(17,319,075)**	**13,568,843**	**(30,887,918)**	**-227.64%**
BASIC AND DILUTED LOSS PER SHARE	**(0.0201)**	**(0.0350)**	**0.0148**	**-42.43%**

2017 operations resulted to a P17.3 million total comprehensive loss compared to P13.6 million in 2016. The total difference of P30.9 million were brought about by the following:

1) + P10.9 million; decrease in the general and administrative mainly due to lower salaries and wages consequent to manpower reduction, rent, representation expenses, allocated mining exploration and communication costs during the current year.

2) +P5 million; decrease in share on the income of operations of an associate (Tidemark),

3) – P45 million; decrease on the foreign exchange differences of an associate (Tidemark)

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b) 2016 Operational Results

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		Increase (Decrease)	
	2016	2015	Amount	%
GENERAL AND ADMINISTRATIVE EXPENSES	**18,690,458**	**21,927,639**	**(3,237,181)**	**-14.76%**
OTHER INCOME (EXPENSES)				
Share in the net results of operations of an associate	(18,758,273)	(22,208,252)	3,449,979	-15.53%
Service fees	1,479,480	1,463,297	16,183	1.11%
Interest income	2,784,483	2,843,539	(59,056)	-2.08%
Others	30,141	27,643	2,498	9.04%
	(14,464,169)	**(17,873,773)**	**3,409,604**	**-19.08%**
LOSS BEFORE INCOME TAX	**(33,154,627)**	**(39,801,412)**	6,646,785	-16.70%
PROVISION FOR INCOME TAX	209,955	219,688	(9,733)	-4.43%
NET LOSS	**(33,364,582)**	**(40,021,100)**	**6,656,518**	**-16.63%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will be reclassified subsequently to profit or loss -				
Foreign exchange differences on translation of the financial statements of Tidemark Holdings Limited	46,933,425	40,540,500	6,392,925	15.77%
TOTAL COMPREHENSIVE INCOME	**13,568,843**	**519,400**	**13,049,443**	**2512.41%**
BASIC AND DILUTED LOSS PER SHARE	**(0.0350)**	**(0.0420)**	**0.0070**	**-16.63%**

2016 operations resulted to a P13.6 million total comprehensive income compared to P0.5 million in 2015. The total difference of P13.0 million were brought about by the following:

1) + P3.2 million; decrease in the general and administrative expenses

2)+P3.4 million; decrease in share on the income of operations of an associate (Tidemark),

3)+P6.4 million; increase on the foreign exchange differences of an associate (Tidemark)

c) 2015 Operational Results

ATOK BIG WEDGE CO., INC. And Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the year		increase (Decrease)	
	2015	**2014**	**Amount**	**%**
GENERAL AND ADMINISTRATIVE EXPENSES	(21,927,639)	(25,607,883)	3,680,244	(14.37%)
OTHER INCOME (EXPENSES)				
Interest income	2,843,539	3,055,442	(211,903)	(6.94%)
Service fees	1,463,297	1,438,880	24,417	1.70%
Share in the net results of operations of an associate	-		-	0.00%
Others	(22,208,252)	2,647,051	(24,855,303)	(938.98%)
	27,643	88,012	(60,369)	(68.59%)
	(17,873,773)	**7,229,385**	**(25,103,158)**	**(347.24%)**
LOSS BEFORE INCOME TAX	(39,801,412)	(18,378,498)	(21,422,914)	116.57%
PROVISIONS FOR INCOME TAX	(219,688)	(158,529)	(61,159)	38.58%
NET LOSS	(40,021,100)	(18,537,027)	(21,484,073)	115.90%
OTHER COMPREHENSIVE INCOME				
Item that will be reclassified subsequently to profit or loss -				
Foreign exchange differences on translation of the financial statements of Tidemark Holdings Limited	40,540,500	1,905,745	38,634,755	2027.28%
TOTAL COMPREHENSIVE INCOME (LOSS)	519,400	(16,631,282)	17,150,682	(103.12%)
BASIC AND DILUTED LOSS PER SHARE	(0.0157)	(0.0073)	(0.0084)	115.90%

2015 operations resulted to a P0.5 million total comprehensive income compared to the total comprehensive loss of P16.6 million in 2014. The total difference of P17.2 million were brought about by the following:

1) P3.7 million; decrease in the general and administrative expenses as compared to 2014, +

2) P24.9 million; decrease in share on the income of operations of an associate (Tidemark), P22.2 million share on loss in 2015 as compared to the P2.6 million share on the income for 2014 -

3) P0.2 million; decrease on interest income in 2015 -

4) P38.6 million; increase on the foreign exchange differences of an associate (Tidemark) +

Plan of Operation for the Next Twelve (12) Months

The Company is hoping to get the government approval for its application for Exploration Permit over an area of 3,375 Hectares in CADT134, Agusan Del Norte. While in the process, it will continue to conduct series of field inspection to understand the mineralization occurrence in preparation for more detailed exploration activities. Concurrent to the field activities in CADT134, exploration works continues in Mt. Daraga (587 Hectares), Mendez (486 Hectares) and Aboloc (567 Hectares) areas also in Agusan Del Norte, all under Memoranda of Agreement. "Sweet" areas (HIGH GRADE areas for Gold mineralization) within Mt. Daraga and Mendez have been identified for more detailed subsurface. Plans involving oil and gas exploration have been shelved in relation to low oil prices and the uncertainty in supply and demand situation. SC-72 (Recto Bank) is still kept on hold depending on the outcome of Philippine Government initiatives involving West Philippine Sea. The Philippine Department of Energy has granted a force majeure on Service Contract 72 [SC 72] because this contract area falls within the territorial disputed area of the West Philippine Sea, which is the subject of a United Nations arbitration process between the Republic of the Philippines and the People's Republic of China. From November 2013 to 31 December 2017, the mining exploration cost of the Company is Php 5,192,419.00.

The Company will continue to fund its operations in the next year or two depending on the activities that will materialize using itscash and its money market investments.

The vision of the Company remains and that is to have a substantial involvement in the exploration and judicious development of various natural resources that will contribute to the economic development of the Philippines. The Company's mission to be the leader in chosen fields by creating value through change, utilizing the group's knowledge capital and adopting leading technologies, to enhance shareholders' value and profit through growth in earnings and in intrinsic worth, to be committed to a culture of excellence, loyalty and pride, and to be a socially responsible and environmentally conscious corporate citizen, adhering to the highest ethical standards and respecting the communities to which it belongs remains.

Currently,the Company has no plans of increasing its number of employees during the next twelve (12) months, however, if the level of activities increase parallel to a more supportive regulatory position on exploration and mining, the Company, is expected to increase the number of its employees.

Key Performance Indicators

The Company's key performance indicators and their manner of computation are as follows:

	Manner of Calculation	As of Dec 31, 2017	Dec 31, 2016	Dec 31, 2015
CURRENT/LIQUIDITY RATIO		22.65:1	75.26:1	12.97:1
Current assets	Current assets	54,625,748	159,039,881	184,845,834
	divided by			
Current liabilities	current liabilities	2,411,632	2,113,181	14,256,356
SOLVENCY RATIO		(7.95):1	(15.58):1	(2.75):1
	The sum of			
Net loss after tax	net loss after tax	(19,208,400)	(33,364,582)	(40,021,100)
less depreciation	less depreciation	40,589	442,826	856,500
and impairment losses	and impairment losses			
	divided by			
Total liabilities	total liabilities	2,411,632	2,113,181	14,256,356
DEBT TO EQUITY RATIO		0.004:1	0.003:1	0.022:1
Total liabilities	Total liabilities	2,411,632	2,113,181	14,256,356
	divided by			
Total equity	total equity	635,025,815	652,344,890	638,776,047
ASSET TO EQUITY RATIO		1.00:1	1.00:1	1.02:1
Total assets	Total assets	637,437,447	654,458,071	653,032,403
	divided by			
Total equity	total equity	635,025,815	652,344,890	638,776,047
INTEREST RATE COVERAGE RATIO		-	-	-
Income before interest and taxes	Income before taxes and interest	(19,046,306)	(33,154,627)	(39,801,412)
	divided by			
Interest expense	interest expense	-	-	-
PROFITABILITY RATIO		(0.03):1	(0.05):1	(0.06):1
Net loss after tax	Net loss after tax	(19,208,400)	(33,364,582)	(40,021,100)
	divided by			
Total equity	total equity	635,025,815	652,344,890	638,776,047

Item 7. Financial Statements

Please see the attached Company's Financial Report as of 31 December 2017and its supplementary schedules, as well as the Company's audited Statement of Income and Cash Flows for each of the three (3) preceding years.

There are no changes in, or disagreements with, the accountants on accounting and financial disclosure.

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

89. **A**

udit and Audit Related Fees

The Company's external auditor for 2017is Reyes Tacandong&Co..

The aggregate External Audit Fees (MC No. 14, Series of 2004) billed for each of the last three (3) years, for the audit of the annual financial statements and services that are normally provided by the External Auditor, are as follows:

Year	Amount
2015	200,000.00
2016	200,000.00
2017	200,000.00

The above-mentioned audit fees are inclusive of: (a) other assurance and related services by the External Auditor that are reasonably related to the performance of the audit; and (b) review of the Company's financial statements, exclusive of tax fees and/or representation fees for legal matters.

The Audit Committee makes recommendations to the Board of Directors concerning the external auditors and pre-approves audit plans, scope and frequency before the conduct of the external audit.

The auditor of the Company conducted its audit in accordance with auditing standards generally accepted in the Philippines with the objective of expressing an opinion as to whether the presentation of the financial statements, taken as a whole, conforms to accounting principles generally accepted in the Philippines. They performed tests of the accounting records and such other procedures, as they considered necessary in the circumstances to provide a reasonable basis for an opinion on the financial statements. They also assessed the accounting principles used and significant estimates made by management and evaluated overall financial statements presentation.

The auditor also considered the Company's internal control in order to determine the nature, timing and extent of the audit procedures for the purpose of expressing an opinion on the financial statements. There were no audit fees related to this.

There were no products and services provided by the external auditor other than the services reported under the above items.

There were no disagreements between the auditor and the Company with respect to the accounting/auditing issues raised during the year.

B. Audit Committee Policies and Procedure – External Audit Services and Fees Policies:

1. An external auditor is selected and appointed by the stockholders upon recommendation of the Audit Committee through the Board of Directors.
2. All proposed professional fees from the external auditor for professional services are to be approved by the Board of Directors through the Audit Committee.
3. The Audit Committee is to pre-approve the scope of proposed professional services and/or audit plans of the external auditor.

Procedure:

1. A proposal for the appointment of an external auditor is submitted by the external auditor.
2. The stockholders, during their annual stockholders' meeting, shall appoint the external auditor upon recommendation of the Audit Committee through the Board of Directors.
3. All proposed professional fees shall be submitted to the Audit Committee, outlining the scope of work, deadlines and other pertinent information.
4. The Audit Committee reviews and decides on the proposal.
5. The acceptance of the proposal is forwarded to the Board of Directors and formally communicated to the external auditor.
6. After the external auditor renders its services, the Audit Committee evaluates and reviews its final reports to ensure compliance with the service agreement.
7. The Audit Committee submits to the Board of Directors all significant items and findings in the external auditor's report.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

89. Directors, Executive Officers, Promoters and Control Persons

The names of the Directors and Executive Officers of the Corporation as of December 31, 2017, and their respective ages, positions held, and periods of service are as follows:

Name	Age	Position	Period During Which the Individual has Served as Such
Roberto V. Ongpin	81	Chairman of the Board, Chief Executive Officer and Director	12 November 2009 to Present
Eric O. Recto	54	Vice Chairman, President and Director	As Vice Chairman, 10 December 2009 to Present; as Director, 12 November to Present
Walter W. Brown	75	Director	10 December 2009 to Present
Anna Bettina Ongpin	53	Director	16 August 2013 to Present
Dennis O. Valdes	56	Director	12 November 2009 to Present
Michael Angelo Patrick M.	59	Director	28 August 2014 to Present

Name	Age	Position	Period During Which the Individual has Served as Such
Asperin			
John Peter Chick B. Castelo	51	Director	28 August 2014 to Present
Margarito B. Teves	74	Independent Director	26 May 2011 to Present
Gregorio Ma. Araneta III	69	Independent Director	28 August 2014 to Present
Cliburn Anthony A. Orbe	44	Director; Corporate Information Officer and Compliance Officer; Corporate Secretary	13 May 2013 to present 13 May 2013 to present 13 December 2013 to present
Josephine A. Manalo	75	Treasurer	11 August 2015 to Present
Cristina B. Zapanta	53	Compliance Officer-Anti Money Laundering Manual and Vice President for Finance	31 May 2016 to Present
Jonamel G. Israel-Orbe	45	Corporate Information Officer; Deputy Compliance Officer Assistant Corporate Secretary	As Assistant Corporate Secretary, 28 August 2014; As Corporate Information Officer and Compliance Officer, 13 December 2013 to present

Following are information on the educational attainment, business experience and credentials of each of the above-named Directors and Officers of the Corporation:

ROBERTO V. ONGPIN, *Chairman of the Board, Chief Executive Officer, and Director*
Mr. Ongpin, Filipino, 81 years old,was elected Director and Chairman of the Board on 12 November 2009. He is also the Chairman of Alphaland Corporation (ALPHA) and a former Chairman of Philweb Corporation, a former Director of San Miguel Corporation (SMC), PAL Holdings, Inc. (PAL) and Petron Corporation (PCOR). He is also the chairman of Alphaland Balesin Island Club, Inc. (ABICI). In Hong Kong, he is the former Non-Executive Director of Shangri-La Asia and the former Deputy Chairman of the South China Morning Post, both listed in the Hong Kong Stock Exchange. He is also the formerNon-Executive Director of Forum Energy PLC (United Kingdom). Mr. Ongpin joined SGV & Co. in 1964 and was Chairman and Managing Partner of the firm from 1970 to 1979. He served as the Minister of Trade and Industry of the Republic of the Philippines from 1979 to 1986. Mr. Ongpin graduated cum laude in Business Administration from the Ateneo de Manila University, is a Certified Public Accountant and has an MBA from the Harvard Business School.

ERIC O. RECTO, *Vice Chairman and Director*
Mr. Recto, Filipino, 54 years old, was elected Director on 12 November 2009 and appointed as Vice-Chairman of the Board of Directors on 12 December 2009. He is also the Chairman of the ISM Communications Corporation (ISM), Philippine Bank of Communications (PBC) Chairman and President of Bedfordbury Development Corporation, President and Director of Q-Tech Alliance Holdings, Inc., Director of Petron Corporation, and a member of the Board of Supervisors of Acentic GmbH. Prior to joining the Company, Mr. Recto served as Undersecretary of Finance of Republic of the Philippines, in charge of handling both the International Finance Group and the Privatization Office. Before his stint with the government, he was Chief Finance Officer of Alaska Milk Corporation and Belle Corporation. Mr. Recto has a degree in Industrial Engineering from the University of the Philippines as well as an MBA from the Johnson School, Cornell University.

WALTER W. BROWN, *Director*

Dr. Brown, 75, Filipino, is also the Chairman of A Brown Company, Inc., Palm Thermal Consolidated Holdings Corporation, International Clean 20nvironment Systems, Inc., North Kitanglad Agricultural Company, Inc., PhiGold and A Brown Energy & Resources Dev't. Inc., President of Monte Oro Resources and Energy Inc., and Director of PBJ Corporation. He was also the Chairman and Chief Executive Officer of Philex Mining Corporation. He received two undergraduate degrees: B.S. Physical Science (1959) and B.S. Geology (1960), both from the University of the Philippines, and post graduate degrees from Stanford University: M.S. Economic Geology (1963), and Ph.D. in Geology, and Major in Geochemistry (1965). He was a candidate in Master of Business Economics (1980) from the University of Asia & the Pacific (formerly Center for Research & Communications). He is currently the Chairman and Director of Family Farm School (PPAI), Chairman and President of Studium Theologiae Foundation, Vice Chairman of the Board of Trustees of Xavier University, and Member of the Chamber of Mines of the Philippines Inc., and the Geological Society of the Philippines.

MICHAEL ANGELO PATRICK M. ASPERIN, *Director*

Mr. Asperin, Filipino, 59 years old, was elected Director on August 28, 2014. He is also President and Chief Executive Officer of Alphaland Balesin Island Club, Inc. (ABICI) and handles various matters for the Group including the development of the Balesin Island Club project, as well as the operations of the aviation and security divisions of the Alphaland Group. He is also the Chief Operating Officer of Alphaland Corporation. Prior to joining ALPHA, he served as Senior Vice President for Security for WEB from 2009 to 2012. He graduated from the Philippine Military Academy in 1981.

DENNIS O. VALDES, *Director*

Mr. Valdes, 56, Filipino, was elected Director on 12 November 2009. He is also the President and a Director of PhilWeb Corporation (since 2006) and a Director of Alphaland Corporation (since 2011). His previous work experience includes 10 years with the Inquirer Group of Companies, as a Director of the newspaper, and he was also in charge of expanding their Internet, printing, and ink-making operations. Prior to that, he spent six years with The NutraSweet Company developing its businesses in Asia. He is a Certified Public Accountant, graduated magna cum laude in Business Administration and Accountancy from the University of the Philippines and has an MBA from the Kellogg School of Management, Northwestern University.

ANNA BETTINA ONGPIN, *Director*

Ms. Ongpin, Filipino, 53, was elected Director on 16 August 2013. She is also currentlya Director, the Vice Chairman and President and Assistant to the Chairman of Alphaland Corporation. Ms. Ongpin has more than 20 years of communications, marketing, project management, and operations experience in the management consulting and media fields. She holds a Bachelor's Degree in Political Science from Wellesley College.

JOHN PETER CHICK B. CASTELO, *Director*

Mr. Castelo, Filipino, 51 years old, was elected Director on 28 August 2014. He is presently the Senior Vice President for Business Development of Araneta Center, Inc. and sits in the board of its various subsidiaries and affiliates. He had 27 years of experience in real estate and finance industries. He earned his Masters in Business Administration and Degree in Bachelor of Science in Electrical Engineering from the University of the Philippines in Diliman.

MARGARITO B. TEVES, *Independent Director*

Mr. Teves, 74, Filipino, is also the Chairman of Think Tank, Inc., Member of the Board of Advisers of Bank of Communications. He is also an Independent Director of Alphaland Corporation, Alphaland Balesin Island Club, Inc. and The City Club at Alphaland Makati Place, Inc. He was formerly Secretary of the Department of Finance, Landbank President and CEO, and a Member of the House of Representatives (representing the 3rd District of Negros Oriental). He obtained a Higher National Diploma (HND) in Business Studies, equivalent to a BSC in Business Economics from the City of London College and a Master of Arts (MA) in Development Economics from the Center for Development Economics, Williams College in Massachusetts, USA. He was recently conferred an Honorary Degree of Doctor of Laws by Williams College, and named Senior Adviser to the China-Asean Economic and Culture Research Center and Visiting Professor at the Guilin University of Electronic Technology in China.

GREGORIO MA. ARANETA III – *Independent Director*
Mr.Araneta III, Filipino, 69 years old, is also an Independent Director of Philweb Corporation, Alphaland Corporation, Alphaland Balesin Island Club, Inc. and The City Club at Alphaland Makati Place, Inc.. He is the Chairman and Chief Executive Officer of Araneta Properties, Inc. since 2010. He is President and Chairman of ARAZA Resources Corporation and Carmel Development Corporation, Chairman of Gregorio Araneta Inc., Gregorio Araneta Management Corporation, and Gamma Properties, Inc. Mr. Araneta studied at the University of San Francisco and Ateneo de Manila University where he earned his Bachelor of Arts Degree in Economics.

CLIBURN ANTHONY A. ORBE, *Director, Corporate Information Officer; Compliance Officer; Corporate Secretary*
Mr. Orbe, Filipino, 44 years old, was elected Corporate Information Officer on 13 December 2013 and elected Corporate Secretary on 31 May 2016. He is also Director, Assistant Corporate Secretary and Corporate Information Officer of WEB. He has a Bachelor of Laws degree from Mindanao State University where he graduated cum laude and class valedictorian. He was formerly an associate of Rodrigo Berenguer & Guno law firm. He is a member of the Integrated Bar of the Philippines.

JONAMEL G. ISRAEL-ORBE, *Corporate Information Officer; Deputy Compliance Officer; Assistant Corporate Secretary*
Ms. Israel-Orbe, Filipino, 45 years old, was appointed Corporate Information Officer and Deputy Compliance Officer on 13 December 2013 and appointed Assistant Corporate Secretary on 28 August 2014. Ms. Orbe is also Legal Counsel for Alphaland Development, Inc. and Corporate Information Officer of Alphaland Corporation. She is a member of the Philippine Bar.

B. Term of Office

Under Article II, Section 1 of the Corporation's Amended By-Laws, the directors chosen by the stockholders of the Corporation entitled to vote at the annual meeting shall hold office for one (1) year until their successors are elected and shall have qualified.

C. Directorships in Other Reporting Companies

Mr. Roberto V. Ongpin also serves as Chairman of the Board of Alphaland Corporation, and Alphaland Balesin Island Club, Inc.

Mr. Eric O. Recto is alsoChairmanof the ISM Communications Corporation, as well as the Vice Chairman of Philweb Corporation. He is also a Director of Petron Corporation and Q-Tech Alliance Holdings, Inc..

Dr. Walter W. Brown is also the Chairman of A Brown Company, Inc. and a Director of Philippine Realty &HoldingsCorporation.

Mr. Margarito B. Teves is an independent Director of Alphaland Corporation, The City Club at Alphaland Makati Place, Inc. and Alphaland Balesin Island Club, Inc.

Mr. Gregorio Ma. Araneta III, is an independent Director of Alphaland Corporation, The City Club at Alphaland Makati Place, Inc. and Alphaland Balesin Island Club, Inc.

Mr. Dennis O. Valdes is Director and President of Philweb Corporation (WEB) and a Director of Alphaland Corporation.

Ms. Anna Bettina Ongpin is also the Vice Chairman and Director of Alphaland Corporation, Alphaland Balesin Island Club, Inc. and The City Club at Alphaland Makati Place, Inc..

Shares of ISM Communications Corporation (ISM), PhilWeb Corporation (WEB), Philippine Bank of Communications (PBC) Petron Corporation (PCOR), Philippine Realty & Holdings Corporation (RLT) and A Brown Company, Inc. (BRN) are all listed in the PSE. Shares of The City Club at Alphaland Makati Place, Inc. and Alphaland Balesin Island Club, Inc. are covered by Registration Statements filed with the SEC.

D. Significant Employees

The Company considers its subsidiaries' entire workforce as significant employees. Everyone is expected to work together as a team to achieve the Company's goals.

E. Family Relationships

Ms. Anna Bettina Ongpin is the daughter of Mr. Roberto V. Ongpin. Messrs. Recto and Valdes are nephews of Mr. Ongpin. Mr. Recto, Mr. Valdes and Ms. Ongpin are first cousins. Mr. Cliburn Anthony A. Orbe and Ms. Jonamel G. Israel-Orbe are married to each other. Other than the foregoing, the persons nominated or chosen by the Company to become directors or executive officers are not related to each other up to the fourth civil degree either by consanguinity or affinity.

F. Involvement in Certain Legal Proceedings

1. *Atty. Zenaida Ongkiko-Acorda, as attorney in fact of Atty. Mario E. Ongkiko and in behalf of Philex Mining Corporation vs. Roberto V. Ongpin, et al., SEC Case No. 11-166, Branch 158, Regional Trial Court of Pasig.* This involves a purported "derivative suit" filed on behalf of Philex against RVO and other companies beneficially owned by RVO in connection with Section 23.2 of the Securities Regulation Code and in order to recover the "short-swing profits" which were allegedly realized from supposed transactions involving Philex shares. A related Petition for Review on Certiorari is also pending before the Supreme Court in G.R. No. 204166, entitled *Roberto V. Ongpin, et al. vs. Acorda, et al.*

2. *People vs. Reynaldo G. David, et al., S.B.-13-CRM-0105 and S.B.-13-CRIM-0106, Sandiganbayan (Third Division).* This case was filed against RVO and others in connection with two loans obtained by Deltaventure Resources, Inc. (DVRI) from DBP. The Informations in both cases for violations of Section 3 € of R.A. No. 3019 were filed on 10 January 2013. In a Resolution promulgated on 28 May 2014, the Third Division of

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the Sandiganbayan granted the Accused's Motions to Quash and DISMISSED Criminal Case Nos. S.B.-13-CRM-0105 and S.B.-13-CRIM-0106. A related Petition for Review on Certiorari is pending before the Supreme Court in G.R. Nos. 217417 and 21791, entitled "*People of the Philippines vs. Reynaldo G. David, et al.*"

3. *In the matter of: Roberto V. Ongpin, Mario A. Oreta, Margarito B. Teves, et al.*, SEC-EIPD Case No. 14-3039.This concerns the findings of the Enforcement and Investor Protection Department on the liability of respondents for violation of Section 26(3) of the Securities Regulation Code (SRC) in connection with the issuance of shares of Alphaland Corporation in a capital call, stock rights offering and property for share swap which were approved and ratified by respondents as officers and members of the Board of Alphaland Corporation. On August 24, 2015, Respondents elevated the matter through notice of appeal to the SEC En Banc, where the matter is presently pending resolution. The appeal is docketed as SEC En Banc Case No. 08-15-384, entitled "Roberto V. Ongpin, Mario A. Oreta, Margarito B. Teves, et al. vs. Enforcement and Investor Protection Department".

4. *n the Matter of: Philex Mining Corporation*, SEC-EIPD Case No. 14-3044. This concerns the findings of the Enforcement and Investor Protection Department against Mr. Roberto V. Ongpin for allegedly committing Insider Trading when he purchased Philex shares at Php19.25 to Php 19.50 per share from the open market in the morning of 02 December 2009 without disclosing to the public that the group of Mr. Manuel V. Pangilinan had agreed to purchase the said shares from him at P21.00 per share. RVO appealed the case to the SEC En Banc but the latter affirmed the findings of the EIPD. Mr. Ongpin elevated the case to the Court of Appeals by way of a Petition for Review docketed as CA-G.R. SP. No. 146704, entitled "Roberto V. Ongpin v. Enforcement and Investor Protection Department". In a Resolution dated September 29, 2016, the Court of Appeals issued a writ of Preliminary Injunction enjoining the enforcement of the SEC En Banc's decision. The case is submitted for resolution as of 14 July 2017.

Other than the foregoing, the Corporation knows of no legal proceeding including without limitation any (a) bankruptcy petition, (b) conviction by final judgment, (c) order, judgment or decree, or (d) violation of a securities or commodities law, during the last five (5) years up to the date of the filing of this Statement, to which any of its Directors and Executive Officers is a party and which is material to an evaluation of their ability or integrity to act as such.

Neither have they been convicted by final judgment in any criminal proceeding or have been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court of administrative bodies to have violated a securities or commodities law.

Item 10. Executive Compensation

Although authorized to give per diems, the Company did not do so in the year 2014. In the year 2015, the Company gave directors per diem in the total amount of Php40,000.00 each, net of withholding taxes.Further, the directors and officers did not receive any compensation from the Corporation in the form of bonus, warrants, options, or participation in any profit-sharing plan in the years 2014-2017.

There are no material terms of, nor any other arrangements with regard to compensation as to which directors are compensated, directly or indirectly, for any services rendered as director.

There is no employment contract between the Company and a named executive officer.

There is no compensatory plan or arrangement between the Company and any executive officer in case of resignation, retirement or any other termination of the executive officer's employment with the Company, or from a change in the management control of the Corporation, or a change in the named executive officer's responsibilities following a change in the management control.

The aggregate salaries of the CEO and the four highest compensated officers are as follows:

(a) Name and Principal Position	(b) Year	(c) Salary	(d)	(e) Bonus	Other Annual Comp
1. Roberto V. Ongpin Chairman/CEO					
2. Eric O. Recto Vice Chairman &President					
3. Benedicto D.V. Tan General Manager for ABSTC					
4. Merilyn G. De Guzman OIC General Administraion and Support					
Aggregate Compensation of the Five Most Highly-Paid Executives including the CEO:					
	2015	3,952,000			
	2016	3,945,552			
	2017	975,000			

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

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE BENEFICIAL OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
Common	Roberto V. Ongpin	1 (direct) 1,485,685,983 (indirect)	Filipino	Nil 58.38%
Common	Eric O. Recto	1 (direct) 289,532,821 (indirect)	Filipino	Nil 11.38%
Common	Walter W. Brown	1 (direct) 509,000,000 (indirect)	Filipino	Nil 20.00%
Common	Dennis O. Valdes	1 (direct)	Filipino	Nil
Common	Anna Bettina Ongpin	100 (direct)		Nil
Common	Jesusa Loreto A. Arellano-Aguda	100 (direct)	Filipino	Nil

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TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE BENEFICIAL OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
Common	Michael Angelo Patrick M. Asperin	100 (direct)	Filipino	Nil
Common	Margarito B. Teves	100 (direct)	Filipino	Nil
Common	John Peter Chick B. Castelo	102 (direct)	Filipino	Nil
Common	Gregorio Ma. Araneta III	1,000	Filipino	Nil
	Total	2,284,218,704		89.75%
Total Issued & Outstanding Shares		2,545,000,000		100.00%

Messrs. Roberto V. Ongpin and Eric O. Recto beneficially own and control Boerstar Corporation ("Boerstar"), which is the registered owner of approximately 69.75% of the Company.

To the extent known to the Corporation, there is no person holding more than five percent (5%) of the Corporation's voting stock under a voting trust or similar agreement.

Changes in Control

The Corporation is not aware of any change in control or arrangement that may result in a change in control of the Corporation during the period covered by this Statement.

Item 12. Certain Relationships and Related Transactions

There are no transactions (or series of similar transactions) during the last two (2) years, with or involving the Company or its subsidiaries, in which a director, executive officer, or stockholder owning ten percent (10%) or more of the total outstanding shares, or any member of his/her immediate family, had or will have a direct or indirect material interest.

PART IV - CORPORATE GOVERNANCE

Integrated Annual Corporate Governance Report (I-ACGR) will be submitted by the Company on May 30, 2018, pursuant to SEC Memorandum Circular No. 15, Series of 2017.

PART V - EXHIBITS AND SCHEDULES

List of Items Reported under SEC Form 17-C, as amended (During the Last 6 Months)

March 27, 2017

Notice of Annual Stockholders' Meeting

March 31, 2017

Corporate Governance Guidelines for Companies Listed on the Philippine Stock Exchange for the year ended December 31, 2016

April 9, 2017

Acquisition by the Company (through its wholly-owned subsidiary, Tidemark Holdings Limited) of Shares of Stock in Forum Energy Limited

May 10, 2017

Results of the Annual Stockholder's Meeting

SIGNATORIES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized in the City of Makati on APR 12 2018.

Eric O. Recto
President

Cristina B. Zapanta
Senior Vice President - Finance

Cliburn Anthony A. Orbe
Corporate Secretary

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

SUBSCRIBED AND SWORN to before me this APR 12 2018 day of _________ in Makati City by the affiants, personally known to me, who are the same persons who personally signed before me the foregoing Annual Report and acknowledged that they executed the same. Affiants, whose identities are personally known to me, exhibited to me their competent evidence of identity as follows:

Name	Evidence of Identity	Details
Eric O. Recto	TIN No. 108-730-891	
Cristina B. Zapanta	TIN No. 102-116-723	
Cliburn Anthony A. Orbe	TIN No. 180-004-166	

Doc. No. 178;
Page No. 36;
Book No. IV;
Series of 2018.

BENIGNO S. BACSA, JR.
Appointment No. M-25
Notary Public for Makati City
Until December 31, 2019
5th Floor, The City Club at Alphaland Makati Place
7232 Ayala Avenue corner Malugay Street Makati City
Roll of Attorneys No. 68034
IBP No. 19983 / 01.03.2018 / Cagayan
PTR No. 6615552 / 01.03.2018 / Makati City
Admitted to the Bar in 2017 / TIN No. 408-[illegible]-439-000
Telephone No. [illegible]

ATOK-BIG WEDGE CO., INC.

ALPHALAND MAKATI PLACE
7232 AYALA AVENUE CORNER MALUGAY ST.,
BRGY. BEL-AIR, MAKATI CITY 1209 PHILIPPINES

TELEFAX NO.: +63.2.310-7100

January 19, 2018

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

The management of **Atok-Big Wedge Co., Inc. and Subsidiaries** (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2017, 2016 and 2015, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

ROBERTO V. ONGPIN
Chairman & CEO

ERIC O. RECTO
Vice Chairman & President

CRISTINA B. ZAPANTA
Senior Vice President for Finance

SUBSCRIBED AND SWORN to before me this _________________ at Makati City, affiants exhibiting to me their respective identification documents, and personally known to me, follows:

NAME	COMPETENT EVIDENCE OF IDENTITY	DATE OF ISSUE	PLACE OF ISSUE
Roberto V. Ongpin	Passport No: P0300707A	09/17/2016	DFA Manila
Eric O. Recto	Passport No: EC3544131	02/27/2015	DFA Manila
Cristina B. Zapanta	Passport No: P3451062A	06/22/2017	DFA NCR East

Doc. No. 164
Page No. 34
Book No. 11
Series of 2018

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P W 4 2 7 - A

COMPANY NAME

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

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

Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
–	(632) 304-6282	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
4,200	Last Friday of May	12 / 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Cristina B. Zapanta	cbzapanta@alphaland.com.ph	(632) 337-2031	0908-8762265

CONTACT PERSON'S ADDRESS

Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City

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

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

BOA/PRC Accreditation No. 4782
December 29, 2015, valid until December 31, 2018
SEC Accreditation No. 0207-FR-2 (Group A)
September 27, 2016, valid until September 27, 2019

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Makati City 1226 Philippines
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Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Atok-Big Wedge Co., Inc. and Subsidiaries
Alphaland Makati Place,
7232 Ayala Avenue corner Malugay Street
Makati City

Opinion

We have audited the accompanying consolidated financial statements of Atok-Big Wedge Co., Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the three years ended December 31, 2017, 2016 and 2015, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2017 and 2016, and its financial performance and its cash flows for the three years ended December 31, 2017, 2016 and 2015 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Emphasis of Matter

Without qualifying our opinion, we draw attention to Notes 1 and 7 to consolidated financial statements concerning the delay in one of the planned drilling programs of Forum Energy Ltd., an associate of a subsidiary. The ultimate outcome of the uncertainty related to this delay cannot be presently determined.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audits of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investment in an Associate

The Group is required to review the carrying amount of its investment in an associate at each reporting date whenever there is any indication of impairment loss. The impairment review is significant to our audits since the carrying amount of investment in an associate of ₱579.2 million, which represents 91% of the consolidated total assets as at December 31, 2017, is material to the consolidated financial statements. Further, the impairment review of the investment involves management's judgment and estimate on the commencement and feasibility of the Associate's exploration projects, which are affected by future market or economic conditions, particularly the outcome of territorial deliberations in the West Philippine Sea.

Our audit procedures include, among others, the review of the assumptions used by the Group in the impairment assessment, in particular those involving the forecasted cash flows from the related service contracts, timing of exploration and the discount rate used. We also focused on the adequacy of the Group's disclosures pertaining to the status of the Associate's significant exploration projects and the financial information of the Associate as disclosed in Notes 1 and 7 to consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2017, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2017 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Emmanuel V. Clarino.

REYES TACANDONG & CO.

Emmanuel V. Clarino

EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until December 31, 2018
SEC Accreditation No. 1021-AR-2 Group A
Valid until March 27, 2020
BIR Accreditation No. 08-005144-005-2017
Valid until January 13, 2020
PTR No. 6607954
Issued January 3, 2018, Makati City

March 23, 2018
Makati City, Metro Manila

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2017	2016
ASSETS			
Current Assets			
Cash and cash equivalents	4	**₱40,764,801**	₱145,837,631
Receivables	5	**4,523,710**	5,672,078
Other current assets	6	**9,337,237**	7,530,172
Total Current Assets		**54,625,748**	159,039,881
Noncurrent Assets			
Investment in an associate	7	**579,241,175**	490,326,051
Available-for-sale financial asset	8	**1,999,950**	1,999,950
Property and equipment	10	**45,574**	125,610
Advances to mining right holders	1	**1,525,000**	1,525,000
Rental and security deposits	16	**–**	1,441,579
Total Noncurrent Assets		**582,811,699**	495,418,190
		₱637,437,447	₱654,458,071
LIABILITIES AND EQUITY			
Current Liabilities			
Payables and other current liabilities	11	**₱2,411,632**	₱2,095,070
Income tax payable		**–**	18,111
Total Current Liabilities		**2,411,632**	2,113,181
Equity			
Capital stock	13	**1,060,000,000**	1,060,000,000
Deficit		**(529,797,202)**	(510,588,802)
Cumulative translation adjustment	7	**104,823,017**	102,933,692
Total Equity		**635,025,815**	652,344,890
		₱637,437,447	₱654,458,071

See accompanying Notes to Consolidated Financial Statements.

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	**2017**	2016	2015
GENERAL AND ADMINISTRATIVE EXPENSES	14	**₱7,836,824**	₱18,690,458	₱21,927,639
OTHER INCOME (EXPENSES)				
Share in net results of operations of an associate	7	**(13,735,209)**	(18,758,273)	(22,208,252)
Service fees		**1,472,890**	1,479,480	1,463,297
Interest income	4	**1,051,021**	2,784,483	2,843,539
Others		**1,816**	30,141	27,643
		(11,209,482)	(14,464,169)	(17,873,773)
LOSS BEFORE INCOME TAX		**(19,046,306)**	(33,154,627)	(39,801,412)
PROVISION FOR CURRENT INCOME TAX	17	**162,094**	209,955	219,688
NET LOSS		**(19,208,400)**	(33,364,582)	(40,021,100)
OTHER COMPREHENSIVE INCOME				
Item that will be reclassified subsequently to profit or loss -				
Foreign exchange differences on translation of the financial statements of Tidemark Holdings Limited	7	**1,889,325**	46,933,425	40,540,500
TOTAL COMPREHENSIVE INCOME (LOSS)		**(₱17,319,075)**	₱13,568,843	₱519,400
BASIC AND DILUTED LOSS PER SHARE	15	**(₱0.0201)**	(₱0.0350)	(₱0.0420)

See accompanying Notes to Consolidated Financial Statements.

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	**2017**	2016	2015
CAPITAL STOCK - ₱1 par value	13	**₱1,060,000,000**	₱1,060,000,000	₱1,060,000,000
DEFICIT				
Balance at beginning of year		**(510,588,802)**	(477,224,220)	(437,203,120)
Net loss		**(19,208,400)**	(33,364,582)	(40,021,100)
Balance at end of year		**(529,797,202)**	(510,588,802)	(477,224,220)
CUMULATIVE TRANSLATION ADJUSTMENT	7			
Balance at beginning of year		**102,933,692**	56,000,267	15,459,767
Foreign exchange differences on translation of the financial statements of Tidemark Holdings Limited		**1,889,325**	46,933,425	40,540,500
Balance at end of year		**104,823,017**	102,933,692	56,000,267
		₱635,025,815	₱652,344,890	₱638,776,047

See accompanying Notes to Consolidated Financial Statements.

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31 **2017**	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		**(₱19,046,306)**	(₱33,154,627)	(₱39,801,412)
Adjustments for:				
Share in net results of operations of an associate	7	**13,735,209**	18,758,273	22,208,252
Interest income	4	**(1,051,021)**	(2,784,483)	(2,843,539)
Depreciation and amortization	10	**40,589**	442,826	856,500
Loss on sale of property and equipment	10	**–**	7,102	–
Operating loss before working capital changes		**(6,321,529)**	(16,730,909)	(19,580,199)
Decrease (increase) in:				
Receivables		**1,181,229**	(693,809)	(824,640)
Other current assets		**(365,360)**	(614,266)	(861,916)
Increase (decrease) in payables and other current liabilities		**316,562**	(12,068,147)	5,115,027
Net cash used for operations		**(5,189,098)**	(30,107,131)	(16,151,728)
Interest received		**1,018,160**	2,823,157	2,847,382
Income tax paid		**(180,331)**	(125,404)	(162,410)
Net cash used in operating activities		**(4,351,269)**	(27,409,378)	(13,466,756)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Investment in an associate	7	**(100,761,008)**	–	–
Property and equipment	10	**–**	(37,812)	(11,397)
Advances to mining right holders		**–**	(77,514)	(421,891)
Proceeds from disposal of property and equipment	10	**39,447**	608,929	–
Net cash provided by (used in) investing activities		**(100,721,561)**	493,603	(433,288)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(105,072,830)**	(26,915,775)	(13,900,044)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**145,837,631**	172,753,406	186,653,450
CASH AND CASH EQUIVALENTS AT END OF YEAR		**₱40,764,801**	₱145,837,631	₱172,753,406
COMPONENTS OF CASH AND CASH EQUIVALENTS	4			
Cash on hand and in banks		**₱3,405,747**	₱3,155,576	₱2,991,299
Short-term placements		**37,359,054**	142,682,055	169,762,107
		₱40,764,801	₱145,837,631	₱172,753,406

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017 AND FOR THE THREE YEARS ENDED DECEMBER 31, 2017, 2016, AND 2015

1. **Corporate Matters**

Corporate Information

Atok-Big Wedge Co., Inc. (the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 3, 1931. The Parent Company's corporate life was extended to another 50 years from September 25, 1981. The Parent Company's primary purpose is to engage in the business of exploration and development of mining, oil, gas and other natural resources.

The Parent Company listed its shares in the Philippine Stock Exchange (PSE) on January 8, 1948. As at December 31, 2017 and 2016, 953,963,474 of the Parent Company's shares are listed in the PSE.

The Parent Company's subsidiaries are as follows:

Subsidiary	Place of Incorporation	Nature of Business	Percentage of Ownership 2017	2016
Tidemark Holdings Limited (Tidemark)	Hong Kong	Holding	**100%**	100%
AB Stock Transfers Corporation (ABSTC)	Philippines	Stock Transfer Agency	**100%**	100%

The Parent Company and subsidiaries are collectively referred herein as "the Group."

As at December 31, 2017 and 2016, the Group, through Tidemark, has 20.00% and 27.14% interest in Forum Energy Ltd. (FEL), respectively. FEL's shares were listed and traded at the London Stock Exchange's Alternative Investment Market until June 26, 2015. On March 22, 2017, the Board of Directors (BOD) approved the subscription to additional 6,666,667 new shares of FEL (through Tidemark) at USD0.30 a share or a total of USD2.0 million. Together with the subscription simultaneously made by other major shareholder of FEL, the new subscription resulted to the decrease of the Company's ownership in FEL from 27.14% in 2016 to 20.00% in 2017. The additional subscription was ratified by the stockholders on May 10, 2017.

FEL has interests in various service contracts as follows:

Service Contract	Interest
Service contract 72 (Reed Bank)	70%
Service contract 40 (North Cebu)	100%
Service contract 14A (Nido)	8.47%
Service contract 14B (Matinloc)	12.41%
Service contract 14B-1 (North Matinloc)	19.46%
Service contract 14C-1 (Galoc)	2.28%
Other service contracts	5% - 9%

As at December 31, 2017 and 2016, the Parent Company is 69.75% owned by Boerstar Corporation, a holding company incorporated in the Philippines. The ultimate parent of the Group is Compact Holdings, Inc., a Philippine entity engaged in holding and investing activities.

The Parent Company's registered address is Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City.

Status of the Significant Projects of FEL (Associate Entity)

Service Contract 72 (Reed Bank). FEL's principal asset is a 70% interest in Service Contract (SC) 72 which covers an area of 8,800 square kilometers in the West Philippine Sea. SC 72 is currently under Sub-Phase 2 of its exploration. However, the Philippine government was unable to grant FEL the permission to deploy vessels for drill site survey work due to the territorial deliberations in the West Philippine Sea.

On February 26, 2015, the Department of Energy (DOE) granted *Force Majeure* to SC 72 work commitments effective December 15, 2014. In view of this, all exploration activities in the block are suspended until the DOE notifies FEL to commence drilling. On July 12, 2016, the Permanent Court of Arbitration in The Hague released a ruling on the maritime case filed by the Republic of the Philippines against the People's Republic of China. In particular, the Tribunal ruled that Reed Bank, where SC 72 lies, is within the Philippines' Exclusive Economic Zone as defined under the United Nations Convention on the Law of the Seas. In November 2017, the Association of Southeast Asian Nations and China has arrived at a negotiation to commence talks on drafting an effective Code of Conduct in the disputed seas.

Upon lifting of the Force Majeure, FEL will have 20 months to complete the Sub-Phase 2 work commitment comprising the drilling of two wells. The terms of the succeeding sub-phase will remain the same but will be adjusted accordingly. As at December 31, 2017, *Force Majeure* is still enforced and FEL is still waiting until this is lifted in order to commence the remaining Sub-Phase 2 work commitment. The ultimate outcome of the uncertainty on the conduct of drilling operations cannot be presently determined.

Service Contract 40 (North Cebu). The Libertad Field had been shut-in since August 2015. It was deemed that FEL would not be able to resume operations due to fluctuating pressure, thus FEL decided to decommission the field and to plug and abandon the L95-1 production well permanently.

Service Contracts 14A (Nido), 14B (Matinloc) and 14B-1 (North Matinloc). The three fields produced oil on a cyclical basis in 2017 and 2016. Total production in 2017 was 125,755 barrels, or an average of 345 barrels of oil per day (bopd).

Service Contract 14C-1 (Galoc). The Galoc Field produced a total of 1.5 million barrels of oil in 2017 or 4,001 bopd, as compared to 1.9 million barrels or 5,134 bopd in 2016. Cumulative production starting October 2008 up to reporting date is 20.18 million barrels of oil.

Other Service Contracts. FEL has participating interests in other service contracts including SC6A (Octon) and SC14C-2 (West Linapacan), among others, which are currently under exploration phase.

Potential Acquisition of Certain Mining Rights

The Parent Company entered into various Memoranda of Understanding for the potential acquisition of certain mining rights. Total advances to the mining right holders amounted to ₱1.5 million as at December 31, 2017 and 2016. In view of the prevailing regulatory environment, the Parent Company is continuously evaluating the feasibility of this potential acquisition.

Significant Corporate Acts of the Parent Company

Stock Option Plan (SOP). In 2015, the BOD approved the SOP which provides among others the allocation of no more than 5% of the authorized capital for the SOP; each grant is for three years and will vest 1/3 for each of the succeeding years; and the strike price shall not be less than 80% of the market value at the time of grant. This was ratified by the stockholders on May 31, 2016.

As at December 31, 2017, the Parent Company is still completing the requirements for the SEC's approval of the exemption from its registration requirements and the PSE's approval of the listing of the shares under the SOP. To date, no grants have been made under the SOP.

Approval and Authorization for Issuance of Consolidated Financial Statements

The consolidated financial statements as at December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015 were approved and authorized for issue by the Executive Committee of the BOD on March 23, 2018.

2. Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS), Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC), and SEC provisions.

Measurement Bases

The consolidated financial statements are presented in Philippine Peso (Peso), the Group's functional and presentation currency. All values are rounded to the nearest Peso, except otherwise indicated.

The consolidated financial statements of the Group have been prepared on the historical cost basis of accounting. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of consideration received in exchange for incurring liability. 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 transaction date.

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

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

Level 1 – Quoted (unadjusted) market prices in active market for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Further information about the assumptions made in measuring fair value is included in Note 18.

Adoption of New and Amended PFRS
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Group adopted effective for annual periods beginning on or after January 1, 2017:

- Amendments to PAS 7, *Statement of Cash Flows - Disclosure Initiative* – The amendments require entities to provide information that enable the users of financial statements to evaluate changes in liabilities arising from financing activities.

- Amendments to PAS 12, *Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses* – The amendments clarify the accounting for deferred tax assets related to unrealized losses on debt instruments measured at fair value, to address diversity in practice.

- Amendments to PFRS 12, *Disclosures of Interests in Other Entities – Clarification of the Scope of the Standard* – The amendments are part of the Annual Improvements to PFRS 2014-2016 Cycle and clarify that the disclosure requirements in PFRS 12 apply to interests in entities within the scope of PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* except for summarized financial information for those interests (i.e. paragraphs B10-B16 of PFRS 12).

The adoption of the foregoing new and amended PFRS did not have any material effect on the consolidated financial statements. Additional disclosures have been included in the notes to consolidated financial statements, as applicable.

New and Amended PFRS in Issue But Not Yet Effective
Relevant new and amended PFRS which are not yet effective for the year ended December 31, 2017 and have not been applied in preparing the consolidated financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2018:

- PFRS 9, *Financial Instruments* – This standard will replace PAS 39, *Financial Instruments: Recognition and Measurement* (and all the previous versions of PFRS 9). It contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and derecognition.

PFRS 9 requires all recognized financial assets to be subsequently measured at amortized cost or fair value (through profit or loss or through other comprehensive income), depending on the classification by reference to the business model within which these are held and its contractual cash flow characteristics.

For financial liabilities, the most significant effect of PFRS 9 relates to cases where the fair value option is taken: the amount of change in fair value of a financial liability designated as at fair value through profit or loss (FVPL) that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch.

For the impairment of financial assets, PFRS 9 introduces an "expected credit loss" model based on the concept of providing for expected losses at inception of a contract; it will no longer be necessary for there to be objective evidence of impairment before a credit loss is recognized.

For hedge accounting, PFRS 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and nonfinancial risk exposures.

The derecognition provisions are carried over almost unchanged from PAS 39.

- PFRS 15, *Revenue from Contract with Customers* – The new standard replaces PAS 11, *Construction Contracts*, PAS 18, *Revenue* and related interpretations. It establishes a single comprehensive framework for revenue recognition to apply consistently across transactions, industries and capital markets, with a core principle (based on a five-step model to be applied to all contracts with customers), enhanced disclosures, and new or improved guidance (e.g. the point at which revenue is recognized, accounting for variable considerations, costs of fulfilling and obtaining a contract, etc.).

- Amendment to PFRS 15, *Revenue from Contract with Customers - Clarification to PFRS 15* – The amendments provide clarifications on the following topics: (a) identifying performance obligations; (b) principal versus agent considerations; and (c) licensing. The amendments also provide some transition relief for modified contracts and completed contracts.

- Amendments to PFRS 2, *Share-based Payment - Classification and Measurement of Share-based Payment Transactions* – The amendments clarify the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payment transactions, the accounting for share-based payment transactions with a net settlement feature for withholding tax obligations, and the effect of a modification to the terms and condition of a share-based payment that changes the classification of the transaction from cash-settled to equity settled.

- Amendments to PAS 28, *Investments in Associates and Joint Ventures - Measuring an Associate or Joint Venture at Fair Value* – The amendments are part of the Annual Improvements to PFRS 2014-2016 Cycle and clarify that the election to measure at FVPL an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, mutual fund, unit trust or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

- Philippine Interpretation IFRIC 22, *Foreign Currency Transactions and Advance Consideration* – The interpretation provides guidance clarifying that the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency is the one at the date of initial recognition of the nonmonetary prepayment asset or deferred income liability.

Effective for annual periods beginning on or after January 1, 2019:

- PFRS 16, *Leases* – The most significant change introduced by the new standard is that almost all leases will be brought onto lessees' statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance lease is retained.

- Philippine Interpretation IFRIC 23, *Uncertainty Over Income Tax Treatments* – The interpretation provides guidance on how to reflect the effects of uncertainty in accounting for income taxes under PAS 12, *Income Taxes,* in particular (i) whether uncertain tax treatments should be considered separately, (ii) assumptions for taxation authorities' examinations, (iii) determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and (iv) effect of changes in facts and circumstances.

Deferred effectivity –

- Amendment to PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a current conflict between the two standards and clarify that a gain or loss should be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the consolidated financial statements of the Group, except for PFRS 16. Additional disclosures will be included in the consolidated financial statements, as applicable.

The Group anticipates that the application of PFRS 16 might have a significant effect on amounts reported in respect of the Group's leases. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Basis of Consolidation

Subsidiaries - Subsidiaries are entities controlled by the Parent Company. The consolidated financial statements include the accounts of the Parent Company and its subsidiaries. The Parent Company has control when it is exposed, or has right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Parent Company obtains control, and continue to be consolidated until the date such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the controlling equity ownership (i.e., acquisition of non-controlling interest or partial disposal of interest over a subsidiary) that do not result in a loss of control are accounted for as equity transactions.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; or
- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Functional and Presentation Currency - The consolidated financial statements are presented in Peso, which is the Parent Company's functional and presentation currency. Each entity in the Group determines its own functional currency, which is the currency that best reflects the economic substance of the underlying transactions, events and conditions relevant to that entity, and items included in the financial statements of each entity are measured using that functional currency. When there is a change in those underlying transactions, events and conditions, the entity accounts for such change in accordance with the Group's policy on change in functional currency. At the reporting date, the assets and liabilities of Tidemark, a subsidiary whose functional currency is in United States (US) Dollar are translated into the presentation currency of the Parent Company using the foreign exchange closing rate at the reporting date, components of equity using historical exchange rate, and their statement of comprehensive income are translated at the foreign exchange weighted average daily exchange rates for the year. The exchange differences arising from translation are taken directly to a separate component of equity under the "Cumulative Translation Adjustment" account. Upon disposal of the foreign entity, the cumulative translation adjustment shall be recognized in the consolidated statement of comprehensive income.

Business Combinations and Goodwill - Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are recognized as expense.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

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

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured. Subsequent settlement is accounted for within equity. In instance where the contingent consideration does not fall within the scope of PAS 39, it is measured in accordance with the appropriate PFRS.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss. If the initial accounting for business combination can be determined only provisionally by the end of the period by which the combination is effected because either the fair values to be assigned to the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the Group accounts the combination using provisional values. Adjustments to these provisional values as a result of completing the initial accounting shall be made within 12 months from the acquisition date. The carrying amount of an identifiable asset, liability or contingent liability that is recognized as a result of completing the initial accounting shall be calculated as if its fair value at the acquisition date had been recognized from that date and goodwill or any gain recognized shall be adjusted from the acquisition date by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable asset, liability or contingent liability being recognized or adjusted.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Transactions Eliminated on Consolidation - All intra-group balances, transactions, income and expenses and unrealized gains and losses are eliminated in full.

Accounting Policies of Subsidiaries - The financial statements of subsidiaries are prepared for the same reporting year using uniform accounting policies as that of the Parent Company.

<u>Financial Assets and Liabilities</u>

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of a financial instrument. All regular way purchases and sales of financial assets are recognized on the trade date, i.e., the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of the assets within the period generally established by regulation or convention in the market place.

Initial Recognition of Financial Instruments. Financial instruments are recognized initially at fair value of the consideration given (in the case of an asset) or received (in the case of a liability). Transaction costs are included in the initial measurement of all financial assets and liabilities, except for financial instruments measured at 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 rate of interest for similar instruments with similar maturities.

"Day 1" Difference. Where the transaction 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 market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in the consolidated statement of comprehensive income. In cases where there is no observable data on inception, the Group deemed the transactions price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

Classification of Financial Instruments. The Group classifies its financial assets into the following categories: financial assets at FVPL, held-to-maturity (HTM) investments, available-for-sale (AFS) financial assets and loans and receivables. The Group classifies its financial liabilities into financial liabilities at FVPL and other financial liabilities.

The Group determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

The Group does not have financial instruments classified as financial assets or financial liabilities at FVPL and HTM investments.

AFS Financial Assets. AFS financial assets are those non-derivative financial assets that are designated as such or are not classified as another category of financial assets. After initial measurement, AFS financial assets are subsequently carried at fair value with unrealized gains or losses recognized in other comprehensive income. These fair value changes are recognized in other comprehensive income until the investment is derecognized or until the investment is determined to be impaired, at which time the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss. Investment in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured are carried at cost.

This category includes the Group's investment in unquoted shares of stock.

Loans and Receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate. Gains and losses are recognized in consolidated statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Loans and receivables are included in current assets if maturity is within 12 months from reporting date. Otherwise, these are classified as noncurrent assets.

The Group's cash and cash equivalents, receivables (excluding advances to officers and employees), and rental and security deposits are classified under this category.

Other Financial Liabilities. Other financial liabilities at amortized cost pertain to issued financial instruments or their components that are not classified or designated at FVPL and contain obligations to deliver cash or another financial asset to the holder as to settle the obligation other than by the exchange of fixed amount of cash or another financial asset for a fixed number of own equity.

The amortized cost of a financial liability is the amount at which the financial liability is measured at initial recognition minus the principal repayments plus or minus the cumulative accretion using the effective interest method of any difference between that initial amount and the maturity amount. Interest expense, including premiums payable on settlement or redemption and direct issue costs, is charged to the consolidated statement of comprehensive income on an accrual basis using the effective interest method. Interest expense is added to the carrying amount of the instrument to the extent that these are not settled in the period in which these arise.

The Group's payables and other current liabilities (excluding statutory payables) are classified under this category.

Impairment of Financial Assets
The Group assesses at each reporting date whether there is objective evidence that a financial or group of financial assets is impaired. Objective evidence includes observable data that comes to the attention of the Group 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 borrower will enter bankruptcy or other financial reorganization.

Loans and Receivables. If there is objective evidence that an impairment loss on financial assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Time value is generally not considered when the effect of discounting is not material. The amount of the loss shall be recognized in the consolidated statement of comprehensive income.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

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

If, in a subsequent period, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in the consolidated statement of comprehensive income, to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date.

AFS Financial Assets. In the case of equity investments, evidence of impairment would include a significant or prolonged decline in fair value of investment below its cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized, is removed from other comprehensive and recognized in profit or loss. Impairment losses on equity investments are not reversed through profit or loss. Increases in fair value after impairment are recognized directly in other comprehensive income.

Derecognition of Financial Assets and Liabilities

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

a. the right to receive cash flows from the asset has expired;

b. the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

c. the Group has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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

Offsetting of Financial Assets and Liabilities

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

Other Current Assets

Other current assets consist of excess of input value added tax (VAT) over output VAT, rental and security deposits, prepayments and creditable withholding taxes (CWT).

VAT. Revenue, expenses and assets are recognized net of the amount of VAT. The net amount of VAT recoverable from the taxation authorities is recognized under "Other current assets" account in the consolidated statement of financial position.

Prepayments. Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to expense as these are consumed in operations or expire with the passage of time. Prepayments that are expected to be incurred no more than 12 months after the reporting date are classified as current assets. Otherwise these are classified as noncurrent assets.

CWT. CWT represents the amount withheld by the Group's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation.

Investment in an Associate

The Group's investment in an associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control of those policies.

Under the equity method, investment in an associate is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement of comprehensive income reflects the share of the results of operations of the associates. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associate.

The share in net loss of the associate is shown as "Share in the net results of operations of an associate" account in the consolidated statement of comprehensive income.

The financial statements of the associates are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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

Property and Equipment

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

The initial cost of property and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in profit or loss in the year 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. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When significant parts of an item of property and equipment have different useful lives, these are accounted for as separate items (major components) of property and equipment.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the property and equipment:

Asset Type	Number of Years
Exploration equipment	3
Leasehold improvements	5 or lease term, whichever is shorter
Furniture and fixtures	4
Office equipment	3
Transportation equipment	5

The 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 items of property and equipment.

Fully depreciated items are retained as property and equipment until these are no longer in use.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation, amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Advances to Mining Right Holders
Advances to mining right holders are amounts paid in advance for the potential acquisition of certain mining rights. These are carried at the amount of cash paid and are reclassified to the corresponding asset account when the mining rights for which the advances were made are ultimately acquired.

Deferred Mining Exploration Cost
Deferred mining exploration cost is carried at cost less accumulated impairment losses.

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the mineral resource.

Exploration and evaluation activity includes:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the mineral resource.

Deferred mining exploration cost is no longer classified as such when the technical feasibility and commercial viability of extracting the mineral reserve are demonstrable. Deferred mining exploration cost is assessed for impairment, and any impairment loss is recognized, before reclassification to mineral reserves.

Impairment of Nonfinancial Assets
The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less costs of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statement of comprehensive income.

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

Derecognition of Nonfinancial Assets
A nonfinancial asset is derecognized upon disposal or when it is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of a nonfinancial asset is included in profit or loss in the period in which it is derecognized.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued. Unpaid subscriptions are recognized as a reduction of subscribed capital shares.

Deficit. Deficit represents the cumulative balance of net loss.

Cumulative Translation Adjustment. All resulting exchange differences arising from translation of financial statements of Tidemark are recognized in other comprehensive income and accumulated in "Cumulative Translation Adjustment" account, a separate component of equity.

Revenue Recognition
Revenue is recognized to the extent that the economic benefits will flow to the Group and the amount of the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts and rebates. The Group has concluded that it is the principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized.

Service Fees. Service fees are recognized in profit or loss when related services are rendered.

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

Other Income. Income from other sources is recognized when earned during the period.

Expense Recognition
Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business. These are recognized in profit or loss upon receipt of goods, utilization of services or when the expenses are incurred.

Basic and Diluted Loss per Share
The Group presents basic and diluted loss per share. Basic loss per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of common shares outstanding during the year, excluding common shares purchased by the Group and held as treasury shares. Diluted loss per share is calculated in the same manner, adjusted for the effects of all the dilutive potential common shares.

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

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;

b. a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;

c. there is a change in the determination of whether fulfillment is dependent on a specified asset; or

d. there is a substantial change to the asset.

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

Group as a Lessee. Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Short-term Employee Benefits
The Group provides short-term benefits to its employees in the form of basic pay, 13th month pay, bonuses, employer's share on government contribution, and other short-term benefits.

The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the year. Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Income Taxes

Current Tax. Current tax is the expected tax payable on the taxable income for the year, using tax rate enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided 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, and carry forward benefits of the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, excess MCIT and NOLCO can be utilized.

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 profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate (and tax laws) in effect at the reporting date.

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

Foreign Currency Transactions
The Group determines its own functional currency and items included in the consolidated financial statements are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate at the reporting date. All differences are taken to the consolidated statement of comprehensive income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Related Parties
Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity, or between, and/or among the reporting entity and its key management personnel, directors or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form. A related party transaction is a transfer of resources, services or obligations between the Group and its related parties, regardless of whether a price is charged.

Segment Reporting
Operating segments are components of the Group: (a) that engage in business activities from which they may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the Group); (b) whose operating results are regularly reviewed by the Group's senior management, its chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

For purposes of management reporting, the Group's operating businesses are organized and managed separately based on the nature of the business segment, with each business representing a strategic business segment.

Provisions and Contingencies
Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

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

Events After the Reporting Date

Post year-end events that provide additional information about the Group's financial position at the end of reporting year (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments and estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgments, accounting estimates and assumptions made by the Group.

Determination of Functional Currency. Based on the economic substance of the underlying circumstances relevant to the Parent Company, the functional currency of the Parent Company has been determined to be the Philippine Peso. The Philippine Peso is the currency of the primary economic environment in which the Parent Company operates.

Determination of Reportable Operating Segments. Determination of operating segments is based on the information about components of the Group that management uses to make decisions about the operating matters. Operating segments use internal reports that are regularly reviewed by the Parent Company's chief operating decision maker, which is defined to be the Parent Company's BOD, in order to allocate resources to the segment and assess its performance. The Group reports separate information about an operating segment that meets any of the following quantitative thresholds: (a) its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments; (b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss; and (c) the assets of the segment are 10% or more of the combined assets of all operating segments.

The Group determined that its operating segments are organized and managed separately based on the nature of the business segment, with each business representing a strategic segment.

As at December 31, 2017, 2016 and 2015, the Group's operating segments consist of its mining, exploration and development, and stock transfer agency activities.

Classification of Leases - Group as a Lessee. The Group has operating lease agreement for its office spaces. The Group has determined that the risks and rewards of ownership related to the leased property are retained by the lessor. Accordingly, the agreement is accounted for as an operating lease.

Rental expense amounted to ₱269,541, ₱2.0 million and ₱2.2 million in 2017, 2016 and 2015, respectively (see Note 16).

Assessment for Impairment of Receivables. The Group maintains allowance for impairment losses at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, significant financial difficulties or bankruptcy, the length of the Group's relationship with the customer, the customer payment behavior, and known market factors. The Group identifies and provides for specific accounts that are doubtful of collection and reviews the age and status of the remaining receivables and establishes a provision considering, among others, historical collection and write-off experience.

No provision for impairment losses on receivables was recognized in 2017, 2016, and 2015. Receivables, net of allowance for impairment losses, amounted to ₱4.5 million and ₱5.7 million as at December 31, 2017 and 2016, respectively. Allowance for impairment losses amounted to ₱41,550 as at December 31, 2017 and 2016 (see Note 5).

Assessment for Impairment of AFS Financial Asset. The Group assesses AFS financial asset as impaired when there has been a significant or prolonged decline in the fair value below its cost or whether other objective evidence of impairment exists. The determination of what is 'significant' or 'prolonged' requires judgment. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, and financing cash flows.

No provision for impairment losses on AFS financial asset was recognized in 2017, 2016 and 2015. The carrying amount of the Group's AFS financial asset amounted to ₱2.0 million as at December 31, 2017 and 2016 (see Note 8).

Capitalization of Exploration and Evaluation Expenditures. The capitalization of exploration and evaluation expenditures requires judgment in determining whether there are future economic benefits from future exploitation or sale of reserves. The capitalization requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

As at December 31, 2017 and 2016, deferred mining exploration costs amounting to ₱2.6 million were fully impaired upon management's assessment that the related projects were unsuccessful (see Note 9).

Estimation of Useful Lives of Property and Equipment. The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimates are based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of property and equipment are reviewed at each reporting date and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. Future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amount and timing of recording of depreciation and amortization expense for any period would be affected by changes in these factors and circumstances.

There were no changes in the estimated useful lives of the Group's property and equipment for the years ended December 31, 2017, 2016 and 2015.

Depreciation and amortization amounted to ₱40,589, ₱442,826 and ₱856,500 for the years ended December 31, 2017, 2016 and 2015, respectively. Property and equipment, net of accumulated depreciation and amortization amounted to ₱45,574 and ₱125,610 as at December 31, 2017 and 2016, respectively (see Note 10).

Assessment for Recoverability of Input VAT. The carrying amount of input VAT is adjusted to an extent that it is probable that sufficient taxable revenue subject to output VAT will be available to allow all or part of the input VAT to be utilized. Any allowance for unrecoverable portion of input VAT is maintained at a level considered adequate to provide for potentially unrecoverable portion. The level of allowance is based on past application experience and other factors that may affect realizability.

No impairment loss was recognized on input VAT in 2017, 2016 and 2015. Input VAT amounted to ₱7.7 million and ₱7.5 million as at December 31, 2017 and 2016, respectively (see Note 6).

Assessment for Impairment on Investment in an Associate and Property and Equipment. The Group assesses the impairment on investment in an associate and property and equipment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Factors that the Group considers in deciding when to perform impairment review of investment in an associate and property and equipment include the following, among others:

- A significant financial difficulty of the associate.

- A significant change in the technological, legal or economic environment in which the business operates.

- A significant decline in market value of asset is more than would be expected from the passage of time or normal use.

- A significant adverse change in how the asset is being used or in its physical condition.

- A current-period loss combined with a history of losses or a projection of continuing losses associated with the asset.

- A realization that the asset will be disposed of significantly before the end of its estimated useful life.

In 2017, 2016 and 2015, management assessed that there are no impairment indicators relating to the Group's property and equipment.

As at December 31, 2017 and 2016, the recoverable amount from the Group's investment in FEL exceeded its carrying amount.

The aggregate carrying amount of investment in an associate, and property and equipment amounted to ₱579.3 million and ₱490.5 million as at December 31, 2017 and 2016, respectively (see Notes 7 and 10).

Recognition of Deferred Tax Assets. The carrying amount of deferred tax assets at each reporting date are reviewed and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Group's past results and future expectations on revenue and expenses.

The Group did not recognized deferred tax assets on deductible temporary differences totaling ₱47.1 million and ₱63.9 million as at December 31, 2017 and 2016, respectively (see Note 17). Management has assessed that it is not probable that future taxable profit will be available in the near future against which these deferred tax assets on these temporary differences can be utilized.

4. Cash and Cash Equivalents

This account consists of:

	2017	2016
Cash on hand and in banks	**₱3,405,747**	₱3,155,576
Short-term placements	**37,359,054**	142,682,055
	₱40,764,801	₱145,837,631

Cash in banks earn interest at the respective bank deposit rates and are immediately available for use in the current operations.

Short-term placements are made for varying periods of up to three months and earn interest ranging from 2.12% to 2.25% at the respective short-term placement rates.

Interest income earned on cash in banks and short-term placements amounted to ₱1.1 million in 2017 and ₱2.8 million in 2016 and 2015.

5. Receivables

This account consists of:

	Note	2017	2016
Receivable from:			
Related parties	12	**₱3,544,467**	₱5,144,418
Third party		**190,450**	–
Accounts receivable		**411,761**	124,071
Advances to officers and employees		**348,200**	409,397
Accrued interest		**50,049**	17,188
Others		**20,333**	18,554
		4,565,260	5,713,628
Less allowance for impairment losses		**(41,550)**	(41,550)
		₱4,523,710	₱5,672,078

Accounts receivable pertain to stock transfer services billed by ABSTC to its external clients. These are unsecured, noninterest-bearing and normally collected in cash within 30 days from the date of billing.

Advances to officers and employees are unsecured, noninterest-bearing, and are subject to liquidation.

6. Other Current Assets

This account consists of:

	Note	2017	2016
Input VAT		**₱7,703,380**	₱7,485,493
Rental and security deposits	16	**1,441,579**	–
Prepayments		**156,848**	44,679
CWT		**126**	–
Others		**35,304**	–
		₱9,337,237	₱7,530,172

Prepayments consist of medical and dental insurance provided to employees and license fees which will expire within one year.

7. Investment in an Associate

Investment in an associate pertains to Tidemark's 20.00% and 27.14% ownership of FEL in 2017 and 2016, respectively (see Note 1).

Movements of this investment are as follows:

	2017	2016
Cost		
Balance at beginning of year	**₱767,159,868**	₱767,159,868
Additions	**100,761,008**	–
Balance at end of year	**867,920,876**	767,159,868
Accumulated Share in Net Results of Operation		
Balance at beginning of year	**(379,767,509)**	(361,009,236)
Share in net results of operations	**(13,735,209)**	(18,758,273)
Balance at end of year	**(393,502,718)**	(379,767,509)
Cumulative Translation Adjustment		
Balance at beginning of year	**102,933,692**	56,000,267
Foreign exchange differences	**1,889,325**	46,933,425
Balance at end of year	**104,823,017**	102,933,692
Carrying Amount	**₱579,241,175**	₱490,326,051

As discussed in Note 1, FEL encountered a delay in one of its drilling programs. It has submitted all the requirements for the issuance of required permits for the drilling program, however, the permit has not yet been issued by the relevant Government body. The ultimate outcome of the uncertainty on the conduct of drilling operation cannot be presently determined.

On July 12, 2016, the Permanent Court of Arbitration in The Hague released a ruling on the maritime case filed by the Republic of the Philippines against the People's Republic of China. In particular, the Tribunal ruled that Reed Bank, where SC 72 lies, is within the Philippines' Exclusive Economic Zone as defined under the United Nations Convention on the Law of the Seas. In November 2017, the Association of Southeast Asian Nations and China has arrived at a negotiation to commence talks on drafting an effective Code of Conduct in the disputed seas.

Management determined that there is no impairment loss to be recognized in 2017, 2016 and 2015 based on the most recent cash flow projections from FEL's service contracts.

The projections are mainly based on cash flows expected to be generated by SC 72 as approved by the management and are determined from feasibility studies and expectations on market development. Cash inflows consider the existing contracts and management's estimate of the average price per barrel of oil and revenue growth range. The cash flow projections were discounted using a rate that reflects current market assessments of time value of money and the risk specific to FEL. The Management's assessment of the status of each service contracts is also discussed in Note 1.

Following are the summarized financial information of FEL as at and for the years ended December 31, 2017, 2016 and 2015 (in millions):

	2017	2016	2015
Current assets	**₱167.9**	₱143.0	₱109.4
Noncurrent assets	**1,668.5**	1,661.1	1,627.7
Current liabilities	**465.4**	3.6	3.3
Noncurrent liabilities	**21.3**	1,096.4	1,016.5
Equity	**1,349.7**	704.1	717.3
Net loss	**(63.2)**	(69.1)	(81.8)

8. AFS Financial Asset

This account pertains to the Parent Company's investment in unquoted shares of stock which is carried at cost amounting to ₱2.0 million as at December 31, 2017 and 2016.

Fair value bases for the shares (i.e., quoted market prices) are neither readily available nor is there an alternative basis of deriving a reliable valuation as at reporting date.

9. Deferred Mining Exploration Cost

The realizability of deferred mining exploration cost is dependent upon the success of future exploration and development activities in proving the mining property's viability to produce minerals in commercial quantities, the outcome of which cannot be determined at this stage of the Parent Company's operations. As at December 31, 2017 and 2016, deferred mining costs amounting to ₱2.6 million were fully impaired upon management's assessment that the related projects were unsuccessful.

10. Property and Equipment

The balances and movements of this account are as follows:

	2017					
	Exploration Equipment	**Leasehold Improvements**	**Furniture and Fixtures**	**Office Equipment**	**Transportation Equipment**	**Total**
Cost						
Balances at beginning of year	**₱56,235**	**₱4,422,518**	**₱1,382,532**	**₱1,333,886**	**₱1,665,548**	**₱8,860,719**
Disposals/retirement	**–**	**–**	**(8,049)**	**(63,155)**	**–**	**(71,204)**
Balances at end of year	**56,235**	**4,422,518**	**1,374,483**	**1,270,731**	**₱1,665,548**	**8,789,515**
Accumulated Depreciation and Amortization						
Balance at beginning of year	**39,798**	**4,409,424**	**1,350,992**	**1,269,347**	**1,665,548**	**8,735,109**
Depreciation and amortization	**1,438**	**6,833**	**9,011**	**23,307**	**–**	**40,589**
Disposals/retirement	**–**	**–**	**(8,049)**	**(23,708)**	**–**	**(31,757)**
Balance at end of year	**41,236**	**4,416,257**	**1,351,954**	**1,268,946**	**1,665,548**	**8,743,941**
Carrying Amount	**₱14,999**	**₱6,261**	**₱22,529**	**₱1,785**	**₱–**	**₱45,574**

	2016					
	Exploration Equipment	Leasehold Improvements	Furniture and Fixtures	Office Equipment	Transportation Equipment	Total
Cost						
Balances at beginning of year	₱128,378	₱4,422,518	₱1,346,486	₱1,363,780	₱3,068,405	₱10,329,567
Additions	–	–	36,046	1,766	–	37,812
Disposals	(72,143)	–	–	(31,660)	(1,402,857)	(1,506,660)
Balances at end of year	56,235	4,422,518	1,382,532	1,333,886	1,665,548	8,860,719
Accumulated Depreciation and Amortization						
Balances at beginning of year	93,500	4,400,805	1,346,486	1,280,301	2,061,820	9,182,912
Depreciation and amortization	12,429	8,619	4,506	20,706	396,566	442,826
Disposals	(66,131)	–	–	(31,660)	(792,838)	(890,629)
Balances at end of year	39,798	4,409,424	1,350,992	1,269,347	1,665,548	8,735,109
Carrying Amount	₱16,437	₱13,094	₱31,540	₱64,539	₱–	₱125,610

In 2017, the Group retired its fully depreciated furniture and fixtures with cost of ₱8,049. The Group also sold its office equipment for ₱39,447 which is equivalent to its carrying amount.

In 2016, the Group sold its property and equipment located at the exploration site for a consideration of ₱608,929, resulting to a loss of ₱7,102.

11. Payables and Other Current Liabilities

This account consists of:

	Note	2017	2016
Payable to:			
Related parties	12	**₱1,043,548**	₱1,120,172
Third party		**447,548**	–
Advances from officers and employees		**368,924**	256,824
Accruals:			
Professional fees		**200,000**	180,000
Utilities and other office expenses		**118,431**	204,153
Others		**233,181**	333,921
		₱2,411,632	₱2,095,070

Payable to related parties and advances from officers and employees are noninterest-bearing, due and demandable, and are payable in cash.

Accrued expenses and other payables are normally settled within the following month.

Other payables consist of:

	2017	2016
Retention payable	**₱95,000**	₱95,000
Statutory payables	**41,586**	50,047
Others	**96,595**	188,874
	₱233,181	₱333,921

12. Related Party Transactions

The Group, in its regular conduct of business, has transactions with its related parties. The outstanding balances and amount of transactions with related parties are as follows:

	Nature of Transaction	Amount of Transactions 2017	Amount of Transactions 2016	Outstanding Balance 2017	Outstanding Balance 2016
Receivable from related parties					
Entities under common management:					
Alphaland Corporation (ALPHA)	Allocated costs	**₱–**	₱–	**₱2,794,966**	₱2,794,966
	Service fee	**180,000**	180,000	**16,800**	168,000
Alphaland Heavy Equipment Corporation	Allocated costs	**–**	–	**579,305**	579,305
The City Club at Alphaland Makati Place, Inc.	Service fee	**180,000**	180,000	**67,200**	84,000
Alphaland Balesin Island Club, Inc.	Reimbursements	**–**	–	**32,500**	32,500
	Service fee	**180,000**	180,000	**50,400**	100,800
Acentic Philippines Inc.	Allocated costs	**39,747**	–	**2,500**	27,441
Alphaland Aviation Inc.	Reimbursements	**–**	–	**796**	796
Alphaland Baguio Mountain Log Homes, Inc.	Sale of asset	**–**	552,918	**–**	418,019
Choice Insurance Brokerage, Inc.	Allocated costs	**–**	–	**–**	629,581
Philweb Cambodia Ltd.	Reimbursements	**–**	–	**–**	190,450
Philweb Corporation (Philweb)	Service fee	**180,000**	180,000	**–**	118,560
				₱3,544,467	₱5,144,418

	Nature of Transaction	Amount of Transactions 2017	2016	Outstanding Balance 2017	2016
Payable to related parties					
Entities under common management:					
Alphaland Southgate Tower, Inc. (ASTI)	Lease of office space and utilities	**₱11,605**	₱1,566,707	**₱593,974**	₱582,369
Alphaland Makati Place, Inc. (AMPI)	Lease of office space and utilities	**266,524**	117,387	**262,392**	–
ALPHA	Reimbursements	**–**	–	**187,182**	187,182
Philweb	Allocated rent, salaries and other shared costs	**2,547,428**	4,614,938	**–**	350,621
				₱1,043,548	₱1,120,172

Receivable from and payable to related parties are unsecured, noninterest-bearing, due and demandable, and settlement occurs in cash. Receivable from related parties arising from service fees are subject to the Company's normal credit terms. In 2017 and 2016, the Group has not made any provision for impairment losses relating to the amounts owed by related parties.

The Parent Company had a Cost Sharing Agreement (the Agreement) with Philweb for its share in rental and salaries of shared corporate services and its key management personnel. This agreement has been terminated in October 2017.

Details of shared costs charged to the Group are as follows (see Note 14):

	2017	2016	2015
Salaries and allowances	**₱1,935,720**	₱3,234,369	₱3,205,182
Rental	**611,708**	1,380,569	1,173,349
Others	**–**	–	28,919
	₱2,547,428	₱4,614,938	₱4,407,450

In 2017, Philweb cease to be a related party of the Group.

Following are the intergroup balances presented under receivables account in the Parent Company's separate financial statements which were eliminated in the preparation of the consolidated financial statements:

	Nature of Transaction	Amount of Transactions 2017	2016	Outstanding Balance 2017	2016
Dividend receivable					
ABSTC	Dividend declaration	**₱2,000,000**	₱–	**₱2,000,000**	₱–
Receivable from related parties					
Tidemark	Working capital advances	**₱–**	₱–	**₱223,901**	₱223,901
ABSTC	Allocated rent, salaries, utilities and reimbursements	**757,621**	813,946	**195,406**	932,251
				₱419,307	₱1,156,152

Intergroup balances which were eliminated in the consolidated financial statements are unsecured, noninterest-bearing, due and demandable, and normally settled in cash.

Compensation of Key Management Personnel

The compensation of the key management personnel is included as part of the Agreement with Philweb under the allocated salaries and allowances. Subsequent to October 2017, the compensation of key management personnel of the Parent Company is being handled by ASTI at no cost to the Parent Company.

13. Capital Stock

The composition of the Parent Company's capital stock consisting of all common shares as at December 31, 2017 and 2016 is as follows:

	Shares	Amount
Authorized - ₱1 par value	10,000,000,000	₱10,000,000,000
Issued and outstanding	953,963,474	₱953,963,474
Subscribed	1,591,036,526	1,591,036,526
	2,545,000,000	2,545,000,000
Less subscription receivable	–	1,485,000,000
	2,545,000,000	₱1,060,000,000

14. General and Administrative Expenses

This account consists of:

	Note	**2017**	2016	2015
Allocated expenses	12	**₱2,547,428**	₱4,614,938	₱4,407,450
Salaries and wages		**2,108,115**	4,814,255	5,783,506
Professional fees		**1,210,341**	831,507	732,889
PSE listing fee		**990,214**	1,123,769	1,123,769
Rent	16	**269,541**	2,049,849	2,170,757
Supplies		**174,644**	369,391	302,578
Taxes and licenses		**139,208**	55,833	1,182,103
Utilities, dues and subscriptions		**98,707**	705,502	1,093,730
Depreciation and amortization	10	**40,589**	442,826	856,500
Medical and hospitalization		**31,456**	563,139	378,608
Representation		**21,447**	643,841	876,500
Communications		**16,491**	464,104	569,741
Transportation and travel		**6,779**	194,942	291,704
Mining exploration cost		**1,699**	976,428	1,593,983
Others		**180,165**	840,134	563,821
		₱7,836,824	₱18,690,458	₱21,927,639

15. Basic and Diluted Loss Per Share

Basic and diluted loss per share is computed as follows:

	2017	2016	2015
Net loss (a)	**(₱19,208,400)**	(₱33,364,582)	(₱40,021,100)
Weighted average number of outstanding shares (b)	**953,963,474**	953,963,474	953,963,474
Basic and diluted loss per share (a/b)	**(₱0.0201)**	(₱0.0350)	(₱0.0420)

The Group has no dilutive potential common shares outstanding, therefore basic loss per share is the same as diluted loss per share.

16. Operating Leases

The Parent Company is a party to a noncancellable lease agreement with ASTI covering its office and parking spaces for a period of five years from January 1, 2010, renewable upon mutual consent of both parties. The lease agreement was terminated on September 30, 2016.

Under the terms of the covering lease agreements, the Parent Company is required to pay rental and security deposits which are included as part of "Other noncurrent assets" in the consolidated statement of financial position aggregating ₱1.4 million as at December 31, 2016. These deposits will become refundable to the Parent Company at the end of the lease contract. As a result of termination of the lease agreement with ASTI, the Parent Company expects to collect these deposits within one year from reporting date. Accordingly, the Parent Company reclassified these deposits to "Other current assets" account in 2017 (see Note 6).

In October 2016, the Parent Company entered into a lease agreement with AMPI for its office space. The term of the lease shall commence on October 10, 2016 until terminated by any party upon sixty (60) days advance written notice to the other party. In March 2017, the lease agreement with AMPI was amended by both parties to stipulate a different office space.

Rent expense on leased properties amounted to ₱269,541, ₱2.0 million and ₱2.2 million in 2017, 2016 and 2015, respectively (see Note 14).

17. Income Taxes

In 2017 and 2016, the provision for current income tax amounting to ₱162,094 and ₱209,955, respectively, represents RCIT for ABSTC. The Parent Company had no provision for current income tax in 2017 and 2016 due to its tax loss position. In 2015, the provision for current income tax amounting to ₱219,688 represents the combined MCIT for the Parent Company and RCIT for ABSTC.

The deferred tax assets on the following deductible temporary differences remain unrecognized as management has assessed that it is not probable that sufficient taxable profit will be available in the near future against which the benefits of the deferred tax assets on these temporary differences can be utilized.

	2017	2016
NOLCO	**₱44,435,570**	₱61,252,141
Accumulated impairment losses on:		
Deferred mining exploration cost	**2,613,940**	2,613,940
Receivables	**41,550**	41,550
Excess MCIT over RCIT	**29**	1,764
	₱47,091,089	₱63,909,395

The Parent Company has NOLCO which can be carried forward and claimed as deduction from future taxable income as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Valid Until
2017	₱–	₱6,862,105	₱–	₱6,862,105	2020
2016	17,256,270	–	–	17,256,270	2019
2015	20,317,195	–	–	20,317,195	2018
2014	23,678,676	–	23,678,676	–	2017
	₱61,252,141	₱6,862,105	₱23,678,676	₱44,435,570	

The Parent Company has excess MCIT over RCIT which can be carried forward and claimed as deduction against future income tax liability as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Valid Until
2015	₱29	₱–	₱ –	₱29	2018
2014	1,735	–	1,735	–	2017
	₱1,764	₱–	₱1,735	₱29	

The reconciliation between the benefit from income tax at statutory income tax rate and provision for income tax at effective tax rate is as follows:

	2017	2016	2015
Benefit from income tax computed at statutory income tax rate	**(₱5,713,892)**	(₱9,946,388)	(₱11,940,424)
Expired NOLCO	**7,103,603**	–	5,862,705
Changes in unrecognized deferred tax assets	**(5,046,706)**	4,592,195	203,279
Expired MCIT	**1,735**	584,686	29,203
Add (deduct) tax effects of:			
Share in net results of operation of an associate	**4,120,563**	5,627,482	6,662,476
Interest income already subjected to final tax	**(315,306)**	(835,345)	(853,062)
Nondeductible expenses	**12,097**	187,325	255,511
Provision for income tax at effective tax rate	**₱162,094**	₱209,955	₱219,688

18. Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash and cash equivalents, receivables (excluding advances to officers and employees), AFS financial asset, rental and security deposits, and payables and other current liabilities (excluding statutory payables).

The main purpose of the Group's dealings in financial instruments is to fund its operations and capital expenditures.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. All risks faced by the Group are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Group's operations and detriment forecasted results. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The BOD reviews and institutes policies for managing each of the risks and these are summarized below.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and other market prices will adversely affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group is subject to minimal transaction and translation exposures resulting from currency exchange fluctuations in relation to its financial instruments. The Group regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the current exchange rates so as to minimize the risks related to these foreign currency denominated assets and liabilities.

Credit Risk

Credit risk is a risk due to uncertainty in counterparty's ability to meet its obligations. When counterparty defaults, the maximum exposure is equal to the carrying amount of the related financial asset. The Group's credit risk arises principally from cash and cash equivalents and receivables (excluding advances to officers and employees), and rental and security deposits.

The Group trades mainly with recognized and creditworthy third parties as well as with related parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, the Group only deals with financial institutions duly evaluated and approved by the BOD.

The table below shows the credit quality per class of financial assets as at December 31:

	2017					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Total	Past Due but not Impaired	Impaired	Total
Loans and receivables:						
Cash in banks and cash equivalents*	₱40,738,075	₱–	₱40,738,075	₱–	₱–	₱40,738,075
Receivables**	3,759,801	–	3,759,801	415,709	41,550	4,217,060
Rental and security deposits***	1,441,579	–	1,441,579	–	–	1,441,579
AFS financial asset	1,999,950	–	1,999,950	–	–	1,999,950
	₱47,939,405	₱–	₱47,939,405	₱415,709	₱41,550	₱48,396,664

**Excludes cash on hand amounting to ₱26,726.*

*** Excluding advances to officers and employees.*

**** Presented under "Other current assets" account.*

	2016					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Total	Past Due but not Impaired	Impaired	Total
Loans and receivables:						
Cash in banks and cash equivalents*	₱145,810,905	₱–	₱145,810,905	₱–	₱–	₱145,810,905
Receivables**	5,262,681	–	5,262,681	–	41,550	5,304,231
Rental and security deposits	1,441,579	–	1,441,579	–	–	1,441,579
AFS financial asset	1,999,950	–	1,999,950	–	–	1,999,950
	₱154,515,115	₱–	₱154,515,115	₱–	₱41,550	₱154,556,665

** Excludes cash on hand amounting to ₱26,726.*
*** Excluding advances to officers and employees.*

The credit quality of the financial assets is managed by the Group using internal credit quality ratings. High grade consists of financial assets from counterparties with good financial condition and with relatively low defaults. This also includes transactions with related parties. Financial assets having risks of default but are still collectible are considered as standard grade accounts.

Cash in banks and cash equivalents are considered high grade as these pertain to deposits and placements in reputable banks.

The aging analysis of financial assets that are past due but not impaired as at December 31, 2017 is presented below:

Days Past Due	Amount
1 to 30 days	₱257,098
31 to 60 days	158,611
	₱415,709

Liquidity Risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

The Group's payable to related parties and advances from officers and employees amounting to ₱1.4 million as at December 31, 2017 and 2016 are due and demandable. The remaining balance of payables and other current liabilities (excluding statutory payables) amounting to ₱957,574 and ₱668,027, as at December 31, 2017 and 2016, respectively, have a maturity of less than three months.

Fair Value Measurement

The table below presents the financial assets and liabilities of the Group whose carrying amounts approximate fair values due to the short-term nature of the transactions:

	2017	2016
Financial Assets		
Loans and receivables:		
Cash and cash equivalents	**₱40,764,801**	₱145,837,631
Receivables*	**4,175,510**	5,262,681
Rental and security deposits**	**1,441,579**	–
	₱46,381,890	₱151,100,312
Financial Liabilities		
Other financial liabilities -		
Payables and other current liabilities***	**₱2,370,046**	₱2,045,023

** Excluding advances to officers and employees.*
*** Presented under "Other current assets" account as at December 31, 2017.*
**** Excluding statutory payables.*

Rental and Security Deposits. The fair value of rental and security deposits as at December 31, 2016 amounted to ₱1.4 million. Fair values are estimated by discounting the expected cash flow using a discount rate of 2.45%. This fair value measurement approach is categorized under Level 2 of fair value hierarchy (significant observable inputs).

AFS Financial Asset. AFS financial assets pertain to an investment in unquoted securities that are measured at cost since the fair value of the shares are not readily available.

Capital Management Policy

The primary objective of the Group's capital management is to ensure its ability as a going concern and that it maintains healthy capital ratios in order to support its business operations and maximize shareholder value.

The Group considers its total equity amounting to ₱635.0 million and ₱652.3 million as at December 31, 2017 and 2016, respectively, as capital employed.

The Group monitors capital on the basis of the debt-to-equity ratio which is calculated as total debt divided by total equity. Total debt comprises of payable and other current liabilities. Total equity comprises all components of equity.

The debt-to-equity ratios as at December 31 are as follows:

	2017	2016
Total debt	**₱2,411,632**	₱2,113,181
Total equity	**635,025,815**	652,344,890
	0.004:1	0.003:1

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust its borrowings or raise capital. No changes were made in the objectives, policies or processes in 2017 and 2016.

19. Segment Information

A segment is a distinguishable component of the Group that is engaged either in providing types of services (business segment) or in providing the services within a particular economic environment (geographic segment).

The table below present financial information on business segments as at and for the years ended December 31, 2017, 2016 and 2015:

	2017			
	Mining, Exploration and Development	Stock Transfer Agency	Eliminations	Total
Segment Revenue				
Revenue from external customers	₱–	₱1,472,890	₱–	₱1,472,890
Dividend income	2,000,000	–	(2,000,000)	–
Interest income	1,019,603	31,418	–	1,051,021
Other income	1,706	110	–	1,816
Income from other segments	–	180,000	(180,000)	–
Share in net results of operations of an associate	(13,735,209)	–	–	(13,735,209)
	(10,713,900)	1,684,418	(2,180,000)	(11,209,482)
Depreciation and amortization	(28,901)	(11,688)	–	(40,589)
Other general and administrative expense	(6,875,235)	(1,101,000)	180,000	(7,796,235)
Provision for current income tax	–	(162,094)	–	(162,094)
Segment Operating Profit (Loss)	(₱17,618,036)	₱409,636	(₱2,000,000)	(₱19,208,400)
Segment Assets	₱1,667,127,281	₱3,979,776	(₱1,033,669,610)	₱637,437,447

	2016			
	Mining, Exploration and Development	Stock Transfer Agency	Eliminations	Total
Segment Revenue				
Revenue from external customers	₱–	₱1,479,480	₱–	₱1,479,480
Interest income	2,757,642	26,841	–	2,784,483
Other income	28,704	1,437	–	30,141
Income from other segments	–	180,000	(180,000)	–
Share in net results of operations of an associate	(18,758,273)	–	–	(18,758,273)
	(15,971,927)	1,687,758	(180,000)	(14,464,169)
Depreciation and amortization	(435,643)	(7,183)	–	(442,826)
Other general and administrative expense	(17,464,468)	(963,164)	180,000	(18,247,632)
Provision for current income tax	–	(209,955)	–	(209,955)
Segment Operating Profit (Loss)	(₱33,872,038)	₱507,456	₱–	(₱33,364,582)
Segment Assets	₱1,568,202,537	₱4,166,780	(₱917,911,246)	₱654,458,071

	2015			
	Mining, Exploration and Development	Stock Transfer Agency	Eliminations	Total
Segment Revenue				
Revenue from external customers	₱–	₱1,463,297	₱–	₱1,463,297
Interest income	2,833,830	9,709	–	2,843,539
Other income	26,261	1,382	–	27,643
Income from other segments	–	198,200	(198,200)	–
Share in net results of operations of an associate	(22,208,252)	–	–	(22,208,252)
	(19,348,161)	1,672,588	(198,200)	(17,873,773)
Depreciation and amortization	(854,704)	(1,796)	–	(856,500)
Other general and administrative expense	(20,340,454)	(928,885)	198,200	(21,071,139)
Provision for current income tax	(29)	(219,659)	–	(219,688)
Segment Operating Profit (Loss)	(₱40,543,348)	₱522,248	₱–	(₱40,021,100)
Segment Assets	₱1,548,377,682	₱3,281,031	(₱898,626,310)	₱653,032,403

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
December 29, 2015, valid until December 31, 2018
SEC Accreditation No. 0207-FR-2 (Group A)
September 27, 2016, valid until September 27, 2019

Citibank Tower
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 982 9100
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Website : www.reyestacandong.com

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

The Stockholders and the Board of Directors
Atok-Big Wedge Co., Inc. and Subsidiaries
Alphaland Makati Place,
7232 Ayala Avenue corner Malugay Street
Makati City

We have audited the accompanying consolidated financial statements of Atok-Big Wedge Co., Inc. (the Parent Company) and Subsidiaries as at and for the year ended December 31, 2017, on which we have rendered our report dated March 23, 2018.

In compliance with Securities Regulation Code Rule 68, as amended, we are stating that the Parent Company has 2,980 stockholders owning one hundred (100) or more shares each.

REYES TACANDONG & CO.

EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until December 31, 2018
SEC Accreditation No. 1021-AR-2 Group A
Valid until March 27, 2020
BIR Accreditation No. 08-005144-005-2017
Valid until January 13, 2020
PTR No. 6607954
Issued January 3, 2018, Makati City

March 23, 2018
Makati City, Metro Manila

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REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Atok-Big Wedge Co., Inc. and Subsidiaries
Alphaland Makati Place,
7232 Ayala Avenue corner Malugay Street
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Atok-Big Wedge Co., Inc. and Subsidiaries (the Group) as at December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016, and 2015, and have issued our report thereon dated March 23, 2018. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying supplementary schedules are the responsibility of the Group's management. These supplementary schedules include the following:

- Financial Ratios
- Adoption of Effective Accounting Standards and Interpretations
- Schedules required by Part II of SRC Rule 68, as Amended
- Reconciliation of Retained Earnings Available for Dividend Declaration
- Map of Group Structure

These schedules are presented for purposes of complying with Securities Regulation Code Rule 68 Part II, as amended, and are not part of the consolidated financial statements. This information have been subjected to the auditing procedures applied in the audit of the consolidated financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves. In our opinion, the information is fairly stated in all material respect in relation to the consolidated financial statements taken as a whole.

REYES TACANDONG & CO.

EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until December 31, 2018
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March 23, 2018
Makati City, Metro Manila

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

FINANCIAL RATIOS

DECEMBER 31, 2017, 2016 AND 2015

Below is a schedule showing financial soundness indicators for the years 2017, 2016 and 2015.

	2017	2016	2015
Current/Liquidity Ratio	**22.65:1**	75.26:1	12.97:1
Current assets	**₱54,625,748**	₱159,039,881	₱184,845,834
Current liabilities	**2,411,632**	2,113,181	14,256,356
Solvency Ratio	**(7.95):1**	(15.58):1	(2.75):1
Net loss before depreciation and amortization	**(₱19,167,811)**	(₱32,921,756)	(₱39,164,600)
Total liabilities	**2,411,632**	2,113,181	14,256,356
Debt-to-equity Ratio	**0.004:1**	0.003:1	0.022:1
Total liabilities	**₱2,411,632**	₱2,113,181	₱14,256,356
Total equity	**635,025,815**	652,344,890	638,776,047
Asset-to-equity Ratio	**1.00:1**	1.00:1	1.02:1
Total assets	**₱637,437,447**	₱654,458,071	₱653,032,403
Total equity	**635,025,815**	652,344,890	638,776,047
Profitability Ratio	**(0.03):1**	(0.05):1	(0.06):1
Net loss	**(₱19,208,400)**	(₱33,364,582)	(₱40,021,100)
Total equity	**635,025,815**	652,344,890	638,776,047

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF ADOPTION OF EFFECTIVE ACCOUNTING STANDARDS AND INTERPRETATIONS

DECEMBER 31, 2017

Title	Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics	✓		
PFRS Practice Statement Management Commentary			✓

Philippine Financial Reporting Standards (PFRS)

PFRS	Title	Adopted	Not Adopted	Not Applicable
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	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	✓		
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination			✓
	Amendment to PFRS 3: Scope Exceptions for Joint Ventures			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4: Financial Guarantee Contracts			✓

PFRS	Title	Adopted	Not Adopted	Not Applicable
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Amendment to PFRS 5: Changes in Methods of Disposal			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources	✓		
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendment to PFRS 7: Servicing Contracts			✓
	Amendment to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			✓
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8: Aggregation of Operating Segments	✓		
	Amendments to PFRS 8: Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	✓		
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			✓
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Transition Guidance	✓		
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Investment Entities: Applying the Consolidation Exception			✓
PFRS 11	Joint Arrangements			✓

PFRS	Title	Adopted	Not Adopted	Not Applicable
	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			✓
	Amendment to PFRS 12: Clarification of the Scope of the Standard	✓		
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term Receivables and Payables	✓		
	Amendment to PFRS 13: Portfolio Exception			✓
PFRS 14	Regulatory Deferral Accounts			✓

Philippine Accounting Standards (PAS)

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 1 (Revised): Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1 (Revised): Presentation of Items of Other Comprehensive Income	✓		
	Amendment to PAS 1: Clarification of the Requirements for Comparative Presentation	✓		
	Amendments to PAS 1: Disclosure Initiative	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
	Amendments to PAS 7: Disclosure Initiative	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		

PAS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Classification of Servicing Equipment			✓
	Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation			✓
	Amendment to PAS 16: Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortization	✓		
	Amendment to PAS 16: Agriculture: Bearer Plants			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendment to PAS 19: Defined Benefit Plans - Employee Contributions			✓
	Amendment to PAS 19: Discount Rate - Regional Market Issue			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation	✓		
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendment to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to PAS 27: Investment Entities			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to PAS 28: Investment Entities: Applying the Consolidation Exception			✓

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Financial Instruments: Presentation	✓		
	Amendments to PAS 32: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 32: Tax Effect of Distribution to Holders of Equity Instruments			✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Amendment to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities			✓
	Amendment to PAS 34: Disclosure of Information 'Elsewhere in the Interim Financial Report'			✓
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Nonfinancial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
	Amendment to PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization			✓
	Amendment to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39: Financial Guarantee Contracts			✓
	Amendments to PAS 39: Reclassification of Financial Assets	✓		
	Amendments to PAS 39: Reclassification of Financial Assets - Effective Date and Transition	✓		

PAS	Title	Adopted	Not Adopted	Not Applicable
	Amendments PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property			✓
	Amendment to PAS 40: Investment Property - Clarifying the Interrelationship between PFRS 3, Business Combination and PAS 40 when Classifying Property as Investment Property or Owner-occupied Property			✓
PAS 41	Agriculture			✓
	Amendment to PAS 41: Agriculture: Bearer Plants			✓

Philippine Interpretations

Interpretations	Title	Adopted	Not Adopted	Not Applicable
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 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC 9: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
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			✓

Interpretations	Title	Adopted	Not Adopted	Not Applicable
	Amendments to Philippine Interpretations IFRIC 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓

PHILIPPINE INTERPRETATIONS - SIC

Interpretations	Title	Adopted	Not Adopted	Not Applicable
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6 PART II OF SRC RULE 68 AS AMENDED

DECEMBER 31, 2017

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A - The Group's AFS financial asset does not exceed five percent (5%) of the total current assets. There are no financial assets measured at fair value through profit or loss and held-to-maturity investments.

B - All receivables arises from the ordinary course of business

D - No intangible assets

E - No long term debts

F - Total indebtedness to related parties does not exceed five percent (5%) of total assets

G - No guarantees of securities of other issuers

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2017

			Deductions		Ending Balance		
Related Party	Balance at beginning of period	Additions	Collections	Write Off	Current	Noncurrent	Balance at end of period
AB Stock Transfers Corporation	₱932,251	₱2,757,621	₱1,494,466	₱–	₱2,195,406	₱–	₱2,195,406
Tidemark Holdings Limited	223,901	–	–	–	223,901	–	223,901
	₱1,156,152	₱2,757,621	₱1,494,466	₱–	₱2,419,307	₱–	₱2,419,307

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

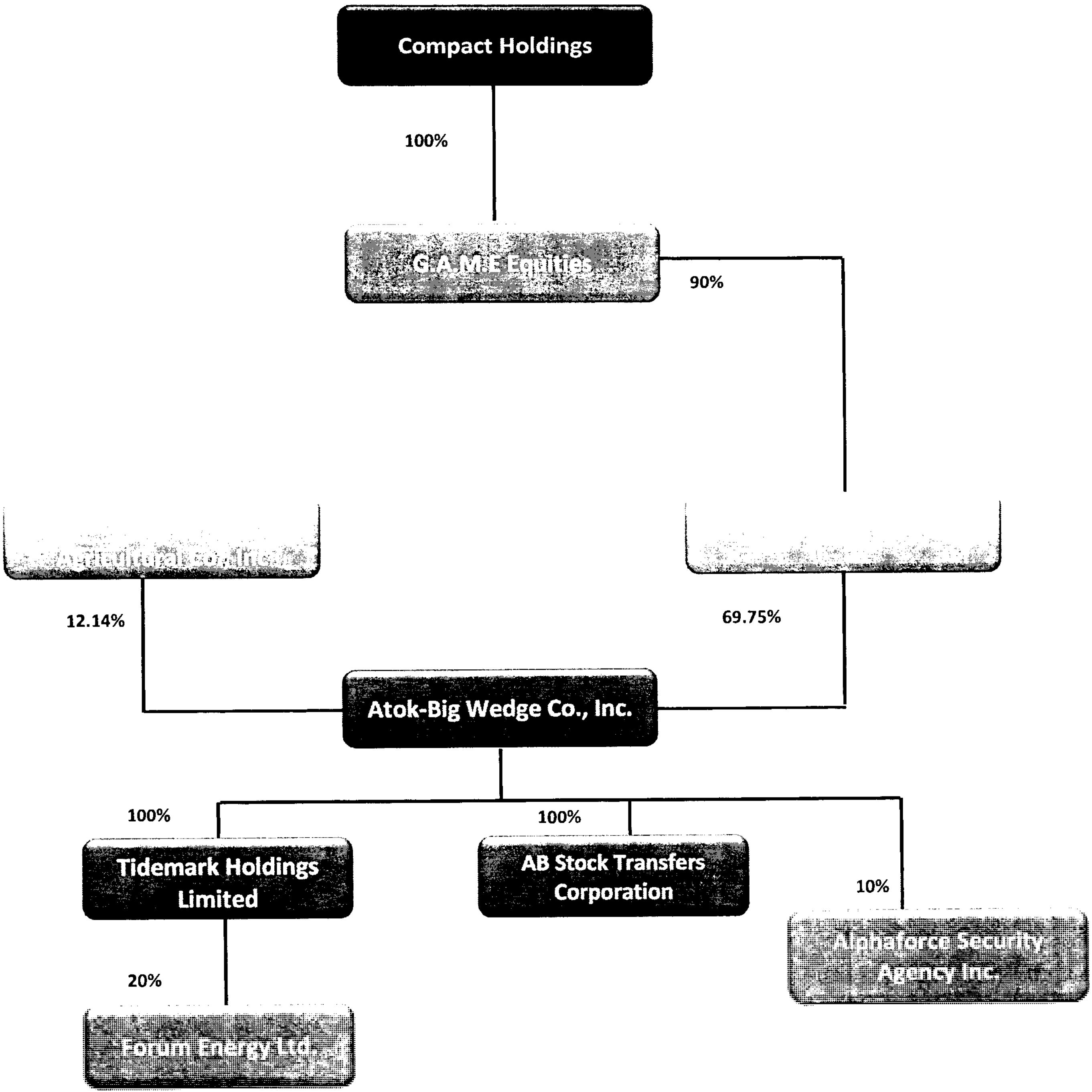
SCHEDULE H - CAPITAL STOCK

DECEMBER 31, 2017

		Number of shares issued and outstanding as shown under the statement of financial position caption				Number of shares held by		
Title of Issue	Number of shares authorized	Paid-up	Subscribed	Total	Number of shares reserved for options, warrants, conversion & other rights	Related parties	Directors, officers and employees	Public
Common stock - ₱1 par value per share	10,000,000,000	1,060,000,000	1,485,000,000	2,545,000,000	–	2,284,218,804	1,507	260,779,689

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

MAP OF GROUP STRUCTURE
DECEMBER 31, 2017



ATOK-BIG WEDGE CO., INC

SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2017

Deficit as shown in the financial statements, at beginning of year	(₱356,425,188)
Adjustment for 2012 impairment loss on investment in a subsidiary	223,495,475
Deficit, as adjusted, at beginning of year	(132,929,713)
Net loss closed to deficit	(3,884,533)
Deficit, as adjusted, at end of year	(₱136,814,246)

ATOK-BIG WEDGE CO., INC.

ALPHALAND MAKATI PLACE
7232 AYALA AVENUE CORNER MALUGAY ST.,
BRGY. BEL-AIR, MAKATI CITY 1209 PHILIPPINES

TELEFAX NO.: +63.2.310-7100

January 19, 2018

"STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR SEPARATE FINANCIAL STATEMENTS"

The management of **Atok-Big Wedge Co., Inc.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2017, 2016 and 2015, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

ROBERTO V. ONGPIN
Chairman & CEO

ERIC O. RECTO
Vice Chairman & President

CRISTINA B. ZAPANTA
Senior Vice President for Finance

APR 12 20

SUBSCRIBED AND SWORN to before me this APR 1 1 2018 at Makati City, affiants exhibiting to me their respective identification documents, and personally known to me, follows:

NAME	COMPETENT EVIDENCE OF IDENTITY	DATE OF ISSUE	PLACE OF ISSUE
Roberto V. Ongpin	Passport No: P0300707A	09/17/2016	DFA Manila
Eric O. Recto	Passport No: EC3544131	02/27/2015	DFA Manila
Cristina B. Zapanta	Passport No: P3451062A	06/22/2017	DFA NCR East

Doc. No. 162
Page No. 34
Book No. II
Series of 2018

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P W 4 2 7 - A

COMPANY NAME

A T O K - B I G W E D G E C O . , I N C .

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

Alphaland Makati Place, 7232 Ayala Avenue Corner Malugay Street, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AASFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
–	(632) 304-6282	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
4,200	Last Friday of May	12 / 31

CONTACT PERSON INFORMATION

The Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Cristina B. Zapanta	cbzapanta@alphaland.com.ph	(632) 337-2031	0908-8762265

CONTACT PERSON'S ADDRESS

Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City

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

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

BOA/PRC Accreditation No. 4782
December 29, 2015, valid until December 31, 2018
SEC Accreditation No. 0207-FR-2 (Group A)
September 27, 2016, valid until September 27, 2019

Citibank Tower
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 982 9100
Fax : +632 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Atok-Big Wedge Co., Inc.
Alphaland Makati Place
7232 Ayala Avenue corner Malugay Street
Makati City

Opinion

We have audited the accompanying separate financial statements of Atok-Big Wedge Co., Inc., (the Company) which comprise the separate statements of financial position as at December 31, 2017 and 2016, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the three years ended December 31, 2017, 2016 and 2015, and notes to separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2017 and 2016, and its separate financial performance and its separate cash flows for the three years ended December 31, 2017, 2016 and 2015 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Emphasis of Matter

Without qualifying our opinion, we draw attention to Notes 1 and 7 to separate financial statements concerning the delay in one of the planned drilling programs of Forum Energy Ltd., an associate of a subsidiary. The ultimate outcome of the uncertainty related to this delay cannot be presently determined.

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

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

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

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

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

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

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

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

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

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

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

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

REYES TACANDONG & CO.

Emmanuel V. Clarino

EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until December 31, 2018
SEC Accreditation No. 1021-AR-2 Group A
Valid until March 27, 2020
BIR Accreditation No. 08-005144-005-2017
Valid until January 13, 2020
PTR No. 6607954
Issued January 3, 2018, Makati City

March 23, 2018
Makati City, Metro Manila

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ATOK-BIG WEDGE CO., INC.
SEPARATE STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2017	2016
ASSETS			
Current Assets			
Cash and cash equivalents	4	**₱36,951,297**	₱141,822,104
Receivables	5	**6,369,809**	6,188,267
Other current assets	6	**9,239,448**	7,527,551
Total Current Assets		**52,560,554**	155,537,922
Noncurrent Assets			
Investments in subsidiaries	7	**645,594,228**	544,833,220
Available-for-sale financial asset	8	**1,999,950**	1,999,950
Property and equipment	10	**21,260**	89,608
Advances to mining right holders	1	**1,525,000**	1,525,000
Rental and security deposits	16	**–**	1,441,579
Total Noncurrent Assets		**649,140,438**	549,889,357
		₱701,700,992	₱705,427,279
LIABILITY AND EQUITY			
Current Liability			
Payables and other current liabilities	11	**₱2,010,713**	₱1,852,467
Equity			
Capital stock	13	**1,060,000,000**	1,060,000,000
Deficit		**(360,309,721)**	(356,425,188)
Total Equity		**699,690,279**	703,574,812
		₱701,700,992	₱705,427,279

See accompanying Notes to Separate Financial Statements.

ATOK-BIG WEDGE CO., INC.

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

			Years Ended December 31	
	Note	**2017**	2016	2015
GENERAL AND ADMINISTRATIVE EXPENSES	14	**(₱6,904,136)**	(₱17,900,111)	(₱21,195,158)
OTHER INCOME				
Dividends	7	**2,000,000**	–	–
Interest	4	**1,019,603**	2,757,642	2,833,830
Others		–	–	1,463
		3,019,603	2,757,642	2,835,293
LOSS BEFORE INCOME TAX		**(3,884,533)**	(15,142,469)	(18,359,865)
PROVISION FOR CURRENT INCOME TAX	17	–	–	29
NET LOSS		**(3,884,533)**	(15,142,469)	(18,359,894)
OTHER COMPREHENSIVE INCOME		–	–	–
TOTAL COMPREHENSIVE LOSS		**(₱3,884,533)**	(₱15,142,469)	(₱18,359,894)
BASIC AND DILUTED LOSS PER SHARE	15	**(₱0.0041)**	(₱0.0159)	(₱0.0192)

See accompanying Notes to Separate Financial Statements.

ATOK-BIG WEDGE CO., INC.

SEPARATE STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31		
	Note	**2017**	2016	2015
CAPITAL STOCK - ₱1 par value	13	**₱1,060,000,000**	₱1,060,000,000	₱1,060,000,000
DEFICIT				
Balance at beginning of year		**(356,425,188)**	(341,282,719)	(322,922,825)
Net loss		**(3,884,533)**	(15,142,469)	(18,359,894)
Balance at end of year		**(360,309,721)**	(356,425,188)	(341,282,719)
		₱699,690,279	₱703,574,812	₱718,717,281

See accompanying Notes to Separate Financial Statements.

ATOK-BIG WEDGE CO., INC.

SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31		
	Note	**2017**	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		**(₱3,884,533)**	(₱15,142,469)	(₱18,359,865)
Adjustments for:				
Dividend income	7	**(2,000,000)**	–	–
Interest income	4	**(1,019,603)**	(2,757,642)	(2,833,830)
Depreciation and amortization	10	**28,901**	435,643	854,704
Loss on sale of property and equipment	10	**–**	7,102	–
Operating loss before working capital changes		**(6,875,235)**	(17,457,366)	(20,338,991)
Decrease (increase) in:				
Receivables		**1,851,588**	(773,035)	(923,263)
Other current assets		**(270,318)**	(613,413)	(861,995)
Increase (decrease) in payables and other current liabilities		**158,246**	(12,034,805)	5,139,307
Net cash used for operations		**(5,135,719)**	(30,878,619)	(16,984,942)
Interest received		**986,473**	2,797,636	2,836,098
Income tax paid		**–**	–	(1,578)
Net cash used in operating activities		**(4,149,246)**	(28,080,983)	(14,150,422)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Investments in subsidiaries	7	**(100,761,008)**	–	–
Property and equipment	10	**–**	(1,766)	(3,366)
Advances to mining right holders		**–**	(77,514)	(421,891)
Proceeds from disposal of property and equipment	10	**39,447**	608,929	–
Net cash provided by (used in) investing activities		**(100,721,561)**	529,649	(425,257)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(104,870,807)**	(27,551,334)	(14,575,679)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**141,822,104**	169,373,438	183,949,117
CASH AND CASH EQUIVALENTS AT END OF YEAR		**₱36,951,297**	₱141,822,104	₱169,373,438
COMPONENTS OF CASH AND CASH EQUIVALENTS	4			
Cash on hand and in banks		**₱1,576,203**	₱1,079,764	₱526,774
Short-term placements		**35,375,094**	140,742,340	168,846,664
		₱36,951,297	₱141,822,104	₱169,373,438

2018

See accompanying Notes to Separate Financial Statements.

ATOK-BIG WEDGE CO., INC.

NOTES TO SEPARATE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2017 AND
FOR THE THREE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

1. **Corporate Matters**

Corporate Information

Atok-Big Wedge Co., Inc. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 3, 1931. The Company's corporate life was extended to another 50 years from September 25, 1981. The Company's primary purpose is to engage in the business of exploration and development of mining, oil, gas and other natural resources.

The Company listed its shares in the Philippine Stock Exchange (PSE) on January 8, 1948. As at December 31, 2017 and 2016, 953,963,474 shares of the Company are listed in the PSE.

As at December 31, 2017 and 2016, the Company, through its wholly-owned subsidiary, Tidemark Holdings Limited (Tidemark), has 20.00% and 27.14% interest in Forum Energy Ltd. (FEL), respectively. FEL's shares were listed and traded at the London Stock Exchange's Alternative Investment Market until June 26, 2015. On March 22, 2017, the Board of Directors (BOD) approved the subscription to additional 6,666,667 new shares of FEL (through Tidemark) at USD0.30 a share or a total of USD2.0 million. Together with the subscription simultaneously made by other major shareholder of FEL, the new subscription resulted to the decrease of the Company's ownership in FEL from 27.14% in 2016 to 20.00% in 2017. The additional subscription was ratified by the stockholders on May 10, 2017.

FEL has interests in various service contracts as follows:

Service Contract	Interest
Service contract 72 (Reed Bank)	70%
Service contract 40 (North Cebu)	100%
Service contract 14A (Nido)	8.47%
Service contract 14B (Matinloc)	12.41%
Service contract 14B-1 (North Matinloc)	19.46%
Service contract 14C-1 (Galoc)	2.28%
Other service contracts	5% - 9%

As at December 31, 2017 and 2016, the Company is 69.75% owned by Boerstar Corporation, a holding company incorporated in the Philippines. The ultimate parent of the Group is Compact Holdings, Inc., a Philippine entity engaged in holding and investing activities.

The Company's registered address is Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City.

Status of the Significant Exploration Projects of FEL (Associate Entity)

Service Contract 72 (Reed Bank). FEL's principal asset is a 70% interest in Service Contract (SC) 72 which covers an area of 8,800 square kilometers in the West Philippine Sea. SC 72 is currently under Sub-Phase 2 of its exploration. However, the Philippine government was unable to grant FEL the permission to deploy vessels for drill site survey work due to the territorial deliberations in the West Philippine Sea.

On February 26, 2015, the Department of Energy (DOE) granted *Force Majeure* to SC 72 work commitments effective December 15, 2014. In view of this, all exploration activities in the block are suspended until the DOE notifies FEL to commence drilling. On July 12, 2016, the Permanent Court of Arbitration in The Hague released a ruling on the maritime case filed by the Republic of the Philippines against the People's Republic of China. In particular, the Tribunal ruled that Reed Bank, where SC 72 lies, is within the Philippines' Exclusive Economic Zone as defined under the United Nations Convention on the Law of the Seas. In November 2017, the Association of Southeast Asian Nations and China has arrived at a negotiation to commence talks on drafting an effective Code of Conduct in the disputed seas.

Upon lifting of the Force Majeure, FEL will have 20 months to complete the Sub-Phase 2 work commitment comprising the drilling of two wells. The terms of the succeeding sub-phase will remain the same but will be adjusted accordingly. As at December 31, 2017, *Force Majeure* is still enforced and FEL is still waiting until this is lifted in order to commence the remaining Sub-Phase 2 work commitment. The ultimate outcome of the uncertainty on the conduct of drilling operations cannot be presently determined.

Service Contract 40 (North Cebu). The Libertad Field had been shut-in since August 2015. It was deemed that FEL would not be able to resume operations due to fluctuating pressure, thus FEL decided to decommission the field and to plug and abandon the L95-1 production well permanently.

Service Contract 14A (Nido), 14B (Matinloc) and 14B-1 (North Matinloc). The three fields produced oil on a cyclical basis in 2017 and 2016. Total production in 2017 was 125,755 barrels, or an average of 345 barrels of oil per day (bopd).

Service Contract 14C-1 (Galoc). The Galoc Field produced a total of 1.5 million barrels of oil in 2017 or 4,001 bopd, as compared to 1.9 million barrels or 5,134 bopd in 2016. Cumulative production starting October 2008 up to reporting date is 20.18 million barrels of oil.

Other Service Contracts. FEL has participating interests in other service contracts including SC6A (Octon) and SC14C-2 (West Linapacan), among others, which are currently under exploration phase.

Potential Acquisition of Certain Mining Rights

The Company entered into various Memoranda of Understanding for the potential acquisition of certain mining rights. Total advances to the mining right holders amounted to ₱1.5 million as at December 31, 2017 and 2016. In view of the prevailing regulatory environment, the Company is continuously evaluating the feasibility of this potential acquisition.

Significant Corporate Acts

Stock Option Plan (SOP). In 2015, the BOD approved the SOP which provides among others the allocation of no more than 5% of the authorized capital for the SOP; each grant is for three years and will vest 1/3 for each of the succeeding years; and the strike price shall not be less than 80% of the market value at the time of grant. This was ratified by the stockholders on May 31, 2016.

As at December 31, 2017, the Company is still completing the requirements for the SEC's approval of the exemption from its registration requirements and the PSE's approval of the listing of the shares under the SOP. To date, no grants have been made under the SOP.

Approval and Authorization for Issuance of Separate Financial Statements

The separate financial statements as at December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015 were approved and authorized for issue by the Executive Committee of the BOD on March 23, 2018.

2. Summary of Significant Accounting Policies

Basis of Preparation

The separate financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS), Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC), and SEC provisions.

The Company also prepares and issues consolidated financial statements for the same period in accordance with PFRS as the separate financial statements presented. In the consolidated financial statements, subsidiary undertakings have been fully consolidated. Users of these separate financial statements should read them together with the consolidated financial statements in order to obtain full information on the consolidated statements of financial position, consolidated financial performance and consolidated cash flows of the Company and its subsidiaries. The consolidated financial statements are available for public use and may be obtained at the Company's registered office address and at the SEC and PSE.

Measurement Bases

The separate financial statements are presented in Philippine Peso (Peso), the Company's functional and presentation currency. All values are rounded to the nearest Peso, except otherwise indicated.

The separate financial statements of the Company have been prepared on the historical cost basis of accounting. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of consideration received in exchange for incurring liability. 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 transaction date.

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 separate 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 market 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 separate 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.

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.

Further information about the assumptions made in measuring fair value is included in Note 18.

Adoption of New and Amended PFRS
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Company adopted effective for annual periods beginning on or after January 1, 2017:

- Amendments to PAS 7, *Statement of Cash Flows - Disclosure Initiative* – The amendments require entities to provide information that enable the users of financial statements to evaluate changes in liabilities arising from financing activities.

- Amendments to PAS 12, *Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses* – The amendments clarify the accounting for deferred tax assets related to unrealized losses on debt instruments measured at fair value, to address diversity in practice.

- Amendments to PFRS 12, *Disclosures of Interests in Other Entities – Clarification of the Scope of the Standard* – The amendments are part of the Annual Improvements to PFRS 2014-2016 Cycle and clarify that the disclosure requirements in PFRS 12 apply to interests in entities within the scope of PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* except for summarized financial information for those interests (i.e. paragraphs B10-B16 of PFRS 12).

The adoption of the foregoing new and amended PFRS did not have any material effect on the separate financial statements. Additional disclosures have been included in the notes to separate financial statements, as applicable.

New and Amended PFRS in Issue But Not Yet Effective
Relevant new and amended PFRS which are not yet effective for the year ended December 31, 2017 and have not been applied in preparing the separate financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2018:

- PFRS 9, *Financial Instruments* – This standard will replace PAS 39, *Financial Instruments: Recognition and Measurement* (and all the previous versions of PFRS 9). It contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and derecognition.

  PFRS 9 requires all recognized financial assets to be subsequently measured at amortized cost or fair value (through profit or loss or through other comprehensive income), depending on the classification by reference to the business model within which these are held and its contractual cash flow characteristics.

  For financial liabilities, the most significant effect of PFRS 9 relates to cases where the fair value option is taken: the amount of change in fair value of a financial liability designated as at fair value through profit or loss (FVPL) that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch.

  For the impairment of financial assets, PFRS 9 introduces an "expected credit loss" model based on the concept of providing for expected losses at inception of a contract; it will no longer be necessary for there to be objective evidence of impairment before a credit loss is recognized.

  For hedge accounting, PFRS 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and nonfinancial risk exposures.

  The derecognition provisions are carried over almost unchanged from PAS 39.

- PFRS 15, *Revenue from Contract with Customers* – The new standard replaces PAS 11, *Construction Contracts*, PAS 18, *Revenue* and related interpretations. It establishes a single comprehensive framework for revenue recognition to apply consistently across transactions, industries and capital markets, with a core principle (based on a five-step model to be applied to all contracts with customers), enhanced disclosures, and new or improved guidance (e.g. the point at which revenue is recognized, accounting for variable considerations, costs of fulfilling and obtaining a contract, etc.).

- Amendment to PFRS 15, *Revenue from Contract with Customers - Clarification to PFRS 15* – The amendments provide clarifications on the following topics: (a) identifying performance obligations; (b) principal versus agent considerations; and (c) licensing. The amendments also provide some transition relief for modified contracts and completed contracts.

- Amendments to PFRS 2, *Share-based Payment - Classification and Measurement of Share-based Payment Transactions* – The amendments clarify the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payment transactions, the accounting for share-based payment transactions with a net settlement feature for withholding tax obligations, and the effect of a modification to the terms and condition of a share-based payment that changes the classification of the transaction from cash-settled to equity settled.

- Philippine Interpretation IFRIC 22, *Foreign Currency Transactions and Advance Consideration* – The interpretation provides guidance clarifying that the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency is the one at the date of initial recognition of the nonmonetary prepayment asset or deferred income liability.

Effective for annual periods beginning on or after January 1, 2019:

- PFRS 16, *Leases* – The most significant change introduced by the new standard is that almost all leases will be brought onto lessees' statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance lease is retained.

- Philippine Interpretation IFRIC 23, *Uncertainty Over Income Tax Treatments* – The interpretation provides guidance on how to reflect the effects of uncertainty in accounting for income taxes under PAS 12, *Income Taxes,* in particular (i) whether uncertain tax treatments should be considered separately, (ii) assumptions for taxation authorities' examinations, (iii) determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and (iv) effect of changes in facts and circumstances.

Deferred effectivity –

- Amendment to PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a current conflict between the two standards and clarify that a gain or loss should be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the separate financial statements of the Company, except for PFRS 16. Additional disclosures will be included in the separate financial statements, as applicable.

The Company anticipates that the application of PFRS 16 might have a significant effect on amounts reported in respect of the Company's leases. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Financial Assets and Liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the separate statement of financial position when it becomes a party to the contractual provisions of a financial 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 the assets within the period generally established by regulation or convention in the market place.

Initial Recognition of Financial Instruments. Financial instruments are recognized initially at fair value of the consideration given (in the case of an asset) or received (in the case of a liability). Transaction costs are included in the initial measurement of all financial assets and liabilities, except for financial instruments measured at 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 rate of interest for similar instruments with similar maturities.

"Day 1" Difference. Where the transaction 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 market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in the separate statement of comprehensive income. In cases where there is no observable data on inception, the Company deemed the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss 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.

Classification of Financial Instruments. The Company classifies its financial assets into the following categories: financial assets at FVPL, held-to-maturity (HTM) investments, available-for-sale (AFS) financial assets and loans and receivables. The Company classifies its financial liabilities into financial liabilities at FVPL and other financial liabilities.

The Company determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

The Company does not have financial instruments classified as financial assets or financial liabilities at FVPL and HTM investments.

AFS Financial Assets. AFS financial assets are those non-derivative financial assets that are designated as such or are not classified as another category of financial assets. After initial measurement, AFS financial assets are subsequently carried at fair value with unrealized gains or losses recognized in other comprehensive income. These fair value changes are recognized in other comprehensive income until the investment is derecognized or until the investment is determined to be impaired, at which time the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss. Investment in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured are carried at cost.

This category includes the Company's investment in unquoted shares of stock.

Loans and Receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate. Gains and losses are recognized in separate statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Loans and receivables are included in current assets if maturity is within 12 months from reporting date. Otherwise, these are classified as noncurrent assets.

The Company's cash and cash equivalents, receivables (excluding advances to officers and employees), and rental and security deposits are classified under this category.

Other Financial Liabilities. Other financial liabilities at amortized cost pertain to issued financial instruments or their components that are not classified or designated at FVPL and contain obligations to deliver cash or another financial asset to the holder as to settle the obligation other than by the exchange of fixed amount of cash or another financial asset for a fixed number of own equity.

The amortized cost of a financial liability is the amount at which the financial liability is measured at initial recognition minus the principal repayments plus or minus the cumulative accretion using the effective interest method of any difference between that initial amount and the maturity amount. Interest expense, including premiums payable on settlement or redemption and direct issue costs, is charged to the separate statement of comprehensive income on an accrual basis using the effective interest method. Interest expense is added to the carrying amount of the instrument to the extent that these are not settled in the period in which these arise.

The Company's payables and other current liabilities (excluding statutory payables) are classified under this category.

Impairment of Financial Assets

The Company assesses at each reporting date whether there is objective evidence that a financial or group of financial assets is impaired. 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 borrower will enter bankruptcy or other financial reorganization.

Loans and Receivables. If there is objective evidence that an impairment loss on financial assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Time value is generally not considered when the effect of discounting is not material. The amount of the loss shall be recognized in the separate statement of comprehensive income.

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.

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 and characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reduced by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in the separate statement of comprehensive income, to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date.

AFS Financial Assets. In the case of equity investments, evidence of impairment would include a significant or prolonged decline in fair value of investment below its cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized, is removed from other comprehensive and recognized in profit or loss. Impairment losses on equity investments are not reversed through profit or loss. Increases in fair value after impairment are recognized directly in other comprehensive income.

Derecognition of Financial Assets and Liabilities

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

a. the right to receive cash flows from the asset has expired;

b. 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

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

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

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

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount reported in the separate 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 assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the separate statement of financial position.

Other Current Assets

Other current assets mainly consist of excess of input value added tax (VAT) over output VAT, rental and security deposits, and prepayments.

VAT. Revenue, expenses and assets are recognized net of the amount of VAT. The net amount of VAT recoverable from the taxation authorities is recognized under "Other current assets" account in the separate statement of financial position.

Prepayments. Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to expense as these are consumed in operations or expire with the passage of time. Prepayments that are expected to be incurred no more than 12 months after the reporting date are classified as current assets. Otherwise these are classified as noncurrent assets.

Investments in Subsidiaries

The Company's investments in subsidiaries are carried in the separate statement of financial position at cost, less any impairment in value. A subsidiary is an entity in which the Company has control.

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Property and Equipment

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

The initial cost of property and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in profit or loss in the year 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. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When significant parts of an item of property and equipment have different useful lives, these are accounted for as separate items (major components) of property and equipment.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the property and equipment:

	Number of Years
Exploration equipment	3
Leasehold improvements	5 or lease term, whichever is shorter
Furniture and fixtures	4
Office equipment	3
Transportation equipment	5

The 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 items of property and equipment.

Fully depreciated items are retained as property and equipment until these are no longer in use.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation, amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Advances to Mining Right Holders

Advances to mining right holders are amounts paid in advance for the potential acquisition of certain mining rights. These are carried at the amount of cash paid and are reclassified to the corresponding asset account when the mining rights for which the advances were made are ultimately acquired.

Deferred Mining Exploration Cost

Deferred mining exploration cost is carried at cost less accumulated impairment losses.

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the mineral resource.

Exploration and evaluation activity includes:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the mineral resource.

Deferred mining exploration cost is no longer classified as such when the technical feasibility and commercial viability of extracting the mineral reserve are demonstrable. Deferred mining exploration cost is assessed for impairment, and any impairment loss is recognized, before reclassification to mineral reserves.

Impairment of Nonfinancial Assets
The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less costs of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the separate statement of comprehensive income.

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

Derecognition of Nonfinancial Assets
A nonfinancial asset is derecognized upon disposal or when it is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of a nonfinancial asset is included in profit or loss in the period in which it is derecognized.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued. Unpaid subscriptions are recognized as a reduction of subscribed capital shares.

Deficit. Deficit represents the cumulative balance of net loss.

Revenue Recognition
Revenue is recognized to the extent that the economic benefits will flow to the Company and the amount of the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts and rebates. The Company has concluded that it is the principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized.

Dividend Income. Dividend income is recognized when the Company's right to receive the payment is established.

Interest Income. Interest income is recognized as the interest accrues taking into account the effective yield on the assets.

Other Income. Income from other sources is recognized when earned during the period.

Expense Recognition
Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

General and Administrative Expenses. General and administrative expenses constitute costs of administering the business. These are recognized in profit or loss upon receipt of goods, utilization of services or when the expenses are incurred.

Basic and Diluted Loss per Share
The Company presents basic and diluted loss per share. Basic loss per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of common shares outstanding during the year, excluding common shares purchased by the Company and held as treasury shares. Diluted loss per share is calculated in the same manner, adjusted for the effects of all the dilutive potential common shares.

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

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;

b. a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;

c. there is a change in the determination of whether fulfillment is dependent on a specified asset; or

d. there is a substantial change to the asset.

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

Company as a Lessee. Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognized as an expense in the separate statement of comprehensive income on a straight-line basis over the lease term.

Short-term Employee Benefits
The Company provides short-term benefits to its employees in the form of basic pay, 13th month pay, bonuses, employer's share on government contribution, and other short-term benefits.

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the year. Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Income Taxes

Current Tax. Current tax is the expected tax payable on the taxable income for the year, using tax rate enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred tax is provided 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 and carry forward benefits of the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and excess MCIT and NOLCO can be utilized.

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 profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate (and tax laws) in effect at the reporting date.

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

Foreign Currency Transactions

The Company determines its own functional currency and items included in the separate financial statements are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate at the reporting date. All differences are taken to the separate statement of comprehensive income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Related Parties

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity, or between, and/or among the reporting entity and its key management personnel, directors or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form. A related party transaction is a transfer of resources, services or obligations between the Company and its related parties, regardless of whether a price is charged.

Provisions and Contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

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

Events After the Reporting Date

Post year-end events that provide additional information about the Company's financial position at the end of reporting year (adjusting events) are reflected in the separate financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to separate financial statements when material.

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3. **Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the Company's separate financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the separate financial statements and accompanying notes. The judgments and estimates used in the separate financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognized in the period in which the estimate is revised if the change affects only that period or in the period of the change and future periods if the revision affects both current and future periods.

The following are the significant judgments, accounting estimates and assumptions made by the Company:

Classification of Leases - Company as a Lessee. The Company has operating lease agreement for its office spaces. The Company has determined that the risks and rewards of ownership related to the leased property are retained by the lessor. Accordingly, the agreement is accounted for as an operating lease.

Rental expense amounted to ₱175,282, ₱1.9 million and ₱2.1 million in 2017, 2016 and 2015, respectively (see Note 16).

Assessment for Impairment of Receivables. The Company maintains allowance for impairment losses at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management on the basis of factors that affect the collectibility of the accounts. These factors include, but are not limited to, significant financial difficulties or bankruptcy, the length of the Company's relationship with the debtor, the debtor's payment behavior, and known market factors. The Company identifies and provides for specific accounts that are doubtful of collection and reviews the age and status of the remaining receivables and establishes a provision considering, among others, historical collection and write-off experience.

No provision for impairment losses on receivables was recognized in 2017, 2016, and 2015. Receivables, net of allowance for impairment losses, amounted to ₱6.4 million and ₱6.2 million as at December 31, 2017 and 2016, respectively. Allowance for impairment losses amounted to ₱41,550 as at December 31, 2017 and 2016 (see Note 5).

Assessment for Impairment of AFS Financial Asset. The Company assesses AFS financial asset as impaired when there has been a significant or prolonged decline in the fair value below its cost or whether other objective evidence of impairment exists. The determination of what is 'significant' or 'prolonged' requires judgment. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, and financing cash flows.

No provision for impairment losses on AFS financial asset was recognized in 2017, 2016 and 2015. The carrying amount of the Company's AFS financial asset amounted to ₱2.0 million as at December 31, 2017 and 2016 (see Note 8).

Capitalization of Exploration and Evaluation Expenditures. The capitalization of exploration and evaluation expenditures requires judgment in determining whether there are future economic benefits from future exploitation or sale of reserves. The capitalization requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

As at December 31, 2017 and 2016, deferred mining exploration costs amounting to ₱2.6 million were fully impaired upon management's assessment that the related projects were unsuccessful (see Note 9).

Estimation of Useful Lives of Property and Equipment. The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimates are based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives of property and equipment are reviewed at each reporting date and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. Future results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned above. The amount and timing of recording of depreciation and amortization expense for any period would be affected by changes in these factors and circumstances.

There were no changes in the estimated useful lives of the Company's property and equipment for the years ended December 31, 2017, 2016 and 2015.

Depreciation and amortization amounted to ₱28,901, ₱435,643 and ₱854,704 for the years ended December 31, 2017, 2016 and 2015, respectively. Property and equipment, net of accumulated depreciation and amortization amounted to ₱21,260 and ₱89,608 as at December 31, 2017 and 2016, respectively (see Note 10).

Assessment for Recoverability of Input VAT. The carrying amount of input VAT is adjusted to an extent that it is probable that sufficient taxable revenue subject to output VAT will be available to allow all or part of the input VAT to be utilized. Any allowance for unrecoverable portion of input VAT is maintained at a level considered adequate to provide for potentially unrecoverable portion. The level of allowance is based on past application experience and other factors that may affect realizability.

No impairment loss was recognized on input VAT in 2017, 2016 and 2015. Input VAT amounted to ₱7.7 million and ₱7.5 million as at December 31, 2017 and 2016, respectively (see Note 6).

Assessment for Impairment of Investments in Subsidiaries and Property and Equipment. The Company assesses impairment on investments in subsidiaries and property and equipment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Factors that the Company considers in deciding whether to perform impairment review of investment in subsidiaries and property and equipment include the following, among others:

- A significant financial difficulty of the subsidiaries.
- A significant change in the technological, legal or economic environment in which the business operates.
- A significant decline in market value of asset is more than would be expected from the passage of time or normal use.
- A significant adverse change in how the asset is being used or in its physical condition.
- A current-period loss combined with a history of losses or a projection of continuing losses associated with the asset.
- A realization that the asset will be disposed of significantly before the end of its estimated useful life.

In 2017, 2016 and 2015, management assessed that there are no impairment indicators relating to the Company's property and equipment and investments in subsidiaries.

Accumulated impairment losses on investments in subsidiaries amounted to ₱223.5 million as at December 31, 2017 and 2016 (see Note 7).

The aggregate carrying amount of investments in subsidiaries and property and equipment amounted to ₱645.6 million and ₱544.9 million as at December 31, 2017 and 2016, respectively (see Notes 7 and 10).

Recognition of Deferred Tax Assets. The carrying amount of deferred tax assets at each reporting date are reviewed and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Company's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Company's past results and future expectations on revenue and expenses.

The Company did not recognized deferred tax assets on deductible temporary differences totaling ₱47.1 million and ₱63.9 million as at December 31, 2017 and 2016, respectively (see Note 17). Management has assessed that it is not probable that future taxable profit will be available in the near future against which these deferred tax assets on these temporary differences can be utilized.

4. Cash and Cash Equivalents

This account consists of:

	2017	2016
Cash on hand and in banks	**₱1,576,203**	₱1,079,764
Short-term placements	**35,375,094**	140,742,340
	₱36,951,297	₱141,822,104

Cash in banks earn interest at the prevailing bank deposit rates and are immediately available for use in the operations.

Short-term placements are made for varying periods of up to three months and earn interest ranging from 2.12% to 2.25% at the respective short-term placement rates.

Interest income earned on cash in banks and short-term placements amounted to ₱1.0 million in 2017 and ₱2.8 million in 2016 and 2015.

5. Receivables

This account consists of:

	Note	**2017**	2016
Receivable from:			
Related parties	12	**₱3,826,874**	₱5,809,494
Third party		**190,450**	–
Dividends receivable	12	**2,000,000**	–
Advances to officers and employees		**325,101**	386,298
Accrued interest		**48,601**	15,471
Others		**20,333**	18,554
		6,411,359	6,229,817
Less allowance for impairment losses		**41,550**	41,550
		₱6,369,809	₱6,188,267

Advances to officers and employees are unsecured, noninterest-bearing, and are subject to liquidation.

6. Other Current Assets

This account consists of:

	Note	2017	2016
Input VAT		**₱7,703,380**	₱7,485,493
Rental and security deposits	16	**1,441,579**	–
Prepayments		**72,193**	18,556
Others		**22,296**	23,502
		₱9,239,448	₱7,527,551

Prepayments consist of medical and dental insurance provided to employees and license fees which will expire within one year.

7. Investments in Subsidiaries

Movements in this account are as follows:

	2017		
	Tidemark	**AB Stock Transfer Corporation (ABSTC)**	**Total**
Cost			
Balances at beginning of year	**₱767,328,700**	**₱999,995**	**₱768,328,695**
Additional investment	**100,761,008**	**–**	**100,761,008**
Balances at end of year	**868,089,708**	**999,995**	**869,089,703**
Less accumulated impairment	**223,495,475**	**–**	**223,495,475**
Carrying Amount	**₱644,594,233**	**₱999,995**	**₱645,594,228**

	2016		
	Tidemark	ABSTC	Total
Cost	₱767,328,700	₱999,995	₱768,328,695
Less accumulated impairment	223,495,475	–	223,495,475
Carrying Amount	₱543,833,225	₱999,995	₱544,833,220

ABSTC was incorporated on June 24, 2010 and registered with the Philippine SEC to establish, operate and act as a transfer agent. As at December 31, 2017 and 2016, the Company has 99.99% ownership in ABSTC. ABSTC's principal place of operations is Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City.

The Company, through Tidemark, a wholly-owned subsidiary based in Hong Kong, has 27.14% interest in FEL as at December 31, 2016. On March 22, 2017, the BOD approved the subscription to additional 6,666,667 new shares of FEL (through Tidemark) at USD0.30 a share or a total of USD2.0 million. Together with the subscription simultaneously made by other major shareholder of FEL, the new subscription resulted to the decrease of the Company's ownership to 20.00% in 2017. This was ratified by the stockholders on May 10, 2017. As at December 31, 2017 and 2016, the Company's interest in FEL is 20.00% and 27.14%, respectively.

As discussed in Note 1, FEL encountered a delay in one of its drilling programs. It has submitted all the requirements for the issuance of required permits for the drilling program, however, the permit has not yet been issued by the relevant government body. The ultimate outcome of the uncertainty on the conduct of drilling operation cannot be presently determined. Managements' assessment of the status is also discussed in Note 1.

On July 12, 2016, the Permanent Court of Arbitration in The Hague released a ruling on the maritime case filed by the Republic of the Philippines against the People's Republic of China. In particular, the Tribunal ruled that Reed Bank, where SC 72 lies, is within the Philippines' Exclusive Economic Zone as defined under the United Nations Convention on the Law of the Seas. In November 2017, the Association of Southeast Asian Nations (ASEAN) and China has arrived at a negotiation to commence talks on drafting an effective Code of Conduct in the disputed seas.

In 2012, the carrying amount of the Company's investment in FEL through Tidemark amounting to ₱767.3 million exceeded its recoverable amount of ₱543.8 million by ₱223.5 million. Accordingly, impairment loss was recognized in 2012 for the same amount. No impairment loss was recognized in 2017, 2016 and 2015.

Following are the aggregated summarized financial information of the subsidiaries as at and for the years ended December 31, 2017, 2016 and 2015 (in millions):

	2017	2016	2015
Assets	**₱969.4**	₱866.9	₱819.0
Liabilities	**665.6**	664.2	663.8
Equity	**303.8**	202.7	155.2
Net income	**0.4**	0.5	0.5

In 2017, the Company recognized dividend income from its investment in ABSTC amounting to ₱2.0 million (see Note 12).

8. AFS Financial Asset

This account pertains to the Company's investment in unquoted shares of stock which is carried at cost amounting to ₱2.0 million as at December 31, 2017 and 2016.

Fair value bases for the shares (i.e., quoted market prices) are neither readily available nor is there an alternative basis of deriving a reliable valuation as at reporting date.

9. Deferred Mining Exploration Cost

The realizability of deferred mining exploration cost is dependent upon the success of future exploration and development activities in proving the mining property's viability to produce minerals in commercial quantities, the outcome of which cannot be determined at this stage of the Company's operations. As at December 31, 2017 and 2016, deferred mining exploration costs amounting to ₱2.6 million were fully impaired upon management's assessment that the related projects were unsuccessful.

10. Property and Equipment

The balances and movements of this account are as follows:

	2017					
	Exploration Equipment	**Leasehold Improvements**	**Furniture and Fixtures**	**Office Equipment**	**Transportation Equipment**	**Total**
Cost						
Balances at beginning of year	**₱56,235**	**₱4,422,518**	**₱1,324,786**	**₱1,253,868**	**₱1,665,548**	**₱8,722,955**
Disposals/retirement	**–**	**–**	**(8,049)**	**(63,155)**	**–**	**(71,204)**
Balances at end of year	**56,235**	**4,422,518**	**1,316,737**	**1,190,713**	**1,665,548**	**8,651,751**
Accumulated Depreciation and Amortization						
Balances at beginning of year	**39,798**	**4,409,424**	**1,324,786**	**1,193,791**	**1,665,548**	**8,633,347**
Depreciation and amortization	**1,438**	**6,833**	**–**	**20,630**	**–**	**28,901**
Disposals/retirement	**–**	**–**	**(8,049)**	**(23,708)**	**–**	**(31,757)**
Balances at end of year	**41,236**	**4,416,257**	**1,316,737**	**1,190,713**	**1,665,548**	**8,630,491**
Carrying Amount	**₱14,999**	**₱6,261**	**₱–**	**₱–**	**₱–**	**₱21,260**

	2016					
	Exploration Equipment	Leasehold Improvements	Furniture and Fixtures	Office Equipment	Transportation Equipment	Total
Cost						
Balances at beginning of year	₱128,378	₱4,422,518	₱1,324,786	₱1,283,762	₱3,068,405	₱10,227,849
Additions	–	–	–	1,766	–	1,766
Disposals	(72,143)	–	–	(31,660)	(1,402,857)	(1,506,660)
Balances at end of year	56,235	4,422,518	1,324,786	1,253,868	1,665,548	8,722,955
Accumulated Depreciation and Amortization						
Balances at beginning of year	93,500	4,400,805	1,324,786	1,208,314	2,060,928	9,088,333
Depreciation and amortization	12,429	8,619	–	17,137	397,458	435,643
Disposals	(66,131)	–	–	(31,660)	(792,838)	(890,629)
Balances at end of year	39,798	4,409,424	1,324,786	1,193,791	1,665,548	8,633,347
Carrying Amount	₱16,437	₱13,094	₱–	₱60,077	₱–	₱89,608

In 2017, the Company retired its fully depreciated furniture and fixtures with cost of ₱8,049. The Company also sold its office equipment for ₱39,447 which is equivalent to its carrying amount.

In 2016, the Company sold its property and equipment located at the exploration site for a consideration of ₱608,929, resulting to a loss of ₱7,102.

11. Payables and Other Current Liabilities

This account consists of:

	Note	**2017**	2016
Payable to:			
Related parties	12	**₱726,397**	₱927,216
Third party		**447,548**	–
Advances from officers and employees		**368,924**	256,824
Accruals:			
Professional fees		**180,000**	180,000
Utilities and other office expenses		**103,216**	179,566
Others		**184,628**	308,861
		₱2,010,713	₱1,852,467

Accrued expenses and other payables are normally settled within the following month.

Other payables consist of:

	2017	2016
Retention payable	**₱95,000**	₱95,000
Withholding taxes payable	**14,900**	21,598
Other statutory payables	**12,933**	13,389
Others	**61,795**	178,874
	₱184,628	₱308,861

12. Related Party Transactions

The Company, in its regular conduct of business, has transactions with its related parties. The outstanding balances and amount of transactions with related parties are as follows:

		Transactions During the Year		Outstanding Balances	
	Nature of Transaction	**2017**	2016	**2017**	2016
Receivable from related parties					
Wholly-owned subsidiaries:					
Tidemark	Working capital advances	**₱–**	₱–	**₱223,901**	₱223,901
ABSTC	Allocated rent, salaries, utilities and other shared costs	**757,621**	813,946	**195,406**	932,251
Entities under common management:					
Alphaland Corporation	Allocated costs	**–**	–	**2,794,966**	2,794,966
Alphaland Heavy Equipment Corporation	Allocated costs	**–**	–	**579,305**	579,305
Alphaland Balesin Island Club, Inc.	Reimbursements	**–**	–	**32,500**	32,500
Alphaland Aviation, Inc.	Reimbursements	**–**	–	**796**	796
Choice Insurance Brokerage, Inc.	Allocated costs	**–**	–	**–**	609,865
Philweb Cambodia Ltd.	Reimbursements	**–**	–	**–**	190,450
Acentic Philippines Inc.	Allocated costs	**31,022**	–	**–**	27,441
Alphaland Baguio Mountain Log Homes, Inc.	Sale of assets	**–**	552,918	**–**	418,019
				₱3,826,874	₱5,809,494
Dividends receivable					
Wholly-owned subsidiary - ABSTC	Dividend declaration	**₱2,000,000**	₱–	**₱2,000,000**	₱–
Payable to related parties					
Wholly-owned subsidiary - ABSTC	Stock transfer	**₱180,000**	₱180,000	**₱–**	₱–
Entities under common management:					
Alphaland Southgate Tower, Inc. (ASTI)	Lease of office space, utilities and allocated salaries	**8,814**	1,576,214	**585,413**	576,595
Alphaland Makati Place, Inc. (AMPI)	Lease of office space and utilities	**129,563**	117,387	**140,984**	–
Philweb	Allocated rent , salaries and other shared costs	**2,547,428**	4,614,938	**–**	350,621
				₱726,397	₱927,216

Receivable from and payable to related parties are unsecured, noninterest-bearing, due and demandable, and settlement occurs in cash. In 2017 and 2016, the Company has not made any provision for impairment losses relating to the amounts owed by the related parties.

The Company had a Cost Sharing Agreement (the Agreement) with Philweb for its share in rental and salaries of shared corporate services and its key management personnel. This agreement has been terminated in October 2017.

Details of shared costs charged to the Company are as follows (see Note 14):

	2017	2016	2015
Salaries and allowances	**₱1,935,720**	₱3,234,369	₱3,205,182
Rental	**611,708**	1,380,569	1,173,349
Others	**–**	–	28,919
	₱2,547,428	₱4,614,938	₱4,407,450

In 2017, Philweb ceased to be a related party of the Company.

Compensation of Key Management Personnel

The compensation of the key management personnel is included as part of the Agreement with Philweb under the allocated salaries and allowances. Subsequent to October 2017, the compensation of key management personnel of the Company is being handled by ASTI at no cost to the Company.

13. Capital Stock

The composition of the Company's capital stock consisting of all common shares as at December 31, 2017 and 2016 is as follows:

	Number of Shares	Amount
Authorized - ₱1 par value	10,000,000,000	₱10,000,000,000
Issued and outstanding	953,963,474	₱953,963,474
Subscribed	1,591,036,526	1,591,036,526
	2,545,000,000	2,545,000,000
Less subscription receivable	–	1,485,000,000
	2,545,000,000	₱1,060,000,000

14. General and Administrative Expenses

This account consists of:

	Note	2017	2016	2015
Allocated expenses	12	**₱2,547,428**	₱4,614,938	₱4,407,450
Professional fees		**1,370,341**	1,004,445	1,155,342
Salaries and wages		**1,274,695**	4,160,650	5,130,156
PSE listing fee		**990,214**	1,123,769	1,593,983
Rent	16	**175,282**	1,913,568	2,050,757
Supplies		**164,243**	357,449	591,330
Taxes and licenses		**87,876**	43,109	301,588
Utilities, dues and subscriptions		**46,005**	695,502	907,089
Medical and hospitalization		**31,456**	563,139	378,608
Depreciation and amortization	10	**28,901**	435,643	854,704
Representation		**21,447**	643,841	876,500
Transportation and travel		**6,779**	194,942	449,741
Communications		**2,097**	394,558	784,104
Mining exploration cost		**1,699**	976,428	1,123,769
Others		**155,673**	778,130	590,037
		₱6,904,136	₱17,900,111	₱21,195,158

15. Basic and Diluted Loss Per Share

Basic and diluted loss per share is computed as follows:

	2017	2016	2015
Net loss (a)	**(₱3,884,533)**	(₱15,142,469)	(₱18,359,894)
Weighted average number of outstanding shares (b)	**953,963,474**	953,963,474	953,963,474
Basic and diluted loss per share (a/b)	**(₱0.0041)**	(₱0.0159)	(₱0.0192)

The Company has no dilutive potential common shares outstanding, therefore basic loss per share is the same as diluted loss per share.

16. Operating Leases

The Company is a party to a noncancellable lease agreement with ASTI covering its office and parking spaces for a period of five years from January 1, 2010, renewable upon mutual consent of both parties. The lease agreement was terminated on September 30, 2016.

Under the terms of the covering lease agreements, the Company is required to pay rental and security deposits which are included as part of "Other noncurrent assets" in the separate statement of financial position aggregating ₱1.4 million as at December 31, 2016. These deposits will become refundable to the Company at the end of the lease contract. As a result of termination of the lease agreement with ASTI, the Company expects to collect these deposits within one year from reporting date. Accordingly, the Company reclassified these deposits to "Other current assets" account in 2017 (see Note 6).

In October 2016, the Company entered into a lease agreement with AMPI for its office space. The term of the lease shall commence on October 10, 2016 until terminated by any party upon sixty (60) days advance written notice to the other party. In March 2017, the lease agreement with AMPI was amended by both parties to stipulate a different office space. The lease agreement was assigned to ABSTC through a lease assignment agreement that has been executed in October 2017.

Rent expense on leased properties amounted to ₱175,282, ₱1.9 million and ₱2.1 million in 2017, 2016 and 2015, respectively (see Note 14).

17. Income Taxes

In 2017 and 2016, the Company had no provision for current income tax due to its tax loss position. In 2015, the Company's provision for current tax represents MCIT.

The deferred tax assets on the following deductible temporary differences remain unrecognized as management has assessed that it is not probable that sufficient taxable profit will be available in the near future against which the benefits of the deferred tax assets on these temporary differences can be utilized.

	2017	2016
NOLCO	**₱44,435,570**	₱61,252,141
Accumulated impairment losses on:		
Deferred mining exploration cost	**2,613,940**	2,613,940
Receivables	**41,550**	41,550
Excess MCIT over RCIT	**29**	1,764
	₱47,091,089	₱63,909,395

The Company has NOLCO which can be carried forward and claimed as deduction from future taxable income as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Valid Until
2017	₱–	₱6,862,105	₱–	₱6,862,105	2020
2016	17,256,270	–	–	17,256,270	2019
2015	20,317,195	–	–	20,317,195	2018
2014	23,678,676	–	23,678,676	–	2017
	₱61,252,141	₱6,862,105	₱23,678,676	₱44,435,570	

The Company has excess MCIT over RCIT which can be carried forward and claimed as deduction against future income tax liability as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Expiry Date
2015	₱29	₱–	₱–	₱29	2018
2014	1,735	–	1,735	–	2017
	₱1,764	₱–	₱1,735	₱29	

The reconciliation between the benefit from income tax computed at statutory income tax rate and provision for income tax at effective income tax rate is as follows:

	2017	2016	2015
Benefit from income tax computed at statutory income tax rate	**(₱1,165,360)**	(₱4,542,741)	(₱5,507,960)
Expired NOLCO	**7,103,603**	–	5,862,705
Changes in unrecognized deferred tax assets	**(5,046,706)**	4,592,195	203,279
Expired MCIT	**1,735**	584,686	29,203
Add (deduct) tax effects of:			
Nontaxable dividends	**(600,000)**	–	–
Interest income already subjected to final tax	**(305,881)**	(827,293)	(850,149)
Nondeductible expenses	**12,609**	193,153	262,951
Provision for income tax at effective tax rate	**₱–**	₱–	₱29

18. Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash and cash equivalents, receivables (excluding advances to officers and employees), AFS financial asset, rental and security deposits and payables and other current liabilities (excluding statutory payables).

The main purpose of the Company's dealings in financial instruments is to fund its operations and capital expenditures.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. All risks faced by the Company are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Company's operations and detriment forecasted results. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The BOD reviews and institutes policies for managing each of the risks and these are summarized below.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and other market prices will adversely affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company is subject to minimal transaction and translation exposures resulting from currency exchange fluctuations in relation to its financial instruments. The Company regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the current exchange rates so as to minimize the risks related to these foreign currency denominated assets and liabilities.

Credit Risk

Credit risk is a risk due to uncertainty in counterparty's ability to meet its obligations. When counterparty defaults, the maximum exposure is equal to the carrying amount of the related financial asset. The Company's credit risk arises principally from cash and cash equivalents, receivables (excluding advances to officers and employees), rental and security deposits, and AFS financial assets.

The Company trades only with recognized and credit-worthy third parties. In addition, the Company only deals with financial institutions duly evaluated and approved by the BOD.

The table below shows the credit quality per class of financial assets as at December 31:

	2017					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Impaired	Total
Loans and receivables:						
Cash and cash equivalents*	₱36,926,571	₱–	₱–	₱–	₱–	₱36,926,571
Receivables**	6,044,708	–	–	–	41,550	6,086,258
Rental and security deposits***	1,441,579	–	–	–	–	1,441,579
AFS financial asset	1,999,950	–	–	–	–	1,999,950
	₱46,412,808	₱–	₱–	₱–	₱41,550	₱46,454,358

**Excluding cash on hand amounting to ₱24,726.*
***Excluding advances to officers and employees.*
****Presented under "Other current assets" account.*

	2016					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Impaired	Total
Loans and receivables:						
Cash and cash equivalents*	₱141,797,378	₱–	₱–	₱–	₱–	₱141,797,378
Receivables**	5,801,969	–	–	–	41,550	5,843,519
Rental and security deposits	1,441,579	–	–	–	–	1,441,579
AFS financial asset	1,999,950	–	–	–	–	1,999,950
	₱151,040,876	₱–	₱–	₱–	₱41,550	₱151,082,426

**Excluding cash on hand amounting to ₱24,726.*
***Excluding advances to officers and employees.*

The credit quality of the financial assets is managed by the Company using internal credit quality ratings. High grade consists of financial assets from counterparties with good financial condition and with relatively low defaults. This also includes transactions with related parties. Financial assets having risks of default but are still collectible are considered as standard grade accounts.

Cash in banks and cash equivalents are considered high grade as these pertain to deposits and placements in reputable banks.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Company's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

The Company's payable to related parties and advances from officers and employees amounting to ₱1.1 million and ₱1.2 million as at December 31, 2017 and 2016, respectively, are due and demandable. The remaining balance of payables and other current liabilities (excluding statutory payables) amounting to ₱887,559 and ₱633,440, as at December 31, 2017 and 2016, respectively, have a maturity of less than three months.

Fair Value Measurement

The table below presents the financial assets and liabilities of the Company whose carrying amounts approximate fair values due to the short-term nature of the transactions:

	2017	2016
Financial Assets		
Loans and receivables:		
Cash and cash equivalents	**₱36,951,297**	₱141,822,104
Receivables*	**6,044,708**	5,801,969
Rental and security deposits**	**1,441,579**	–
	₱44,437,584	₱147,624,073
Financial Liabilities		
Other financial liabilities -		
Payables and other current liabilities***	**₱1,982,880**	₱1,817,480

** Excluding advances to officers and employees.*
*** Presented under "Other current assets" account as at December 31, 2017.*
**** Excluding statutory payables amounting to ₱27,833 and ₱34,987 as at December 31, 2017 and 2016, respectively.*

Rental and Security Deposits. The fair value of rental and security deposits as at December 31, 2016 amounted to ₱1.4 million. Fair values are estimated by discounting the expected cash flow using a discount rate of 2.45%. This fair value measurement approach is categorized under Level 2 of fair value hierarchy (significant observable inputs).

AFS Financial Asset. AFS financial assets pertain to an investment in unquoted securities that are measured at cost since the fair value of the shares are not readily available.

Capital Management Policy

The primary objective of the Company's capital management is to ensure its ability as a going concern and that it maintains healthy capital ratios in order to support its business operations and maximize shareholder value.

The Company considers its total equity amounting to ₱699.7 million and ₱703.6 million as at December 31, 2017 and 2016, respectively, as capital employed.

The Company monitors capital on the basis of the debt-to-equity ratio which is calculated as total debt divided by total equity. Total debt comprises of payables and other current liabilities. Total equity comprises all components of equity.

The debt-to-equity ratios as at December 31 are as follows:

	2017	2016
Total debt	**₱2,010,713**	₱1,852,467
Total equity	**699,690,279**	703,574,812
	0.003:1	0.003:1

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust its borrowings or raise capital. No changes were made in the objectives, policies or processes in 2017 and 2016.

REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
Atok-Big Wedge Co., Inc.
Alphaland Makati Place,
7232 Ayala Avenue corner Malugay Street
Makati City

We have audited the accompanying separate financial statements of Atok-Big Wedge Co., Inc. (the Company) as at and for the year ended December 31, 2017, on which we have rendered our report dated March 23, 2018.

In compliance with Securities Regulation Code Rule 68, as amended, we are stating that the Company has 2,980 stockholders owning one hundred (100) or more shares each.

REYES TACANDONG & CO.

EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until December 31, 2018
SEC Accreditation No. 1021-AR-2 Group A
Valid until March 27, 2020
BIR Accreditation No. 08-005144-005-2017
Valid until January 13, 2020
PTR No. 6607954
Issued January 3, 2018, Makati City

March 23, 2018
Makati City, Metro Manila

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
December 29, 2015, valid until December 31, 2018
SEC Accreditation No. 0207-FR-2 (Group A)
September 27, 2016, valid until September 27, 2019

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REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Atok-Big Wedge Co., Inc.
Alphaland Makati Place,
7232 Ayala Avenue corner Malugay Street
Makati City

We have audited in accordance with Philippine Standards on Auditing, the separate financial statements of Atok-Big Wedge Co., Inc. (the Company) as at for the years ended December 31, 2017, 2016 and 2015, and have issued our report thereon dated March 23, 2018. Our audits were made for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The accompanying Supplementary Schedule of Adoption of Effective Accounting Standards and Interpretations is the responsibility of the Company's management. This schedule is presented for purposes of complying with Securities Regulation Code Rule 68, as amended, and is not part of the basic separate financial statements. The information have been subjected to the auditing procedures applied in our audits of the basic separate financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the basic separate financial statements or to the basic separate financial statements themselves. In our opinion, the information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

REYES TACANDONG & CO.

EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until December 31, 2018
SEC Accreditation No. 1021-AR-2 Group A
Valid until March 27, 2020
BIR Accreditation No. 08-005144-005-2017
Valid until January 13, 2020
PTR No. 6607954
Issued January 3, 2018, Makati City

March 23, 2018
Makati City, Metro Manila

ATOK-BIG WEDGE CO., INC.

SUPPLEMENTARY SCHEDULE OF ADOPTION OF EFFECTIVE ACCOUNTING STANDARDS AND INTERPRETATIONS

DECEMBER 31, 2017

Title	Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics	✓		
PFRSs Practice Statement Management Commentary			✓

Philippine Financial Reporting Standards (PFRS)

PFRS	Title	Adopted	Not Adopted	Not Applicable
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	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			✓
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination			✓
	Amendment to PFRS 3: Scope Exceptions for Joint Ventures			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4: Financial Guarantee Contracts			✓

PFRS	Title	Adopted	Not Adopted	Not Applicable
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Amendment to PFRS 5: Changes in Methods of Disposal			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources	✓		
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendment to PFRS 7: Servicing Contracts			✓
	Amendment to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			✓
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8: Aggregation of Operating Segments			✓
	Amendments to PFRS 8: Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets			✓
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			✓
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Transition Guidance			✓
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Investment Entities: Applying the Consolidation Exception			✓
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Transition Guidance			✓

PFRS	Title	Adopted	Not Adopted	Not Applicable
	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			✓
	Amendment to PFRS 12: Clarification of the Scope of the Standard	✓		
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term receivables and Payables	✓		
	Amendment to PFRS 13: Portfolio Exception			✓
PFRS 14	Regulatory Deferral Accounts			✓

Philippine Accounting Standards (PAS)

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendment to PAS 1: Clarification of the Requirements for Comparative Presentation	✓		
	Amendments to PAS 1: Disclosure Initiative	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
	Amendments to PAS 7: Disclosure Initiative	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		

PAS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
	Amendments to PAS 12: Recognition of Deferred Tax Assets for Unrealized Losses			✓
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Classification of Servicing Equipment			✓
	Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation			✓
	Amendment to PAS 16: Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortization	✓		
	Amendment to PAS 16: Agriculture: Bearer Plants			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendment to PAS 19: Defined Benefit Plans - Employee Contributions			✓
	Amendment to PAS 19: Discount Rate - Regional Market Issue			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation	✓		
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendment to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to PAS 27: Investment Entities			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓

PAS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PAS 28: Investment Entities: Applying the Consolidation Exception			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Financial Instruments: Presentation	✓		
	Amendments to PAS 32: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 32: Tax Effect of Distribution to Holders of Equity Instruments			✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Amendment to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities			✓
	Amendment to PAS 34: Disclosure of Information 'Elsewhere in the Interim Financial Report'			✓
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Nonfinancial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
	Amendment to PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization			✓
	Amendment to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39: Financial Guarantee Contracts			✓
	Amendments to PAS 39: Reclassification of Financial Assets	✓		

PAS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PAS 39: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property			✓
	Amendment to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-occupied Property			✓
PAS 41	Agriculture			✓
	Amendment to PAS 41: Agriculture: Bearer Plants			✓

Philippine Interpretations

Interpretations	Title	Adopted	Not Adopted	Not Applicable
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 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC 9: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓

Interpretations	Title	Adopted	Not Adopted	Not Applicable
	Amendments to Philippine Interpretations IFRIC 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓

PHILIPPINE INTERPRETATIONS - SIC

Interpretations	Title	Adopted	Not Adopted	Not Applicable
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

ATOK-BIG WEDGE CO., INC.

ALPHALAND MAKATI PLACE
7232 AYALA AVENUE CORNER MALUGAY ST.,
BRGY. BEL-AIR, MAKATI CITY 1209 PHILIPPINES

TELEFAX NO.: +63.2.310-7100

January 19, 2018

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **Atok-Big Wedge Co., Inc.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2017. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting year. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting year, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2017 and the accompanying Annual Income Tax Return are in accordance with the books and records of **Atok-Big Wedge Co., Inc.** complete and correct in all material respects. Management likewise affirms that:

(a) the Annual Income Tax Returns has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;

(b) any disparity of figures in the submitted reports arising from the preparation of the financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulation No. 8-2007 and other relevant issuances;

(c) **Atok-Big Wedge Co., Inc.** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

ROBERTO V. ONGPIN
Chairman & CEO

ERIC O. RECTO
Vice Chairman & President

CRISTINA B. ZAPANTA
Senior Vice President for Finance

APR 1 1 2018

SUBSCRIBED AND SWORN to before me this ____________________ at Makati City, affiants exhibiting to me their respective identification documents, and personally known to me, follows:

NAME	COMPETENT EVIDENCE OF IDENTITY	DATE OF ISSUE	PLACE OF ISSUE
Roberto V. Ongpin	Passport No: P0300707A	09/17/2016	DFA Manila
Eric O. Recto	Passport No: EC3544131	02/27/2015	DFA Manila
Cristina B. Zapanta	Passport No: P3451062A	06/22/2017	DFA NCR East

Doc. No. 163
Page No. 37
Book No. II
Series of 2018

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
December 29, 2015, valid until December 31, 2018
SEC Accreditation No. 0207-FR-2 (Group A)
September 27, 2016, valid until September 27, 2019

Citibank Tower
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 982 9100
Fax : +632 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING WITH THE BUREAU OF INTERNAL REVENUE

The Stockholders and the Board of Directors
Atok-Big Wedge Co., Inc.
Alphaland Makati Place,
7232 Ayala Avenue corner Malugay Street
Makati City

We have audited the accompanying separate financial statements of Atok-Big Wedge Co., Inc. (the Company) as at and for the year ended December 31, 2017, on which we have rendered our report dated March 23, 2018.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

REYES TACANDONG & CO.

EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until December 31, 2018
SEC Accreditation No. 1021-AR-2 Group A
Valid until March 27, 2020
BIR Accreditation No. 08-005144-005-2017
Valid until January 13, 2020
PTR No. 6607954
Issued January 3, 2018, Makati City

March 23, 2018
Makati City, Metro Manila

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 000-707-286-000
Name	: ATOK BIG WEDGE COMPANY INC.
RDO	: 048
Form Type	: 1702
Reference No.	: 121800024696427
Amount Payable (Over Remittance)	: 0.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2017
Date Filed	: 04/12/2018
Tax Type	: IT

[BIR Main | eFPS Login | User Menu | Help]

Reference No : 121800024696427
Date Filed : April 12, 2018 11:51 AM
Batch Number : 0

For BIR Use Only | BCS/ Item

1702-RT06/13P1

Republika ng Pilipinas
Kagawaran ng Pananalapi
Kawanihan ng Rentas Internas

Annual Income Tax Return

For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.

BIR Form No. **1702-RT** June 2013 Page 1

1 For (X) Calendar ( ) Fiscal 2 Year Ended (MM/20YY) 12 2017	3 Amended Return? (X) Yes ( ) No	4 Short Period Return? ( ) Yes (X) No	5 Alphanumeric Tax Code (ATC) IC055 Minimum Corporate Income Tax (MCIT)

Part I - Background Information

6 Taxpayer Identification Number (TIN)	000 - 707 - 286 - 000
7 RDO Code	048
8 Date of Incorporation/Organization (MM/DD/YYYY)	08/27/1931
9 Registered Name *(Enter only 1 letter per box using CAPITAL LETTERS)*	ATOK BIG WEDGE COMPANY INC.
10 Registered Address *(Indicate complete registered address)*	UNIT D 10TH FLR ALPHALAND SOUTHGATE TOWER 2258 CHINO ROCES AVE COR EDSA BRGY CITY OF MAKATI
11 Contact Number	3046282
12 Email Address	jaandaya@alphaland.com.ph
13 Main Line of Business	INVESTMENT COMPANY OPERATION
14 PSIC Code	6691

15 Method of Deductions (X) Itemized Deductions [Section 34 (A-J), NIRC] ( ) Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]

Part II - Total Tax Payable *(Do NOT enter Centavos)*

16 Total Income Tax Due (Overpayment) *(From Part IV Item 44)*	0
17 Less: Total Tax Credits/Payments *(From Part IV Item 45)*	0
18 Net Tax Payable (Overpayment) *(Item 16 Less Item 17) (From Part IV Item 46)*	0
19 Add: Total Penalties *(From Part IV Item 50)*	0
20 TOTAL AMOUNT PAYABLE (Overpayment) *(Sum of Item 18 and 19) (From Part IV Item 51)*	0

21 If Overpayment, mark "X" one box only *(Once the choice is made, the same is irrevocable)*

( ) To be refunded ( ) To be issued a Tax Credit Certificate (TCC) ( ) To be carried over as tax credit next year/quarter

We declare under the penalties of perjury, that this return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. *(If Authorized Representative, attach authorization letter and indicate TIN)*

Jennette M. Manioas

Signature over printed name of President/Principal Officer/Authorized Representative | Signature over printed name of Treasurer/Assistant Treasurer

Title of Signatory: VICE PRESIDENT- FINANCE | Number of pages filed: 8

22 (X) Community Tax Certificate (CTC) Number / SEC Reg No.	100054	23 Date of Issue (MM/DD/YYYY)	02/01/2018
24 Place of Issue	MAKATI CITY	25 Amount, if CTC	880

Part III - Details of Payment

Details of Payment	Drawee Bank/Agency	Number	Date (MM/DD/YYYY)	Amount
26 Cash/Bank Debit Memo				0
27 Check				0
28 Tax Debit Memo				0
29 Others *(Specify Below)*				
				0

Machine Validation/Revenue Official Receipts Details *(if not filed with an Authorized Agent Bank)*

Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

Annual Income Tax Return
Page 2

BIR Form No. **1702-RT** June 2013

1702-RT06/13P2

Taxpayer Identification Number (TIN)	Registered Name
000 - 707 - 286 - 000	ATOK BIG WEDGE COMPANY INC.

Part IV - Computation of Tax *(Do NOT enter Centavos)*

30 Net Sales/Revenues/Receipts/Fees *(From Schedule 1 Item 6)*		0
31 Less: Cost of Sales/Services *(From Schedule 2 Item 27)*		0
32 Gross Income from Operation *(Item 30 Less Item 31)*		0
33 Add: Other Taxable Income Not Subjected to Final Tax *(From Schedule 3 Item 4)*		0
34 Total Gross Income *(Sum of Items 32 & 33)*		0
Less: Deductions Allowable under Existing Law		
35 Ordinary Allowable Itemized Deductions *(From Schedule 4 Item 40)*	6,862,105	
36 Special Allowable Itemized Deductions *(From Schedule 5 Item 5)*	0	
37 NOLCO *(only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Schedule 6A Item 8D)*	0	
38 Total Itemized Deductions *(Sum of Items 35 to 37)*	6,862,105	
***OR** [in case taxable under Sec 27(A) & 28(A)(1)]*		
39 Optional Standard Deduction *(40% of Item 34)*	0	
40 Net Taxable Income *(Item 34 Less Item 38 OR 39)*		(6,862,105)
41 Income Tax Rate		**30.0%**
42 Income Tax Due other than MCIT *(Item 40 x Item 41)*		0
43 Minimum Corporate Income Tax (MCIT) *(2% of Gross Income in Item 34)*		0
44 Total Income Tax Due *(Normal Income Tax in Item 42 or MCIT in Item 43, whichever is higher) (To part II Item 16)*		0
45 Less: Total Tax Credits/Payments *(From Schedule 7 Item 12) (To Part II Item 17)*		0
46 Net Tax Payable (Overpayment) *(Item 44 Less Item 45) (To Part II Item 18)*		0
Add Penalties		
47 Surcharge	0	
48 Interest	0	
49 Compromise	0	
50 Total Penalties *(Sum of Items 47 to 49) (To part II Item 19)*		0
51 Total Amount Payable (Overpayment) *(Sum Item 46 & 50) (To Part II Item 20)*		0

Part V - Tax Relief Availment *(Do NOT enter Centavos)*

52 Special Allowable Itemized Deductions *(30% of Item 36)*	0
53 Add: Special Tax Credits *(From Schedule 7 Item 9)*	0
54 Total Tax Relief Availment *(Sum of Items 52 & 53)*	0

Part VI - Information - External Auditor/Accredited Tax Agent

55 Name of External Auditor/Accredited Tax Agent
REYES TACANDONG AND COMPANY

56 TIN 007 - 758 - 091 - 000

57 Name of Signing Partner *(If External Auditor is a Partnership)*
EMMANUEL V. CLARINO

58 TIN 102 - 084 - 004 - 000

59 BIR Accreditation No.	60 Issue Date *(MM/DD/YYYY)*	61 Expiry Date *(MM/DD/YYYY)*
08 - 005144 - 005 - 2017	01/13/2017	01/13/2020

Annual Income Tax Return
Page 3 - Schedules 1 & 2

BIR Form No. **1702-RT** June 2013

1702-RT06/13P3

Taxpayer Identification Number (TIN)	Registered Name
000 - 707 - 286 - 000	ATOK BIG WEDGE COMPANY INC.

Schedule 1 - Sales/Revenues/Receipts/Fees *(Attach additional sheet/s, if necessary)*

1 Sale of Goods/Properties	0
2 Sale of Services	0
3 Lease of Properties	0
4 Total *(Sum of Items 1 to 3)*	0
5 Less: Sales Returns, Allowances and Discounts	0
6 **Net Sales/Revenues/Receipts/Fees** *(Item 4 Less Item 5) (To Part IV Item 30)*	0

Schedule 2 - Cost of Sales *(Attach additional sheet/s, if necessary)*

Schedule 2A - Cost of Sales (For those Engaged in Trading)

1 Merchandise Inventory - Beginning	0
2 Add: Purchases of Merchandise	0
3 Total Goods Available for Sale *(Sum of Items 1 & 2)*	0
4 Less: Merchandise Inventory, Ending	0
5 Cost of Sales *(Item 3 Less Item 4) (To Schedule 2 Item 27)*	0

Schedule 2B - Cost of Sales (For those Engaged in Manufacturing)

6 Direct Materials, Beginning	0
7 Add: Purchases of Direct Materials	0
8 Materials Available for Use *(Sum of Items 6 & 7)*	0
9 Less: Direct Materials, Ending	0
10 Raw Materials Used *(Item 8 Less Item 9)*	0
11 Direct Labor	0
12 Manufacturing Overhead	0
13 Total Manufacturing Cost *(Sum of Items 10, 11 & 12)*	0
14 Add: Work in Process, Beginning	0
15 Less: Work in Process, Ending	0
16 Cost of Goods Manufactured *(Sum of Items 13 & 14 Less Item 15)*	0
17 Finished Goods, Beginning	0
18 Less: Finished Goods, Ending	0
19 **Cost of Goods Manufactured and Sold** *(Sum of Items 16 & 17 Less Item 18) (To Sched. 2 Item 27)*	0

Schedule 2C - Cost of Services
(For those Engaged in Services, indicate only those directly incurred or related to the gross revenue from rendition of services)

20 Direct Charges - Salaries, Wages and Benefits	0
21 Direct Charges - Materials, Supplies and Facilities	0
22 Direct Charges - Depreciation	0
23 Direct Charges - Rental	0
24 Direct Charges - Outside Services	0
25 Direct Charges - Others	0
26 **Total Cost of Services** *(Sum of Items 20 to 25) (To Item 27)*	0

27 **Total Cost of Sales/Services** *(Sum of Items 5, 19 & 26, if applicable) (To Part IV Item 31)*	0

Annual Income Tax Return
Page 4 - Schedules 3 & 4

BIR Form No. **1702-RT** June 2013

1702-RT06/13P4

Taxpayer Identification Number (TIN)	Registered Name
000 - 707 - 286 - 000	ATOK BIG WEDGE COMPANY INC.

Schedule 3 - Other Taxable Income Not Subjected to Final Tax *(Attach additional sheet/s, if necessary)*

1	0
2	0
3	0
4 **Total Other Taxable Income Not Subjected to Final Tax** *(Sum of Items 1 to 3) (To Part IV Item 33)*	0

Schedule 4 - Ordinary Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

1 Advertising and Promotions	0
Amortizations *(Specify on Items 2, 3 & 4)*	
2	0
3	0
4	0
5 Bad Debts	0
6 Charitable Contributions	0
7 Commissions	0
8 Communication, Light and Water	48,102
9 Depletion	0
10 Depreciation	0
11 Director's Fees	28,901
12 Fringe Benefits	0
13 Fuel and Oil	0
14 Insurance	31,456
15 Interest	0
16 Janitorial and Messengerial Services	0
17 Losses	0
18 Management and Consultancy Fee	0
19 Miscellaneous	135,089
20 Office Supplies	164,243
21 Other Services	0
22 Professional Fees	1,370,341
23 Rental	175,282
24 Repairs and Maintenance - (Labor or Labor & Materials)	0
25 Repairs and Maintenance - (Materials/Supplies)	0
26 Representation and Entertainment	0
27 Research and Development	0
28 Royalties	0
29 Salaries and Allowances	1,274,695

Annual Income Tax Return
Page 5 - Schedules 4, 5 & 6

BIR Form No. **1702-RT** June 2013

1702-RT06/13P5

Taxpayer Identification Number (TIN)	Registered Name
000 - 707 - 286 - 000	ATOK BIG WEDGE COMPANY INC.

Schedule 4 - Ordinary Allowable Itemized Deductions *(Continued from Previous Page)*

30 Security Services	0
31 SSS, GSIS, Philhealth, HDMF and Other Contributions	87,876
32 Taxes and Licenses	0
33 Tolling Fees	0
34 Training and Seminars	0
35 Transportation and Travel	6,779
Others *(Specify below; Add additional sheet(s), if necessary)*	
36 ALLOCATED EXPENSES	2,547,428
37 PSE LISTING FEE	990,214
38 MINING EXPLORATION COST	1,699
39	0
40 Total Ordinary Allowable Itemized Deductions *(Sum of Items 1 to 39) (To Part IV Item 35)*	6,862,105

Schedule 5 - Special Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

Description	Legal Basis	Amount
1		0
2		0
3		0
4		0
5 Total Special Allowable Itemized Deductions *(Sum of Items 1 to 4) (To Part IV Item 36)*		0

Schedule 6 - Computation of Net Operating Loss Carry Over (NOLCO)

1 Gross Income *(From Part IV Item 34)*	0
2 Less: Total Deductions Exclusive of NOLCO & Deduction Under Special Law	6,862,105
3 Net Operating Loss *(To Schedule 6A)*	(6,862,105)

Schedule 6A - Computation of Available Net Operating Loss Carry Over (NOLCO)

Net Operating Loss		
Year Incurred	A) Amount	B) NOLCO Applied Previous Year
4 2017	6,862,105	0
5 2016	17,256,270	0
6 2015	20,317,195	0
7 2014	23,678,676	0

Continuation of Schedule 6A *(Item numbers continue from the table above)*

	C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied)
4	0	0	6,862,105
5	0	0	17,256,270
6	0	0	20,317,195
7	23,678,676	0	0
8 Total NOLCO *(Sum of Items 4D to 7D) (To Part IV Item 37)*		0	

Annual Income Tax Return
Page 6 - Schedules 7, 8 & 9

BIR Form No. **1702-RT** June 2013

1702-RT06/13P6

Taxpayer Identification Number (TIN)	Registered Name
000 - 707 - 286 - 000	ATOK BIG WEDGE COMPANY INC.

Schedule 7 - Tax Credits/Payments (attach proof) *(Attach additional sheet/s, if necessary)*

1 Prior Year's Excess Credits Other Than MCIT	0
2 Income Tax Payment under MCIT from Previous Quarter/s	0
3 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	0
4 Excess MCIT Applied this Current Taxable Year *(From Schedule 8 Item 4F)*	0
5 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	0
6 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	0
7 Foreign Tax Credits, if applicable	0
8 Tax Paid in Return Previously Filed, if this is an Amended Return	0
9 Special Tax Credits *(To Part V Item 53)*	0
Other Credits/Payments *(Specify)*	
10	0
11	0
12 Total Tax Credits/Payments *(Sum of Items 1 to 11) (To Part IV Item 45)*	0

Schedule 8 - Computation of Minimum Corporate Income Tax (MCIT)

	Year	A) Normal Income Tax as Adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1	2015	0	29	29
2	2014	0	1,735	1,735
3		0	0	0

Continuation of Schedule 8 *(Line numbers continue from table above)*

	D) Excess MCIT Applied/Used for Previous Years	E) Expired Portion of Excess MCIT	**F) Excess MCIT Applied this Current Taxable Year**	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s
1	0	0	0	29
2	0	1,735	0	0
3	0	0	0	0
4 Total Excess MCIT *(Sum of Column for Items 1F to 3F) (To Schedule 7 Item 4)*			0	

Schedule 9 - Reconciliation of Net Income per Books Against Taxable Income *(Attach additional sheet/s, if necessary)*

1	Net Income/(Loss) per books	(3,884,533)
	Add: Non-deductible Expenses/Taxable Other Income	
2	REPRESENTATION EXPENSE	21,447
3	PENALTIES	20,584
4	**Total** *(Sum of Items 1 to 3)*	(3,842,502)
	Less: A) Non-taxable Income and Income Subjected to Final Tax	
5	INTEREST INCOME SUBJECTED TO FINAL TAX	1,019,603
6	DIVIDENDS	2,000,000
	B) Special Deductions	
7		0
8		0
9	**Total** *(Sum of Items 5 to 8)*	3,019,603
10	**Net Taxable Income (Loss)** *(Item 4 Less Item 9)*	(6,862,105)

Annual Income Tax Return
Page 7 - Schedules 10 & 11

BIR Form No. **1702-RT** June 2013

1702-RT06/13P7

Taxpayer Identification Number (TIN)	Registered Name
000 - 707 - 286 - 000	ATOK BIG WEDGE COMPANY INC.

Schedule 10 - BALANCE SHEET

Assets	
1 Current Assets	52,560,554
2 Long-Term Investment	647,594,178
3 Property, Plant and Equipment - Net	21,260
4 Long-Term Receivables	0
5 Intangible Assets	0
6 Other Assets	1,525,000
7 Total Assets *(Sum of Items 1 to 6)*	701,700,992

Liabilities and Equity	
8 Current Liabilities	2,010,713
9 Long-Term Liabilities	0
10 Deferred Credits	0
11 Other Liabilities	0
12 Total Liabilities *(Sum of Items 8 to 11)*	2,010,713
13 Capital Stock	1,060,000,000
14 Additional Paid-in Capital	0
15 Retained Earnings	(360,309,721)
16 Total Equity *(Sum of Items 13 to 15)*	699,690,279
17 Total Liabilities and Equity *(Sum of Items 12 & 16)*	701,700,992

Schedule 11- ☑ **Stockholders** ☐ **Partners** ☐ **Members Information** (Top 20 Stockholders, partners or Members)

(On column 3 enter the amount of capital contribution and on the last column enter the percentage this represents on the entire ownership)

REGISTERED NAME	TIN	Capital Contribution	% to Total
BOERSTAR CORPORATION	245 - 186 - 886 - 000	1,775,218,804	69.75
NORTH KITANGLAD AGRICULTURAL CO.,	005 - 206 - 882 - 000	309,000,000	12.14
PCD NOMINEE CORP.	000 - 774 - 849 - 000	212,289,641	8.34
STRONG GAIN ENTERPRISES LIMITED	000 - 000 - 000 - 000	120,000,000	4.72
PROGRESSIVE DEVELOPMENT CORP.	201 - 351 - 101 - 000	93,963,474	3.69
POWER MERCHANT INTERNATIONAL LIM	000 - 000 - 000 - 000	30,000,000	1.18
CARROLL, CHARLES F., TRUSTEE CAROL	000 - 000 - 000 - 000	593,200	0.02
BRAASCH, HERBERT	000 - 000 - 000 - 000	84,884	0.01
BARON, ROSE A. WILLIAMS J. BARON, JT	000 - 000 - 000 - 000	81,197	0.01
ARANETA, JORGE L.	102 - 757 - 519 - 000	73,535	0.01
MCLARNEY, JANE MARY	000 - 000 - 000 - 000	70,875	0.01
SILBERT, SOLOMON S.	000 - 000 - 000 - 000	56,567	0.01
COHEN, SY R. AND BARBARA COHEN	000 - 000 - 000 - 000	43,195	0.01
STEINER, NORMA	000 - 000 - 000 - 000	38,656	0.01
COHERCO SEC., INC. FAO 181513151200	204 - 652 - 984 - 000	38,000	0.01
LOO NGO KUE	000 - 000 - 000 - 000	36,020	0.01
PUA, LUIS	000 - 000 - 000 - 000	35,542	0.01
CUNNINGHAM, EDMUND F.	000 - 000 - 000 - 000	33,275	0.01
OLASIMAN, EDILBERTO F.	182 - 521 - 921 - 000	33,100	0.01
FORES, MARIA LOURDES	137 - 235 - 796 - 000	29,840	0.01

Annual Income Tax Return
Page 8 - Schedules 12 & 13

BIR Form No. **1702-RT** June 2013

1702-RT06/13P8

Taxpayer Identification Number (TIN)	Registered Name
000 - 707 - 286 - 000	ATOK BIG WEDGE COMPANY INC.

Schedule 12 - Supplemental Information ***(Attach additional sheet/s, if necessary)***

I) Gross Income/ Receipts Subjected to Final Withholding	A) Exempt	B) Actual Amount/Fair Market Value/Net Capital Gains	C) Final Tax Withheld/Paid
1 Interests	0	1,274,504	254,901
2 Royalties	0	0	0
3 Dividends	2,000,000	0	0
4 Prizes and Winnings	0	0	0

II) Sale/Exchange of Real properties	A) Sale/Exchange #1	B) Sale/Exchange #2
5 Description of Property *(e.g. land, improvement, etc.)*		
6 OCT/TCT/CCT/Tax Declaration No.		
7 Certificate Authorizing Registration (CAR) No		
8 Actual Amount/Fair Market Value/Net Capital Gains		
9 Final Tax Withheld/Paid		

III) Sale/Exchange of Shares of Stock	A) Sale/Exchange #1	B) Sale/Exchange #2
10 Kind*(PS/CS)*/Stock Certificate Series No.		
11 Certificate Authorizing Registration (CAR) No.		
12 Number of Shares		
13 Date of Issue (MM/DD/YYYY)		
14 Actual Amount/Fair Market Value/Net Capital Gains		
15 Final Tax Withheld/Paid		

IV) Other Income *(Specify)*	A) Other Income #1	B) Other Income #2
16 Other Income Subject to Final Tax Under Sections 57(A)/127/others of the Tax Code, as amended *(Specify)*		
17 Actual Amount/Fair Market Value/Net Capital Gains		
18 Final Tax Withheld/Paid		

19 Total Final Tax Withheld Paid *(Sum of Items 1C to 4C, 9A, 9B, 15A, 15B, 18A & 18B)*	254,901

Schedule 13 - Gross Income/Receipts Exempt from Income Tax

1 Return of Premium *(Actual Amount/Fair Market Value)*	0

I) Personal/Real Properties Received thru Gifts, Bequests, and Devices	A) Personal/Real Properties #1	B) Personal/Real Properties #2
2 Description of Property *(e.g. land, improvement, etc.)*		
3 Modes of Transfer *(e.g Donation)*		
4 Certificate Authorizing Registration (CAR) No.		
5 Actual Amount/Fair Market Value		

II) Other Exempt Income/Receipts	A) Other Exempt Income #1	B) Other Exempt Income #2
6 Other Exempt Income/Receipts Under Sec. 32 (B) of the Tax Code, as amended *(Specify)*		
7 Actual Amount/Fair Market Value/Net Capital Gains		

8 Total Income Receipts Exempt From Income Tax *(Sum of Items 1, 5A, 5B, 7A & 7B)*	0

alphaland
CORPORATION

Jenina Marie A. Andaya <jaandaya@alphaland.com.ph>

BIR Email Notification (eFiling of Tax Return)

no-reply@bir.gov.ph <no-reply@bir.gov.ph> Sun, Apr 8, 2018 at 11:33 PM
To: jaandaya@alphaland.com.ph

Good Day ATOK BIG WEDGE COMPANY INC.,

Thank you for filing your Return through eFPS.

This email indicates that the eFiled Return has been submitted to BIR, see below the summary details of your tax filing transaction for your reference. To ensure that the said transaction was successfully submitted, please inquire your eReturn Details through the eFPS Tax Inquiry.

From,

Bureau of Internal Revenue

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 000-707-286-000
Name	: ATOK BIG WEDGE COMPANY INC.
RDO	: 048
Form Type	: 1702
Reference No.	: **121800024596460**
Amount Payable / (Over Remittance)	: 0.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2017
Date Filed	: 04/08/2018
Tax Type	: IT

PLEASE DO NOT REPLY TO THIS E-MAIL

Reference No : 121800024596460
Date Filed : April 08, 2018 11:19 PM
Batch Number : 1804862444

For BIR Use Only BCS/ Item

1702-RT06/13P1

Republika ng Pilipinas
Kagawaran ng Pananalapi
Kawanihan ng Rentas Internas

Annual Income Tax Return

For Corporation, Partnership and Other Non-Individual Taxpayer Subject Only to REGULAR Income Tax Rate

Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two Copies MUST be filed with the BIR and one held by the taxpayer.

BIR Form No. **1702-RT** June 2013 Page 1

1 For (X) Calendar ( ) Fiscal 2 Year Ended (MM/20YY) 12 2017	3 Amended Return? Yes (X) No	4 Short Period Return? Yes (X) No	5 Alphanumeric Tax Code (ATC) IC055 Minimum Corporate Income Tax (MCIT)

Part I - Background Information

6 Taxpayer Identification Number (TIN)	000 - 707 - 286 - 000
7 RDO Code	048
8 Date of Incorporation/Organization (MM/DD/YYYY)	08/27/1931
9 Registered Name *(Enter only 1 letter per box using CAPITAL LETTERS)*	ATOK BIG WEDGE COMPANY INC.
10 Registered Address *(Indicate complete registered address)*	UNIT D 10TH FLR ALPHALAND SOUTHGATE TOWER 2258 CHINO ROCES AVE COR EDSA BRGY CITY OF MAKATI
11 Contact Number	3046282
12 Email Address	jaandaya@alphaland.com.ph
13 Main Line of Business	INVESTMENT COMPANY OPERATION
14 PSIC Code	6691
15 Method of Deductions	(X) Itemized Deductions [Section 34 (A-J), NIRC] ( ) Optional Standard Deduction (OSD) - 40% of Gross Income [Section 34(L), NIRC as amended by RA No. 9504]

Part II - Total Tax Payable *(Do NOT enter Centavos)*

16 Total Income Tax Due (Overpayment) *(From Part IV Item 44)*	0
17 Less: Total Tax Credits/Payments *(From Part IV Item 45)*	0
18 Net Tax Payable (Overpayment) *(Item 16 Less Item 17) (From Part IV Item 46)*	0
19 Add: Total Penalties *(From Part IV Item 50)*	0
20 TOTAL AMOUNT PAYABLE (Overpayment) *(Sum of Item 18 and 19) (From Part IV Item 51)*	0

21 If Overpayment, mark "X" one box only *(Once the choice is made, the same is irrevocable)*

To be refunded   To be issued a Tax Credit Certificate (TCC)   To be carried over as tax credit next year/quarter

We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. *(If Authorized Representative, attach authorization letter and indicate TIN)*

Signature over printed name of President/Principal Officer/Authorized Representative	Signature over printed name of Treasurer/Assistant Treasurer
Title of Signatory: VICE PRESIDENT - FINANCE	Number of pages filed: 8

22 (X) Community Tax Certificate (CTC) Number SEC Reg No.	100054	23 Date of Issue (MM/DD/YYYY)	02/01/2018
24 Place of Issue	MAKATI CITY	25 Amount, if CTC	880

Part III - Details of Payment

Details of Payment	Drawee Bank/Agency	Number	Date *(MM/DD/YYYY)*	Amount
26 Cash/Bank Debit Memo				0
27 Check				0
28 Tax Debit Memo				0
29 Others *(Specify Below)*				
				0

Machine Validation/Revenue Official Receipts Details *(if not filed with an Authorized Agent Bank)*	*Stamp of receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)*

Annual Income Tax Return
Page 2

BIR Form No. **1702-RT** June 2013

1702-RT06/13P2

Taxpayer Identification Number (TIN)	Registered Name
000 - 707 - 286 - 000	ATOK BIG WEDGE COMPANY INC.

Part IV - Computation of Tax		(Do NOT enter Centavos)
30 Net Sales/Revenues/Receipts/Fees *(From Schedule 1 Item 6)*		0
31 Less: Cost of Sales/Services *(From Schedule 2 Item 27)*		0
32 Gross Income from Operation *(Item 30 Less Item 31)*		0
33 Add: Other Taxable Income Not Subjected to Final Tax *(From Schedule 3 Item 4)*		0
34 Total Gross Income *(Sum of Items 32 & 33)*		0
Less: Deductions Allowable under Existing Law		
35 Ordinary Allowable Itemized Deductions *(From Schedule 4 Item 40)*	6,862,105	
36 Special Allowable Itemized Deductions *(From Schedule 5 Item 5)*	0	
37 NOLCO *(only for those taxable under Sec. 27(A to C); Sec. 28(A)(1) & (A)(6)(b) of the tax Code) (From Schedule 6A Item 8D)*	0	
38 Total Itemized Deductions *(Sum of Items 35 to 37)*	6,862,105	
***OR** [in case taxable under Sec 27(A) & 28(A)(1)]*		
39 Optional Standard Deduction *(40% of Item 34)*	0	
40 Net Taxable Income *(Item 34 Less Item 38 OR 39)*		(6,862,105)
41 Income Tax Rate		**30.0%**
42 Income Tax Due other than MCIT *(Item 40 x Item 41)*		0
43 Minimum Corporate Income Tax (MCIT) *(2% of Gross Income in Item 34)*		0
44 Total Income Tax Due *(Normal Income Tax in Item 42 or MCIT in Item 43, whichever is higher) (To part II Item 16)*		0
45 Less: Total Tax Credits/Payments *(From Schedule 7 Item 12) (To Part II Item 17)*		0
46 Net Tax Payable (Overpayment) *(Item 44 Less Item 45) (To Part II Item 18)*		0
Add Penalties		
47 Surcharge	0	
48 Interest	0	
49 Compromise	0	
50 Total Penalties *(Sum of Items 47 to 49) (To part II Item 19)*		0
51 Total Amount Payable (Overpayment) *(Sum Item 46 & 50) (To Part II Item 20)*		0

Part V - Tax Relief Availment	(Do NOT enter Centavos)
52 Special Allowable Itemized Deductions *(30% of Item 36)*	0
53 Add: Special Tax Credits *(From Schedule 7 Item 9)*	0
54 Total Tax Relief Availment *(Sum of Items 52 & 53)*	0

Part VI - Information - External Auditor/Accredited Tax Agent

55 Name of External Auditor/Accredited Tax Agent

REYES TACANDONG AND COMPANY

56 TIN 007 - 758 - 091 - 000

57 Name of Signing Partner *(If External Auditor is a Partnership)*

EMMANUEL V. CLARINO

58 TIN 102 - 084 - 004 - 000

59 BIR Accreditation No.	60 Issue Date *(MM/DD/YYYY)*	61 Expiry Date *(MM/DD/YYYY)*
08 - 005144 - 005 - 2017	01/13/2017	01/13/2020

Annual Income Tax Return
Page 3 - Schedules 1 & 2

BIR Form No. **1702-RT** June 2013

1702-RT06/13P3

Taxpayer Identification Number (TIN)	Registered Name
000 - 707 - 286 - 000	ATOK BIG WEDGE COMPANY INC.

Schedule 1 - Sales/Revenues/Receipts/Fees *(Attach additional sheet/s, if necessary)*

1 Sale of Goods/Properties	0
2 Sale of Services	0
3 Lease of Properties	0
4 Total *(Sum of Items 1 to 3)*	0
5 Less: Sales Returns, Allowances and Discounts	0
6 **Net Sales/Revenues/Receipts/Fees** *(Item 4 Less Item 5) (To Part IV Item 30)*	0

Schedule 2 - Cost of Sales *(Attach additional sheet/s, if necessary)*

Schedule 2A - Cost of Sales (For those Engaged in Trading)

1 Merchandise Inventory - Beginning	0
2 Add: Purchases of Merchandise	0
3 Total Goods Available for Sale *(Sum of Items 1 & 2)*	0
4 Less: Merchandise Inventory, Ending	0
5 Cost of Sales *(Item 3 Less Item 4) (To Schedule 2 Item 27)*	0

Schedule 2B - Cost of Sales (For those Engaged in Manufacturing)

6 Direct Materials, Beginning	0
7 Add: Purchases of Direct Materials	0
8 Materials Available for Use *(Sum of Items 6 & 7)*	0
9 Less: Direct Materials, Ending	0
10 Raw Materials Used *(Item 8 Less Item 9)*	0
11 Direct Labor	0
12 Manufacturing Overhead	0
13 Total Manufacturing Cost *(Sum of Items 10, 11 & 12)*	0
14 Add: Work in Process, Beginning	0
15 Less: Work in Process, Ending	0
16 Cost of Goods Manufactured *(Sum of Items 13 & 14 Less Item 15)*	0
17 Finished Goods, Beginning	0
18 Less: Finished Goods, Ending	0
19 **Cost of Goods Manufactured and Sold** *(Sum of Items 16 & 17 Less Item 18) (To Sched. 2 Item 27)*	0

Schedule 2C - Cost of Services
(For those Engaged in Services, indicate only those directly incurred or related to the gross revenue from rendition of services)

20 Direct Charges - Salaries, Wages and Benefits	0
21 Direct Charges - Materials, Supplies and Facilities	0
22 Direct Charges - Depreciation	0
23 Direct Charges - Rental	0
24 Direct Charges - Outside Services	0
25 Direct Charges - Others	0
26 **Total Cost of Services** *(Sum of Items 20 to 25) (To Item 27)*	0

27 **Total Cost of Sales/Services** *(Sum of Items 5, 19 & 26, if applicable) (To Part IV Item 31)*	0

Annual Income Tax Return
Page 4 - Schedules 3 & 4

BIR Form No. **1702-RT** June 2013

1702-RT06/13P4

Taxpayer Identification Number (TIN)	Registered Name
000 - 707 - 286 - 000	ATOK BIG WEDGE COMPANY INC.

Schedule 3 - Other Taxable Income Not Subjected to Final Tax *(Attach additional sheet/s, if necessary)*

1	0
2	0
3	0
4 **Total Other Taxable Income Not Subjected to Final Tax** *(Sum of Items 1 to 3) (To Part IV Item 33)*	0

Schedule 4 - Ordinary Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

1 Advertising and Promotions	0
Amortizations *(Specify on Items 2, 3 & 4)*	
2	0
3	0
4	0
5 Bad Debts	0
6 Charitable Contributions	0
7 Commissions	0
8 Communication, Light and Water	2,097
9 Depletion	0
10 Depreciation	0
11 Director's Fees	28,901
12 Fringe Benefits	0
13 Fuel and Oil	0
14 Insurance	0
15 Interest	0
16 Janitorial and Messengerial Services	0
17 Losses	0
18 Management and Consultancy Fee	0
19 Miscellaneous	135,089
20 Office Supplies	164,243
21 Other Services	0
22 Professional Fees	1,370,341
23 Rental	175,282
24 Repairs and Maintenance - (Labor or Labor & Materials)	0
25 Repairs and Maintenance - (Materials/Supplies)	0
26 Representation and Entertainment	0
27 Research and Development	0
28 Royalties	0
29 Salaries and Allowances	1,274,695

Annual Income Tax Return
Page 5 - Schedules 4, 5 & 6

BIR Form No. **1702-RT** June 2013

1702-RT06/13P5

Taxpayer Identification Number (TIN)	Registered Name
000 - 707 - 286 - 000	ATOK BIG WEDGE COMPANY INC.

Schedule 4 - Ordinary Allowable Itemized Deductions *(Continued from Previous Page)*

30 Security Services	0
31 SSS, GSIS, Philhealth, HDMF and Other Contributions	87,876
32 Taxes and Licenses	0
33 Tolling Fees	0
34 Training and Seminars	0
35 Transportation and Travel	6,779
Others *[Specify below; Add additional sheet(s), if necessary]*	
36 ALLOCATED EXPENSES	2,547,428
37 PSE LISTING FEE	990,214
38 MINING EXPLORATION COST	1,699
39 OTHERS	77,461
40 Total Ordinary Allowable Itemized Deductions *(Sum of Items 1 to 39) (To Part IV Item 35)*	6,862,105

Schedule 5 - Special Allowable Itemized Deductions *(Attach additional sheet/s, if necessary)*

	Description	Legal Basis	Amount
1			0
2			0
3			0
4			0
5 Total Special Allowable Itemized Deductions *(Sum of Items 1 to 4) (To Part IV Item 36)*			0

Schedule 6 - Computation of Net Operating Loss Carry Over (NOLCO)

1 Gross Income *(From Part IV Item 34)*	0
2 Less: Total Deductions Exclusive of NOLCO & Deduction Under Special Law	6,862,105
3 Net Operating Loss *(To Schedule 6A)*	(6,862,105)

Schedule 6A - Computation of Available Net Operating Loss Carry Over (NOLCO)

	Net Operating Loss		
	Year Incurred	A) Amount	B) NOLCO Applied Previous Year
4	2017	6,862,105	0
5	2016	17,256,270	0
6	2015	20,317,195	0
7	2014	23,678,676	0

Continuation of Schedule 6A *(Item numbers continue from the table above)*

	C) NOLCO Expired	D) NOLCO Applied Current Year	E) Net Operating Loss (Unapplied)
4	0	0	6,862,105
5	0	0	17,256,270
6	0	0	20,317,195
7	23,678,676	0	0
8 Total NOLCO *(Sum of Items 4D to 7D) (To Part IV Item 37)*		0	

Annual Income Tax Return
Page 6 - Schedules 7, 8 & 9

BIR Form No. **1702-RT** June 2013

1702-RT06/13P6

Taxpayer Identification Number (TIN)	Registered Name
000 - 707 - 286 - 000	ATOK BIG WEDGE COMPANY INC.

Schedule 7 - Tax Credits/Payments (attach proof) *(Attach additional sheet/s, if necessary)*

1 Prior Year's Excess Credits Other Than MCIT	0
2 Income Tax Payment under MCIT from Previous Quarter/s	0
3 Income Tax Payment under Regular/Normal Rate from Previous Quarter/s	0
4 Excess MCIT Applied this Current Taxable Year *(From Schedule 8 Item 4F)*	0
5 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307	0
6 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter	0
7 Foreign Tax Credits, if applicable	0
8 Tax Paid in Return Previously Filed, if this is an Amended Return	0
9 Special Tax Credits *(To Part V Item 53)*	0
Other Credits/Payments *(Specify)*	
10	0
11	0
12 Total Tax Credits/Payments *(Sum of Items 1 to 11) (To Part IV Item 45)*	0

Schedule 8 - Computation of Minimum Corporate Income Tax (MCIT)

	Year	A) Normal Income Tax as Adjusted	B) MCIT	C) Excess MCIT over Normal Income Tax
1		0	0	0
2		0	0	0
3		0	0	0

Continuation of Schedule 8 *(Line numbers continue from table above)*

	D) Excess MCIT Applied/Used for Previous Years	E) Expired Portion of Excess MCIT	**F) Excess MCIT Applied this Current Taxable Year**	G) Balance of Excess MCIT Allowable as Tax Credit for Succeeding Year/s
1	0	0	0	0
2	0	0	0	0
3	0	0	0	0
4 Total Excess MCIT *(Sum of Column for Items 1F to 3F) (To Schedule 7 Item 4)*			0	

Schedule 9 - Reconciliation of Net Income per Books Against Taxable Income *(Attach additional sheet/s, if necessary)*

1 Net Income/(Loss) per books	(3,884,533)
Add: Non-deductible Expenses/Taxable Other Income	
2 REPRESENTATION EXPENSE	21,447
3 PENALTIES	20,584
4 Total *(Sum of Items 1 to 3)*	(3,842,502)
Less: A) Non-taxable Income and Income Subjected to Final Tax	
5 INTEREST INCOME SUBJECTED TO FINAL TAX	1,019,603
6 DIVIDENDS	2,000,000
B) Special Deductions	
7	0
8	0
9 Total *(Sum of Items 5 to 8)*	3,019,603
10 Net Taxable Income (Loss) *(Item 4 Less Item 9)*	(6,862,105)

Annual Income Tax Return

Page 7 - Schedules 10 & 11

BIR Form No. **1702-RT** June 2013

1702-RT06/13P7

Taxpayer Identification Number (TIN)	Registered Name
000 - 707 - 286 - 000	ATOK BIG WEDGE COMPANY INC.

Schedule 10 - BALANCE SHEET

Assets	
1 Current Assets	52,560,554
2 Long-Term Investment	647,594,178
3 Property, Plant and Equipment - Net	21,260
4 Long-Term Receivables	0
5 Intangible Assets	0
6 Other Assets	1,525,000
7 **Total Assets** *(Sum of Items 1 to 6)*	701,700,992

Liabilities and Equity	
8 Current Liabilities	2,010,713
9 Long-Term Liabilities	0
10 Deferred Credits	0
11 Other Liabilities	0
12 **Total Liabilities** *(Sum of Items 8 to 11)*	2,010,713
13 Capital Stock	1,060,000,000
14 Additional Paid-in Capital	0
15 Retained Earnings	(360,309,721)
16 **Total Equity** *(Sum of Items 13 to 15)*	699,690,279
17 **Total Liabilities and Equity** *(Sum of Items 12 & 16)*	701,700,992

Schedule 11- ✓ **Stockholders** **Partners** **Members Information** (Top 20 Stockholders, partners or Members)

(On column 3 enter the amount of capital contribution and on the last column enter the percentage this represents on the entire ownership)

REGISTERED NAME	TIN	Capital Contribution	% to Total
BOERSTAR CORPORATION	245 - 186 - 886 - 000	1,775,218,804	69.75
NORTH KITANGLAD AGRI	005 - 206 - 882 - 000	309,000,000	12.14
PCD NOMINEE	000 - 774 - 849 - 000	212,289,641	8.34
STRONG GAIN ENTERPRISE	000 - 000 - 000 - 000	120,000,000	4.72
PROGRESSIVE DEVELOPMENT	201 - 351 - 101 - 000	93,963,474	3.69
POWER MERCHANT INTERNATIONAL	000 - 000 - 000 - 000	30,000,000	1.18
CARROL, CHARLES F.	000 - 000 - 000 - 000	593,200	0.02
BRAASCH, HERBERT	000 - 000 - 000 - 000	84,884	0.01
BARON, ROSE	000 - 000 - 000 - 000	81,197	0.01
ARANETA, JORGE L.	102 - 757 - 519 - 000	73,535	0.01
MCLARNEY, JANE MARY	000 - 000 - 000 - 000	70,875	0.01
SILBERT, SOLOMON S.	000 - 000 - 000 - 000	56,567	0.01
COHEN, SY R. AND BARBARA COHEN	000 - 000 - 000 - 000	43,195	0.01
STEINER, NORMA	000 - 000 - 000 - 000	38,656	0.01
COHERCO SEC., INC. FAO 181513151200	204 - 652 - 984 - 000	38,000	0.01
LOO NGO KUE	000 - 000 - 000 - 000	36,020	0.01
PUA, LUIS	000 - 000 - 000 - 000	35,542	0.01
CUNNINGHAM, EDMUND F.	000 - 000 - 000 - 000	33,275	0.01
OLASIMAN, EDILBERTO F.	182 - 521 - 921 - 000	33,100	0.01
FORES, MARIA LOURDES	137 - 235 - 796 - 000	29,840	0.01

Annual Income Tax Return
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1702-RT06/13P8

Taxpayer Identification Number (TIN)	Registered Name
000 - 707 - 286 - 000	ATOK BIG WEDGE COMPANY INC.

Schedule 12 - Supplemental Information ***(Attach additional sheet/s, if necessary)***

I) Gross Income/ Receipts Subjected to Final Withholding	A) Exempt	B) Actual Amount/Fair Market Value/Net Capital Gains	C) Final Tax Withheld/Paid
1 Interests	0	1,274,504	254,901
2 Royalties	0	0	0
3 Dividends	0	0	0
4 Prizes and Winnings	0	0	0

II) Sale/Exchange of Real properties	A) Sale/Exchange #1	B) Sale/Exchange #2
5 Description of Property *(e.g. land, improvement, etc.)*		
6 OCT/TCT/CCT/Tax Declaration No.		
7 Certificate Authorizing Registration (CAR) No		
8 Actual Amount/Fair Market Value/Net Capital Gains		
9 Final Tax Withheld/Paid		

III) Sale/Exchange of Shares of Stock	A) Sale/Exchange #1	B) Sale/Exchange #2
10 Kind*(PS/CS)*/Stock Certificate Series No.		
11 Certificate Authorizing Registration (CAR) No.		
12 Number of Shares		
13 Date of Issue (MM/DD/YYYY)		
14 Actual Amount/Fair Market Value/Net Capital Gains		
15 Final Tax Withheld/Paid		

IV) Other Income *(Specify)*	A) Other Income #1	B) Other Income #2
16 Other Income Subject to Final Tax Under Sections 57(A)/127/others of the Tax Code, as amended *(Specify)*		
17 Actual Amount/Fair Market Value/Net Capital Gains		
18 Final Tax Withheld/Paid		

19 Total Final Tax Withheld Paid *(Sum of Items 1C to 4C, 9A, 9B, 15A, 15B, 18A & 18B)*	254,901

Schedule 13 - Gross Income/Receipts Exempt from Income Tax

1 Return of Premium *(Actual Amount/Fair Market Value)*	0

I) Personal/Real Properties Received thru Gifts, Bequests, and Devices	A) Personal/Real Properties #1	B) Personal/Real Properties #2
2 Description of Property *(e.g. land, improvement, etc.)*		
3 Modes of Transfer *(e.g Donation)*		
4 Certificate Authorizing Registration (CAR) No.		
5 Actual Amount/Fair Market Value		

II) Other Exempt Income/Receipts	A) Other Exempt Income #1	B) Other Exempt Income #2
6 Other Exempt Income/Receipts Under Sec. 32 (B) of the Tax Code, as amended *(Specify)*		
7 Actual Amount/Fair Market Value/Net Capital Gains		

8 Total Income Receipts Exempt From Income Tax *(Sum of Items 1, 5A, 5B, 7A & 7B)*	0