COVER SHEET

A S 0 9 5 - 0 0 8 5 5 7

SEC Registration Number

IPM HOLDINGS, INC. (FORMERLY MINERALES INDUSTRIAS CORPORATION)

(Company's Full Name)

UNIT 103 GROUND FLR. PRESTIGE TOWER CONDOMINIUM ORTIGAS JR. AVE. ORTIGAS CENTER, PASIG CITY

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

Atty. Ana A. Katigbak	817 6791 to 95
Contact Person	Company Telephone Number

1 2	3 1	SEC Form 20-IS Definitive Information Statement	Annual Meeting of Stockholders **May 25, 2016**
Month	Day	FORM TYPE	Mont h Day
Fiscal Year			Annual Meeting

Secondary License Type, If Applicable

C F D	
Dept Requiring this Doc	Amended Articles Number / Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes

IPM HOLDINGS, INC.
Unit 103, Ground Floor, Prestige Tower Condominium,
F. Ortigas Jr. Avenue, Ortigas Center, Pasig City

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Dear Stockholders:

Please be notified that the annual meeting of stockholders of **IPM HOLDINGS, INC.** (the "Corporation") will be held on Wednesday, May 25, 2016 at 2:30 p.m., at the Magellan Room, Discovery Suites, 41st Floor, 25 ADB Avenue, Ortigas Center, Pasig City, with the following agenda:

1. Call to Order
2. Report on Attendance and Quorum
3. Approval of Minutes of Previous Stockholders' Meetings
4. Management Report
5. Ratification of all Acts of the Board of Directors and Officers
6. Increase in Authorized Capital Stock of Up to Php7.5 Billion Consisting of Common and/or Preferred Shares as may be Determined by the Board of Directors
7. Amendment of the Articles of Incorporation to Include in the Purpose Clause the Authority to Issue Sureties and Guarantees
8. Amendment of By-laws to Create the Office of the Chief Executive Officer and Chief Operating Officer
9. Delegation to the Board of Directors of the Authority to Amend the By-laws
10. Election of Directors
11. Appointment of the External Auditor
12. Other Matters
13. Adjournment

Stockholders of record as of April 15, 2016 will be entitled to notice of, and to vote at said annual meeting or any adjournments or postponements thereof.

Duly accomplished proxies should be submitted to the Corporate Secretary of the Corporation not later than May 15, 2016. Validation of proxies shall be held on May 20, 2016 at 10:00 a.m. at the principal office of the Corporation.

On the day of the meeting, you or your duly designated proxy, are hereby required to bring this Notice and any form of identification (i.e. driver's license, company I.D., TIN card, etc.) to facilitate registration. Registration begins at exactly 1:00 p.m.

Very truly yours,

akatigbak

ANA MARIA A. KATIGBAK
Corporate Secretary

PROXY

IPM HOLDINGS, INC.

PROXY SOLICITED ON BEHALF OF THE MANAGEMENT OF IPM HOLDINGS, INC. FOR THE ANNUAL STOCKHOLDERS' MEETING TO BE HELD ON MAY 25, 2016, 2:30 P.M. AT THE MAGELLAN ROOM, DISCOVERY SUITES, 41ST FLOOR, 25 ADB AVENUE, ORTIGAS CENTER, PASIG CITY.

Instruction

(a) The proxy must be duly accomplished by the stockholder of record as of Record Date. A proxy executed by a corporation shall be in the form of a board resolution duly certified by the Corporate Secretary or in a proxy form executed by a duly authorized corporate officer accompanied by a Corporate Secretary's Certificate quoting the board resolution authorizing the said corporate officer to execute the said proxy.

(b) Duly accomplished proxies may be mailed or submitted personally to the Corporate Secretary of the Corporation and received not later than May 15, 2016 at the following address:

The Corporate Secretary
IPM Holdings, Inc.
Unit 103, Ground Floor, Prestige Tower Condominium,
F. Ortigas Jr. Avenue, Ortigas Center, Pasig City

(c) In case of shares of stock owned jointly by two or more persons, the consent of all co-owners must be necessary for the execution of the proxy. For persons owning shares in an "and/or" capacity, any one of them may execute the proxy.

(d) Validation of proxies will be held by the Stock Transfer Agent on May 20, 2016 at 10:00 a.m. at the principal office of the Corporation at Unit 103, Ground Floor, Prestige Tower Condominium, F. Ortigas Jr. Avenue, Ortigas Center, Pasig City.

(e) Unless otherwise indicated by the stockholder, a stockholder shall be deemed to have designated the President of the Corporation, as his proxy for the annual stockholders meeting to be held on May 25, 2016.

(f) If the number of shares of stock is left in blank, the proxy shall be deemed to have been issued for all of the stockholder's shares of stock in the Corporation as of Record Date.

(g) The manner in which this proxy shall be accomplished, as well as the validation hereof shall be governed by the provisions of SRC Rule 20 (11)(b)

(h) The stockholder executing the proxy shall indicate the manner by which he wishes the proxy to vote on any of the matters in (1), (2), (3), (4), (5), (6), (7), and (8), below by checking the appropriate box. Where the boxes (or any of them) are unchecked, the stockholder executing the proxy is deemed to have authorized the proxy to vote in favor of the matter.

The Undersigned hereby appoints:

a) The President of IPM Holdings, Inc.
b) or, ____

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

Management recommends a vote for:

1. ***Approval of the minutes of the annual and special meetings of stockholders held on May 27, 2015 and October 21, 2015, respectively***

   [ ] FOR [ ] AGAINST [ ] ABSTAIN

2. ***Ratification of all acts and resolutions of the Board of Directors, officers and management of the Corporation from the last fiscal year to date.***

   [ ] FOR [ ] AGAINST [ ] ABSTAIN

3. ***Increase in Authorized Capital Stock of Up to Php7.5 Billion Consisting of Common and/or Preferred Shares as may be Determined by the Board of Directors***

   [ ] FOR [ ] AGAINST [ ] ABSTAIN

4. ***Amendment of the Articles of Incorporation to Include in the Purpose Clause the Authority to Issue Sureties and Guarantees***

   [ ] FOR [ ] AGAINST [ ] ABSTAIN

5. ***Amendment of By-laws to create the office of the Chief Executive Officer and Chief Operating Officer***

   [ ] FOR [ ] AGAINST [ ] ABSTAIN

6. ***Delegation to the Board of Directors of the Authority to Amend the By-laws***

   [ ] FOR [ ] AGAINST [ ] ABSTAIN

7. ***Approval of the Appointment of Sycip Gorres Velayo & Co. as External Auditor***

   [ ] FOR [ ] AGAINST [ ] ABSTAIN

8. ***Election of Directors***[1]

   ( ) for all nominees listed below (except as marked to the contrary below).
   ( ) withhold authority to vote for all nominees listed below.
   ( ) strike the box opposite the name of each nominee to indicate that authority to vote for such nominee is withheld.

Security holder may strike a line through the nominee's name in the list below to withhold authority to vote for any individual nominee.

Nominees

For Regular Directors:

[ ] ISABELITA P. MERCADO
[ ] GENER T. MENDOZA
[ ] ANTONIO VICTORIANO F. GREGORIO III
[ ] FRANCIS-NEIL P. MERCADO
[ ] RHODORA G. UY

For Independent Directors:

[ ] ALFREDO P. JAVELLANA II
[ ] DAVID L. KHO

(i) In their discretion, the Proxies are authorized to vote upon such other matters as may properly come before the meeting.

[1] Cumulative method of voting under Section 24 of the Corporation Code of the Philippines is allowed.

This proxy when properly executed will be voted in the manner directed above by the undersigned stockholder. If no direction is made, this proxy will be voted in favor of items 1, 2, 3, 4, 5, 6, 7 and 8.

Dated ________________

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

Please mark, sign, date, and return promptly in accompanying envelope.

ANNEX "A"

AGENDA
Details and Rationale

1. Call to order

The Chairman of the Board of Directors, Ms. Isabelita P. Mercado, will call the meeting to order.

2. Proof of notice and certification of quorum

The Corporate Secretary, Atty. Ana Maria A. Katigbak, will certify that copies of this Notice have been sent to all stockholders of record as of April 15, 2016, and whether the attendees represented at the meeting hold a sufficient number of shares for quorum for the valid transaction of business.

3. Approval of the Minutes of the Annual Meeting of Stockholders held on May 27, 2015 and the Special Meeting of Stockholders held on October 21, 2015

Copies of the draft minutes have been distributed together with the Notice of Stockholders' Meeting and Information Statement.

The stockholders will be requested to approve the draft minutes. The following are the proposed resolutions:

> *"**RESOLVED**, that the minutes of the Annual Stockholders' Meeting of IPM Holdings, Inc. (the "Corporation") held on May 27, 2015 be, as it is hereby, approved.*
>
> ***RESOLVED FURTHER,** that the minutes of the Special Stockholders' Meeting of the Corporation held on October 21, 2015 be, as it is hereby, approved."*

4. Management Report & Audited Financial Statements for Year Ended December 31, 2015

The Chairman and President, Ms. Isabelita P. Mercado, or her representative will present the report of the Management to the Stockholders, discuss initiatives undertaken and challenges faced by the Corporation in 2015, and share her personal perspective of the Corporation's future. Copies of the Management Report had previously been distributed to the stockholders together with the audited financial statements as of the year ended December 31, 2015.

The Treasurer, Mr. Francis Neil P. Mercado, or his representative will present the financial results and the audited financial statements for the year ended December 31, 2015 and the first quarter interim financial report. The audited financial statements were prepared by the Company's independent auditors, Sycip Gorres Velayo & Co. and approved by the Corporation's Board of Directors. In compliance with the regulatory requirements, the audited financial statements have also been submitted to the Securities and Exchange Commission and Bureau of Internal Revenue.

Questions will be entertained from the stockholders after the presentation.

The stockholders will be requested to approve the annual report of management as presented by the President, and the audited financial statements for year ended December 31, 2105 and the first quarter interim financial report. The following is the proposed resolution:

*"**RESOLVED**, that the annual Management Report as presented by the President and the Corporation's audited financial statements for year ended December 31, 2015 and the first quarter interim financial report, be, as it is hereby, approved."*

5. Ratification of Acts of the Board of Directors and Management

The Corporation's performance was the result of the acts, contracts, resolutions and actions of the Board of Directors and Management of the Corporation, and the stockholders will be requested to ratify the same. The following is the proposed resolution:

*"**RESOLVED**, that all acts, contracts, resolutions and actions of the Board of Directors and Management of the Corporation from the date of the last annual stockholder's meeting up to the present be, as they are hereby, approved, ratified and confirmed."*

6. Approval of Amendment of the Articles of Incorporation to Increase in Authorized Capital Stock of Up to Php7.5 Billion Consisting of Common and/or Preferred Shares as may be Determined by the Board of Directors

The President, Ms. Isabelita P. Mercado, will discuss the proposal by Management to amend the Articles of Incorporation to increase the Corporation's authorized capital stock of up to Php7.5 Billion, consisting of common and/or preferred shares as may be determined by the Board of Directors.

Questions will be entertained from the stockholders after the discussion.

The stockholders will be requested to approve the proposal to amend the Articles of Incorporation to increase the authorized capital stock of up to Php7.5 Billion consisting of common and/or preferred shares as may be determined by the Board of Directors. The following is the proposed resolution:

*"**RESOLVED**, that the Stockholders authorize, as it hereby authorizes, the amendment of the Corporation's Articles of Incorporation to increase the authorized capital stock of up to Php7.5 Billion consisting of common and/or preferred shares as may be determined by the Board of Directors.*

7. Amendment of the Articles of Incorporation to Include in the Purpose Clause the Authority to Issue Sureties and Guarantees

The President, Ms. Isabelita P. Mercado, will discuss the proposal by Management to amend the Articles of Incorporation to include under the Purpose Clause the authority to issue sureties and guarantees.

Questions will be entertained from the stockholders after the discussion.

The stockholders will be requested to approve the proposal to amend the Purpose Clause of the Articles of Incorporation to include the authority to issue sureties and guarantees. The following is the proposed resolution:

*"**RESOLVED**, that the Stockholders authorize, as it hereby authorizes the amendment of the Purpose Clause of the Corporation's Articles of Incorporation to include the authority to issue corporate guarantees and sureties, thereby amending the Second Article."*

8. Amendment of By-laws to Create the Office of the Chief Executive Officer and Chief Operating Officer

The President, Ms. Isabelita P. Mercado, will discuss the proposal by Management to amend the By-Laws of the Corporation to create the office of the Chief Executive Officer ("CEO") which will be part of the functions of the Chairman and Chief Operating Officer ("COO") which will be part of the functions of the President.

Questions will be entertained from the stockholders after the discussion.

The stockholders will be requested to approve the proposal to to create the office of the Chief Executive Officer ("CEO") and Chief Operating Officer ("COO"). The following is the proposed resolution:

> *"**RESOLVED**, that the Stockholders authorize, as it hereby authorizes, the amendment of the Corporation's By-Laws to create the office of the Chief Executive Officer ("CEO") and Chief Operating Officer ("COO").*
>
> *RESOLVED FURTHER, that the Board of Directors be authorized to approve the final language of the By-Law provisions describing the positions of the Chief Executive Officer and Chief Operating Officer."*

9. Delegation to the Board of Directors of the Authority to Amend the By-laws

The President, Ms. Isabelita P. Mercado, will discuss the proposal by Management to delegate to the Board of Directors the authority to amend the By-Laws of the Corporation.

Questions will be entertained from the stockholders after the discussion.

The stockholders will be requested to approve the proposal to delegate to the Board of Directors the authority to amend the By-Laws of the Corporation. The following is the proposed resolution:

> *"**RESOLVED**, that the Stockholders authorize, as it hereby authorizes, the delegation to the Board of Directors of the authority to amend the By-Laws of the Corporation*

10. Election of Directors

For Regular Directors

1. ISABELITA P. MERCADO
2. ANTONIO VICTORIANO F. GREGORIO III
3. GENER T. MENDOZA
4. FRANCIS-NEIL P. MERCADO
5. RHODORA G. UY

For Independent Directors

1. ALFREDO P. JAVELLANA II
2. DAVID L. KHO

Voting may be done in person or by proxy. Proxy forms have been distributed to all stockholders of record together with this Notice. Signed and accomplished proxy forms are required to be submitted not later than May 15, 2016 and shall be validated on May 20, 2016. Votes may be cumulated as provided in the Corporation Code.

11. Appointment of External Auditors

The Corporation's external auditor, Sycip Gorres Velayo & Co. is proposed to be reappointed for the current year 2016-2017. The following is the proposed resolution:

> *"**RESOLVED**, that the audit firm Sycip Gorres Velayo & Co. be, as it is hereby, appointed as the Corporation's external auditor for the current year 2016-2017."*

12. Other Matters

Stockholders may propose to discuss other issues and matters.

13. Adjournment

After all matters in the agenda have been taken up, the Chairman shall entertain a motion to adjourn the meeting.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
[ ] Preliminary Information Statement
[√] Definitive Information Statement

2. Name of Corporation as specified in its charter: **IPM HOLDINGS, INC. (formerly Minerales Industrias Corp.)**

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

4. SEC Identification Number: AS095-008557

5. BIR Tax Identification Code: 004-636-077-000

6. Address of principal office Postal Code: Unit 103, Ground Floor, Prestige Tower Condominium, F. Ortigas Jr. Avenue, Ortigas Center, Pasig City

7. Corporation's telephone number, including area code: **(632)** 897-5257/817-6791

8. Date, time and place of the meeting of security holders:
May 25, 2016, Wednesday
2:30 p.m.
Magellan Room, Discovery Suites
41st Floor, 25 ADB Avenue
Ortigas Center, Pasig City

9. Approximate date on which the Information Statement is first to be sent or given to security holders:
May 3, 2016

10. In case of Proxy Solicitations:
Name of Person Filing the Statement/Solicitor: The Management of the Corporation
Address and Telephone No.: Unit 103, Ground Floor, Prestige Tower Condominium,
F. Ortigas Jr. Avenue, Ortigas Center, Pasig City
Telephone: (632) 897-5257/817-6791

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	690,000,000 shares

12. Are any or all of Corporation's Securities Listed with the Philippine Stock Exchange?
Yes (√) No ( )
If yes, disclose the name of such Stock Exchange and the class of securities therein:
Philippine Stock Exchange - Common Stock

PART I
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting

The enclosed proxy is solicited for and on behalf of the Management of **IPM HOLDINGS, INC. Formerly Minerales Industrias Corporation** (hereinafter called the "Corporation") for use in connection with the annual meeting of the stockholders to be held on May 25, 2016 at 2:30 P.M., at the Magellan Room, Discovery Suites, 41st Floor, 25 ADB Avenue, Ortigas Center, Pasig City.

The date of the meeting was disclosed to the Philippine Stock Exchange ("PSE") on March 30, 2016. The Record Date of the annual meeting of stockholders is on April 15, 2016 ("Record Date").

The information statement and form of proxy will be sent to the stockholders of record as of April 15, 2016 (the "Record Date") on or before May 3, 2016.

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

The complete mailing address of the Corporation is:

Unit 103, Ground Floor, Prestige Tower Condominium, F. Ortigas Jr. Avenue, Ortigas Center, Pasig City

Item 2. Dissenter's Right of Appraisal

The Corporation Code limits the exercise of the appraisal right to the following instances:

a. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of share, or of authorizing preferences in respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence (Section 81);

b. In case of the sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (Section 81);

c. In case of merger or consolidation (Section 81);

d. In case of investments in another corporation, business or purpose (Section 42).

The appraisal right shall be available to any stockholder who voted against the proposed action and any stockholder who wishes to exercise such right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his shares. Upon payment, he must surrender his certificates of stock. No payment shall be made to any dissenting stockholder unless the Corporation has unrestricted retained earnings in its books to cover such payment.

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

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

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders

(a) As of the Record Date which is April 15, 2016, the Corporation has the following outstanding shares:

Common shares (voting) - 690,000,000 shares

As of the March 31, 2016, 682,976,898 common shares of the Corporation are registered under Filipinos and 7,023,102 common shares are registered under foreign ownership.

(b) Only holders of common shares as of the Record Date shall be entitled to vote in the election of directors in the manner provided hereunder. On the approval of the minutes of the previous stockholders' meeting, ratification of all acts of the Board of Directors and officers during the previous year, and appointment of the independent auditor, each share of outstanding common stock is entitled to one vote.

(c) In the election of directors, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of common shares of stock standing in his name at record date. A stockholder entitled to vote may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast by a stockholder shall not be exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the whole number of directors to be elected.

(d) Security Ownership of Certain Record and Beneficial Owners

The following table sets forth as of March 31, 2016, the record and/or beneficial owners of more than 5% of the outstanding common shares of the Corporation and the amount of such record and/or beneficial ownership.

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name and Address of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
Common	IPM Construction and Development Corporation* Unit 804, Ortigas Bldg., Ortigas Ave. cor. Meralco Ave., Ortigas Center, Pasig City Relationship: Majority Stockholder	All the shares of IPM Construction and Development Corporation are directly owned by its shareholders.	Filipino	350,000,000	50.725%
Common	PCD Nominee Corporation Relationship: Stockholder	The beneficial owners of such shares are Philippine Depository & Trust Corporation (PDTC) participants who hold the shares on their behalf or on behalf of their clients	Filipino	209,142,371	30.310%
Common	IPM Environmental Services, Inc. Unit 804, Ortigas Bldg., Ortigas Ave. cor. Meralco Ave., Ortigas	All the shares of IPM Environmental Services, Inc. are directly owned by its shareholders.	Filipino	65,000,000	9.42%

	Center, Pasig City Relationship: Affiliate				
Common	IPM Realty and Development Corporation Northfields Executive Vill., Mc. Arthur Hi-way, Longos, Malolos, Bulacan Relationship: Affiliate	All the shares of IPM Realty and Development Corporation are directly owned by its shareholders.	Filipino	50,000,000	7.246%

* The Corporation has common shareholders with IPM Construction and Development Corporation, IPM Environmental Services, Inc., and IPM Realty and Development Corporation. Ms. Isabelita P. Mercado and Francis Neil P. Mercado are majority shareholders of IPM Construction and Development Corporation, IPM Environmental Services, Inc., and IPM Realty and Development Corporation.

Below is the record owner under PCD account holding more than 5% of the outstanding capital stock of the Corporation:

Title of Class	**Name and Address of Record Owner and Relationship with Issuer**	**Citizenship**	**Number of Shares Held**	**Percent of Class**
Common	Meridian Securities, Inc. Suite 2702 B&C Tektite Tower 1 Ortigas Centre, Pasig City	Filipino	74,624,700	10.82%

The above brokers are only record owners of shares of stock held under the name of PCD Nominee Corp., thus they exercise no voting power over the shares.

As of March 31, 2016, the foreign ownership level of IPM is 7,023,102 shares or equivalent to 1.0178%.

The respective proxies of the above shareholders are appointed by their respective Board of Directors. Identity of the natural persons authorized to vote the shares of above shareholders will be determined upon submission of the proxies on May 15, 2016.

(e) Security Ownership of Management

The table sets forth as of March 31, 2016, the record or beneficial stock ownership of each Director of the Corporation and all Officers and Directors as a group.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Isabelita P. Mercado *Chairman and President*	1,000,000 (Direct) 500,000 (Indirect)	Filipino	0.21739%
Common	Alfredo P. Javellana II *Independent Director*	1,000 (Direct) 179,000 (Indirect)	Filipino	0.02608%
Common	Gener T. Mendoza *Director*	1,855,000 (Indirect)	Filipino	0.26884%
Common	Antonio Victoriano F. Gregorio III *Director*	1,000(Direct)	Filipino	0.00014%
Common	William D. Ty *Independent Director*	2,000,000 (Direct)	Filipino	0.28986%
Common	Francis Neil P. Mercado *Director*	2,000 (Direct)	Filipino	0.00029%
Common	Joseph Quintin Y. Lao *Director*	100,000 (Direct) 2,242,400 (Indirect)	Filipino	0.33948%
Common	Ana Maria A. Katigbak *Corporate Secretary*	0	Filipino	0 %
	T O T A L	**7,880,400**		**1.14209%**

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

(f) Voting Trust Holders of 5% or more

The Corporation is not aware of any person holding more than 5% of the shares of the Corporation under a voting trust or similar agreement which may result in a change in control of the Corporation.

(g) Changes in Control

From May 31, 2015 to date, there has been no change in control of the Corporation. Neither is the Corporation aware of any arrangement, which may result in a change in control of it.

Item 5. Directors and Executive Officers

(a) Incumbent Directors and Executive Officers.

The Corporation's Articles of Incorporation provide for a seven seat Board of Directors. The following is the list of the members of the Board:

Name	Position	Age	Citizenship
Isabelita P. Mercado	Chairman/President	66	Filipino
Alfredo P. Javellana II	Independent Director	70	Filipino
Gener T. Mendoza	Director	58	Filipino
William D. Ty	Independent Director	71	Filipino
Antonio Victoriano F. Gregorio III	Director	42	Filipino
Francis Neil P. Mercado	Director/Treasurer	36	Filipino
Joseph Quintin Y. Lao	Director	33	Filipino

The following is a list of the Corporation's key executive officers as of the date of this report:

Name	Position	Age	Citizenship
Isabelita P. Mercado	President	66	Filipino
Francis Neil P. Mercado	Treasurer	36	Filipino
Ana Maria A. Katigbak	Corporate Secretary	47	Filipino

b. Term of office.

The term of office of the Directors and executive officers is one (1) year from their election as such until their successors are duly elected and qualified. Of the seven members of the Board, Messrs. Gener T. Mendoza, William D. Ty and Ms. Isabelita P. Mercado have been directors of the Corporation since July, 2007. Atty. Antonio F. Gregorio III has been a director since July, 2011, while Mr. Francis P. Mercado and Mr. Joseph Quintin Y. Lao have been directors since May, 2012. Atty. Alfredo P. Javellana II has been a director since July, 2012. As regards the executive officers, Ms. Isabelita P. Mercado has been President since September, 2013, Atty. Maria Ana Katigbak has been Corporate Secretary since July, 2007, and Mr. Francis Neil P. Mercado has been Treasurer since September, 2013.

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

ISABELITA P. MERCADO, 66 years old, for the past five years has been the chair and chief executive officer of IPM Construction and Development Corporation (1991 to present), IPM Environment Services Inc. (2003 to present), IPM Realty & Development Corporation (1991 to present), IPM Trading and Development Corporation (1989 to present) and TRX Global Corporation (2008 to present). She also serves as president of Lee Gardens Property and Development Corporation (1997 to present) and director of several other companies within the IPM Group.

ALFREDO P. JAVELLANA II, 70 years old, is an independent director of USB Securities Phil. Inc. Mr. Javellana earned his Bachelor of Science in Commerce Major in Accounting and Bachelor of Laws from the University of San Agustin, Iloilo City. He was an independent director of UBS Securities Philippines, Inc. from December 16, 2009 to February 10, 2010. For the past five years he was a director of Philippine Savings Bank and Toyota Motor Philippines. Previously, he was the Chief Finance Officer of the Metropolitan Bank & Trust Company, Inc. likewise held several other positions in the same bank prior to his appointment as CFO.

GENER T. MENDOZA, 58 years old, is co-founder and president of GNCA Holdings, Inc. For several years now, he has served as rehabilitation receiver or assignee-in insolvency for various companies. Previously, he was a principal at SyCip Gorres & Co. (1983 to 1991), vice president for corporate finance of Kuok Phil. Properties Inc. (1994 to 1996) and executive vice president of Crown Equities Inc. (1996). Mr. Mendoza earned his MBA from the Harvard Business School and his bachelor of science in management engineering (summa cum laude) from the Ateneo de Manila University.

WILLIAM D. TY, 71 years old, for the past five years has been the chair and president of WAM Realty and Development Corporation (1986-present), WAM Food and Development Corporation (1978-present), Wellington Investment Manufacturing Corporation (2000-present), and Toyota Cubao Inc. (1999-present). Apart from his business affiliations and interests, Mr. Ty also serves as a regular director of Organizational Change Consultants International Inc. (1995-present) and the Alicia Tan Ty Foundation (1994-present).

ANTONIO VICTORIANO F. GREGORIO III, 42 years old**,** Mr. Gregorio graduated with a Juris Doctor from the Ateneo de Manila University Second Honors in 1998 and passed the bar examinations in 1999. He also has a Bachelor of Science Major in Management Engineering and a Bachelor of Arts, Major in Economics-Honors, both from the Ateneo de Manila University, with a standing of magna cum laude. He was valedictorian of his high school class in the Ateneo. Atty. Gregorio is a Partner at Gregorio Law Offices and sits as director and officer of various public and private companies, including Lodestar Investments Holdings Corporation (Corporate Secretary and Assistant Corporate Information Officer, 2008 to present), Abacus Consolidated Resources and Holdings, Inc., AGP Industrial Corporation (Chairman), Active Earnings, Inc. (Corporate Secretary, 2003 to present), Tajima Yakiniku, Inc. (Corporate Secretary, 2005 to present), Tanba Yakiniku, Inc. (Corporate Secretary and Treasurer), Big Herald Link International Corporation (Corporate Secretary and Treasurer, 2004 to present), Pride Development Bank Corporation, among other companies.

FRANCIS-NEIL P. MERCADO, 36 years old, graduated with a Bachelor of Science degree in Economics and Finance from Southern New Hampshire University, Manchester, New England, USA in 2003. He also completed his Bachelor of Science in Economics from Nottingham University, United Kingdom in 2001 and Foundation Levels from Bellerby's College, Cambridge, United Kingdom. He sits as director and/or officer of various companies' including Metro Luxury Mining Corp. (2009 to present), Zinith Mines Inc. (2009-present), IPM Construction and Development Corp. (2007-present), IPM Realty and Development Corp. (2007-present) and IPM Trading and Development Corp. (2007-present).

JOSEPH QUINTIN Y. LAO, 33 years old, is a graduate of B.S. Commerce major in Computer Information Systems and Management from the Asia Pacific College, and B.S. International

Hospitality Management with specialization in Culinary Arts from the Enderun Colleges + Alain Ducasse Formation, 1100 Campus Avenue McKinley Hill, Fort Bonifacio, Taguig. From 2004 to present, he has been the General Manager of Golden Kitchen Food Corporation. He is also the proprietor of JYL's Café located at Oriental Garden's Makati, Chino Roces, Makati City. For the past five years, he has also been the Corporate Secretary of Splendor Fortune Corporation and Splendor Realty Corporation (2007-present).

ANA MARIA A. KATIGBAK, 47 years old, is a member of the Integrated Bar of the Philippines and a graduate of Bachelor of Laws at the University of the Philippines. She is a Partner at the Castillo Laman Tan Pantaleon & San Jose Law Offices. Within the past five years, she has served as director and assistant corporate secretary in EDC, Marcventures Holdings, Inc., Premiere Entertainment Philippines and Solid Group, Inc.

The following incumbent directors are being nominated for election:

<u>For Regular Directors:</u>

Isabelita P. Mercado
Gener T. Mendoza
Antonio Victoriano F. Gregorio III
Francis Neil P. Mercado

<u>For Independent Directors:</u>

Alfredo P. Javellana II

The following candidates are being nominated for the first time:

RHODORA G. UY, is being nominated for the first time as a regular director of IPM Holdings, Inc. She is Filipino and 65 years old. She was nominated by Mr. Celerino Paredes (no relationship).

Ms. Uy graduated as Summa Cum Laude with a Bachelor of Science in Commerce Major in Accounting degree and as Magna Cum Laude with a Bachelor of Arts degree in the University of Sto. Tomas. She also completed the Get on Board Governance Education Program, Advanced Level at the Canadian Board Diversity Council; the Executive MBA at the National University of Singapore; and the Global Professional Master of Laws at the University of Toronto. Being a seasoned investment and corporate professional, she has worked as the Senior Finance Officer, Manila Regional Office of the International Finance Corporation (IFC), World Bank Group and was the Country Head for Philippines and the Investment Director for Asia Group of Commonwealth Development Corporation, CDC Capital Partners. She was also the Managing Director of Newcrest Trading Limited, a special purpose vehicle owned by foreign shareholders in the British Virgin Islands. Currently, she sits as director of THR Hospitality Group LLC (California); Bumble Bee Preschool and Day Care Center Inc. (Philippines); JRL Go Children's Memorial Library (Philippines); and several asset/property holding companies, including Irvine Avenue LLC (U.S.), Providence Group LLC (U.S.), Fordham Properties Corporation (Philippines), and Newcrest Properties Corporation (Philippines).

DAVID Y. KHO is being nominated for the first time as an independent director of IPM Holdings, Inc. He is Filipino and 68 years old. He was nominated by Mr. Patrick Louie Mercado (no relationship).

Atty. Kho has been a legal and business practitioner since graduating from college. He finished his Business Administration degree, major in Banking and Finance, at the University of the Philippines-Diliman. He later earned his Bachelor of Laws degree also from U.P. Atty. Kho was a member of the 15th Congress of the Philippines where he served as Vice chairman of two committees and member of ten others. He ended his term with a perfect attendance. David is an incumbent Trustee of the Kapihan sa Klub Filipino, past president of the Rotary club of Sto. Domingo, Quezon City, former Vice-President and Director of the Quezon City Sports Club, Inc., past Director and legal counsel of the Philippine Chamber of Commerce & Industry, Quezon City chapter, Lifetime member of U.P. Pan Xenia Fraternity, U.P. Law Alumni Assn., Integrated Bar, Charter President of the U.P. Junior Finance Assn. He is an author and publisher as well as a topnotcher of the Real Estate Brokers Exam.

(d) Independent Directors

Messrs. Alfredo P. Javellana II and William D. Ty are currently the Corporation's Independent Directors. Attached hereto as Annex "A" are the Certifications issued by Messrs. Javellana and Ty of their qualification to act as Independent Directors. Mr. William D. Ty and Mr. Alfredo P. Javellana II's tenures as Independent Directors are still within the initial service period of five (5) years under SEC Memorandum Circular No. 9, Series of 2011.

Under its By-Laws, the Corporation is required to have at least two (2) Independent Directors or such number of Independent Directors as shall be required under the applicable rules and regulations of the Securities and Exchange Commission.

In compliance with the Revised Code of Corporate Governance (SEC Memorandum Circular No. 6, Series of 2009) and SRC Rule 38, which provides for the guidelines on the nomination and election of independent directors, the Nomination Committee was tasked among others, to accept and to pre-screen nominees for election as independent directors conformably with the criteria prescribed in the said SEC Memo Circular/SRC Rule 38 and the Corporation's Revised Code of Corporate Governance.

The Corporation's Nomination and Compensation Committee is composed of the following:

Chairman:	Gener T. Mendoza
Members:	Antonio Victoriano F. Gregorio III
	Joseph Quintin Y. Lao
	William D. Ty (Independent Director)

ALFREDO P. JAVELLANA II is being nominated by Ms. Jocelyn Kho (no relationship) as an independent director of IPM Holdings, Inc.

DAVID Y. KHO is being nominated for the first time as an independent director of IPM Holdings, Inc. He is Filipino and 68 years old. He was nominated by Mr. Patrick Louie Mercado (no relationship).

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

Antonio Victoriano F. Gregorio III	Chairman and Director of Nihao Mineral Resources Int'l. Inc., Asiabest Group International Inc. and Lodestar Investments Holdings Corporation, Director of Abacus Consolidated Resources and Holdings, Inc. and Dizon Copper-Silver Mines.
Ana Maria A. Katigbak	Director of Mabuhay Holdings, Inc.

(f) Family Relationship

Ms. Isabelita P. Mercado is the mother of Mr. Francis Neil P. Mercado. Apart from the foregoing, there are no other family relationships, either by consanguinity or affinity, among the directors and executive officers of the Corporation.

(g) Resignation/Re-election

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

(h) Involvement in Legal Proceedings

To the best of the Corporation's knowledge, there has been no occurrence during the past five (5) years up to the present date of this Information Statement of any of the following events that are material to an evaluation of the ability and integrity of any director, executive officer, or controlling person of the Corporation:

- Any bankruptcy petition filed by or against any business of which the person was a general partner or executive officer, either at the time of the bankruptcy or within 2 years prior to that time;
- Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, traffic violations and other minor offenses;
- Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

- Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

Similarly, to the best of the Corporation's knowledge, there are no material pending legal proceedings to which the Corporation or any of its subsidiaries or affiliates is a party.

(i) Significant employees

There are no employees identified for disclosure to which the operational decisions and strategies of the Corporation are entirely dependent on.

(j) Certain Relationships and Related Transactions

Consistent with Note 15 of the Corporation's audited consolidated financial statements for 2015, provided below is a summary of transactions entered into with related parties:

- BEST provides composting of waste materials services to IPMCDC and charges tipping fees, and composting and waste processing fees based on the cubic meters of waste processed for the period. In 2015, 2014 and 2013, BEST charged IPMCDC for transportation and heavy equipment rental fees. In July 2015, BEST entered into a consultancy agreement with IPMCDC for the monitoring of efficiency of the latter's operation and compliance with rules and regulations on IPMCDC's contract with several local municipalities. The income payment is based on a fixed amount specified in the consultancy agreement.
- BEST has an existing contract with IPMESI for the operation and maintenance of an Integrated Solid Waste Management Facility for a fixed monthly fee of Php15.58 million. In 2015, 2014 and 2013, BEST charged IPMESI for the rental of transportation and heavy equipment.
- Starting January 2013, BEST leases part of its office space to IPMRDC for a monthly rental fee of Php0.12 million. No rental income was recognized in 2015 since BEST's lease agreement with related parties was terminated in December 2014 (see Note 21).
- BEST provided advances to ERC in line with its start-up operations. The advances are non-interest-bearing and payable on demand.
- IPMCDC and IPMRDC charges BEST for the rental of equipment, subcontracted services, salaries and wages, fuel and oil and repairs and maintenance expenses incurred in line with the operations of BEST.
- Due to IPMCDC and IPMESI are for various reimbursable expenses advanced by the related parties on behalf of BEST. These advances are non-interest bearing and are due on demand.
- On December 28, 2012, BEST obtained advances from IPMCDC amounting toPhp100.00 million for working capital requirements. These advances are non-interest bearing and are due on demand. In 2014, BEST fully paid the advances from IPMCDC.
- The Parent Company entered into an agreement with GNCA, an entity controlled by one of the Parent Company's director, for the sharing of common costs incurred on the

leased office space of the Parent Company. The agreement provides that Parent Company shall pay fixed monthly utility charges of Php15,000 in 2015, 2014 and 2013, in lieu of its proportionate share in monthly rentals on the leased premises.

- In 2013, the BOD of the Parent Company approved the grant of per diem to members of the BOD for every attendance in the regular meetings of the BOD. Total per diem paid to the directors amounted to Php0.32 million, Php0.24 million, and Php0.22 million in 2015, 2014 and 2013, respectively (see Note 17 of the Corporation's audited and consolidated financial statements).
- In 2014, the Group granted one-year loans to ERC amounting to Php19.00 million with 3.8640% interest rate which will be due on November 1, 2015 and Php12.00 million with 3.718% interest which will be due on July 31, 2015. These loans remained outstanding at year end and accrued interest receivable amounted to ₱1.49 million and ₱0.31 million as of December 31, 2015 and 2014, respectively.

Item 6. Compensation of Directors and Executive Officers

The following is a summary of the aggregate compensation paid or accrued during the last two fiscal years (2015 and 2014) and estimated for the ensuing fiscal year (2016), to the Corporation's Chairman and President, and other most highly compensated executive officers who are individually named, and to all other officers and directors of the Corporation as a group:

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Isabelita P. Mercado	2016 - Jan to Dec. 31 (Est.)	NIL	NIL	NIL
Chairman and President	2015 - Jan to Dec 31	NIL	NIL	NIL
	2014 - Jan to Dec 31	NIL	NIL	NIL
		NIL	NIL	NIL
Alfredo P. Javellana II	2016 - Jan to Dec. 31 (Est.)	NIL	NIL	NIL
Independent Director	2015 - Jan to Dec 31	NIL	NIL	NIL
	2014 - Jan to Dec 31	NIL	NIL	NIL
		NIL	NIL	NIL
Gener T. Mendoza	2016 - Jan to Dec. 31 (Est.)	NIL	NIL	NIL
Director	2015 - Jan to Dec 31	NIL	NIL	NIL
	2014 - Jan to Dec 31	NIL	NIL	NIL
		NIL	NIL	NIL
William D. Ty	2016 - Jan to Dec. 31 (Est.)	NIL	NIL	NIL
Independent Director	2015 - Jan to Dec 31	NIL	NIL	NIL
	2014 - Jan to Dec 31	NIL	NIL	NIL
		NIL	NIL	NIL
Antonio Victoriano F. Gregorio III	2016 - Jan to Dec. 31 (Est.)	NIL	NIL	NIL
Director	2015 - Jan to Dec 31	NIL	NIL	NIL
	2014 - Jan to Dec 31	NIL	NIL	NIL
Francis Neil P. Mercado	2016 - Jan to Dec. 31 (Est.)	NIL	NIL	NIL
Director and Treasurer	2015 - Jan to Dec 31	NIL	NIL	NIL
	2014 - Jan to Dec 31	NIL	NIL	NIL

Joseph Quintin Y. Lao *Director*	2016 - Jan to Dec. 31 (Est.) 2015 - Jan to Dec 31 2014 - Jan to Dec 31	NIL NIL NIL	NIL NIL NIL	NIL NIL NIL
Ana Maria A. Katigbak *Corporate Secretary*	2016 - Jan to Dec. 31 (Est.) 2015 - Jan to Dec 31 2014 - Jan to Dec 31	NIL NIL NIL	NIL NIL NIL	NIL NIL NIL
TOTAL OF THE GROUP	2016 (Est.) 2015 2014	NIL NIL NIL		

In May 23, 2012, the Board of Directors approved the grant of per diem to members of the Board of Directors, for every attendance at regular meetings of the board. The *per diem* are as follows: (i) Chairman of the Board Php20,000.00, (ii) Regular Directors Php10,000.00, and (iii) Independent Directors Php10,000.00.

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

As of date, none of the Corporation's common shares are subject to outstanding options or warrants to purchase, or securities convertible into common shares of the Corporation.

Item 7. Independent Public Accountant

(a) The auditing firm of SyCip Gorres Velayo & Co. will be recommended to the stockholders for appointment as the Corporation's principal accountant for the ensuing fiscal year. Conformably with SRC Rule 68(3) (b) (iv), the Corporation's independent public accountant shall be rotated, or the handling partner shall be changed, every 5 years. A two-year cooling off period shall be observed in the re-engagement of the same signing partner or individual auditor.

(b) Ms. Jennifer D. Ticlao, audit partner of SyCip Gorres Velayo & Co. is the principal accountant of the Corporation for the fiscal year most recently completed (December 31, 2015).

(c) Representatives of SyCip Gorres Velayo & Co are expected to be present at the May 25, 2016 stockholders' meeting. They will have the opportunity to make a statement if they desire to do so and they are expected to be available to respond to appropriate questions.

(d) SyCip Gorres Velayo & Co has no shareholdings in the Corporation nor does it have any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Corporation. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines.

(e) There are no disagreements on any matter of accounting principle or practices, financial statement disclosures, etc., between SyCip Gorres Velayo & Co and the Corporation.

(f) The Corporation's Audit Committee is composed of the following:

Chairman:	Alfredo P. Javellana II (Independent Director)
Members:	William D. Ty (Independent Director)
	Francis Neil P. Mercado

Item 8. Compensation Plan

There are no items to be taken up with respect to compensation plans.

C. <u>ISSUANCE AND EXCHANGE OF SECURITIES</u>

Item 9. Authorization or Issuance of Securities Other than for Exchange

There are no items to be taken up with respect to authorization or issuance of securities.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up with respect to the modification or exchange of the Corporation's securities.

Item 11. Mergers, Consolidations, Acquisitions and Similar Matters

There is no action to be taken with respect to any merger, consolidation or acquisition.

Item 12. Acquisition or Disposition of Property

There is no action to be taken with respect to any acquisition or disposition of property.

Item 13. Restatement of Accounts

There is no action to be taken with respect to the restatement of any asset, capital, or surplus account of the Corporation.

D. <u>OTHER MATTERS</u>

Item 15. Action with respect to Reports

Summary of Items to be Submitted for Stockholders' Approval

(1) ***Approval of the Minutes of the Annual Stockholders' Meeting held on May 27, 2015***

The minutes of the annual stockholders' meeting held on May 27, 2015 will be submitted for the approval of the stockholders at the annual meeting to be held on May 25, 2016.

Below is a summary of the items and/or resolutions approved at the annual stockholders' meeting held on May 27, 2015:

(a) The Chairman of the Board of Directors of the Corporation called the meeting to order. The Secretary of the meeting certified that a quorum existed for the transaction of business.

(b) The stockholders approved the minutes of the annual stockholders' meeting held on July 9, 2014.

(c) The Chairman delivered his message.

(d) The President of the Corporation presented the management report.

(e) Upon motion duly made and seconded, the stockholders ratified the acts of the officers and the Board of Directors of the Corporation performed or undertaken in the year 2014 to 2015.

(f) Upon motion duly made and seconded, the stockholders approved the delegation of authority to appoint Independent Auditors for the year 2015.

(g) The following were elected as directors of the Corporation for the year 2014-2015, to serve as such until their successors shall have been elected and qualified:

<u>For Regular Directors</u>:

Isabelita P. Mercado
Gener T. Mendoza
Antonio Victoriano F. Gregorio III
Francis Neil P. Mercado
Joseph Quintin Y. Lao

<u>For Independent Directors</u>:

William D. Ty
Alfredo P. Javellana II

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

(2) Approval of the Minutes of the Special Stockholders' Meeting held on October 21, 2015

The minutes of the special stockholders' meeting held on October 21, 2015 will be submitted for the approval of the stockholders at the annual meeting to be held on May 25, 2016.

Below is a summary of the items and/or resolutions approved at the special stockholders' meeting held on October 21, 2015:

(a) The Chairman of the Board of Directors of the Corporation called the meeting to order. The Secretary of the meeting certified that notice has been sent to the stockholders and that a quorum existed for the transaction of business.

(b) Upon motion made and duly seconded, the stockholders approved the amendment of the First Article of the Articles of Incorporation to change the name of the Corporation from "Minerales Industrias Corporation" to IPM Holdings, Inc."

(c) Atty. Dwight Ramos, the Senior Vice President of Basic Environmental Systems and Technologies, Inc. ("BEST"), delivered the Business and Waste Industries Report.

(d) There being no other matters to transact, upon motion duly made and seconded, the annual stockholders' meeting was adjourned.

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

Resolutions, contracts, and acts of the board of directors and management for ratification refer to those passed or undertaken by them during the year and for the day to day operations of the Corporation as contained or reflected in the minute books, annual report and financial statements. These acts are covered by resolutions of the Board of Directors duly adopted in the normal course of trade or business, including engagement of consultants, approval of financial statements, designation of authorized bank signatories, and election of the officers and members of the various Board committees. Among the acts of the board of directors and officers of the Corporation that are to be ratified by the stockholders are the acts of the President and/or the Corporate Secretary performed to comply with the requirements of the SEC and the PSE to change the name of the Corporation to "IPM HOLDNGS, INC." and the trading symbol of the Corporation on the PSE to "IPM."

(4) Appointment of Independent Auditor

The auditing firm of Sycip Gorres Velayo & Co. will be recommended to the stockholders for appointment as the Corporation's principal accountant for the ensuing fiscal year.

Item 16. Matters Not Required to be Submitted

No action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17. Amendment of Charter, By-laws or Other Documents

There is a proposal by Management to amend the Articles of Incorporation of the Corporation (1) to include under the Purpose Clause of the Corporation's Articles of Incorporation, the authority to issue sureties and guarantees and (2) to increase the Corporation's authorized capital stock of up to Php7.5 Billion, consisting of common and/or preferred shares as may be determined by the Board of Directors. These proposals shall be tackled at the meeting and submitted for stockholders' approval.

The proposed amendment to the Purpose Clause under Article 2 of the Corporation's Articles of Incorporation to include the authority to issue corporate guarantees and sureties is necessary to the business of the Corporation. As a condition to any loans or borrowings by its Parent Company, affiliates, subsidiaries and other related companies, there is usually a requirement to issue a guaranty or surety in favor of the lender. Such loans or borrowings are necessary for the Corporation's operations and anticipated expansion.

In relation to anticipated transactions and expansion of operations, there is also a proposal in increase the Corporation's authorized capital stock of up to Php7.5 Billion consisting of common and/or preferred shares, as may be determined by the Board of Directors, thereby amending Article 2 of the Corporation's Articles of Incorporation. Such increase in the Corporation's capital stock is necessary as the proceeds of which will be used for the expansion of the Corporation's business.

Further, the proposal by Management to amend the By-Laws of the Corporation to create the office of the Chief Executive Officer ("CEO") and Chief Operating Officer ("COO") will also be tackled at the meeting and submitted for stockholders' approval. The CEO, whose position shall be attached to the office of the Chairman, shall have general supervision over the business and affairs, and the properties of the Corporation. He shall also perform such duties and responsibilities that shall be assigned to him by the Board Directors from time to time. The COO, whose position shall be attached to the office of the President, shall be responsible for managing the Corporation's day-to-day operations and shall also perform such duties and responsibilities that shall be assigned to him by the Board Directors from time to time. The creation of said positions is intended to further streamline the functions of the officers of the Corporation.

Furthermore, the proposal by Management to delegate to the Board of Directors the authority to Amend the By-Laws of the Corporation will be discussed at the meeting at submitted for stockholders' approval. This proposal is necessary to ensure ease of business and to better facilitate the Corporation's day-to-day operations.

Item 18. Summary of Voting Matters/Voting Procedures

(a) Summary of Matters to be presented to the Stockholders

(1) Approval/ratification of the minutes of the annual meeting of stockholders held on May 27, 2015. Approval of said minutes shall constitute confirmation of all the matters stated in the minutes.

(2) Approval/ratification of the minutes of the special meeting of stockholders held on October 21, 2015. Approval of said minutes shall constitute confirmation of all the matters stated in the minutes.

(3) Resolutions, contracts, and acts of the board of directors and management for ratification refer to those passed or undertaken by them during the year and for the day to day operations of the Corporation as contained or reflected in the minute books, annual report and financial statements. These acts are covered by resolutions of the Board of Directors duly adopted in the normal course of trade or business involving treasury matters, engagement of consultants, approval of financial statements, designation of authorized bank signatories, and election of the officers and members of the various Board committees.

(4) Approval of the Increase in the Corporation's Authorized Capital Stock of Up to Php7.5 Billion Consisting of Common and/or Preferred Shares as may be Determined by the Board of Directors.

(5) Approval of the Amendment of the Articles of Incorporation to Include in the Purpose Clause the Authority to Issue Guarantees and Sureties.

(6) Approval of the Amendment of the By-Laws to Create the Office of the Chief Executive Officer and the Office of the Chief Operating Officer

(7) Delegation to the Board of Directors of the Authority to Amend the By-Laws.

(8) Selection of Sycip Gorres Velayo & Co. as independent auditors.

(9) Election of Directors

Election of a Board of seven (7) directors, consisting of five (5) regular directors and two (2) independent directors, each of whom will hold office until the next annual meeting of stockholders and until his or her successor is elected and qualified. The nominees for directors are:

For Regular Directors:

ISABELITA P. MERCADO
ANTONIO VICTORIANO F. GREGORIO III
GENER T. MENDOZA
FRANCIS-NEIL P. MERCADO
RHODORA G. UY

For Independent Directors:

ALFREDO P. JAVELLANA II
DAVID L. KHO

The nominees for Independent Directors[1] of the Corporation for the Annual Stockholders' Meeting of May 25, 2016 within the purview of SRC Rule 38 are Atty. Alfredo P. Javellana II and Atty. David L. Kho. Except for Ms. Rhodora G. Uy and Mr. David L. Kho, all of the above nominees are currently directors of the Corporation.

(b) Voting Procedures

(1) Approval/ratification of the minutes of the annual stockholders' meeting held on May 25, 2015.

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

(B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

(2) Approval/ratification of the minutes of the special stockholders' meeting held on October 21, 2015.

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

(B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

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

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

(B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

(4) Approval of the Amendment of the Articles of Incorporation to Increase of the Corporation's Authorized Capital Stock of up to Php7.5 Billion Consisting of Common and/or Preferred Shares as may be Determined by the Board of Directors.

---

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

(A) Vote required: A vote of at least two thirds (2/3) of the outstanding common stock present in person or by proxy, provided constituting a quorum.

(B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

(5) Approval of the Amendment of the Articles of Incorporation to Include in the Purpose Clause the Authority to Issue Sureties and Guarantees.

(A) Vote required: A vote of at least two thirds (2/3) of the outstanding common stock present in person or by proxy, provided constituting a quorum.

(B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

(6) Approval of the Amendment of the By-Laws to Create the Office of the Chief Executive Officer and Chief Operating Officer

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

(B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

(7) Delegation to the Board of Directors of the Authority to Amend the By-Laws:

(A) Vote required: A vote of at least two thirds (2/3) of the outstanding common stock present in person or by proxy, provided constituting a quorum.

(B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

(8) Appointment of Independent External Auditors

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

(B) Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

(9) Election of Directors

(A) Vote required: The seven (7) candidates receiving the highest number of votes shall be declared elected, provided that at least two (2) must be independent directors.

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

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

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

PART II
INFORMATION REQUIRED IN A PROXY FORM

Item 1. Identification

This proxy is being solicited for and on behalf of the Management of the Corporation. The President of the Corporation will vote the proxies at the annual stockholders' meeting to be held on May 25, 2016.

Item 2. Instruction

(a) The proxy must be duly accomplished by the stockholder of record as of Record Date. A proxy executed by a corporation shall be in the form of a board resolution duly certified by the Corporate Secretary or in a proxy form executed by a duly authorized corporate officer accompanied by a Corporate Secretary's Certificate quoting the board resolution authorizing the said corporate officer to execute the said proxy.

(b) Duly accomplished proxies shall be submitted to the Corporate Secretary of the Corporation not later than May 15, 2016 (not less than 10 calendar days prior to the date of the stockholders' meeting) at the following address:

The Corporate Secretary
IPM Holdings, Inc.
Unit 103, Ground Floor, Prestige Tower Condominium,
F. Ortigas Jr. Avenue, Ortigas Center, Pasig City

(c) In case of shares of stock owned jointly by two or more persons, the consent of all co-owners must be necessary for the execution of the proxy. For persons owning shares in an "and/or" capacity, any one of them may execute the proxy.

(d) Validation of proxies will be held by the Corporate Secretary and/or Stock Transfer Agent on May 20, 2016 at 10:00 a.m. at the principal office of the Corporation at Unit 103, Ground Floor, Prestige Tower Condominium, F. Ortigas Jr. Avenue, Ortigas Center, Pasig City.

(e) Unless otherwise indicated by the stockholder, a stockholder shall be deemed to have designated the President of the Corporation, as his proxy for the annual stockholders meeting to be held on May 25, 2016.

(f) If the number of shares of stock is left in blank, the proxy shall be deemed to have been issued for all of the stockholder's shares of stock in the Corporation as of Record Date.

(g) The manner in which this proxy shall be accomplished, as well as the validation hereof shall be governed by the provisions of SRC Rule 20.

(h) The stockholder executing the proxy shall indicate the manner by which he wishes the proxy to vote on any of the matters in (1) to (8) below by checking the appropriate box. Where the boxes (or any of them) are unchecked, the stockholder executing the proxy is deemed to have authorized the proxy to vote for the matter. **(Note: If you intend to submit a proxy, please fill up and submit the enclosed proxy instrument, not the following Item 2(h).)**

1. ***Approval of the minutes of the annual and special meetings of stockholders held on May 27, 2015 and October 21, 2015, respectively***

   [ ] FOR [ ] AGAINST [ ] ABSTAIN

2. ***Ratification of all acts and resolutions of the Board of Directors, officers and management of the Corporation from the last fiscal year to date.***

   [ ] FOR [ ] AGAINST [ ] ABSTAIN

3. ***Increase in Authorized Capital Stock of Up to Php7.5 Billion Consisting of Common and/or Preferred Shares as may be Determined by the Board of Directors***

[ ] FOR [ ] AGAINST [ ] ABSTAIN

4. ***Amendment of the Articles of Incorporation to Include in the Purpose Clause the Authority to Issue Sureties and Guarantees***

[ ] FOR [ ] AGAINST [ ] ABSTAIN

5. ***Amendment of By-laws to create the office of the Chief Executive Officer and Chief Operating Officer***

[ ] FOR [ ] AGAINST [ ] ABSTAIN

6. ***Delegation to the Board of Directors of the Authority to Amend the By-laws***

[ ] FOR [ ] AGAINST [ ] ABSTAIN

7. ***Approval of the Selection of Sycip Gorres Velayo & Co. as External Auditor***

[ ] FOR [ ] AGAINST [ ] ABSTAIN

8. ***Election of Directors***[2]

( ) for all nominees listed below (except as marked to the contrary below).
( ) withhold authority to vote for all nominees listed below.
( ) strike the box opposite the name of each nominee to indicate that authority to vote for such nominee is withheld.

Security holder may strike a line through the nominee's name in the list below to withhold authority to vote for any individual nominee.

Nominees

For Regular Directors:

[ ] GENER T. MENDOZA
[ ] ISABELITA P. MERCADO
[ ] ANTONIO VICTORIANO F. GREGORIO III
[ ] FRANCIS-NEIL P. MERCADO
[ ] RHODORA G. UY

For Independent Directors:

[ ] ALFREDO P. JAVELLANA II
[ ] DAVID L. KHO

[2] Cumulative method of voting under Section 24 of the Corporation Code of the Philippines is allowed.

Item 3. Revocability of Proxy

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

Item 4. Persons Making the Solicitation

The solicitation is made by the Management of the Corporation. No director of the Corporation has informed the Corporation in writing that he intends to oppose an action intended to be taken up by the Management of the Corporation at the annual meeting. Solicitation of proxies shall be made through the use of mail or personal delivery by its regular employees. The Corporation shall not engage the services of special employees or proxy solicitors in the proxy solicitation. The Corporation will shoulder the cost of solicitation, which is estimated to be ₱10,000.00.

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

No director, officer, nominee, or associate of any of the foregoing, has any substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon at the annual stockholders' meeting to be held on May 25, 2016 except as otherwise disclosed in this report.

PART III

SIGNATURE

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

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

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

ALL REQUESTS MAY BE SENT TO THE FOLLOWING:

IPM Holdings, Inc.
Unit 103, Ground Floor, Prestige Tower Condominium,
F. Ortigas Jr. Avenue, Ortigas Center, Pasig City

Attention: The Corporate Secretary

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati, April 29, 2016.

IPM HOLDINGS, INC.

By: akatigbak

Ana Maria A. Katigbak
Corporate Secretary

CERTIFICATION

I, **ANA MARIA A. KATIGBAK**, of legal age, with address at Unit 103, Ground Floor, Prestige Tower Condominium, F. Ortigas Jr. Avenue, Ortigas Center, Pasig City, being the duly elected Corporate Secretary of IPM Holdings, Inc. (the "Company"), a corporation organized and existing under Philippine laws with principal office and place of business located at Unit 103, Ground Floor, Prestige Tower Condominium, F. Ortigas Jr. Avenue, Ortigas Center, Pasig City , hereby certify that as of the date of this Certification, none of the directors or officers of the Company are employed by or connected with any government agencies or its instrumentalities.

IN WITNESS WHEREOF, I have hereunto signed this Certificate this APR 2 9 2016 day of April 2016 at Makati City.

ANA MARIA A. KATIGBAK
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 2 9 2016 at Makati City by affiant whose identity I have confirmed through her Passport No. EB6978724 issued on December 20, 2012 in Manila, bearing the affiant's photograph and signature, and who showed to me her Community Tax Certificate No. 05125622 issued at Makati City on February 4, 2016.

Doc. No. 448
Page No. 91
Book No. II
Series of 2016.

MA. FELORA A. MANGAWANG
NOTARY PUBLIC
ROLL NO. 64804
MAKATI CITY, PHILS.

MA. FELORA A. MANGAWANG
Appointment No. M-458
Notary Public - City of Makati
Until 31 December 2016
Castillo Laman Tan Pantaleon
& San Jose Law Firm
The Valero Tower, 122 Valero Street
Salcedo Village, Makati City
PTR No. 5321582;01-04-2016;Makati City
IBP No. 013749;Makati/Lifetime
Roll No. 64804

ANNEX A

FINAL LIST OF CANDIDATES FOR INDEPENDENT DIRECTORS

ALFREDO P. JAVELLANA II, 70 years old, is an independent director of USB Securities Phil. Inc. Mr. Javellana earned his Bachelor of Science in Commerce Major in Accounting and Bachelor of Laws from the University of San Agustin, Iloilo City. He was an independent director of UBS Securities Philippines, Inc. from December 16, 2009 to February 10, 2010. For the past five years he was a director of Philippine Savings Bank and Toyota Motor Philippines. Previously, he was the Chief Finance Officer of the Metropolitan Bank & Trust Company, Inc. likewise held several other positions in the same bank prior to his appointment as CFO.

DAVID L. KHO, 68 years old, has been a legal and business practitioner since graduating from college. He finished his Business Administration degree, major in Banking and Finance, at the University of the Philippines-Diliman. He later earned his Bachelor of Laws degree also from U.P. Atty. Kho was a member of the 15th Congress of the Philippines where he served as Vice chairman of two committees and member of ten others. He ended his term with a perfect attendance. David is an incumbent Trustee of the Kapihan sa Klub Filipino, past president of the Rotary club of Sto. Domingo, Quezon City, former Vice-President and Director of the Quezon City Sports Club, Inc., past Director and legal counsel of the Philippine Chamber of Commerce & Industry, Quezon City chapter, Lifetime member of U.P. Pan Xenia Fraternity, U.P. Law Alumni Assn., Integrated Bar, Charter President of the U.P. Junior Finance Assn. He is an author and publisher as well as a topnotcher of the Real Estate Brokers Exam.

ANNEX A-1

Business Experience of Ms. Rhodora G. Uy

RHODORA G. UY, is being nominated for the first time as a regular director of IPM Holdings, Inc. She is Filipino and 65 years old.

Ms. Uy graduated as Summa Cum Laude with a Bachelor of Science in Commerce Major in Accounting degree and as Magna Cum Laude with a Bachelor of Arts degree in the University of Sto. Tomas. She also completed the Get on Board Governance Education Program, Advanced Level at the Canadian Board Diversity Council; the Executive MBA at the National University of Singapore; and the Global Professional Master of Laws at the University of Toronto. Being a seasoned investment and corporate professional, she has worked as the Senior Finance Officer, Manila Regional Office of the International Finance Corporation (IFC), World Bank Group and was the Country Head for Philippines and the Investment Director for Asia Group of Commonwealth Development Corporation, CDC Capital Partners. She was also the Managing Director of Newcrest Trading Limited, a special purpose vehicle owned by foreign shareholders in the British Virgin Islands. Currently, she sits as director of THR Hospitality Group LLC (California); Bumble Bee Preschool and Day Care Center Inc. (Philippines); JRL Go Children’s Memorial Library (Philippines); and several asset/property holding companies, including Irvine Avenue LLC (U.S.), Providence Group LLC (U.S.), Fordham Properties Corporation (Philippines), and Newcrest Properties Corporation (Philippines).

ANNEX "B"

IPM HOLDINGS, INC.
(Formerly Minerales Industrias Corporation)
MANAGEMENT REPORT

Pursuant to SRC Rule 20 (4)

I. INCORPORATED HEREIN ARE THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF IPM HOLDINGS. INC. (FORMERLY MINERALES INDUSTRIAS CORPORATION)AND SUBSIDIARY FOR THE YEAR ENDED DECEMBER 31, 2015 WITH THE CORRESPONDING STATEMENT OF MANAGEMENT RESPONSIBILITYAND THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2016.

II. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no changes in and disagreements with accountants on accounting and financial disclosure.

III. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

PLAN OF OPERATIONS

The Company's controlling stake in Basic Environmental Systems Technologies, Inc. (BEST) continues to provide a steady stream of revenues and income. In the next several years, the Company intends to focus on growing BEST through the expansion of its municipal solid waste contracting business and establishment of additional facilities for the processing and conversion of solid waste into alternative fuel for the cement and power generation industries. BEST is also targeting to tap the specialized waste handling and disposal requirements of the various industrial zones located all over the country.

The Company also intends to venture in developing BEST's business in other branches of waste management, including the following:

- Bio medical waste treatment
- Hazardous waste management
- Construction and demolition waste management
- Commercial and industrial waste management
- Providing consultancy and monitoring services to waste collection systems to comply with Republic Act No. 9003 and professionalize the industry.

On July 22, 2015 and October 21, 2015, the Board of Directors and stockholders, respectively approved the amendment of the Articles of Incorporation in order to (a) change the corporate name of the Parent Company from Minerales Industrias Corporation to IPM Holdings, Inc., (b) change its ticker symbol from "MIC" to "IPM". The SEC approved the amended Articles of Incorporation on November 25, 2015. With the advent of climate change and a growing environmental consciousness, the move was also seen as a major step towards opening the publicly-listed company to strategic partners who believe that, indeed, there is money in trash.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis of the Company and subsidiary (the "Company") financial position and results of operations should be read in conjunction with the attached consolidated financial statements of the Company and its subsidiary as of December 31, 2015 and the interim consolidated financial statements as of March 31, 2016.

First Quarter Ended March 31, 2016 Compared to First Quarter Ended March 31, 2015

Income

Total consolidated income for the quarter ending March 31, 2016 amounted to Php91.57 million, 39.56% higher than the Php65.61million posted in the same period of 2015. This is broken down as follows: Php70.13 million from service income; Php21.13 million from rental income and Php0.31 million from interest income.

Expenses

Cost of services for the first quarter of 2016 amounted to Php39.70 million, a slight increase of Php1.58 million or 4.16% from the Php38.12 million reported in the same period of 2015. This is mainly due to the increase in expenses for rental of trucks and equipments from a related party.

General and administrative expenses rose by 36.37%, from Php8.83 million in 2015 to Php12.05 million in the 2016.

Net Income

The first three months of 2016 resulted to a net income after tax of Php25.29 million, higher by Php14.74 million or 139.66% than the Php10.55 million reported in 2015. This is largely due to the increase in revenues from consultancy and field services.

Financial Position as of March 31, 2016 Compared to Financial Position as of December 31, 2015

Statements of financial position data	31-Mar-16	31-Dec-15	% Inc/(Dec)
Total Current Assets	736,600,558	692,749,113	6.33%
Total Assets	1,115,483,449	1,078,527,900	3.43%
Total Current Liabilities	216,396,437	204,729,820	5.70%
Total Liabilities	217,102,556	205,435,939	5.68%
Total Stockholders' Equity	898,380,893	873,091,961	2.90%

The Company's consolidated total assets slightly increased by 3.43% from Php1.08 billion as of December 31, 2015 to Php1.12 billion as of March 31, 2016.

- Cash and cash equivalents dropped by 90.80% from Php81.48 million as of December 31, 2015 to Php7.50 million as of March 31, 2016. The decrease was mainly due to the settlement of long term liabilities.

- Trade and other receivables went up by 20.54% from Php593.57 million as of December 31, 2015 to Php715.48 million as of March 31, 2016. This is mainly attributable to the increase in contract services of the company.

- Other current assets decreased by 23.05% from Php17.70 million as of December 31, 2015 to Php13.62 million as of March 31, 2016 due to the provision for impairment on its prepaid taxes, creditable withholding tax and input VAT.

- Noncurrent assets went down by 1.79% from Php385.78 million as of December 31, 2015 to Php378.88 million as of March 31, 2016 due to the annual set-up of depreciation and amortization.

Total consolidated liabilities posted a 5.68% increase, from Php205.44 million as of December 31, 2015 to Php217.10 million as of March 31, 2016.

Total stockholders' equity slightly rose by 2.90% from P873.09 million as of December 31, 2015 to Php898.38 million as of March 31, 2016.

Current ratio increased from 3.38x as of December 31, 2015 to 3.40x as of March 31, 2016; net working capital thus stood at Php520.20 million as of March 31, 2016, versus Php 488.02 million as of December 31, 2015.

Liquidity and Capital Resources

For the quarter ended March 31, 2016, net cash used in operations amounted to Php74.01 million including the net income before tax of Php36.86 million and the depreciation and amortization expense of Php5.01 million. Trade and other receivables rose by Php121.73 million while other current assets decreased by Php4.08 million. Trade and other payables decreased by Php12.82 million while due to related parties increased by Php11.62 million resulting from the settlement of outstanding obligations. Net cash provided by investing activities amounted to Php0.03 million.

In the same period of 2015, net cash used in operations amounted to Php23.20 million including the net income before tax of Php15.25 million and the depreciation and amortization expense of Php1.74 million. Trade and other receivables increased by Php34.13 million while other current assets rose by Php1.51 million. Trade and other payables decreased by Php56.20 million while due to related parties increased by Php51.60 million. Net cash provided by investing activities amounted to Php7.53 million including the acquisition of equipment of Php4.1 million and investment in joint venture of Php3.4 million. Net cash used in financing activities amounted to Php0.06 million.

Key Performance Indicators

The company's key performance indicators are as follows:

KPI	Calculation	31-Mar-16	31-Dec-15
Current Ratio (1)	Current Assets/Current Liabilities	3.40x	3.38x
Quick Ratio (2)	Current Assets-Inventory-Prepaid Expenses /Current Liabilities	3.40x	3.37x
Debt to Equity Ratio (3)	Liabilities/ Stockholders' Equity	0.24	0.24x
Book Value per share (4)	Total Assets –Total Liabilities/ Outstanding Shares	1.30	1.27
Net Income per Share (5)	Net Income/Weighted Average Number of Shares Outstanding	0.04	0.11

		31-Mar-16	31-Dec-15
(1)	Current Ratio	736,600,558/216,396,437	692,749,113/204,729,820
(2)	Quick Ratio	736,431,839/216,396,437	689,167,642/204,729,820
(3)	Debt to Equity	217,102,556/898,380,893	205,435,939/873,091,961
(4)	Book Value/Share	898,380,893/690,000,000	873,091,961/690,000,000
(5)	Income per Share	25,288,932/690,000,000	77,712,687/690,000,000

2015 vs. 2014

Income

Consolidated revenues for 2015 amounted to Php318.50 million, up by Php35.90 million or 12.70% from Php282.60 million posted in 2014.Revenues consisted of the following: Php260.45 million from service income; Php56.53 million from rental income; Php1.51 million from interest income; and Php0.01 million from other income.

Expenses

Cost of services increased by Php21.92 million or 14.67% from Php149.43 million in 2014 to Php171.35 million in 2015. This is mainly due to the increase in equipment rental costs associated with the bigger volume of business.

On the other hand, general and administrative expenses for the year declined by Php5.72 million or 15.87%, from Php36.04 million in 2014 to Php30.32 million in 2015. This was mainly due to the decreases in taxes and licenses, provision for impairment losses and professional fees.

Net Income

The twelve month operation of the Group resulted in a net income of Php77.71 million for2015, which is higher by Php16.48 million or 26.86%, than the net income of Php61.23 million posted in 2014.

Financial Condition

Statements of financial position data	December 31, 2015	December 31, 2014	% Inc/(Dec)
Total Current Assets	692,749,113	443,171,284	56.32%
Total Assets	1,078,527,900	888,549,822	21.38%
Total Current Liabilities	204,729,820	92,757,391	120.72%
Total Liabilities	205,435,939	93,173,867	120.49%
Total Equity	873,091,961	795,375,955	9.77%

The material changes in the statements of financial position are as follows:

Consolidated total assets increased by Php189.98 million or 21.38% to Php1.08 billion in 2015 from Php888.55million in 2014.

- Cash and cash equivalents went up282.13% from Php21.32 million in 2014 to Php81.48 million in 2015. This was mainly due to the availment of a working capital loan amounting to Php100 million and the collection of long-outstanding receivables of about Php37.58 million.

- Trade and other receivables increased by 46.85% from Php404.20 million in 2014 to Php593.57 million in 2015. This was largely due to the increase in services rendered to IPMESI to undertake the Operation and Maintenance of Integrated Solid Waste Management Facility for a fixed monthly fee of Php15.58 million.

- Noncurrent assets went down by 13.38% from Php445.48 million in 2014 to Php385.78 million in 2015. This was mainly due to the collection of long-outstanding receivables from IPM ESI amounting to Php37.58 million and the annual set-up of depreciation and amortization.

Total consolidated liabilities amounted to Php205.43 million in 2015, up Php112.26 million or 120.49%, from Php93.17 million in 2014.The increase was mainly due to the availment of a working capital loan from a local bank.

Total stockholders' equity was increased by Php77.72 million or 9.77% from Php795.38 millionin 2014to Php873.09 million in 2015, reflecting the income posted in the current year.

Current ratio decreased from 4.76x in 2014 to 3.37x in 2015; net working capital stood at Php488.02 million in 2015, versus the Php350.41 million in 2014.

Liquidity and Capital Resource

For the year ended December 31, 2015, net cash used in operating activities amounted to Php39.36 million as compared to the Php15.65 million net cash provided by operating activities in 2014. This reversal is mainly due to the increase in receivables and the decrease of payables from related parties.

Net cash provided by investing activities amounted to Php0.42 million in 2015 as compared to Php51.13 million in 2014. The difference is in short-term deposit amounting to Php101.22 million which was partly offset by the increase in investment amounting to Php48.60 million in 2014.

Net cash provided by financing activities amounted to Php99.09 million in 2015 as compared to the net cash used in financing activities of Php80.69 million in 2014 including the Php20.25 million proceeds from the issuance of shares stock.

2014vs. 2013

Income

Consolidated revenues for the year rose to Php282.60 million from Php268.52 million in 2013, or a growth to 5.24%.This is broken down as follows: Php245.82 million from service income; Php35.48 million from rental income; Php1.23 million from interest income; and Php0.07 million from other income.

Expenses

Cost of services for the year minimal increased by 5.96% from Php141.02 million in 2013 to Php149.43 million in 2014.This is attributable mainly to the increases in equipment rental for the maintenance of the sanitary landfills, manpower training and consumption of chemical sprays.

General and administrative expenses for the year went up by 49.93% to Php36.04 million from Php24.04 million in 2013. This was mainly due to increases in taxes and licenses, retirement cost provisions, professional fees, salaries and allowance for doubtful accounts.

Net Income

The twelve month operation of the Group ended with a net income of Php61.23 million, an increase of Php19.38 million or 46.30%overthe Php41.85 million reported in 2013. This is largely due to the one-time listing expense of Php25.22 million recognized in 2013.

Financial Condition

Statements of financial position data	December 31, 2014	December 31, 2013	% Inc/(Dec)
Total Current Assets	443,171,284	610,292,719	(27.38%)
Total Assets	888,549,822	1,033,934,372	(14.06%)
Total Current Liabilities	92,757,391	319,895,106	(71.00%)
Total Liabilities	93,173,867	320,070,974	(70.89%)
Total Equity	795,375,955	713,863,398	11.42%

The material changes in the statements of financial position are as follows:

The Company's consolidated total assets declined by 14.06% from Php1.03 billion in 2013 to Php888.55 million in 2014.

- Cash and cash equivalents dropped by39.49% from Php35.24 million in 2013 to Php21.32 million in 2014. The decrease was mainly due to the settlement of long term liabilities.

- Trade and other receivables decreased by 10.01% from Php449 million in 2013to Php404.20 million in 2014, resulting from account reclassification.

- Other current assets decreased by 30.62% from Php24.40 million in 2013 to Php16.93 million in 2014 due to the provision for impairment on its prepaid taxes, creditable withholding taxes and input VAT.

- Noncurrent assets went up 5.13% from Php423.64 million in 2013 to Php445.38 million in 2014, resulting from account reclassification.

Total consolidated liabilities posted a 70.89% decrease from Php320.07 million in 2013 to Php93.17 million in 2014. The decrease was mainly due to the settlement of the Company's obligations to related parties as well as the full settlement of its bank loan.

Total stockholders' equity amounted to Php795.37 million, up by 11.42% from Php713.86 million in 2013.

Current ratio increased from 1.91x in 2013 to 4.78x in 2014 due to the settlement of the Company's short term obligations. Net working capital thus stood at Php350.41 million in 2014, as compared to Php290.40 million in 2013.

Liquidity and Capital Resource

For the year ended December 31, 2014, net cash provided by operations amounted to Php15.65 million as compared to the Php559.77 million net cash used by operations in 2013. This reversal is mainly due to the settlement of obligations to related parties in 2014.

Net cash provided by investing activities amounted to Php51.13 million in 2014 as compared to minusPhp4.48 million in 2013, due to the decrease in short-term deposit amounting to Php101.22 million and increase in investment in joint venture amounting to Php48.60 million.

Net cash used in financing activities amounted to Php80.69 million in 2014 as compared to Php495.79 million net cash provided by financing activities in 2013, attributable mainly to the Php500 million proceeds from the issuance of shares of stock.

2013vs. 2012

Income

Total consolidated income for the year amounted to Php268.52 million,33.84% higher than the Php200.63millionpostedin 2012. This is attributable mainly to the increase in revenues from consultancy and field services as well as from provision of hauling services for the RDF production of affiliate, Mundo Verde Corporation.

Expenses

Cost of services for the year increased by 24.21%, from Php114.39 million in 2012 to Php142.08 million in 2013. Increases in cost were experienced across the board, including manpower, fuel and lubricants, as well as repairs and maintenance, resulting from the overall expansion in the volume of business.

General and administrative expenses for the year went up by 119% from Php10.51 million in 2012 to Php22.97 million in 2013. This was mainly due to increases in taxes and licenses; salaries due to the beef up of management personnel; and other operating expenses.

Listing expense amounting to Php25.22 million was recognized in the consolidated statements for 2013, as a result of the application by the Company's external auditors of the reverse-acquisition mode of consolidating the Company's financial statements with those of BEST. The listing fee is the difference between the Company's acquisition cost of 75% of BEST against the fair value of BEST as of acquisition date in 2013.

Net Income

The twelve month operation of the Company ended with a net income of Php41.85 million, slightly down 5.7% as compared to the Php54.20 million reported in 2012 largely due to the listing expense of Php25.22 million and the higher provision for income tax in 2013.

Financial Condition

Statements of financial position data	**December 31, 2013**	**December 31, 2012**	**% Inc/(Dec)**
Total Current Assets	610,292,719	483,072,813	20.85%
Total Assets	1,033,934.372	937,280,926	9.35%
Total Current Liabilities	319,895,106	791,305,889	(147.36%)
Total Liabilities	320,070,974	791,451,505	(147.27%)
Total Equity	713,863,398	145,829,421	79.57%

The material changes in the statements of financial position are as follows:

The Company's consolidated total assets rose by10.31% from Php937.28 million in 2012 to Php1.03billion in 2013.

- Cash and cash equivalents declined by 66% from Php103.7 million in 2012to Php35.24 million in 2013. The decrease was mainly due to the settlement of long term liabilities.

- Trade and other receivables went up by 79.94% from Php249.62 million in 2012 to Php449.17 million in 2013. This is mainly attributable to the increase in contract services the company entered into during 2013.

- Other current assets decreased by 18% from Php29.76 million in 2012 to Php24.40 million in 2013 due to the provision for impairment on its prepaid taxes, creditable withholding tax and input VAT.

- Noncurrent assets declined by 6.73% from Php454.21 million in 2012 to Php423.64 million in 2013 due to the annual set-up of depreciation and amortization.

Total consolidated liabilities posted a 59.56% decrease from Php791.45 million in 2012 to Php320.07 million in 2013. The decrease was mainly due to the settlement of the Company's obligations to related parties.

Total stockholders' equity went up by 389.52% from P145.83 million in 2012 to Php713.86 million in 2013. The increase is primarily due to the increase in the Company's authorized capital stock as well as recognized net profit and revaluation surplus.

Current ratio increased from 0.61x in 2012 to 1.91x in 2013 due to the settlement of the Company's short term obligations. Net working capital thus stood at Php290.40 million in 2013, as compared to a negative balance of Php308.23 million in 2012.

Liquidity and Capital Resource

For the year ended December 31, 2013, net cash used in operations amounted to Php559.77 million as compared to the Php282.00 million net cash provided by operations in 2012. This reversal is mainly due to the settlement of obligations to related parties.

Net cash used in investing activities amounted to Php4.48 million in 2013 as compared to Php354.91 million in 2012, due to major additions to property and equipment in 2012.

Key Performance Indicators

The Company's key performance indicators are as follows:

KPI	Calculation	December 31, 2015	December 31, 2014	December 31, 2013
Current Ratio (1)	Current Assets/Current Liabilities	3.38x	4.78x	1.91x
Quick Ratio (2)	Current Assets-Inventory-Prepaid Expenses /Current Liabilities	3.37x	4.59x	1.83x
Debt to Equity Ratio (3)	Liabilities/ Stockholders' Equity	0.24x	0.12x	0.45x
Book Value per share (4)	Total Assets –Total Liabilities/ Outstanding Shares	1.27	1.15	1.03
Net Income per Share (5)	Net Loss/Weighted Average Number of Shares Outstanding	0.11	0.09	0.09

		December 31, 2015	December 31, 2014	December 31, 2013
(1)	Current Ratio	692,749,113/204,729,820	443,171,284/92,757,391	610,292,719/319,895,106
(2)	Quick Ratio	689,167,642/204,729,820	426,242,346/92,757,391	585,890,672/319,895,106
(3)	Debt to Equity	205,435,939/873,091,961	92,757,391/795,375,955	320,070,974/713,863,398
(4)	Book Value/Share	873,091,961/690,000,000	795,375,955/690,000,000	713,863,399/690,000,000
(5)	Net Income per Share	77,712,687/690,000,000	61,227,771/690,000,000	41,851,637/469,452,055

The Current Ratio is a general and quick measure of a company's liquidity. It represents the ratio of all current assets to all current liabilities. It is also known as the "Working Capital Ratio" because working capital is the excess of current assets over current liabilities.

The Quick Ratio is another measure of a company's liquidity. It is used to measure a company's ability to pay its liabilities using assets that are cash or very liquid.

The Debt to Equity Ratio is a measure of leverage, or the relative amount of funds provided by lenders and owners. This measures the amount of debt being used by the Company.

Book Value per Share is a measure of stockholders' equity. It represents the difference between total assets and total liabilities then divide that total by the number of common shares outstanding.

Net Income per Share is computed by dividing the net income by the weighted average number of common shares outstanding.

No disclosures nor discussions were made for the following since these did not affect the past and present operations nor the foreseeable future operations of the Company: (a) default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments; (b) any significant amount of the Company's trade payables which has not been paid within the stated terms; (c) any significant purchase commitment for capital expenditures; (d) any seasonal aspects that have material effect on the financial condition or results of operations; (e) any known trends, events or uncertainties that have had or will have an impact on net sales or revenues

IV. BRIEF DESCRIPTION OF GENERAL NATURE AND SCOPE OF BUSINESS

OVERVIEW

IPM Holdings, Inc., formerly Minerales Industrias Corporation ("IPM" or the "Parent Company") was incorporated on August 31, 1995 to engage in business as an investment holding company.

Its subsidiary, Basic Environmental Systems & Technologies, Inc. ("BEST") was in turn established on September 15, 1999 to engage in contracting and consulting business for waste management, public cleansing, sanitation and general hygiene to provide comprehensive waste disposal services.

The Parent Company started commercial operations on September 4, 1995 with an initial capitalization of Php60.0 million. On October 27, 1997, the Company's Board of Directors authorized the additional issuance of shares of stock amounting to Php60.0 million from the unissued portion of the Company's authorized capital stock at a par value of Php1.00 per share.

On June 14, 1998, the Parent Company listed its shares of stock in the Philippine Stock Exchange. The Parent Company offered for subscription to the public, sixty million (60,000,000) unclassified common shares at an offer price equal to its par value of Php1.00 per share, increasing the Company's capitalization to Php180.0 million. The offer accounted for 33.3% outstanding capital stock of the

Company. Proceeds from the offering amounting to Php58.2 million were used to partly finance the additional equity investment in Orion Savings Bank Inc.

On December 10, 1999, the Parent Company's stockholders and board of directors approved the increase in its authorized capital stock from 240.0 million shares to 740.0 million shares, all with par value of Php1.00. On the same date, the Board of Directors resolved to amend the Articles of Incorporation and By-Laws of the Company, changing the name of the Company to Multitech Investments Corporation. The resolutions were ratified and approved by the stockholders during its annual meeting in June 2000.

On July 26, 2007 and August 31, 2007, the Board of Directors and stockholders, respectively approved the amendment of the Articles of Incorporation in order to (a) change the corporate name of the company from Multitech Investments Corporation to Minerales Industrias Corporation, (b) change its principal office from Pasig City to Makati City and (c) change the primary purpose clause of the Company to reflect the shift from being an investment company to a mining company.

On September 24, 2007, the Securities and Exchange Commission (SEC) approved the change in company name and primary purpose. The change in registered address was subsequently approved by the SEC on January 14, 2008.

On December 29, 2009, the Board of Directors approved the private placement of a total of 10.0 million common shares out of the unissued authorized capital stock of the Company at a subscription price of ₱ 1.00 per share. Of the total issue price of ₱10.0 million, P5.045 million was paid to the Company on December 31, 2009 while the balance was settled in full on February 1, 2010.

On January 29, 2010 and February 1, 2010, the Company's shareholders paid for the outstanding subscriptions receivable amounting to Php3,655,000 and Php1,300,000, respectively.

On November 20, 2012, the Board of Directors approved the subscription of the IPM group of companies to a total of 500,000,000shares out of the Php500,000,000increasein the authorized capital stock of the Company previously approved by the stockholders, at a total subscription price of Php500,000,000, payable in cash. Also, the Board of Directors authorized the acquisition of 615,000,000 shares in Basic Environmental Systems and Technologies, Inc. (BEST) at par value of ₱1 per share, which will constitute 75% of the resulting outstanding capital of BEST. BEST is a corporation engaged in contracting and consulting business for waste management, public cleansing, sanitation and general hygiene to provide comprehensive waste disposal services.

On February 8, 2013, the stockholders of the Parent Company representing at least two thirds of the outstanding capital stock approved the subscription by the following within the IPM group of companies or any of their designees/nominees to a total of 500,000,000 shares out of the ₱500,000,000 increase in the authorized capital stock of the Parent Company previously approved by the shareholders, at a total subscription price of ₱500,000,000, payable in cash: (a) IPM Construction and Development Corporation, ₱350,000,000; (ii) IPM Environmental Services, Inc., ₱100,000,000; and (b) IPM Realty and Development Corporation, ₱50,000,000. On the same date, the stockholders approved the amendment of the primary purpose of the Parent Company to enable the Company to revert to being a holding company and give it more flexibility in looking for suitable investments.

On February 11, 2013 and February 12, 2013, the Parent Company received ₱50,000,000 and ₱450,000,000, respectively, as deposits for the said subscription to the proposed increase in the authorized capital stock of the Company.

On March 4, 2013, the Parent Company acquired shares in BEST and subscription rights from various stockholders of BEST amounting to ₱450,000,000 and ₱12,500,000, respectively, which resulted in the Company obtaining 75% interest in BEST, thereby treating BEST as its subsidiary starting March 4, 2013.

On June 11, 2013, the SEC approved the Parent Company's application for increase in authorized capital stock from ₱240,000,000 to ₱740,000,000 divided into 740,000,000 shares, with a par value of ₱1 per share and the amendment of the primary purpose of the Parent Company to revert back to a holding company.

On July 18, 2013, the Board of Directors approved the increase in the authorized capital stock of the Parent Company from ₱740,000,000 divided into 740,000,000 shares with a par value of ₱1 per share to ₱ 5,000,000,000 divided into 5,000,000,000 shares with a par value of ₱1 per share. On the same date, the BOD approved the transfer of the principal address of the Parent Company from Room 322, 3rd Floor, LRI Design Plaza, 210 Nicanor Garcia Street, Barangay Sta. Cruz, Makati City to its current principal address, Unit 103, Ground Floor, Prestige Tower Condominium, F Ortigas Jr. Avenue Ortigas Center, Pasig City. These were subsequently approved by the shareholders on September 19, 2013. The SEC approved the amended articles of incorporation indicating the change of address on October 18, 2013.

On September 11, 2013, The Philippines Stock Exchange, Inc. (PSE) approved the application of the Parent Company to list the additional 500,000,000 common shares (the "Private Placement Shares") with a par value of P1.00 per share, at a Subscription Price of P1.00 per share. The Parent Company, the IPM Group, and Metropolitan Bank and Trust Company-Trust Banking Group ("Escrow Agent") executed an Escrow Agreement and Certification and Undertaking on November 15, 2013 and December 4, 2013, respectively, to implement the required lock-up of the Private Placement Shares.

On February 10, 2014, the Board of Directors approved the payment to BEST of Php22,875,000 representing 15% of the unpaid balance on the total subscription price for the 615,000,000 shares subscribed by the Parent Company in BEST.

On July 22, 2015 and October 21, 2015, the Board of Directors and stockholders, respectively approved the amendment of the Articles of Incorporation in order to (a) change the corporate name of the Parent Company from Minerales Industrias Corporation to IPM Holdings, Inc., (b) change its ticker symbol from "MIC" to "IPM". The SEC approved the amended Articles of Incorporation indicating the change in the name of the Parent Company on November 25, 2015.

BUSINESS DESCRIPTION

The Parent Company embarked on its first strategic investment in August 1996, acquiring a 20% stake in Armstrong Securities, Inc. (ASI) in partnership with EBC Capital Corporation. Nine months later, the Parent Company, together with Tong Yang Group of Korea, established a thrift bank, Orion Savings Bank Inc. (the "Bank"). In 1998, the proceeds from the offering of shares to the public were used for the additional investment of the Parent Company in the Bank. The additional investment increased Parent Company's ownership stake in the Bank from twenty percent (20%) to forty percent (40%).

To provide diversity in the portfolio, the Parent Company also invested in Altech Fabrication Industries, Inc., a manufacturer and contractor of aluminum building materials. The foregoing investment was subsequently sold in 1997.

In September 1999, Mr. Dante T. Tan acquired for Php294.25 million, a 59% equity stake in the Parent Company, equivalent to 107.0 million shares. Capitalizing on the strong showing of its investee companies, the Company sold Armstrong Securities Inc. and Orion Savings Bank to Golden Maple

Holdings, Inc. and Harrigold Assets, Inc., respectively, for a total consideration of Php152.3 million in September 1999. The Parent Company then purchased Php191.0 million worth of shares of BW Resources Corporation (now known as “Fairmont Holdings Inc.”).

In November 1999, a Subscription Agreement was executed by and between the Parent Company and Mr. Dante T. Tan, for the latter to subscribe to sixty million (60,000,000) new common shares from the unissued authorized capital stock of the Company, for a total subscription price of Php60.0 million.

In May 2000, Mr. Dante T. Tan had asked for the rescission of the subscription agreement. Likewise, Mr. Tan also has written the Parent Company expressing his withdrawal of interest in further subscribing to the 500 million common shares of the Parent Company which shall come from the Company’s intended increase in authorized capital stock. The Board of Directors has since resolved to rescind the subscription contract on the 60.0 million common shares and to accept the withdrawal of interest in the subscription of the 500.0 million common shares of Mr. Tan.

In April 2002, a Subscription Agreement was signed between the Parent Company and the shareholders of Intercontinental Paper Industries, Inc. (IPII) where the latter will subscribe to the intended increase of authorized capital stock of 500,000,000 common shares and to the 60,000,000 million common shares from the unissued authorized capital stock of the Parent Company at Php1.00 par value. The new Subscribers will pay for the additional shares with 560,000.000 common shares (“IPII Shares”) with par value of Php1.00 per share. The IPII Shares represent 100% of the outstanding capital common stock of IPII. After the issuance by the Parent Company of the additional shares to the New Subscribers and the transfer of the New Subscribers’ IPII shares to the Parent Company, the paper manufacturing company shall be owned 100% by the Company. In April 2007, the Subscription Agreement with Shareholders of Intercontinental Paper Industries Inc. (IPPI) was been rescinded.

After several years of looking for suitable investments, the Parent Company finally reached agreement with the IPM group of companies in late 2012 for: (i) the subscription by the IPM group to 500,000,000 shares of the Parent Company at a total subscription price of P500,000,000, and (ii) the acquisition by the company of a 75% equity interest in BEST, a member company of the IPM group, using the proceeds of the IPM group subscription. These transactions were approved by the stockholders of the Parent Company representing at least two-thirds of the Parent Company’s outstanding capital stock in its meeting on February 8, 2013. The subscription agreements and related documents to implement the transactions were executed on March 4, 2013.

The Parent Company’s subsidiary, BEST, is engaged in contracting and consulting business for waste management, public cleansing, sanitation and general hygiene to provide comprehensive waste disposal services.

INDUSTRY TRENDS/COMPETITION

BEST is one of the few players in the solid waste management contracting industry which owns and operates its own sanitary landfill facility, having established the Morong Sanitary Landfill in 2008 to cater to the waste disposal needs of the cluster towns of Morong, Teresa, Baras and Cardona. In addition, it maintains under contract with its affiliate, IPM Environmental Services, Inc. (IPMESI), the latter’s Quezon City Sanitary Landfill in Payatas which receives the solid waste of Quezon City. Moreover, it has a large fleet of dump trucks and other hauling/materials handling equipment that it uses for its waste collection and management contracts.

An emerging trend in the solid waste management industry is the so-called refuse-derived fuel (RDF) which involves the processing of solid waste into fuel for the cement and power generation industries, in substitution for coal. The production of RDF not only reduces industry’s dependence on fossil fuels but also prevents the accumulation of waste matter in landfills, extending the latter's service life to the benefit of the general populace.

BEST is at the forefront of this new technology, through the first ever RDF facility constructed in the country , which is owned by a BEST affiliate, Mundo Verde Corporation, a joint venture with La Farge Industrial Ecology International, SA and IPM ESI. After this first facility which went into operation in early 2013, BEST is seen as the lead company within the IPM group to undertake additional RDF plants, utilizing waste collected in IPM ESI's Quezon City Landfill, transfer stations operated by another affiliate, IPM Construction and Development Corporation, and BEST's own landfill in Morong.

BEST is also in partnership with Lafarge Industrial Ecology International, SA ("LIEI") another RDF facility under Ecoedge Resources Corporation ("Ecoedge"). Ecoedge is 60% owned by BEST and 40% owned by LIEI. The total cost of the project amounted to Php127 million. The plant started operations in December 2014, with a rated capacity of up to 150 tons of RDF per day.

In the next several years, the Company intends to focus on growing BEST through the expansion of its municipal solid waste contracting business and establishment of additional facilities for the production of RDF. BEST is thus envisioned to provide significant income growth for the Company and its shareholders, particularly in light of the growing demand for renewable energy sources amid the burgeoning waste production of the rapidly growing urban population in the country, and BEST's unique position as a pioneer in RDF technology and its ready access to RDF feedstock.

SOURCES OF RAW MATERIALS AND NAMES OF PRINCIPAL SUPPLIERS

Not Applicable.

DEPENDENCE ON SINGLE CUSTOMER

Not Applicable.

TRANSACTION WITH AND/OR DEPENDENCE ON RELATED PARTIES

Except as disclosed in Note 15 of the audited consolidated financial statements for 2015 and 2014, there were no other transactions entered into with related parties.

PATENTS, TRADEMARKS, ETC.

No product patents, trademarks, licenses were executed for the Company.

GOVERNMENT APPROVALS AND REGULATION

The Company has secured all necessary business permits and licenses granted by the government and its appropriate agencies, which include the Certificate of Registration from the BIR, registration and licenses from the SEC, Social Security System, etc. At present, the Company does not know any specific government regulation imposed on its business that may have material effect on the Company which it has not complied with.

RESEARCH AND DEVELOPMENT

Not Applicable.

ENVIRONMENTAL LAWS

Not Applicable.

HUMAN RESOURCES

The Company has 34 employees as of December 31, 2015 of whom 4 are clerical, 5 are administrative, 21 are operations, 1 managerial and 3 executive. The employees were not subject to any Collective Bargaining Agreement (CBA).

V. MARKET PRICE OF AND DIVIDENDS ON THE COMPANY'S COMMON EQUITY

(1) MARKET INFORMATION

The shares of the Parent Company are listed and traded in the Philippine Stock Exchange. The high and low closing prices of the Parent Company's shares for each quarter within the last two (2) years and the first quarter of 2016 are as follows:

Year	**Quarter**	**High (in Php)**	**Low (in Php)**
2014	First	5.25	5.00
	Second	5.20	5.03
	Third	5.20	5.57
	Fourth	6.55	5.20
2015	First	5.50	4.90
	Second	6.20	4.90
	Third	8.43	6.07
	Fourth	9.96	8.10
2016	First	9.90	9.52

The closing price of the Parent Company's shares on April 25, 2016 was Php9.70 per share.

(2) HOLDERS

The Parent Company has only common stock, with P1.00 par value. As of March 31, 2016, the number of common shares issued and outstanding was 690.0 million shares, held by a total of 120 stockholders. The top twenty (20) stockholders of the Company as of March 31, 2016 were as follows:

Name	**No. of Shares**	**Percentage to Total**
1. IPM Construction and Development Corporation	350,000,000	50.725%
2. PCD Nominee Corporation (Filipino)	209,142,371	30.310%
3. IPM Environmental Services, Inc.	65,000,000	9.420%
4. IPM Realty and Development Corporation	50,000,000	7.246%
5. PCD Nominee Corporation (Non-Filipino)	6,952,600	1.008%
6. William Dee Ty	2,000,000	0.290%
7. Jocelyn Y. Lao	1,800,000	0.261%
8. David L. Kho	1,790,000	0.259%
9. Jewelle Y. Lao	1,000,000	0.145%
Isabelita P. Mercado	1,000,000	0.145%
10. Candice ChoaCocuao	200,000	0.029%
11. Joseph Y. Lao	100,000	0.014%

	S.J. Roxas & Co., Inc.	100,000	0.014%
12.	Violeta L. Lim	74,000	0.011%
13.	Ma. Teresita T. De Leon	61,000	0.009%
	Hanson G. So &/or LarcyMarichi Y. So	61,000	0.009%
14.	Pei Zhi Lin	60,000	0.009%
15.	PCCI Securities Brokers Corporation	50,000	0.007%
16.	Romeo G. Sese	37,000	0.005%
17.	Roberto L. Uy	32,000	0.005%
18.	Edmund Lee	29,000	0.004%
19.	Lucena B. Enriquez	20,000	0.003%
	Mimi Perez	20,000	0.003%
	George G. Precilla	20,000	0.003%
	Alberto Soon	20,000	0.003%
	Johnny T. Yu	20,000	0.003%
	Kim Sing Yu	20,000	0.003%
20.	Elizabeth Ong	18,000	0.003%
	TOTAL	**689,626,971**	**99.946%**

(3) DIVIDENDS

No dividends, either in cash or stock, were declared on the shares for the last three (3) years, i.e., 2015, 2014 and 2013, since the Parent Company is in a deficit position. There are no restrictions that limit the ability to pay dividends on common equity but the Company, as a general rule, shall only declare from surplus profit as determined by the Board of Directors so long as such declaration will not impair the capital of the Company.

(4) RECENT SALES OF UNREGISTERED SECURITIES

No sales of unregistered securities or shares of the Company were made during the past five (5) years.

VI. DISCUSSION ON COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

IPM Holdings, Inc. (Formerly Minerales Industrias Corporation) is fully committed in maintaining a high standard of corporate governance to protect the interest of its shareholders. It has complied throughout the period under review with the applicable principles and provisions set out in the Revised Code of Corporate Governance (SEC Memorandum Circular No. 6, series of 2009) and the Company's 2011 Revised Manual on Corporate Governance. The Company has not deviated from its own Revised Manual on Corporate Governance.

The Company also continues to review and strengthen its policies and procedures, giving due consideration to areas that, for the best interests of the Company and its stockholders, need further improvement. The same is being done by participating in the corporate governance survey of the Philippine Stock Exchange, Inc. The Company will put in place a more comprehensive system to ensure compliance with leading corporate governance practices as soon as its business becomes fully operational. Please refer to the attached Annual Corporate Governance Report ("ACGR").

Board of Directors

The Board of Directors consists of 7 directors, two of whom are executive officers and five are non-executive directors. The Board's membership reflects a blend of different financial and commercial experiences.

Directors	Executive Officers	Non-executive Officers	Independent Director
Alfredo P. Javellana II		√	√
Gener T. Mendoza		√	
Antonio Victoriano F. Gregorio III		√	
Isabelita P. Mercado	√		
William D. Ty			√
Francis Neil P. Mercado	√		
Joseph Quintin Y. Lao		√	

All non-executive officers are independent of management and free from any business or other relationship with the Parent Company which could materially interfere with the exercise of their independent judgment.

The Nomination Committee ensures that there is a formal and transparent procedure for the appointment of new Directors of the Board. Where appropriate, every director receives training, taking into account his individual qualifications and experience. Training is also available on an ongoing basis to meet individual needs.

The term of office of all directors, including independent directors and officers shall be one (1) year and until the successors are duly elected and qualified.

Board Process

Members of the Board met regularly throughout the year. Their responsibilities to the Company included the:

a. review and approval of the interim and annual financial performance;
b. approval of the Company's key strategic and operational matters;
c. approval of major investments and funding decision;
d. monitoring of internal control; and
e. identification and management of the principal risks of the Company.

Board members were sufficiently notified of ensuing meetings and they worked on an agreed agenda in reviewing the key activities of the business. Relevant papers and presentations, as necessary, were distributed to enable the Board to deliberate on matters effectively. Minutes of the previous meetings are placed on the agenda of the Board.

The Corporate Secretary is responsible to the Board and is available to individual Directors in respect of Board procedures. The post is currently occupied by Atty. Ana Maria A. Katigbak.

Committees

The Board has delegated authority to the following committees on specific matters. All of the Committee have formal terms of reference.

Audit Committee
Members:

- Atty. Alfredo P. Javellana II (chairman/independent director)
- William D. Ty (independent director)
- Francis-Neil P. Mercado

The Audit Committee functions under the terms of reference approved by the Board. It meets at least twice a year and its roles include the review of the financial and internal reporting process, the system of internal control and management of risks and the external and internal audit process. The Audit Committee reviews the scope and results of the audit with external auditors and obtains external legal or other independent professional advice where necessary. The Audit Committee reports directly to the Board.

Other functions of the Audit Committee include the recommendation of the appointment or re-appointment of external auditors and the review of audit fees.

Nomination Committee and Compensation Committee
Members:

- Gener T. Mendoza (chairman)
- Atty. Antonio Victoriano F. Gregorio III
- Joseph Quintin Y. Lao
- William D. Ty (independent director)

The Committee, which meets as necessary, assesses and recommends to the Board candidates for appointment to executive and non-executive directors positions. The Committee also makes recommendations to the Board on its composition.

Note: No salary or other compensation package was provided to the directors and other Executive Officers.

Compliance Officer

During the meeting of the Board of Directors of Minerales Industrias Corporation held on May 27, 2015, Atty. Ana Maria A. Katigbak was re-appointed as Compliance Officer ("CO") and Mr. Roberto E. Cabarco as Deputy Corporate Information Officer. He was also designated as the Company's Compliance Officer.

The CO is responsible for ensuring that the Company's corporate principles are consistently adhered to throughout the organization. The CO acts independently and her role is to supply the top management with the necessary information on whether the organization's decisions comply with professional rules and regulations, internal directives, regulatory authorities, and the statutory law.

Relation with Shareholders

The directors place a high importance on maintaining good relationships with the shareholders and ensure that they are kept informed of significant Company's development.

The Company encourages shareholders to attend its annual stockholders' meetings, which provide opportunities for shareholders to ask questions of the board.

VI. EXTERNAL AUDIT FEES

1. Audit and Audit-Related Fees

The Parent Company paid its auditors the following fees for the last two (2) years for professional services rendered, exclusive of VAT and out of pocket expenses:

Year	Audit Fees	Tax Fees	All Other Fees
2015	Php 135,000.00	-	-
2014	121,000.00	-	-

2. Other assurance and related services by the external auditor that are reasonable related to the performance of the audit review of the Company's financial statements – None

3. Tax Fees – None

4. All other fees – None

5. The Audit Committee has checked all financial reports against their compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements. They reviewed all audit plans, scope, resources and budget necessary to implement it. The financial statement was then presented to and approved by the Audit Committee and Board of Directors. Payments and fees related to the services by the external auditor were discussed and approved by the Audit Committee.

ANNEX A-2

Business Experience of Atty. David Y. Kho

ATTY. DAVID Y. KHO is being nominated for the first time as an independent director of IPM Holdings, Inc. He is Filipino and 68 years old.

Atty. Kho has been a legal and business practitioner since graduating from college. He finished his Business Administration degree, major in Banking and Finance, at the University of the Philippines-Diliman. He later earned his Bachelor of Laws degree also from U.P. Atty. Kho was a member of the 15th Congress of the Philippines where he served as Vice chairman of two committees and member of ten others. He ended his term with a perfect attendance. David is an incumbent Trustee of the Kapihan sa Klub Filipino, past president of the Rotary club of Sto. Domingo, Quezon City, former Vice-President and Director of the Quezon City Sports Club, Inc., past Director and legal counsel of the Philippine Chamber of Commerce & Industry, Quezon City chapter, Lifetime member of U.P. Pan Xenia Fraternity, U.P. Law Alumni Assn., Integrated Bar, Charter President of the U.P. Junior Finance Assn. He is an author and publisher as well as a topnotcher of the Real Estate Brokers Exam.

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	5	0	0	8	5	5	7

COMPANY NAME

IPM HOLDINGS, INC. (FORMERLY MINERALES INDUSTRIAS CORPORATION) AND SUBSIDIARY

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

UNIT 103 GROUND FLOOR PRESTIGE TOWER CONDOMINIUM F. ORTIGAS JR. AVENUE ORTIGAS CENTER PASIG CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
ACFS		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
	897-5257	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
118	4th Wed of May	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ana Maria A. Katigbak	AAK@cltpsj	817-6791	

CONTACT PERSON's ADDRESS

3rd Floor, The Valero Tower, 122 Valero St., Salcedo Village, Makati City

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

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

IPM HOLDINGS, INC.

Unit 103, Ground Floor, Prestige Tower Condominium
F. Ortigas Jr. Avenue, Ortigas Center, Pasig City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The management of **IPM Holdings, Inc., (formerly Minerales Industrias Corporation) and Subsidiary (the Group)** is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended December 31, 2015, 2014 and 2013, including the additional components attached therein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has examined the financial statements of the 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 examination.

Signed under oath by the following:

ISABELITA P. MERCADO
Chairman of the Board/President
(Also acting as Chief Executive Officer)

FRANCIS NEIL P. MERCADO
Treasurer/Chief Financial Officer

Signed this 30th day of March, 2016

SUBSCRIBED AND SWORN to before me this 13 APR 2016, affiants exhibiting to me their Residence Certificates, as follows:

Name	CTC No.	Date of Issue	Place of Issue
Isabelita P. Mercado	2338235	Jan. 9, 2016	Pasig City
Francis Neil P. Mercado	2338232	Jan. 9, 2016	Pasig City

Doc No. 311
Page No. 63
Book No. XIII-A
Series of 2016

ATTY. BENJAMIN F. ALFONSO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2017
PTR NO. [illegible] / 01-04-2016 / Q.C.
IBP NO. [illegible] / 01-04-2016 / Q.C.
ROLL NO. [illegible]
MCLE COMPLIANCE NO. [illegible]

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

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

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

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
IPM Holdings, Inc.
(Formerly Minerales Industrias Corporation)
Unit 103, Ground Floor, Prestige Tower Condominium
F. Ortigas Jr. Avenue Ortigas Center
Pasig City

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

SGV
Building a better working world

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

Opinion

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

SYCIP GORRES VELAYO & CO.

Jennifer D. Ticlao

Jennifer D. Ticlao
Partner
CPA Certificate No. 109616
SEC Accreditation No. 1507-A (Group A),
September 24, 2015, valid until September 23, 2018
Tax Identification No. 245-571-753
BIR Accreditation No. 08-001998-110-2015,
March 4, 2015, valid until March 3, 2018
PTR No. 5321700, January 4, 2016, Makati City

March 30, 2016

IPM HOLDINGS, INC. (Formerly Minerales Industrias Corporation) AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash (Notes 4 and 22)	**₱81,476,440**	₱21,321,523
Receivables - net (Notes 5 and 22)	**593,570,193**	404,204,661
Due from a joint venture (Notes 15 and 22)	–	716,162
Other current assets (Note 7)	**17,702,480**	16,928,938
Total Current Assets	**692,749,113**	443,171,284
Noncurrent Assets		
Receivables - net of current portion (Notes 5 and 22)	–	37,584,527
Investments in an associate and a joint venture (Note 8)	**89,274,864**	91,201,135
Deposits (Notes 9 and 22)	**3,285,485**	3,155,365
Investment property (Note 10)	**35,199,433**	36,316,876
Property and equipment (Note 11)	**256,808,620**	276,495,376
Deferred tax asset (Note 19)	**1,210,385**	625,259
Total Noncurrent Assets	**385,778,787**	445,378,538
Total Assets	**₱1,078,527,900**	₱888,549,822
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 12 and 22)	**₱91,064,073**	₱82,476,818
Loans payable (Notes 13 and 22)	**100,000,000**	–
Due to related parties (Notes 15 and 22)	**2,239,931**	5,038,694
Income tax payable	**11,425,816**	5,241,879
Total Current Liabilities	**204,729,820**	92,757,391
Noncurrent Liability		
Net pension liability (Note 18)	**706,119**	416,476
Total Liabilities	**205,435,939**	93,173,867
Equity Attributable to Equity Holders of the Parent		
Capital stock (Note 14)	**690,000,000**	690,000,000
Retained earnings (Note 14)		
Unappropriated	**171,655,226**	114,116,843
Appropriated	**14,803,219**	14,803,219
Other reserves (Notes 1 and 18)	**(298,717,962)**	(298,720,451)
	577,740,483	520,199,611
Noncontrolling Interests	**295,351,478**	275,176,344
Total Equity	**873,091,961**	795,375,955
Total Liabilities and Equity	**₱1,078,527,900**	₱888,549,822

See accompanying Notes to Consolidated Financial Statements.

IPM HOLDINGS, INC. (Formerly Minerales Industrias Corporation) AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2015	2014	2013
REVENUE AND OTHER INCOME			
Service income (Note 15)	**₱260,447,907**	₱245,818,974	₱237,282,897
Rental income (Notes 10, 15 and 21)	**56,531,736**	35,475,243	29,532,186
Interest income (Notes 4, 5, 6, 9 and 15)	**1,510,419**	1,233,569	1,704,827
Other income	**12,554**	72,598	–
	318,502,616	282,600,384	268,519,910
EXPENSES			
Cost of services (Note 16)	**171,346,575**	149,431,440	141,020,635
General and administrative expenses (Note 17)	**30,320,265**	36,038,530	24,036,148
Interest expense (Notes 11 and 13)	**909,911**	944,656	4,211,535
Equity in net losses of an associate and a joint venture (Note 8)	**726,271**	1,842,001	223,640
Listing expense (Note 1)	**–**	–	25,221,570
	203,303,022	188,256,627	194,713,528
INCOME BEFORE INCOME TAX	**115,199,594**	94,343,757	73,806,382
PROVISION FOR INCOME TAX (Note 19)	**37,486,907**	33,115,986	31,954,745
NET INCOME	**77,712,687**	61,227,771	41,851,637
OTHER COMPREHENSIVE INCOME (LOSS)			
Items not to be reclassified to profit or loss:			
Actuarial gain (losses) on defined benefit obligation - net of tax (Note 18)	**3,319**	34,786	(319,269)
TOTAL COMPREHENSIVE INCOME	**₱77,716,006**	₱61,262,557	₱41,532,368
Net income attributable to:			
Equity holders of the parent	**₱57,538,383**	₱45,005,528	₱23,295,787
Noncontrolling interest	**20,174,304**	16,222,243	18,555,850
	₱77,712,687	₱61,227,771	₱41,851,637
Total comprehensive income attributable to:			
Equity holders of the parent	**₱57,540,872**	₱45,031,618	₱23,056,336
Noncontrolling interest	**20,175,134**	16,230,939	18,476,032
	₱77,716,006	₱61,262,557	₱41,532,368
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 20)	**₱0.08**	₱0.07	₱0.05

See accompanying Notes to Consolidated Financial Statements

IPM HOLDINGS, INC. (Formerly Minerales Industrias Corporation) AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 14)	Retained Earnings - Unappropriated (Note 14)	Retained Earnings - Appropriated (Note 14)	Other Reserves: Equity Reserve (Note 1)	Other Reserves: Actuarial Losses on Defined Benefit Obligation (Note 18)	Noncontrolling Interests	Total Equity
At January 1, 2015	**₱690,000,000**	**₱114,116,843**	**₱14,803,219**	**(₱298,498,391)**	**(₱222,060)**	**₱275,176,344**	**₱795,375,955**
Net income	–	**57,538,383**	–	–	–	**20,174,304**	**77,712,687**
Other comprehensive income	–	–	–	–	**2,489**	**830**	**3,319**
At December 31, 2015	**₱690,000,000**	**₱171,655,226**	**₱14,803,219**	**(₱298,498,391)**	**(₱219,571)**	**₱295,351,478**	**₱873,091,961**
At January 1, 2014	₱690,000,000	₱69,111,315	₱14,803,219	(₱298,498,391)	(₱248,149)	₱238,695,404	₱713,863,398
Net income	–	45,005,528	–	–	–	16,222,243	61,227,771
Other comprehensive income	–	–	–	–	26,089	8,697	34,786
Additional investment of noncontrolling interests (Note 14)	–	–	–	–	–	20,250,000	20,250,000
At December 31, 2014	₱690,000,000	₱114,116,843	₱14,803,219	(₱298,498,391)	(₱222,060)	₱275,176,344	₱795,375,955
At January 1, 2013	₱190,000,000	₱61,034,899	₱14,803,219	(₱120,000,000)	(₱8,697)	₱–	₱145,829,421
Net income	–	23,295,787	–	–	–	18,555,850	41,851,637
Other comprehensive loss	–	–	–	–	(239,452)	(79,817)	(319,269)
Issuance of shares	500,000,000	–	–	–	–	–	500,000,000
Effect of reverse acquisitions (Note 1)	–	(15,219,371)	–	(178,498,391)	–	220,219,371	26,501,609
At December 31, 2013	₱690,000,000	₱69,111,315	₱14,803,219	(₱298,498,391)	(₱248,149)	₱238,695,404	₱713,863,398

See accompanying Notes to Consolidated Financial Statements.

IPM HOLDINGS, INC. (Formerly Minerales Industrias Corporation) AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱115,199,594**	₱94,343,757	₱73,806,382
Adjustments for:			
Depreciation and amortization (Notes 10, 11, 16 and 17)	**21,449,272**	20,716,829	7,721,400
Interest expense (Notes 11 and 13)	**909,911**	944,656	4,211,535
Provision for impairment losses (Notes 5, 7 and 17)	**1,843,838**	1,883,900	308,371
Equity in net losses of an associate and a joint venture (Note 8)	**726,271**	1,842,001	223,640
Pension expense (Notes 17 and 18)	**273,768**	283,003	44,670
Net interest cost on retirement benefit obligation (Notes 17 and 18)	**20,616**	7,299	8,242
Interest income (Notes 4, 5, 6, 9 and 15)	**(1,510,419)**	(1,233,569)	(1,704,827)
Listing expense (Note 1)	**–**	–	25,221,570
Operating income before changes in working capital	**138,912,851**	118,787,876	109,840,983
Decrease (increase) in:			
Receivables	**(152,603,752)**	49,718,730	(172,388,465)
Due from a joint venture	**716,162**	(449,202)	(266,960)
Other current assets	**(956,603)**	7,256,929	5,047,188
Increase (decrease) in:			
Trade and other payables	**8,629,545**	(28,626,222)	(27,912,781)
Due to related parties	**(2,798,763)**	(97,483,108)	(427,932,172)
Net cash generated from (used in) operations	**(8,100,560)**	49,205,003	(513,612,207)
Interest received	**330,099**	925,309	1,704,827
Income tax paid	**(31,889,518)**	(34,483,624)	(47,520,575)
Contributions to plan assets (Note 18)	**–**	–	(341,929)
Net cash provided by (used in) operating activities	**(39,659,979)**	15,646,688	(559,769,884)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property and equipment (Note 11)	**(645,073)**	(1,486,958)	(26,786)
Increase in deposits	**(130,120)**	–	(1,700,000)
Dividends received from an associate (Note 8)	**1,200,000**	–	–
Cash acquired from business combination	**–**	–	1,280,039
Decrease in short-term deposit	**–**	101,219,867	(1,219,867)
Additional investment in joint venture (Note 8)	**–**	(48,600,000)	(2,812,500)
Net cash provided by (used in) investing activities	**424,807**	51,132,909	(4,479,114)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid (Notes 11 and 13)	**(609,911)**	(944,656)	(4,211,535)
Proceeds from bank loan (Note 13)	**100,000,000**	–	–
Proceeds from issuance of shares of stock (Note 14)	**–**	20,250,000	500,000,000
Payment of bank loan (Note 13)	**–**	(100,000,000)	–
Net cash provided by (used in) financing activities	**99,390,089**	(80,694,656)	495,788,465
NET INCREASE (DECREASE) IN CASH	**60,154,917**	(13,915,059)	(68,460,533)
CASH AT BEGINNING OF YEAR	**21,321,523**	35,236,582	103,697,115
CASH AT END OF YEAR (Note 4)	**₱81,476,440**	₱21,321,523	₱35,236,582

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

IPM Holdings, Inc., formerly Minerales Industrias Corporation (the Parent Company) and its subsidiary, Basic Environmental Sytems and Technologies, Inc. (BEST) (collectively referred to as "the Group"), were incorporated in the Philippines. The Group's registered office address is Unit 103, Ground Floor, Prestige Tower Condominium, F. Ortigas Jr. Avenue, Ortigas Center, Pasig City.

The Parent Company was incorporated and organized in the Republic of the Philippines on August 31, 1995 to engage in the business of investment; to own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every kind and description: and, to manage any business, joint venture, firm partnership, corporation, institution or entity or otherwise act as holding or management corporation thereof.

BEST was incorporated in the Philippines on September 15, 1999 and is engaged in contracting and consulting business for waste management, public cleansing, sanitation and general hygiene to provide comprehensive waste disposal services.

On December 20, 1999, the stockholders approved the increase in the authorized capital stock of the Parent Company from ₱240,000,000 divided into 240,000,000 shares with a par value of ₱1 per share to ₱740,000,000 divided into 740,000,000 shares with a par value of ₱1 per share. On August 31, 2007, the stockholders approved the delegation to the Board of Directors (BOD) of the prerogative to determine the investors to whom the shares may be issued amounting to an aggregate of ₱560,000,000 (₱500,000,000 coming from the increase in authorized capital stock and ₱60,000,000 from the unissued capital stock of the Parent Company). In 2010, the Parent Company issued additional 10,000,000 shares to private investors.

On July 26, 2007 and August 31, 2007, the BOD and stockholders, respectively, approved the change in the Parent Company's primary purpose from holding company to mining. The Securities and Exchange Commission (SEC) approved the change on January 14, 2008.

On November 20, 2012, the BOD approved the issuance of 500,000,000 shares at par value of ₱1 per share in favor of the following companies within IPM Group: (a) IPM Construction and Development Corporation (IPMCDC), 350,000,000; (b) IPM Environmental Services, Inc. (IPMESI), 100,000,000; and (c) IPM Realty and Development Corporation (IPMRDC), 50,000,000. On the same date, the BOD authorized the acquisition of 615,000,000 shares in Basic Environmental Systems and Technologies, Inc. (BEST) at par value of ₱1 per share, which will constitute 75% of the resulting outstanding capital of BEST. Further, the Parent Company was authorized to partially pay for the 615,000,000 shares in BEST as follows: (a) ₱450,000,000 for the 600,000,000 shares that will come from the increase in authorized capital stock of BEST; and (b) ₱12,500,000 for the subscription rights to 15,000,000 shares in BEST to be acquired from the original shareholders of BEST.

On February 8, 2013, the stockholders representing at least two thirds of the outstanding capital stock of the Parent Company approved the subscription by the IPM Group of companies or any of their designees or nominees to a total of 500,000,000 shares out of the ₱500,000,000 increase in the authorized capital stock of the Parent Company, at a total subscription price of ₱500,000,000, payable in cash: (a) IPMCDC, ₱350,000,000; (b) IPMESI, ₱100,000,000; and (c) IPMRDC,

₱50,000,000. On the same date, the stockholders approved the amendment of the primary purpose of the Parent Company to enable the Parent Company to revert to being a holding company and give it more flexibility in looking for suitable investments.

On February 11, 2013 and February 12, 2013, the Parent Company received ₱50,000,000 and ₱450,000,000, respectively, as deposits for the said subscriptions to the proposed increase in the authorized capital stock of the Parent Company. Consequently, the Parent Company became a subsidiary of IPMCDC upon receipt of the deposit as per the subscription agreement.

On March 4, 2013, the Parent Company acquired 615,000,000 shares in BEST representing 75% interest and paid ₱462,500,000, ₱12,500,000 of which was paid to the original shareholders of BEST as consideration to the subscription rights acquired.

On June 11, 2013, the SEC approved the Parent Company's application for increase in authorized capital stock from 240,000,000 to 740,000,000 shares with a par value of ₱1 per share and the amendment of the primary purpose of the Parent Company to revert back to a holding company. The deposits for stock subscriptions by IPMCDC, IPMESI and IPMRDC were then transferred to common stocks following the approval of the increase in authorized capital stock.

On July 18, 2013, the BOD approved the increase in the authorized capital stock of the Parent Company from ₱740,000,000 divided into 740,000,000 shares with a par value of ₱1 per share to an amount not exceeding ₱5,000,000,000 divided into 5,000,000,000 shares with a par value of ₱1 per share. On the same date, the BOD approved the transfer of the principal address of the Parent Company from Room 322, 3rd Floor, LRI Design Plaza, 210 Nicanor Garcia Street, Barangay Sta. Cruz, Makati City to its current principal address, Unit 103, Ground Floor, Prestige Tower Condominium, F.Ortigas Jr. Avenue Ortigas Center, Pasig City. These were subsequently approved by the shareholders on September 19, 2013. On October 18, 2013, the SEC approved the amended articles of incorporation indicating the change of address and increase in authorized capital stock.

On February 10, 2014, the BOD approved the payment to BEST of ₱22,875,000 representing 15% of the remaining subscription payable.

On July 22, 2015, the BOD approved the change in the name of the Parent Company from "Minerales Industrias Corporation" to "IPM Holdings, Inc." and the change in the Parent Company's ticker symbol from "MIC" to "IPM". These were subsequently approved by the shareholders on October 21, 2015. The SEC approved the amended articles of incorporation indicating the change in the name of the Parent Company on November 25, 2015.

The Parent Company's shares are publicly traded in the Philippine Stock Exchange (PSE) under the ticker "IPM". As of December 31, 2015 and 2014, the top four beneficial shareholders of the Parent Company are the following:

	Percentage of ownership
IPMCDC	51%
IPMESI	10%
IPMRDC	7%
Public	32%

IPMCDC, IPMESI and IPMRDC were all incorporated in the Philippines. The ultimate parent company of the Group is IPMCDC.

Reverse acquisition
Before the Parent Company acquired 75% interest in BEST, majority of the shareholders of BEST are also the shareholders of IPMCDC, IPMESI and IPMRDC. Hence, the Parent Company's acquisition of 75% interest in BEST effectively qualifies as a reverse acquisition since BEST is the combining entity whose owners as a group retain or receive the largest portion of the voting rights in the combined entity. Equity reserve pertains to the difference in capital structure of IPM and BEST and recognition of deficit of IPM during the date of acquisition, as the retained earnings of the consolidated financial statements represents retained earnings of BEST before acquisition adjusted by post-acquisition results of the Group.

Since the Parent Company is not a business as defined in PFRS 3, *Business Combination*, paragraph B7, the transaction did not qualify a business combination, but a share-based payment transaction whereby BEST has received the net assets of the Parent Company together with the listing status of the Parent Company.

The consolidated financial statements reflects the substance of the transaction which is that BEST is the continuing entity, therefore, the principles and guidance on the preparation and presentation of the consolidated financial statements in a reverse acquisition set out in PFRS 3 were applied in this transaction. However, the listing status did not qualify for recognition as an intangible asset, and therefore expensed in profit or loss.

In 2013, listing expense was recognized in profit or loss and equity reserve at the date of acquisition. Computation of listing expense follows:

Fair value of BEST at acquisition date	₱650,295,426
Interest acquired by Parent Company	75%
	487,721,570
Cash paid by Parent Company	462,500,000
	₱25,221,570

The accompanying consolidated financial statements were authorized for issue by the BOD, as endorsed by the Audit Committee, on March 30, 2016.

2. **Summary of Significant Accounting Policies**

Basis of Preparation
The accompanying consolidated financial statements have been prepared using the historical cost basis. These financial statements are presented in Philippine Peso (₱), the Group's functional currency. All amounts are rounded to the nearest Philippines Peso unless otherwise indicated.

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

Basis of Consolidation
The accompanying consolidated financial statements prepared following a reverse acquisition are issued under the name of the Parent Company (legal parent or accounting acquiree) but is a continuation of the financial statements of BEST (legal subsidiary or accounting acquirer). The accompanying consolidated financial statements comprise the financial statements of the Parent Company and BEST.

The consolidated financial statements are prepared based on the principles of reverse acquisition involving a non-trading shell company. The accounting acquiree is fully consolidated from the date of acquisition or incorporation, being the date on which the accounting acquirer obtains control, and continues to be consolidated until the date that such control ceases.

All intra-group balances, transactions and unrealized gains and losses resulting from intra-group transactions are eliminated in full.

Noncontrolling interest (NCI) represent the portion of profit or loss and the net assets not held by the Group and are presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position and consolidated statements of changes in equity.

Acquisitions of NCI are accounted for using the acquisition method, whereby the Group considers the acquisition of NCI as an equity transaction. Any premium or discount on subsequent purchases from NCI shareholders is recognized directly in equity and attributed to the owners of the parent.

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

The accounting acquirer re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation begins when the accounting acquirer obtains control over the accounting acquiree and ceases when the accounting acquirer loses control of the accounting acquiree. Assets, liabilities, income and expenses of the accounting acquiree are included in the consolidated statements of financial position and consolidated statement of comprehensive income from the date the accounting acquirer gains control at the accounting acquiree until the date the accounting acquirer losses the control.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the accounting acquirer and to the NCI, even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the consolidated financial statements of the accounting acquiree to bring its accounting policies in line with the accounting policies of the accounting acquirer.

As of December 31, 2015 and 2014, NCI pertains to the 25% ownership of individuals and companies other than the Parent Company of BEST. The financial information of BEST, with material NCI, is provided below. This information is based on amounts before inter-company eliminations.

	2015	2014
Current assets	**₱690,470,251**	₱437,934,417
Noncurrent assets	**385,778,787**	445,378,538
Total assets	**₱1,076,249,038**	₱883,312,955
Current liabilities	**₱204,487,477**	₱92,541,570
Noncurrent liabilities	**706,119**	416,476
Total liabilities	**₱205,193,596**	₱92,958,046

	2015	2014
Revenue	**₱318,653,791**	₱282,469,418
Net income	**80,697,214**	64,888,972
Total comprehensive income	**80,700,533**	64,923,758
Cash flows from:		
Operating activities	**(36,842,624)**	19,748,187
Investing activities	**424,807**	51,132,909
Financing activities	**99,390,089**	(57,819,656)
Net increase in cash and cash equivalents	**₱62,972,272**	₱13,061,440
Accumulated balance of material NCI	**295,351,478**	275,176,344
Net income attributable to material NCI	**20,174,304**	16,222,243

There are no significant restrictions on the Group's ability to use assets or settle liabilities within the Group. There is no difference on the voting rights of non-controlling interests as compared to majority stockholders.

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amended PFRS, which became effective on January 1, 2015. Except as otherwise indicated, the adoption of these new accounting standards and amendments have no material impact on the consolidated financial statements.

- PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions* (Amendments)
- *Annual Improvements to PFRSs (2010-2012 cycle)*
  The Annual Improvements to PFRSs (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:
  - PFRS 2, *Share-based Payment - Definition of Vesting Condition*
  - PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*
  - PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
  - PAS 16, *Property, Plant and Equipment,* and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation*
  - PAS 24, *Related Party Disclosures - Key Management Personnel*
- *Annual Improvements to PFRSs (2011-2013 cycle)*
  The Annual Improvements to PFRSs (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards:
  - PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*
  - PFRS 13, *Fair Value Measurement - Portfolio Exception*
  - PAS 40, *Investment Property*

There are new PFRS, amendments, annual improvements and interpretations to existing standards that are effective for periods subsequent to 2015 and these will be adopted on their effectivity dates in accordance with the transition provisions. Except as otherwise stated, these amendments and improvements to PFRS and new standard are not expected to have any significant impact on the consolidated financial statements.

Effective in 2016

- PAS 16, *Property, Plant and Equipment, and PAS 38, Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization* (Amendments)
- PAS 16, *Property, Plant and Equipment,* and PAS 41, *Agriculture - Bearer Plants* (Amendments)
- PAS 27, *Separate Financial Statements-Equity Method in Separate Financial Statements* (Amendments)
  The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have an impact on the Group's consolidated financial statements since the Group is already using equity accounting. The Group is currently assessing the impact of these amendments in the separate financial statements of the Parent Company.
- 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*
- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (Amendments)
- PFRS 14, *Regulatory Deferral Accounts*
- *Annual Improvements to PFRSs* (2012-2014 cycle)
  The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016.
  - PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
  - PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
  - PFRS 7 **-** *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
  - PAS 19, *Employee Benefits - regional market issue regarding discount rate*
  - PAS 34, *Interim Financial Reporting - disclosure of information 'elsewhere in the interim financial report'*

Effective in 2018

- PFRS 9, *Financial Instruments - Classification and Measurement* (2010 version)
- PFRS 9, *Financial Instruments-Hedge Accounting and amendments to PFRS 9, PFRS 7 and PAS 39* (2013 version)
- PFRS 9, *Financial Instruments* (2014 or final version)

<u>The following new standard issued by the International Accounting Standards Board (IASB) has not yet been adopted by Financial Reporting Standards Council (FRSC), Board of Accountancy (BOA) and Professional Regulation Commission (PRC)</u>

- IFRS 15, *Revenue from Contracts with Customers*
  IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more

structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

- IFRS 16, *Leases*
  This standard requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions) in a similar way to finance leases under PAS 17.Lessees recognize a liability to pay rentals with a corresponding asset, and recognize interest expense and depreciation separately. The new standard includes two recognition exemptions for lessees - leases of 'low-value' assets (e.g., personal computer) and short-term leases (i.e., leases with a lease term of 12 months or less).Reassessment of certain key considerations (e.g., lease term, variable rents based on an index or rate, discount rate) by the lessee is required upon certain events. Lessor accounting is substantially the same as today's lessor accounting, using PAS 17's dual classification approach. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, *Revenue from Contracts with Customers* at or before the date of initial application of IFRS 16. The Group is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date, once adopted locally.

Cash
Cash includes cash on hand and deposits held on demand with banks that are carried in the consolidated statement of financial position at face amount and earn interest based on the prevailing bank deposit rates. Cash equivalents are short term, highly liquid investments that are already convertible to known amounts of cash with maturities of three months or less from the date of placement and are subject to an insignificant risk of changes in value.

Financial Instruments
Date of recognition
The Group recognizes a financial asset or a financial liability on the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date.

Initial recognition
All financial assets are initially recognized at fair value. Except for financial assets at fair value through profit or loss (FVPL), the initial measurement of financial assets includes transaction costs. The Group classifies its financial assets in the following categories: financial assets at FVPL, held-to-maturity (HTM) investments, available-for-sale (AFS) financial assets, and loans and receivables. Financial liabilities are classified as either financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the investments were acquired and whether these are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

As of December 31, 2015 and 2014, the Group's financial instruments are in the nature of loans and receivables and other financial liabilities.

Day 1 profit
Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value ('Day 1' profit or loss) in profit or loss unless it qualifies for recognition as some type of asset or liability. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized 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' profit or loss amount.

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

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included in the interest income in profit or loss. The losses arising from impairment of such loans and receivables are recognized as "Provision for impairment losses" in profit or loss.

This accounting policy relates to the Group's "Cash", "Receivables", "Deposits" and "Due from a joint venture".

Other financial liabilities
Other financial liabilities pertain to issued financial instruments that are not classified or designated as at FVPL and contain contractual obligations to deliver cash or another financial asset to the holder or to settle the obligation other than the exchange of a fixed amount of cash. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest rate. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

This accounting policy applies primarily to the Group's "Trade and other payables", "Due to related parties", "Loans payable" and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable).

<u>Impairment of Financial Assets</u>
The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is

measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables
For loans and receivables carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized, are not included in a collective assessment for impairment.

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial assets' original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss shall be recognized in profit or loss during the period in which it arises.

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

In relation to loans and receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through the use of an allowance account. Impaired loans and receivables are derecognized when they are assessed as uncollectible.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as past-due status and term.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with the changes in related observable data from period to period (such as changes in unemployment rates, property prices, commodity prices, payment status, or other factors that are indicative of incurred losses in the Group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any difference between loss estimate and actual loss experience.

Derecognition of Financial Assets and Liabilities

Financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of 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 as 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 (i) has transferred substantially all the risks and rewards of the asset, or (ii) has neither transferred nor retained the risks and rewards of the asset but has transferred the control of the asset.

Where the Group has transferred its right to receive cash flows from an asset or has entered into a "pass-through" arrangement, 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 original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liability

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

Offsetting of Financial Instruments

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 amount and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Fair Value

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

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

The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the assets or liability, assuming that market participants act in their economic best interest.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable in the market, either directly or indirectly; and
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Financial instruments
The fair values for financial instruments traded in active markets at the reporting date are based on their quoted market prices (any price between the bid and ask spread), without any deduction for transaction costs. When current market prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models. Any difference noted between the fair value and the transaction price is treated as expense or income, unless it qualifies for recognition as some type of asset or liability.

Nonfinancial asset
Fair value measurement of nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

The Group's management determines the policies and procedures for both recurring fair value measurement and for non-recurring fair value measurement.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents with relevant external sources to determine whether the change is reasonable.

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.

Other Current Assets
Other current assets, including prepayments, represent expenses not yet incurred but already paid in advance. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit and loss as the benefits are consumed in operations or expired with the passage of time.

Deposits
Deposits represent deposits to a government agency as a surety bond which is measured at cost.

Investments in an Associate and a Joint Venture
Associates are entities in which the Group has significant influence and which are neither subsidiaries nor joint ventures of the Group. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

A joint venture is an entity, not being a subsidiary or an associate, in which the Group exercises joint control together with one or more venturers. Investments in an associate and a joint venture are accounted for under the equity method of accounting in the consolidated financial statements.

Under the equity method, the investments in associate and joint venture are 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 and joint venture, less dividends declared and impairment in value. If the Group’s share of losses of an associate and joint venture equals or exceeds its interest in the associate, the Group discontinues recognizing its share of further losses. The interest in an associate and a joint venture is the carrying amount of the investment in the associate and joint venture under the equity method together with any long-term interests that, in substance, form part of the investor’s net investment in the associate and joint venture. After application of the equity method, the Group determines whether it is necessary to recognize any impairment loss with respect to the Group’s net investments in the associate and joint venture. The consolidated statement of comprehensive income reflects the Group’s share in the results of operations of its associate and joint venture. This is included in the “Equity in net earnings (losses) of an associate and a joint venture” account in the consolidated statement of comprehensive income. After the Group’s interest is reduced to zero, additional losses are provided to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate and joint venture.

When there has been a change recognized directly in the equity of the associate and joint venture, the Group recognizes its share of any change and discloses this, when applicable, in the consolidated statement of changes in equity.

The reporting dates of the associate, joint venture and the Group are identical and the accounting policies of the associate and joint venture conform to those used by the Group for like transactions and events in similar circumstances.

Unrealized gains arising from intercompany transactions with its associate and joint venture are eliminated to the extent of the Group’s interest in the associate and joint venture. Unrealized losses are eliminated similarly but only to the extent that there is no evidence of impairment of the asset transferred.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at fair value and will subsequently be measured using the policy on financial assets. Any difference between the carrying amount of the associate and joint venture upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss.

Investment Property
Property held for long-term rental and/or capital appreciation are classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost, less any accumulated depreciation and amortization and any accumulated impairment in value.

Investment property is derecognized when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner-occupation, commencement of an operating lease to another party or by the end of construction or development.

Depreciation of investment property is computed using the straight-line method over the estimated useful life of 35 years.

The useful life and depreciation method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from its investment property.

Property and Equipment
Property and equipment, except land, are stated at cost less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of such property and equipment when such cost is incurred if the recognition criteria are met. Land is carried at cost less any impairment in value.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Condominium units and improvements	35
Development costs	5 to 15
Transportation and heavy equipment	5 to 10
Office furniture and fixtures	2 to 5

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

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

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

Impairment of Nonfinancial Asset

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

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

Investments in an associate and a joint venture

After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the fair value less cost to sell and the carrying value of the investee company and recognizes the difference in profit or loss.

Equity

Capital stock

Capital stock is measured at par value for all shares issued and outstanding. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Retained earnings

Retained earnings represent the cumulative balance of net income or loss of the Group, net of any dividend declaration. Unappropriated retained earnings represent that portion which is free and can be declared as dividends to stockholders, after adjustments for any unrealized items, which are considered not available for dividend declaration. Appropriated retained earnings represent that portion which has been restricted and therefore is not available for any dividend declaration.

Equity reserve

Equity reserve pertains to the effect of reverse acquisitions (see Note 1).

Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Regardless of when the payment is being made, revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Service income
Service income is recognized when the related services are rendered.

Rental income
The Group leases out office spaces and transportation and heavy equipment under cancellable operating leases. Rental income arising from investment property is recognized on a straight line basis while rental income on transportation and heavy equipment which are considered as variable lease payments are recognized based on the terms of the operating lease.

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

Costs and Expenses
Cost and expenses, are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in Group's equity, other than those relating to distributions to stockholders.

Cost of services
Cost of services include costs relating directly to a specific contract, costs that are attributable to a contract activity in general and can be allocated to the contract and other costs that can be charged to the customer under the contract. These are recognized when incurred.

General and administrative expenses
General and administrative are recognized in profit or loss in the period these are incurred.

Leases
The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date whether the fulfilment 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 restatement is made after the inception of the lease only if one of the following applies:

(a) there is a change in the 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 and extension was initially included in the lease term;
(c) there is a change in the determination of whether the fulfilment is dependent on a specified asset; or
(d) there is a substantial change to the asset.

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

Finance Lease Commitments - Group as a Lessee
The Group has entered into commercial lease of transportation equipment. The Group has determined that it acquires all the significant risks and rewards of ownership on these equipment and therefore accounts for these under finance lease.

Group as a lessor
Lease of assets under which the Group effectively retains all the risks and rewards of ownership is classified as operating lease. Variable lease payments under an operating lease are recognized as an income in profit or loss based on the terms of the operating lease agreement.

<u>Retirement Cost</u>
The Group, through BEST, has a funded, non-contributory retirement plan, administered by a trustee, covering its regular employees. Retirement cost is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

Defined retirement costs comprise the following:

(a) Service costs
(b) Net interest on the net defined benefit liability or asset
(c) Remeasurements of net defined benefit liability or asset

Service costs which include current service cost, past service cost and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as interest expense or interest income in profit or loss.

Remeasurements comprising actuarial gains and losses and return on plan assets (excluding net interest on defined benefit liability) are recognized immediately in OCI under "Actuarial gains/losses on defined benefit plan" in the period in which they arise. Remeasurements are not recycled to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plans or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Short-term Benefits
The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Group to its employees include compensation, social security contributions, short-term compensated absences, bonuses and other non-monetary benefits.

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

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

Deferred tax liabilities are recognized for all taxable temporary differences with certain exceptions. Deferred income tax assets are recognized for all deductible temporary differences and net operating loss carry over (NOLCO) to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and NOLCO can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rate that is applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting period.

Deferred tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

Value-added tax (VAT)
Revenue, expenses and assets are recognized net of the amount of sales tax except:

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

The net amount of tax recoverable from the tax authority is included as part of "Other current assets" in the consolidated statement of financial position.

Other Comprehensive Income
Other comprehensive income comprises items of income and expense (including items previously presented under the statement of changes in equity) that are not recognized in profit or loss for the year in accordance with PFRS. Other comprehensive income includes actuarial gains and losses on defined benefit obligation. Other comprehensive income that will be reclassified subsequently to profit or loss is presented separately from other comprehensive income that will not be reclassified to profit or loss in the future.

Operating Segment
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Disclosure of segment information is presented in Note 23.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss, net of any reimbursement.

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

Basic/Diluted Earnings Per Share (EPS)
EPS is computed by dividing net income for the year attributable to common shareholders by the weighted average number of common shares issued and outstanding during the year, with retroactive adjustments for any stock dividends declared.

Events After the Reporting Date
Post year-end events that provide additional information about the Group's financial position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

3. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRS requires the Group to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.

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

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements. Among the significant accounting judgments made by the Group are as follows:

Assessment of control

The Parent Company classifies its investee companies as subsidiary if the Parent Company achieves control over the companies. Control is presumed to exist if the Parent Company has the following characteristics:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns

Control is achieved when the Parent Company 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. In the event the Parent Company loses this power, the Parent Company will have to change the classification of its investment in investee companies.

BEST is the combining entity whose owners as a group received the largest portion of the voting rights in the Group, hence, is regarded as the accounting acquirer.

As of December 31, 2015 and 2014, BEST holds 60% interest in Ecoedge Resources Corporation (ERC). Joint control exists as decisions about the relevant activities of ERC require the unanimous consent of BEST and Lafarge Industrial Ecology International, S.A (LIEI), which is supported by the contractual agreement of the parties to the following:

- The affirmative vote of shareholders representing at least 75% of the issued share capital shall be required to pass a shareholders resolution;
- ERC shall be governed by the BOD that will comprise 5 directors (3 nominated by BEST and 2 nominated by LIEI), whereby 4 directors shall be required to pass a board resolution.

Assessment of significant influence

The Group classifies its investee companies as an associate if the Group has significant influence in the investee company. Significant influence is presumed to exist if the Group has a holding of 20% or more of the voting power of the investee. Holding of less than 20% of the voting power is presumed not to give rise to significant influence, unless it can be clearly demonstrated that there is in fact significant influence.

As of December 31, 2015 and 2014, the Group holds 16% interest in Metro Clark Waste Management Corporation (MCWM). The Group exercise significant influence in MCWM due to the presence of BEST's President in the Board of MCWM. Hence, the President of BEST, effectively has a participation in the policy-making processes of MCWM.

Distinction between investment properties and owner occupied properties
The Group determines whether a property qualifies as investment property or owner-occupied property. In making its judgment, the Group considers whether the property generated cash flows largely independently of the other assets held by an entity or for capital appreciation. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the supply of services or for administrative purposes.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the supply of services or for administrative purposes. If these portions cannot be sold separately as of the reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or for administrative purposes. Judgment is applied in determining whether ancilliary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

The disclosures on the Group's investment property and property and equipment are presented in Notes 10 and 11, respectively.

Determining Finance Lease Commitments - Group as a Lessee
The Group has entered into commercial lease of transportation equipment. The Group has determined that it acquires all the significant risks and rewards of ownership on this equipment since the ownership of the asset will be transferred to the Group at the end of the lease term. Therefore, the Group accounts for these under finance lease.

Operating lease - Group as lessor
The Group has entered into various commercial property leases on its investment property and transportation and heavy equipment. The Group has determined that it retains all the significant risks and rewards of ownership of the property as the Group considered, among others, the length of the lease term as compared with the estimated life of the assets. The Group's operating lease contracts are accounted for as cancellable operating leases. In determining whether a lease contract is cancellable or not, the Group considers, among others, the significance of the penalty, including economic consequence to the lessee.

<u>Estimates and Assumptions</u>
The key assumptions concerning the future and other key sources of estimation uncertainty as of the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, are discussed below:

Allowance for impairment loss on receivable
The Group maintains allowance for impairment loss on its receivables at a level adequate to provide for any potential uncollectible receivables. The level of this allowance is regularly evaluated by the Group. The Group assesses whether objective impairment exists for the receivable by considering the financial condition and credit history of the counterparty. Moreover, the Group also considers its historical loss experience in assessing collective impairment of receivables. The Group reviews the status of the receivables and identifies amounts that are to be provided with allowance on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in the Group's allowance for impairment loss on receivables would increase the Group's recorded expenses and decrease current assets. As of December 31, 2015 and 2014, the allowance for impairment losses on receivable amounted to ₱4.39 million and ₱2.73 million, respectively. Receivables amounted to ₱593.57 million and ₱441.79 million as of December 31, 2015 and 2014, respectively (see Note 5).

Estimated useful lives of investment property and property and equipment
The useful life of each of the Group's investment property and property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each item of investment property and property and equipment is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any investment property and property and equipment would increase the recorded general and administrative expenses and decrease noncurrent assets. Based on the management estimates, there is no need to update the estimated useful lives of investment property and property and equipment in 2015 and 2014. As of December 31, 2015 and 2014, the carrying value of the Group's investment properties amounted to ₱35.20 million and ₱36.32 million, respectively (see Note 10). As of December 31, 2015 and 2014, the carrying value of the Group's property and equipment amounted to ₱256.81 million and ₱276.50 million, respectively (see Note 11).

Impairment of non-financial assets
The Group assesses impairment on non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. The Group recognizes an impairment loss if such indications are present and whenever the carrying amount of an asset exceeds its recoverable amount.

This requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Group to conclude that these assets are impaired. Any resulting additional impairment loss could have a material adverse impact on the Group's financial condition and results of operations.

As of December 31, 2015 and 2014, the Group did not recognize any impairment loss on its nonfinancial assets. As of December 31, 2015 and 2014, the carrying values of investments in an associate and a joint venture amounted to ₱89.27 million and ₱91.20 million, investment property amounted to ₱35.20 million and ₱36.32 million, and property and equipment amounted to ₱256.81 million and ₱276.50 million, respectively (see Notes 8, 10 and 11).

Retirement benefits
The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country. Net pension liability amounted to ₱0.71 million and ₱0.42 million as of December 31, 2015 and 2014, respectively. Further details about the assumptions used are provided in Note 18.

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position or disclosed in the notes to the consolidated financial statements cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models such as discounted cash flow technique. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. Further details on fair value of financial instruments are provided on Note 22.

Recoverability of deferred tax assets
The Group's assessment on the recognition of deferred tax assets on non-deductible temporary differences and carry forward benefit of NOLCO is based on the forecasted taxable income of the following reporting periods. This forecast is based on the Group's past results and future expectations on revenues and expenses.

In 2014, the Group recognized previously unrecognized deferred tax assets amounting to ₱0.05 million since the management believes that sufficient future taxable income will be available against which the deductible temporary differences can be utilized.

Deferred tax assets recognized amounted to ₱1.23 million and ₱0.64 million as of December 31, 2015 and 2014, respectively. The amount of unrecognized deferred tax assets amounted to ₱4.27 million and ₱3.98 million as of December 31, 2015 and 2014, respectively (see Note 19).

4. Cash

This account consists of:

	2015	2014
Cash on hand	**₱65,000**	₱65,000
Cash in banks	**81,411,440**	21,256,523
	₱81,476,440	₱21,321,523

Cash in banks earns interest at the prevailing bank deposit rates.

Interest earned on cash amounted to ₱0.03 million, ₱0.07 million and ₱0.18 million in 2015, 2014 and 2013, respectively.

5. Receivables

This account consists of:

	2015	2014
Trade receivables		
Related parties (Note 15)	**₱529,693,744**	₱384,426,849
Local government units (LGUs)	**20,705,005**	19,588,005
Private entities	**10,378,788**	7,387,673
	560,777,537	411,402,527
Loans receivable (Note 15)	**31,000,000**	31,000,000
Interest receivable (Note 15)	**1,488,580**	308,260
Advances to officers and employees	**493,053**	662,345
Advances to suppliers	**339,520**	83,776
Others	**3,866,172**	1,066,172
	597,964,862	444,523,080
Less allowance for impairment losses	**4,394,669**	2,733,892
	593,570,193	441,789,188
Less noncurrent portion of trade receivables from related parties	**–**	37,584,527
	₱593,570,193	₱404,204,661

Trade receivables pertain to receivables from services rendered and rental of equipment earned by BEST in the ordinary course of its business operations. Trade receivables are noninterest-bearing and collectible within one year.

In 2015, portion of the collections from IPMESI were applied against outstanding noncurrent receivables amounting to ₱37.58 million.

The rollforward analysis of the Group's allowance for impairment losses follows:

	2015	2014
Balance at the beginning of the year	**₱2,733,892**	₱1,066,172
Provision for the year (Note 17)	**1,660,777**	1,667,720
Balance at end of year	**₱4,394,669**	₱2,733,892

Allowance for impairment losses as of December 31, 2015 and 2014 pertains to long-outstanding trade and other receivables of the Group which were specifically identified as impaired.

6. Short-Term Deposit

As of December 31, 2013, the Group has short-term deposit with a local bank amounting to ₱100,000,000 in relation to the back-to-back loan credit accommodation obtained by BEST from the local bank on December 28, 2012. This deposit, including the accrued interest, is restricted and can be withdrawn, transferred or encumbered only with the written consent of the local, unless the loans or any part thereof, including interest and other charges thereon, shall have been fully paid or discharged.

On March 21, 2014, BEST paid the loan payable to the local bank using the short-term deposit (see Note 13). Interest income on the short-term deposit amounted to ₱0.85 million and ₱1.52 million in 2014 and 2013, respectively.

7. Other Current Assets

This account consists of:

	2015	2014
Input VAT	**₱17,692,929**	₱18,367,343
Prepayments	**3,581,471**	1,989,633
Creditable withholding taxes	**1,176,609**	1,137,430
Miscellaneous deposits	**15,669**	15,669
	22,466,678	21,510,075
Less allowance for impairment losses	**4,764,198**	4,581,137
	₱17,702,480	₱16,928,938

The movement in allowance for impairment losses follows:

	2015	2014
Balance at beginning of year	**₱4,581,137**	₱4,364,957
Provision for the year (Note 17)	**183,061**	216,180
Balance at end of year	**₱4,764,198**	₱4,581,137

The Parent Company provided allowance for impairment on its creditable withholding taxes and input VAT aggregating to ₱4.76 million and ₱4.58 million as of December 31, 2015 and 2014, respectively, due to low probability that these assets may be utilized in the future.

8. Investments in an Associate and a Joint Venture - at equity

The details of the Group's investments in an associate and a joint venture accounted for under the equity method as of December 31, 2015 and 2014 follow:

	Associate		**Joint Venture**		**Total**	
	Metro Clark Waste Management Corporation (MCWM)		**Ecoedge Resources Corporation (ERC)**			
	2015	2014	**2015**	2014	**2015**	2014
Cost:						
Balance at beginning of the year	**₱32,393,358**	₱32,393,358	**₱51,412,499**	₱2,812,499	**₱83,805,857**	₱35,205,857
Additional investment	**–**	–	**–**	48,600,000	**–**	48,600,000
	32,393,358	32,393,358	**51,412,499**	51,412,499	**83,805,857**	83,805,857
Accumulated share in net earnings (losses):						
Balance at beginning of year	**12,548,066**	9,412,455	**(5,152,788)**	(175,176)	**7,395,278**	9,237,279
Equity in net earnings (losses) of associate and joint venture	**4,256,539**	3,135,611	**(4,982,810)**	(4,977,612)	**(726,271)**	(1,842,001)
Dividends received	**(1,200,000)**	–	**–**	–	**(1,200,000)**	–
Balance at end of year	**15,604,605**	12,548,066	**(10,135,598)**	(5,152,788)	**5,469,007**	7,395,278
	₱47,997,963	₱44,941,424	**₱41,276,901**	₱46,259,711	**₱89,274,864**	₱91,201,135

The reconciliation of the associates' and joint venture's net assets multiplied by the ownership interest and the carrying amount of each investments is shown in the table below:

	MCWM		ERC	
	2015	2014	**2015**	2014
Net assets	**₱271,482,167**	₱254,878,792	**₱64,519,835**	₱72,824,518
Ownership interest	**16%**	16%	**60%**	60%
	43,437,147	40,780,607	**38,711,901**	43,694,711
Fair value and other adjustments	**4,560,816**	4,160,817	**2,565,000**	2,565,000
Carrying value of investment	**₱47,997,963**	₱44,941,424	**₱41,276,901**	₱46,259,711

MCWM

MCWM was incorporated on March 6, 2002 with the primary purpose of managing, supervising and operating a waste management system for the efficient, hygienic, and economical collection, segregation, recycling, composting, filling, disposing, treating and managing of commercial, industrial and other waste garbage, refuse and similar items and engaging in related activities. The registered business address of MCWM is at Clark Special Economic Zone, Clark Field Pampanga.

As of December 31, 2015 and 2014, the Group holds 16% interest in MCWM. The Group exercise significant influence in MCWM due to the presence of BEST's President in the Board of MCWM. Hence, the President of BEST effectively has a participation in the policy-making processes of MCWM.

Significant financial information of the associate follows:

	2015	2014
Cash and cash equivalents	**₱30,838,524**	₱34,303,580
Current assets	**₱153,140,796**	₱102,305,183
Noncurrent assets	**201,067,695**	208,159,127
Total assets	**₱354,208,491**	₱310,464,310
Current liabilities	**₱22,631,488**	₱15,499,051
Noncurrent liabilities	**60,094,836**	40,086,467
Total liabilities	**₱82,726,324**	₱55,585,518
Gross Revenue	**₱272,992,848**	₱176,628,302
Cost and expenses- net	**244,054,921**	155,151,128
Net profit before income tax	**28,937,927**	21,477,174
Net profit	**26,603,376**	19,597,571
Other comprehensive income	**–**	–
Total comprehensive income	**26,603,376**	19,597,571

ERC

On November 6, 2013, BEST entered into a joint venture agreement with Lafarge Industrial Ecology International, S.A. (LIEI) to organize and establish ERC to engage in the development, utilization of renewable energy sources for non-power applications, and in particular, the production, processing, packaging, distribution and/or sale of fuel generated from municipal solid waste, such as refuse derived fuel, and pursuant thereto, to establish renewable energy systems or facilities, and to engage in any activity pursuant or incidental thereto. ERC was incorporated on November 27, 2013 and its registered address is Unit 103, GF Prestige Tower Condominium, F. Ortigas Jr. Road, Ortigas Center, Pasig City.

As of December 31, 2015 and 2014, BEST holds 60% interest in ERC. Joint control exists as decisions about the relevant activities of ERC require the unanimous consent of both BEST and LIEI, which is supported by the contractual agreement of the parties to the following:

- The affirmative vote of shareholders representing at least 75% of the issued share capital shall be required to pass a shareholders resolution;
- ERC shall be governed by the BOD that will comprise of 5 directors (3 nominated by BEST and 2 nominated by LIEI), whereby 4 directors shall be required to pass a board resolution.

Significant financial information of the joint venture follows:

	2015	2014
Current assets, including cash and cash equivalents of ₱3.72 million (2014: ₱4.33 million)	**₱17,015,363**	₱11,133,596
Noncurrent assets	**111,939,344**	113,679,939
Total assets	**₱128,954,707**	₱124,813,535
Current liabilities	**₱64,434,872**	₱51,989,017
Noncurrent liabilities	**–**	–
Total liabilities	**₱64,434,872**	₱51,989,017
Gross revenue	**₱28,107,692**	₱380,221
Cost of sales	**30,660,028**	4,074,185
Administrative expenses, including depreciation and amortization of ₱7.92 million (2014: ₱1.60 million)	**5,751,146**	4,593,794
Loss before income tax	**(8,303,482)**	(8,287,758)
Income tax expense	**1,202**	8,263
Net loss	**(8,304,684)**	(8,296,021)
Other comprehensive income	**–**	–
Total comprehensive loss	**(8,304,684)**	(8,296,021)

There are no significant restrictions on the ability of the associate and the joint venture to transfer funds to the Group in the form of cash dividends or to repay loans or advances made by the Group.

9. **Deposits**

As of December 31, 2015 and 2014, BEST has deposits to GSIS as surety bond amounting to ₱3.29 million and ₱3.16 million, respectively. These deposits were made in favor of BEST's contracting parties, which are government offices, so that the completion of the project is guaranteed. If the Group fails to execute the services according to the specifications laid out in the respective contracts, the government offices will receive guaranteed compensation for any monetary loss up to the amount of the performance bond.

10. **Investment Property**

BEST owns two condominium units located in Pasig City. One unit is being used by BEST while the other unit is being leased out to related parties. The allocated cost and accumulated depreciation of the transferred condominium units are allocated based on the area (in square meters) of the space leased out (see Notes 15 and 21).

Cost and accumulated depreciation of the Group's investment property follow:

	2015	2014
Cost:	**₱38,535,329**	₱38,535,329
Accumulated depreciation:		
Balance at beginning of year	**2,218,453**	1,101,010
Depreciation (Note 16)	**1,117,443**	1,117,443
	3,335,896	2,218,453
Net book value	**₱35,199,433**	₱36,316,876

No rental income was recognized in 2015 since BEST's lease agreement with related parties was terminated in December 2014. Rent income earned from investment property amounted to ₱1.00 million, and ₱1.50 million in 2014 and 2013, respectively.

The investment property has an aggregate fair value of ₱37.49 million based on an appraisal made by an independent appraiser on December 4, 2015. The sales comparison approach was used in determining the fair value which considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. The fair value of the investment property is categorized as Level 3 which used adjusted inputs for valuation that are unobservable as of the date of valuation. The inputs used were asking prices of similar listings and offerings. Significant increases or decreases in asking price would result in higher or lower fair value of the asset.

11. **Property and Equipment**

This account consists of:

				2015		
	Land	**Condominium Unit and Improvements**	**Transportation and Heavy Equipment**	**Office Furniture and Fixtures**	**Development Costs**	**Total**
Cost						
At January 1	**₱115,252,700**	**₱36,962,660**	**₱123,814,371**	**₱3,191,142**	**₱104,146,099**	**₱383,366,972**
Additions	**–**	**–**	**–**	**645,073**	**–**	**645,073**
At December 31	**115,252,700**	**36,962,660**	**123,814,371**	**3,836,215**	**104,146,099**	**384,012,045**
Accumulated Depreciation and Amortization						
At January 1	**–**	**2,245,029**	**40,173,458**	**1,341,918**	**63,111,191**	**106,871,596**
Depreciation and amortization (Notes 16 and 17)	**–**	**1,153,597**	**11,413,098**	**1,592,304**	**6,172,830**	**20,331,829**
At December 31	**–**	**3,398,626**	**51,586,556**	**2,934,222**	**69,284,021**	**127,203,425**
Net Book Value	**₱115,252,700**	**₱33,564,034**	**₱72,227,815**	**₱901,993**	**₱34,862,078**	**₱256,808,620**

				2014		
	Land	Condominium Unit and Improvements	Transportation and Heavy Equipment	Office Furniture and Fixtures	Development Costs	Total
Cost						
At January 1	₱115,252,700	₱36,962,660	₱123,116,870	₱2,401,685	₱104,146,099	₱381,880,014
Additions	–	–	697,501	789,457	–	1,486,958
At December 31	115,252,700	36,962,660	123,814,371	3,191,142	104,146,099	383,366,972
Accumulated Depreciation and Amortization						
At January 1	–	1,061,722	28,760,361	511,766	56,938,361	87,272,210
Depreciation and amortization (Notes 16 and 17)	–	1,183,307	11,413,097	830,152	6,172,830	19,599,386
At December 31	–	2,245,029	40,173,458	1,341,918	63,111,191	106,871,596
Net Book Value	₱115,252,700	₱34,717,631	₱83,640,913	₱1,849,224	₱41,034,908	₱276,495,376

The Group's property and equipment have no restrictions or not pledged as security for any liability.

In 2013, the Group entered into a finance lease agreement with a local lending company for two units of transportation equipment costing ₱6.61 million in total. The carrying value of the transportation equipment is ₱5.05 million and ₱5.74 million as of December 31, 2015 and 2014, respectively.

Future minimum rentals payable under noncancellable finance lease as of December 31 follow:

	2015	2014
Within one year	**₱1,221,840**	₱1,128,202
After one year but not more than five years	**2,072,276**	3,294,116
	₱3,294,116	₱4,422,318

Interest expense incurred amounted to ₱0.29 million, ₱0.34 million and ₱0.02 million in 2015, 2014 and 2013, respectively.

The cost of fully depreciated property and equipment still being used in operations amounted to ₱11.07 million and ₱10.18 million as of December 31, 2015 and 2014, respectively.

12. Trade and Other Payables

This account consists of:

	2015	2014
Trade payable		
Related parties (Note 15)	**₱10,950,231**	₱10,040,244
Third parties	**6,069,166**	7,188,170
	17,019,397	17,228,414
Payable to government agencies	**72,535,043**	63,303,405
Accrued expenses	**1,509,633**	699,299
Provision (Note 17)	**–**	1,167,512
Others	**–**	78,188
	₱91,064,073	₱82,476,818

Trade payables comprise of payables in the contracting and consulting operations of BEST to provide waste disposal services. These are non-interest-bearing and are generally settled within one year.

Payable to government agencies pertain to output tax payable, documentary stamp tax, withholding tax on compensation and expanded withholding tax. These also include liabilities arising from contributions to Social Security System, Philippine Health Insurance Corporation and Pag-IBIG Fund, which are remitted within one month from the reporting period.

Accrued expenses pertain to accruals of professional fees, salaries and wages and interest expense on loans payable. These are non-interest-bearing and payable within 30 days.

Provision pertains to probable losses estimated as of December 31, 2014 and paid in 2015.

13. Loans Payable

On December 28, 2012, BEST obtained a loan from a local bank for working capital requirements under a back-to-back loan credit accommodation amounting to ₱100,000,000 with interest rate ranging from 3.75% to 4.20% per annum, via a one year promissory note being reviewed and discounted every 30 days at prevailing market rate. This loan is secured by a deed of assignment on the Group's time deposits with the same bank amounting to ₱100,000,000, which can be withdrawn, transferred or encumbered only with a written consent of the local bank, unless the loans or any part thereof, including interest and other charges thereon, shall have been fully paid or discharged (see Note 6).

On March 21, 2014, BEST settled the loan with the local bank using the short-term deposit of BEST (see Note 6).

On November 5, 2015, BEST obtained a new loan from a local bank for working capital requirements amounting to ₱100,000,000 and is due for settlement on October 20, 2016. The loan is unsecured and with interest rate of 4.00% per annum.

Interest expense on loans payable amounted to ₱0.62 million, ₱0.60 million and ₱4.19 million in 2015, 2014 and 2013, respectively.

14. Equity

Capital Stock

The authorized capital stock of the Parent Company with ₱1 par value per share follows:

	2015	2014
Authorized number of shares:		
At the beginning and end of the year	**740,000,000**	740,000,000
Number of shares issued and outstanding:		
At the beginning and end of the year	**690,000,000**	690,000,000

In accordance with Annex 68-D of SRC Rule 68 (As Amended) (2011), below is a summary of the Parent Company's track record of registration of securities.

Common Shares	**Number of Shares Registered**	**Issue/Offer Price**	**Date of Approval**
180,000,000	180,000,000	₱1.00	August 31, 1995
10,000,000	10,000,000	1.00	April 14, 2010
500,000,000	500,000,000	1.00	June 11, 2013
690,000,000	690,000,000		

The Parent Company's total number of shareholders is 118 and 121 as of December 31, 2015 and 2014, respectively.

Subscriptions

On February 8, 2013, the stockholders of the Parent Company representing at least two thirds of the outstanding capital stock approved the subscription by the following companies within the IPM group or any of their designees/nominees to a total of 500,000,000 shares out of the

₱500,000,000 increase in the authorized capital stock at a total subscription price of ₱500,000,000, which was paid as follows: (a) IPMCDC, ₱350,000,000; (b) IPMESI, ₱100,000,000; and (c) IPMRDC, ₱50,000,000.

The Parent Company received the deposits on stock subscription on February 11, 2013 and February 12, 2013 amounting to ₱50,000,000 and ₱450,000,000, respectively. These deposits for stock subscriptions were then transferred to common shares following the approval of the SEC of the Parent Company's application for increase in authorized capital stock on June 11, 2013.

Retained earnings
For purposes of dividend declaration, the retained earnings shall be that of the legal parent presented in the separate financial statements. As of December 31, 2015 and 2014, the Parent Company is in a deficit position, hence, no dividends were declared during the years covered.

The portion of retained earnings corresponding to the undistributed equity in net earnings of the associate and joint venture are not available for distribution as dividends until declared by the associate and joint venture.

The details of the Parent Company's deficit are as follows:

	2015	2014	2013
Balance at beginning of year	**₱199,603,954**	₱195,870,153	₱188,411,388
Net loss during the year	**2,984,527**	3,733,801	7,458,765
	₱202,588,481	₱199,603,954	₱195,870,153

Appropriations
BEST's BOD approved the appropriation of retained earnings as follows:

Date of Appropriation	Amount
March 31, 2009	₱7,500,000
April 8, 2010	2,500,000
April 13, 2011	500,000
April 12, 2012	4,303,219
	₱14,803,219

The appropriations made by BEST represent continuing appropriation for future capital expenditures and property acquisitions in the field of waste to energy technology.
On March 30, 2016, the BOD approved the reversal of appropriated retained earnings of ₱14.80 million to unrestricted retained earnings.

Noncontrolling Interests
On June 16, 2014, the other stockholders of BEST made additional investments amounting to ₱20,250,000 with corresponding equivalent number of shares issued.

15. **Related Party Transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (a) parties owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Group; (b) associates; (c) joint venture; and

(d) individual owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individuals.

The following table provides the total amount of transactions and outstanding balances that have been entered into with related parties for the relevant financial year:

2015

Category	Amount	Outstanding Balance	Terms	Conditions
Trade receivables (Note 5)				
Parent				
IPMCDC (a)	**₱113,710,185**	**₱79,658,802**	Non-interest-bearing; within one year	Unsecured, no impairment
Shareholders				
IPMESI (b)	**188,972,230**	**449,790,699**	Non-interest-bearing; within one year	Unsecured, no impairment
IPMRDC (c)	**1,737,589**	**204,697**	Non-interest-bearing; within one year	Unsecured, no impairment
Joint Venture				
ERC (d)	**108,645**	**39,546**	Non-interest-bearing; within one year	Unsecured, no impairment
		₱529,693,744		
Due from				
Joint venture				
ERC (d)	**₱–**	**₱–**	Non-interest-bearing; on demand	Unsecured, no impairment
Loans receivable (Note 5)				
Joint venture				
ERC (j)	**₱–**	**₱31,000,000**	Interest-bearing; due and demandable	Unsecured, no impairment
Interest receivable (Note 5)				
ERC (j)	**1,180,320**	**1,488,580**	Due and demandable	Unsecured, no impairment
		₱32,480,580		
Trade payables (Note 12)				
Parent				
IPMCDC (e)	**₱145,976,096**	**₱10,944,876**	Non-interest-bearing; within one year	Unsecured
IPMRDC (e)	**52,748**	**5,355**	Non-interest-bearing; within one year	Unsecured
		₱10,950,231		
Due to				
Parent				
IPMCDC (f)(g)	**₱13,184,806**	**₱2,239,931**	Non-interest-bearing; on demand	Unsecured
Shareholder				
IPMESI (f)	–	–	Non-interest-bearing; on demand	Unsecured
Affiliate				
GNCA Holdings, Inc. (GNCA) (h)	**₱180,000**	**₱–**	Non-interest-bearing; due and demandable	Unsecured
		₱2,239,931		

2014

Category	Amount	Outstanding Balance	Terms	Conditions
Trade receivables (Note 5)				
Parent				
IPMCDC (a)	₱80,977,297	₱4,975,223	Non-interest-bearing; within one year	Unsecured, no impairment
Shareholders				
IPMESI (b)	258,267,416	376,214,533	Non-interest-bearing; within one year	Unsecured, no impairment
IPMRDC (c)	4,875,148	3,234,093	Non-interest-bearing; within one year	Unsecured, no impairment
ERC (d)	3,000	3,000	Non-interest-bearing; within one year	Unsecured, no impairment
		₱384,426,849		
Due from				
Joint venture				
ERC (d)	₱449,202	₱716,162	Interest-bearing; on demand	Unsecured, no impairment
Loans Receivable (Note 5)				
Joint venture				
ERC (j)	₱31,000,000	₱31,000,000	Interest-bearing; on demand	Unsecured, no impairment
Interest Receivable (Note 5)				
ERC (j)	308,260	308,260	On demand	Unsecured, no impairment
		₱31,308,260		
Trade payables (Note 12)				
Parent				
IPMCDC (e)	₱42,078,525	₱10,040,244	Non-interest-bearing; within one year	Unsecured
Due to				
Parent				
IPMCDC (f)(g)	₱2,758,786	₱2,758,786	Non-interest-bearing; on demand	Unsecured
Shareholder				
IPMESI (f)	–	2,279,908	Non-interest-bearing; on demand	Unsecured
Affiliate				
GNCA Holdings, Inc. (GNCA) (h)	180,000	–	Non-interest-bearing; on demand	Unsecured
		₱5,038,694		

a. BEST provides composting of waste materials services to IPMCDC and charges tipping fees, and composting and waste processing fees based on the cubic meters of waste processed for the period. In 2015, 2014 and 2013, BEST charged IPMCDC for transportation and heavy equipment rental fees. In July 2015, BEST entered into a consultancy agreement with IPMCDC for the monitoring of efficiency of the latter's operation and compliance with rules and regulations on IPMCDC's contract with several local municipalities. The income payment is based on a fixed amount specified in the consultancy agreement.

b. BEST has an existing contract with IPMESI for the operation and maintenance of an Integrated Solid Waste Management Facility for a fixed monthly fee of ₱15.58 million. In 2015, 2014 and 2013, BEST charged IPMESI for the rental of transportation and heavy equipment.

c. Starting January 2013, BEST leases part of its office space to IPMRDC for a monthly rental fee of ₱0.12 million. No rental income was recognized in 2015 since BEST's lease agreement with related parties was terminated in December 2014 (see Note 21).

d. BEST provided advances to ERC in line with its start-up operations. The advances are non-interest-bearing and payable on demand.

e. IPMCDC and IPMRDC charges BEST for the rental of equipment, subcontracted services, salaries and wages, fuel and oil and repairs and maintenance expenses incurred in line with the operations of BEST.

f. Due to IPMCDC and IPMESI are for various reimbursable expenses advanced by the related parties on behalf of BEST. These advances are non-interest bearing and are due on demand.

g. On December 28, 2012, BEST obtained advances from IPMCDC amounting to ₱100.00 million for working capital requirements. These advances are non-interest bearing and are due on demand. In 2014, BEST fully paid the advances from IPMCDC.

h. The Parent Company entered into an agreement with GNCA, an entity controlled by one of the Parent Company's director, for the sharing of common costs incurred on the leased office space of the Parent Company. The agreement provides that Parent Company shall pay fixed monthly utility charges of ₱15,000 in 2015, 2014 and 2013, in lieu of its proportionate share in monthly rentals on the leased premises.

i. In 2013, the BOD of the Parent Company approved the grant of per diem to members of the BOD for every attendance in the regular meetings of the BOD. Total per diem paid to the directors amounted to ₱0.32 million, ₱0.24 million, and ₱0.22 million in 2015, 2014 and 2013, respectively (see Note 17).

j. In 2014, the Group granted one-year loans to ERC amounting to ₱19.00 million with 3.8640% interest rate which will be due on November 1, 2015 and ₱12.00 million with 3.718% interest which will be due on July 31, 2015. These loans remained outstanding at year end and accrued interest receivable amounted to ₱1.49 million and ₱0.31 million as of December 31, 2015 and 2014, respectively.

Transactions with related parties are based on terms agreed to by the parties. Outstanding balances as of reporting date are unsecured, non-interest bearing and settled in cash. There have been no guarantees provided or received for any related party receivables or payables. Based on management's assessment, no provision for impairment for receivables for related parties is necessary due to regular settlements made by the related parties in 2015 and 2014. This assessment is done on a regular basis.

Compensation of Key Management Personnel of the Group
Details of the compensation of key management personnel of the Group are as follows:

	2015	2014	2013
Salaries and other short-term employee benefits	**₱6,307,613**	₱4,474,290	₱4,343,971

16. **Cost of Services**

This account consists of:

	2015	2014	2013
Rent (Note 15)	**₱89,324,115**	₱55,457,000	₱46,558,877
Contract costs (Note 15)	**27,364,244**	28,027,685	29,958,507
Depreciation and amortization (Notes 10 and 11)	**19,625,574**	19,197,504	6,611,233
Repairs and maintenance (Note 15)	**11,213,897**	9,479,300	24,060,874
Materials and tools (Note 15)	**9,516,568**	16,077,897	9,712,638
Fuel and oil (Note 15)	**7,242,500**	15,037,713	17,349,510
Salaries and wages (Note 15)	**5,538,488**	4,806,206	4,734,835
Taxes and licenses	**1,012,998**	337,175	813,224
Supplies	**139,713**	225,459	271,403
Transportation and travel	**94,092**	547,821	115,066
Utilities	**89,082**	137,616	223,939
Others	**185,304**	100,064	610,529
	₱171,346,575	₱149,431,440	₱141,020,635

17. **General and Administrative Expenses**

This account consists of:

	2015	2014	2013
Taxes and licenses	**₱10,678,881**	₱15,394,076	₱8,294,871
Salaries, wages and employee benefits (Note 15)	**9,288,055**	8,471,198	7,064,978
Provision for impairment losses (Notes 5 and 7)	**1,843,838**	1,883,900	308,371
Depreciation (Note 11)	**1,823,698**	1,519,325	1,110,167
Professional fees	**1,448,811**	2,272,148	1,560,025
Utilities (Note 15)	**986,727**	903,694	899,358
Entertainment, amusement and recreation	**660,423**	705,550	304,750
Office supplies and printing costs	**625,344**	777,582	703,708
Repairs and maintenance	**476,273**	580,590	349,770
Stock exchange listing fee	**397,430**	542,918	2,026,593
Directors' fee (Note 15)	**320,000**	240,000	220,000
Pension expense (Note 18)	**273,768**	283,003	44,670
Transportation and travel	**209,774**	215,327	301,943
Rent (Note 15)	**185,332**	6,000	278,445
Fuel and oil	**25,930**	31,968	80,463

(Forward)

	2015	2014	2013
Net interest cost on retirement benefit obligation (Note 18)	**₱20,616**	₱7,299	₱8,242
Insurance	**14,090**	253,614	–
Provision (Note 12)	**–**	1,167,512	–
Others	**1,041,275**	782,826	479,794
	₱30,320,265	₱36,038,530	₱24,036,148

18. Pension Plan

The Group has a non-contributory defined benefit pension plan that covers all regular full-time employees. Under its defined benefit plan, the Group provides a retirement benefit equal to 22.5 days' pay for every year of credited service in accordance with the Retirement Pay Law (RA 7641). The benefit is paid lump sum upon retirement or separation in accordance with the terms of the plan. The law does not require minimum funding of the plan.

The Group's retirement fund is administered by Metropolitan Bank and Trust Company (the Trustee) under the supervision of the Board of Trustees (BOT) of the plan which delegates the implementation of the investment policy to the Trustee. The fund is subject to the investment objectives and guidelines established by the Trustee and rules and regulations issued by Bangko Sentral ng Pilipinas covering assets under trust and fiduciary agreements. The Trustee is responsible for the investment strategy of the plan.

The latest actuarial valuation date of the Group's retirement plan is as of December 31, 2015.

The following tables summarize the components of plan expense recognized in profit or loss and other comprehensive income and the funded status and amounts recognized in the consolidated statements of financial position for the plan:

	2015		
	Present value of defined benefit obligation	**Fair value of plan assets**	**Net pension liability**
At January 1	**₱761,474**	**(₱344,998)**	**₱416,476**
Benefit cost in profit or loss			
Current service cost (Note 17)	**273,768**	–	**273,768**
Net interest expense (Note 17)	**37,693**	–	**37,693**
Interest income (Note 17)	–	**(17,077)**	**(17,077)**
Remeasurements in other comprehensive income			
Remeasurement loss - return on plan asset	–	**11,659**	**11,659**
Actuarial gain - changes in financial assumptions	**(35,537)**	–	**(35,537)**
Actuarial loss - changes in experience	**19,137**	–	**19,137**
At December 31	**₱1,056,535**	**(₱350,416)**	**₱706,119**

	2014		
	Present value of defined benefit obligation	Fair value of plan assets	Net pension liability
At January 1	₱517,797	(₱341,929)	₱175,868
Benefit cost in profit or loss			
Current service cost (Note 17)	283,003	–	283,003
Net interest expense (Note 17)	21,489	–	21,489
Interest income (Note 17)	–	(14,190)	(14,190)
Remeasurements in other comprehensive income			
Remeasurement loss - return on plan asset	–	11,121	11,121
Actuarial gain - changes in financial assumptions	(65,505)	–	(65,505)
Actuarial loss - changes in experience	4,690	–	4,690
At December 31	₱761,474	(₱344,998)	₱416,476

The Group's plan assets are invested mainly in cash and cash equivalents. The carrying value of the Group's plan assets approximates the fair value due to its short-term nature. The plan assets do not have any concentration risk. The actual return on plan assets amounted to ₱0.05 million and ₱0.03 million in 2015 and 2014, respectively.

In 2013, the Group contributed ₱0.34 million to the defined benefit pension plan. The Group did not make any contribution in 2015 and 2014 to the defined benefit pension plan. The Group does not expect any contribution to the defined benefit pension plan in 2016.

The present value of the pension obligation is determined using an actuarial valuation, which involves making various assumptions. The principal assumptions used in determining pension benefits are as follows:

	2015	2014
Discount rate	**5.31%**	4.95%
Salary increase rate	**2.00%**	2.00%

The following sensitivity analysis has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

		Increase (decrease) in present value of defined benefit obligation	
	Change in variable	**2015**	2014
Discount rate	+100 bps	**(₱89,413)**	(₱71,355)
	-100 bps	**103,686**	83,212
Salary increase rate	+100 bps	**96,471**	77,907
	-100 bps	**(84,909)**	(68,283)

The Group expects to pay retirement benefits in 2016 amounting ₱0.11 million and in 2019 amounting to ₱0.25 million. The weighted average duration of the defined benefit obligation is 10.9 years and 11.7 years as of December 31, 2015 and 2014, respectively.

19. Income Tax

The provision for income tax recognized in profit or loss consists of:

	2015	2014	2013
Current	**₱38,007,435**	₱33,571,091	₱31,613,780
Final	**66,020**	185,062	340,965
Deferred	**(586,548)**	(640,167)	–
	₱37,486,907	₱33,115,986	₱31,954,745

The provision for current income tax represents regular corporate income tax (RCIT) of BEST in 2015, 2014 and 2013.

The components of the Group's unrecognized deferred tax assets follow:

	2015	2014
NOLCO	**₱13,157,555**	₱12,199,823
Allowance for impairment losses	**1,066,172**	1,066,172
	14,223,727	13,265,995
Tax rate	**30%**	30%
	₱4,267,118	₱3,979,799

The Group's deferred tax assets were not recognized in the books because management believes that it is not probable that taxable profits will be available in the future against which these can be utilized. The Group will recognize a previously unrecognized deferred tax asset to the extent that it becomes probable that future taxable income will allow the deferred tax asset to be recovered.

In 2014, the Group recognized the previously unrecognized deferred tax assets amounting to ₱0.05 million since management believes that future taxable income will allow the deferred tax assets to be utilized.

The components of the Groups recognized deferred tax assets follow:

	2015	2014
Presented in profit or loss		
Deferred tax assets		
Allowance for impairment losses	**₱998,549**	₱500,316
Net pension liability	**228,166**	139,851
	1,226,715	640,167
Presented in other comprehensive income		
Deferred tax liability		
Net pension liability	**(16,330)**	(14,908)
Net deferred tax assets	**₱1,210,385**	₱625,259

The reconciliation between the statutory income tax and the effective income tax follows:

	2015	2014	2013
At statutory tax rate	**₱34,559,878**	₱28,303,127	₱22,141,915
Add (deduct) tax effects of:			
Nondeductible expense	**1,942,473**	3,334,254	7,749,870
Equity in net losses of an associate and a joint venture	**217,881**	552,600	67,092
Interest income subjected to final tax	**(33,010)**	(92,531)	(170,482)
Change in unrecognized deferred tax assets	**799,685**	1,018,536	2,166,350
Effective income tax	**₱37,486,907**	₱33,115,986	₱31,954,745

The Parent Company's NOLCO as of December 31, 2015 consists of:

Year Incurred	Amount	Applied	Expired	Balance	Expiry Date
2015	₱2,665,618	₱–	₱–	₱2,665,618	2018
2014	3,354,805	–	–	3,354,805	2017
2013	7,137,132	–	–	7,137,132	2016
2012	1,707,886	–	1,707,886	–	2015
	₱14,865,441	₱–	₱1,707,886	₱13,157,555	

20. Basic/Diluted Earnings per Share

Basic/diluted earnings per share was computed as follows:

	2015	2014	2013
Net income attributable to equity holders of the parent (a)	**₱57,538,383**	₱45,005,528	₱23,295,787
Weighted average number of outstanding common share (b)	**690,000,000**	690,000,000	469,452,055
Basic earnings per share (a/b)	**₱0.08**	₱0.07	₱0.05

The basic EPS is equal to the diluted EPS since the Group has no potential shares that will have a dilutive effect on EPS.

21. Commitments

As of December 31, 2015 and 2014, the Group has the following contractual commitments:

- The Group has entered into a contractual agreement with IPMCDC, the ultimate parent, to undertake the following:

    a. Composting of waste materials from IPMCDC's sanitary landfill which is being renewed every year. In 2015, the Group entered into a new contract with IPMCDC for the composting of waste from Pasig City amounting to ₱0.56 million per month inclusive of taxes. The contract is renewable every year (Note 15).

b. Consultancy and field services in IPMCDC's Materials Recovery Facility (MRF) which is being renewed every year. In July 2015, the Group entered into new consultancy services contracts with IPMCDC for the monitoring of efficiency of the latter's operation and compliance with rules and regulations on IPMCDC's contract with several local cities. In 2015, the Group recognized income amounting to ₱13.29 million arising from these new consultancy services contracts (Note 15).

- The Group entered into a contractual commitment with IPMESI, a stockholder, to undertake the Operation and Maintenance of Integrated Solid Waste Management Facility for a fixed monthly fee of ₱15.58 million. This agreement was renewed on March 28, 2014 for the period covering January 1, 2014 to December 31, 2014. The agreement was renewed for another year in 2015 (Note 15).

- The Group has entered into a contractual commitment to provide garbage hauling and disposal services for the Municipality of Taytay, Rizal for a consideration of ₱16.00 million at ₱349 per cubic meter for a total of 45,845 cubic meters of waste hauled to the landfill facility. The agreement ended in June 2013 when the total computed volume of waste had already been completely hauled to the landfill facility. Outstanding receivable from the municipality amounted to ₱14.11 million as of December 31, 2015 and 2014.

- The Group has entered into contractual commitments with various municipalities of Rizal for the tipping and disposal of residual wastes. Each agreement is effective for one year, renewable every year under the same terms and conditions unless, otherwise, mutually agreed upon by the parties. As of December 31, 2015 and 2014, the amount of income recognized by the Group and outstanding balance per municipality follow:

		Income (in millions)		**Outstanding Balance** (in millions)	
Municipality	Rate per ton	**2015**	2014	**2015**	2014
Baras	₱600	**₱1.22**	₱1.30	**₱2.12**	₱2.27
Cardona	600	**0.41**	0.03	**0.29**	0.12
Tanay	600	**1.09**	1.17	**1.18**	0.34
Teresa	500	**1.84**	1.75	**1.56**	1.55
Pililla	600	**0.04**	–	**0.04**	–
Jalajala	600	**0.23**	–	**0.20**	–
Morong	300	**–**	–	**1.20**	1.20

On March 2, 2015 and March 16, 2015, the Group entered into contractual commitments with the municipality of Pililla and Jalajala, respectively, for the tipping and disposal of residual wastes.

- The Group has entered into a contractual commitment with Lafarge Republic, Inc. (LRI) to provide trucking and hauling services to transport Refuse-Derived Fuel (RDF) upon request of LRI. The contract is effective from July 1, 2013 to June 30, 2014, renewable upon mutual agreement of the parties. In 2015 and 2014, the agreement was renewed under the same terms. Outstanding receivable from LRI amounted to ₱3.70 million and ₱3.00 million as of December 31, 2015 and 2014, respectively. The Group recognized income amounting to ₱2.53 million and ₱3.74 million from the services rendered in 2015 and 2014, respectively.

- In January 2014, the Group has entered into an operating lease agreement with IPMRDC. Rental income amounted to ₱1.00 million in 2014. No rental income was recognized in 2015 since BEST's lease agreement with related parties was terminated in December 2014 (Note 15).

22. Financial Risk Management Objectives and Policies

The Group's principal financial assets and liabilities comprise of cash and cash equivalents, receivables, deposits, due to/from related parties and loans payable. The main purpose of these financial instruments is to raise finances for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group has established a risk management function with clear terms of reference and with the responsibility for developing policies on credit risk and liquidity risk. It also supports the effective implementation of such policies. The policies define the Group's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets to the corporate goals and specify reporting requirements.

The main risk arising from the Group's consolidated financial statements are credit risk and liquidity risk. The BOD reviews and approves the policies for managing each of these risks which are summarized below:

Credit risk

Credit risk arises when the counterparty to a financial asset of the Group is unable to fulfill its obligation in time the obligation becomes due. Credit risk arises from the Group's financial assets, which comprise cash and cash equivalents, receivables, due from a joint venture and deposits. Credit risk pertains to the risk that a party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

The table below shows the maximum exposure to credit risk of the financial assets of the Group:

	2015	2014
Loans and receivables:		
Cash*	**₱81,411,440**	₱21,256,523
Receivables:		
Trade	**557,449,040**	409,734,807
Loan	**31,000,000**	31,000,000
Interest	**1,488,580**	308,260
Others	**2,800,000**	–
Due from a joint venture	–	716,162
Deposits	**3,285,485**	3,155,365
	₱677,434,545	₱466,171,117

**excluding cash on hand*

The gross maximum exposure to credit risk of the Group approximates its net maximum exposure. There were no amounts that are set-off in accordance with the requirements of PAS 32, *Financial Instruments: Disclosures and Presentations*. There were no amounts subject to an enforceable master-netting arrangement or similar agreement as of December 31, 2015 and 2014.

The aging analysis of financial assets as of December 31, 2015 and 2014 follows:

	2015				
	Neither Past Due nor Impaired	**Past Due but not Impaired**			
	High Grade	**31 to 60 Days**	**61 to 90 days**	**Impaired**	**Total**
Financial assets:					
Loans and receivables:					
Cash*	**₱81,411,440**	**₱–**	**₱–**	**₱–**	**₱81,411,440**
Receivables:					
Trade	**70,722,530**	**31,256,380**	**455,470,130**	**3,328,497**	**560,777,537**
Loans	–	–	**31,000,000**	–	**31,000,000**
Interest	**1,180,320**	–	**308,260**	–	**1,488,580**
Others	**2,800,000**	–	–	**1,066,172**	**3,866,172**
Deposits	**3,285,485**	–	–	–	**3,285,485**
	₱159,399,775	**₱31,256,380**	**₱486,778,390**	**₱4,394,669**	**₱681,829,214**

**excluding cash on hand*

	2014				
	Neither Past Due nor Impaired	Past Due but not Impaired			
	High Grade	31 to 60 Days	61 to 90 days	Impaired	Total
Financial assets:					
Loans and receivables:					
Cash*	₱21,256,523	₱–	₱–	₱–	₱21,256,523
Receivables:					
Trade	88,448,745	23,029,397	298,256,665	1,667,720	411,402,527
Loans	31,000,000	–	–	–	31,000,000
Interest	308,260	–	–	–	308,260
Others	–	–	–	1,066,172	1,066,172
Due from a joint venture	716,162	–	–	–	716,162
Deposits	3,155,365	–	–	–	3,155,365
	₱144,885,055	₱23,029,397	₱298,256,665	₱2,733,892	₱468,905,009

**excluding cash on hand*

High grade assets are considered as having very low risk and can easily be converted to cash. These assets are considered for counterparties that possess strong to very strong capacity to meet their obligations.

The Group trades with only recognized, creditworthy third parties; thus, there is no requirement for collateral. Customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to debts is not significant.

Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

The Group also ensures that there are sufficient, available and approved working capital lines that it can draw from anytime. It maintains an adequate cash and cash equivalents in the event of unforeseen interruption of its cash collections. The Group also maintains accounts with several relationship banks to avoid significant concentration of cash with one institution.

The table below summarizes the maturity profile of the Group's nonderivative financial assets and liabilities as of December 31, 2015 and 2014 based on contractual undiscounted payments:

	2015				
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**More than One Year**	**Total**
Financial assets					
Loans and receivables:					
Cash	**₱81,476,440**	**₱–**	**₱–**	**₱–**	**₱81,476,440**
Receivables:					
Trade	**35,478,100**	**84,712,505**	**437,258,435**	**–**	**557,449,040**
Loan	**31,000,000**	**–**		**–**	**31,000,000**
Interest	**1,488,580**	**–**		**–**	**1,488,580**
Others	**2,800,000**	**–**	**–**	**–**	**2,800,000**
Deposits	**–**	**–**	**–**	**3,285,385**	**3,285,385**
	₱152,243,120	**₱84,712,505**	**₱437,258,435**	**₱3,285,385**	**₱677,499,545**
Financial liabilities					
Trade and other payables (excluding payable to government agencies and provision)	**₱–**	**₱18,529,030**	**₱–**	**₱–**	**₱18,529,030**
Due to related parties	**2,239,931**	**–**	**–**	**–**	**2,239,931**
Loans payable	**–**	**–**	**100,000,000**	**–**	**100,000,000**
	₱2,239,931	**₱18,529,030**	**₱100,000,000**	**₱–**	**₱120,768,961**

	2014				
	On Demand	Less than 3 Months	3 to 12 Months	More than One Year	Total
Financial assets					
Loans and receivables:					
Cash	₱21,321,523	₱–	₱–	₱–	₱21,321,523
Receivables:					
Trade	349,818,000	–	22,332,280	37,584,527	409,734,807
Loan	–	–	31,000,000	–	31,000,000
Interest	–	–	308,260	–	308,260
Others	–	–	–	–	–
Due from a joint venture	716,162	–	–	–	716,162
Deposits	–	–	–	3,155,365	3,155,365
	₱371,855,685	₱–	₱53,640,540	₱40,739,892	₱466,236,117
Financial liabilities					
Trade and other payables (excluding payable to government agencies and provision)	₱–	₱18,005,901	₱–	₱–	₱18,005,901
Due to related parties	5,038,694	–	–	–	5,038,694
	₱5,038,694	₱18,005,901	₱–	₱–	₱23,044,595

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Group considers total equity amounting to ₱873.09 million and ₱795.38 million as of December 31, 2015 and 2014, respectively, as capital.

Fair Value Information
Due to the short-term nature of the Group's financial instruments, their fair values approximate their carrying amounts as of December 31, 2015 and 2014 except for noncurrent portion of trade receivables with carrying amount of ₱37.58 million and fair value of ₱36.69 million as of December 31, 2014. The fair value of this receivable was determined by discounting future cash flows using prevailing market interest rate of 2.38% to 2.43% in 2014.

Fair Value Hierarchy
As of December 31, 2015 and 2014, the Group has no financial instrument carried in the books at fair value. There were no transfers between Level 1 and Level 2 financial instruments, and no transfers into or out of Level 3 fair value instrument.

23. Segment Information

For management reporting purposes, the Group's businesses are classified into the following business segments: (1) investment holding and (2) service. Details of the Group's business segments are as follows:

	2015				
	Investment Holding	**Service**	**Combined**	**Eliminations**	**Consolidated**
Revenue and other income	**₱–**	**₱317,152,911**	**₱317,152,911**	**(₱160,714)**	**₱316,992,197**
Interest income	**9,539**	**1,500,880**	**1,510,419**	**–**	**1,510,419**
Interest expense	**–**	**909,911**	**909,911**	**–**	**909,911**
Equity interest	**–**	**726,271**	**726,271**	**–**	**726,271**
Income (loss) before tax	**(2,982,619)**	**118,182,213**	**115,199,594**	**–**	**115,199,594**
Provision for income tax	**1,908**	**37,484,999**	**37,486,907**	**–**	**37,486,907**
Net income (loss)	**(2,984,527)**	**80,697,214**	**77,712,687**	**–**	**77,712,687**
Other Information					
Segment assets	**₱617,465,836**	**₱1,076,249,038**	**₱1,693,714,874**	**(₱615,186,974)**	**₱1,078,527,900**
Segment liabilities	**130,054,317**	**205,193,596**	**335,247,913**	**(129,811,974)**	**205,435,939**
Depreciation and amortization	**–**	**21,449,272**	**21,449,272**	**–**	**21,449,272**

	2014				
	Investment Holding	Service	Combined	Eliminations	Consolidated
Revenue and other income	₱130,966	₱282,469,418	₱282,600,384	₱–	₱282,600,384
Interest income	58,368	1,175,201	1,233,569	–	1,233,569
Interest expense	–	944,656	944,656	–	944,656
Equity interest	–	1,842,001	1,842,001	–	1,842,001
Income (loss) before tax	(3,649,529)	97,993,286	94,343,757	–	94,343,757
Provision for income tax	11,674	33,104,312	33,115,986	–	33,115,986
Net income (loss)	(3,661,203)	64,888,974	61,227,771	–	61,227,771
Other Information					
Segment assets	₱620,268,524	₱883,281,298	₱1,503,549,822	(₱615,000,000)	₱888,549,822
Segment liabilities	129,840,820	92,958,047	222,798,867	(129,625,000)	93,173,867
Depreciation and amortization	–	20,716,829	20,716,829	–	20,716,829

	2013				
	Investment Holding	Service	Combined	Eliminations	Consolidated
Revenue	−	₱266,815,083	₱266,815,083	₱−	₱266,815,083
Interest income	137,614	1,567,213	1,704,827	−	1,704,827
Interest expense	−	4,211,535	4,211,535	−	4,211,535
Equity interest	−	223,640	223,640	−	223,640
Income (loss) before tax	(7,123,997)	106,151,949	99,027,952	(25,221,570)	73,806,382
Provision for income tax	26,195	31,928,550	31,954,745	−	31,954,745
Net income (loss)	(7,150,192)	74,223,399	67,073,207	(25,221,570)	41,851,637
Other Information					
Segment assets	₱647,245,023	₱1,001,689,350	₱1,648,934,373	(₱615,000,000)	₱1,033,934,373
Segment liabilities	153,115,175	319,455,799	472,570,974	(152,500,000)	320,070,974
Depreciation and amortization	−	7,721,400	7,721,400	−	7,721,400

Segment revenue, segment expenses and segment results include transfers between business segments. Those transfers are eliminated in consolidation.

All of the Group's revenues are derived from operations within the Philippines, hence, the Group did not present geographical information required by PFRS 8, *Operating Segments*.

Revenue derived from IPMCDC, IPMESI and IPMRDC (entities under common control of IPM Group) amounted to ₱304.42 million, ₱251.97 million and ₱259.79 million, in 2015, 2014 and 2013, respectively.

IPM HOLDINGS, INC. (Formerly Minerales Industrias Corporation) AND SUBSIDIARY

Schedule of All the Effective Standards and Interpretations Under PFRS in compliance with SRC Rule 68, As Amended (2011) December 31, 2015

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Definition of Vesting Condition			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Definition of Vesting Condition			✓
PFRS 3 (Revised)	Business Combinations	✓		
	Accounting for Contingent Consideration in a Business Combination			✓
	Business Combinations - Accounting for Contingent Consideration in a Business Combination	Not early adopted		
	Scope Exceptions for Joint Arrangements			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Changes in Methods of Disposal	Not early adopted		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			✓
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities			✓
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures			✓
	Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements	Not early adopted		
	Servicing Contracts	Not early adopted		
PFRS 8	Operating Segments	✓		
	Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	✓		
PFRS 9	Financial Instruments	Not early adopted		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	Not early adopted		
	Amendments to PFRS 9: Financial Instruments	Not early adopted		
	Amendments to PFRS 9: Classification and Measurement (2010 version)	Not early adopted		
	Amendments to PFRS 9: Hedge Accounting	Not early adopted		
	Amendments to PFRS 9: Financial Instruments (2014 or final version)	Not early adopted		
PFRS 10	Consolidated Financial Statements	✓		
	Investment entities			✓
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not early adopted		
PFRS 11	Joint Arrangements	✓		
	Accounting for Acquisitions of Interests in Joint Operations	Not early adopted		
PFRS 12	Disclosure of Interests in Other Entities	✓		
PFRS 13	Fair Value Measurement	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
	Portfolio Exception	✓		
PFRS 14	Regulatory Deferral Accounts			✓
IFRS 15*	Revenue from Contracts with Customers	Not early adopted		
IFRS 16*	Leases	Not early adopted		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1: Clarification of the Requirements for Comparative Information			✓
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendments to PAS 16: Classification of Servicing Equipment			✓
	Revaluation Method - Proportionate Restatement of Accumulated Depreciation			✓
	Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)	Not early adopted		
	Bearer Plants (Amendments)	Not early adopted		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Amended)	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures			✓
	Defined Benefit Plans: Employee Contributions (Amendments)			✓
	Regional market issue regarding discount rate	Not early adopted		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
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	✓		
	Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements			✓
	Equity Method in Separate Financial Statements	Not early adopted		
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not early adopted		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities			✓
	Amendments to PAS 32: Tax Effect of Distribution to Holders of Equity Instruments			✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Amendments to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities	✓		
	Disclosure of information 'elsewhere in the interim financial report'	Not early adopted		
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
	Revaluation Method - Proportionate Restatement of Accumulated Depreciation			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property	✓		
	Amendments to PAS 40: Investment Property	✓		
PAS 41	Agriculture			✓
	Amendments to PAS 41: Bearer Plants	Not early adopted		
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Cooperative Entities and Similar Instruments			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of PFRS 2			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14,			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
	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	✓		
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

**Not yet adopted locally*