

DA VINCI CAPITAL HOLDINGS, INC.

Orient Square Building, Ortigas Jr., Road,
Ortigas Center, Pasig City

April 6, 2017

Securities and Exchange Commission
SEC Building, EDSA, Mandaluyong City

Attention: **Vicente Graciano P. Felizmenio, Jr.**
Director – Market and Securities Regulation Division

The Philippine Stock Exchange, Inc.
3rd Floor, Ayala Triangle One,
Ayala Avenue, Makati City

Attention: **Jose Valeriano B. Zuño III**
Head – Disclosure Department

Subject: **DA VINCI CAPITAL HOLDINGC, INC. (SEC 17-A) FOR THE
YEAR 2016**

GENTLEMEN:

Submitting herewith the Company's Annual Report (SEC 17-A) as of December 2016 with attachments as follows:

- A. Audited Financial Statements
- B. Supplementary Schedules
- C. Summary of SEC 17-C

Thank you.

Very truly yours,


ATTY. CANDY H. DACANAY-DATUON
Corporate Secretary

COVER SHEET

0000024015

SEC Registration Number

DA VINCI CAPITAL HOLDINGS, INC.

(Company's Full Name)

NO. 900 ROMUALDEZ ST., PACO,

MANILA

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

CANDY H. DACANAY-DATUON

(Contact Person)

(02) 523-3055

(Company Telephone Number)

12

Month

31

Day

SEC FORM 17-A

(Form Type)

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the year ended December 31, 2016
2. SEC Identification Number 24015
3. BIR Tax Identification Number 000-282-553-0000
4. Exact name of issuer as specified in its charter Da Vinci Capital Holdings, Inc.
5. Province, Country or other jurisdiction of incorporation or organization: Philippines
6. Address of Principal Office and Postal Code: No. 900 Romualdez St., Paco, Manila
7. Issuer's telephone number, including area code: (02) 523-3055
8. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

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

Common Stock	1,124,999,969
--------------	---------------

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

Yes ☐ No ☐

10. Check whether the issuer:

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

Yes ☐ No ☐

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

Yes ☐ No ☐

11. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

DOCUMENTS INCORPORATED BY REFERENCE

12. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

Annex "A" - Audited Financial Statements;

Annex "B" - Supplementary Schedules

Annex "C" - Summary of SEC 17-C

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently without operation.

Products

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently without operation.

Competition

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently without operation.

Distribution Channels/Customers

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently without operation.

Principal Suppliers and Availability of Raw Materials

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently without operation.

Related Party Transactions

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently without operation.

Intellectual Property

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently without operation.

Employees

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently without operation.

Labor Agreement

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently without operation.

Research and Development

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently without operation.

Effect of Existing or Probable Governmental Regulations on the Business

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently without operation.

Costs and Effects of Compliance with Environmental Laws

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently without operation.

Risks related to the Corporation

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently without operation.

Item 2. Properties

The Corporation does not have any property.

Item 3. Legal Proceedings

As of December 31, 2016, there are no other pending legal proceedings to which the Corporation or its subsidiary is a party or of which any of their respective properties are subject.

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

There were no matters submitted during the period covered by this report to a vote of security holders.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Common Equity and Related Stockholder Matters

Market Information

The following table shows the high and low prices (in PHP) of Da Vinci Capital Holdings, Inc.'s shares in the Philippine Stock Exchange for the year 2016:

2016	High	Low
January	2.98	1.63
February	2.74	1.88
March	6.70	2.90
April	6.02	4.90
May	5.32	4.61
June	6.20	5.12
July	6.10	5.34
August	6.15	5.55
September	6.30	6.00
October	7.95	6.12
November	7.68	6.64
December	7.35	6.30

Source: Daily Quotation Reports of the Philippine Stock Exchange

The market capitalization of the Company's common shares as of end-2016, based on the closing price of Php6.47 per share, was approximately Php7.2 Billion.

Holders. There are approximately 105 registered holders of common shares as of December 31, 2016 owning at least one board lot per 100 share (based on number of accounts registered with the Stock Transfer Agent).

The top 20 stockholders as of December 31, 2016 are as follows:

1	Invescap Incorporated	956,203,336	85.00%
2	SB Equities, Inc.	100,652,900	8.95%
3	Tower Securities, Inc.	14,009,100	1.25%
4	COL Financial Group, Inc.	12,807,783	1.14%
5	TGN Realty Corp.	5,897,775	0.52%
6	BDO Securities Corporation	3,700,690	0.33%
7	Securities Specialists, Inc.	3,345,700	0.30%
8	Astra Securities Corporation	2,552,000	0.23%
9	SunSecurities, Inc.	2,136,600	0.19%
10	H.E. Bennett Securities, Inc.	2,053,600	0.18%
11	BPI Securities Corporation	2,013,362	0.18%
12	Ansaldo Godinez & Co., Inc.	1,683,600	0.15%
13	Tersero, Inc.	1,408,536	0.13%
14	Evergreen Stock Brokerage & Sec. Inc.	1,146,200	0.10%
15	Wealth Securities, Inc.	1,087,701	0.10%
16	First Metro Securities Brokerage Corp.	956,999	0.09%
17	Abacus Securities Corporation	883,312	0.08%
18	Philstock Financial Inc.	776,170	0.07%
19	Maybank ATR Kim eng Securities, Inc.	729,200	0.06%
20	E. Chua Chiaco Securities, Inc.	676,000	0.06%

Dividends:

There were no dividends declared for the years ended December 31, 2016.

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

There was no recent sale of unregistered or exempt securities, including recent issuance of securities constituting an exempt transaction.

Item 6. Management Discussion and Analysis or Plan of Operations

The discussion and analysis of our financial condition and plan of operations should be read in conjunction with our audited financial statements and the related notes as of December 31, 2016, 2015, and 2014, which are included in this report.

The financial analysis tools used as key performance indicators for the Corporation's operations and in determining its profitability and liquidity are the following:

1. *Percentages analysis* to show the relationship of each income statement component to total sales on comparable basis.

2. *Financial Highlights* to summarize the operating results for the last three years that include sales growth analysis, return on sales, return on assets, return on equity, current ratio, and debt to equity ratio.

Percentage Analysis

	2016	2015	2014
Net Sales	0.00%	0.00%	0.00%
Cost of Goods Sold	0.00%	0.00%	0.00%
Gross Profit	0.00%	0.00%	0.00%
Operating Expenses	0.00%	0.00%	0.00%
Net Operating Income	0.00%	0.00%	0.00%
Other charges (net)	0.00%	0.00%	0.00%
Income before income tax	0.00%	0.00%	0.00%
Provision for income tax	0.00%	0.00%	0.00%
Net Income	0.00%	0.00%	0.00%

Operating Results for year ended December 31, 2016 VS December 31, 2015

At present, the Corporation does not have any operations.

Financial Highlights: (Based on the Corporation's Consolidated Financial Statements)

Increase/(Decrease)		2016	2015	2014	Average
Sales growth	1	0.00%	0.00%	0.00%	0.00%
Return on sales (ROS)	2	0.00%	0.00%	0.00%	0.00%
Return on assets (ROA)	3	0.00%	0.00%	0.00%	0.00%
Return on equity	4	0.00%	0.00%	0.00%	0.00%
Current ratio	5	0.00	0.00	0.00	0.00
Debt-equity ratio	6	0.30	0.26	0.22	0.26

2016 and 2015 Analytical Discussion

Sales Growth

No sales in 2016 and 2015 since it has no operations since 2013.

Profitability

The Corporation's return on sales (ROS) was 0% for the years 2016 and 2015 since it has no operations since 2013.

Solvency and Liquidity

The Corporation's current ratio for the years 2016 and 2015 was nil since it has no operations since 2013.

¹ The percentage change in sales value over prior year sales.

² Represents percentage (%) of net income over net sales.

³ Represents percentage (%) of net income over total assets.

⁴ Represents percentage (%) of net income over stockholders' equity.

⁵ Represents the ratio of current assets over current liabilities. It also represents the Corporation's liquidity.

⁶ Represents the percentage (%) of total liabilities over total stockholders' equity.

2015 and 2014 Analytical Discussion

Sales Growth

No sales in 2015 and 2014 since it has no operations since 2013.

Profitability

The Corporation's return on sales (ROS) was 0% for the years 2015 and 2014 since it has no operations since 2013.

Solvency and Liquidity

The Corporation's current ratio for the years 2015 and 2014 was nil since it has no operations since 2013.

Material Changes in the Financial Statements

The following are the summary of items that has material change in the financial statements:

	2016	2015	2014	Average
Receivables (net)	—	—	—	—
Assets held for disposal	—	—	—	—
Accounts payable and accrued expenses	(12%)	27%	14%	10%
Due to related parties	19%	18%	100%	45%
Current portion of long term debt	—	—	—	—
Liabilities directly associated with assets held for disposal	—	—	—	—

Material Changes in the Financial Statements in 2016 and 2015

Accounts Payable and Accrued Expenses

This pertains to the expenses accrued up to December 31, 2016 representing professional fees and other expenses to third parties that render services to the Corporation for reportorial requirements with the SEC and the PSE.

Material Changes in the Financial Statements in 2015 and 2014

Accounts Payable and Accrued Expenses

This pertains to the expenses accrued up to December 31, 2015 representing professional fees and other expenses to third parties that render services to the Corporation for reportorial requirements with the SEC and the PSE.

Plan of Operations

As of December 31, 2016, the Corporation has yet to identify a feasible investment opportunity. When the Corporation identifies such a viable project, it will then pursue capital raising activities either by way of a rights offering, public offering or private placement transaction. Since there is no operation and no business opportunity at this time, the Corporation's stockholders have advanced and are willing to advance monies to satisfy the cash requirements of the Corporation.

Other Reporting Disclosures

There are no events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.

There are no:

- (i.) Known trends or events, which may have material effect on the Company's short-term or long-term liquidity;
- (ii.) Issuances, repurchases, and repayment of equity securities;
- (iii.) Segment revenue and segment result for business segment or geographical segments;
- (iv.) Changes in the composition of the Corporation during the interim period;
- (v.) Changes in contingent liabilities or contingent assets;
- (vi.) Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period;
- (vii.) Material changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years;
- (viii.) Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Corporation with unconsolidated entities or other persons created during the reporting period;
- (ix.) Known trends or events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

Item 7. Financial Statements

The audited financial statements and applicable schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this report.

Financial Soundness Indicator

Below are the financial ratios that are relevant to the group for the period ended December 31, 2015 and 2014.

		2016	2015
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	-	-
Solvency Ratio	$\frac{\text{Long term debt}}{\text{Equity}}$	-	-
Asset-to-equity Ratio	$\frac{\text{Asset}}{\text{Equity}}$	1.30	1.26
Interest Rate Coverage Ratio	$\frac{\text{EBITDA}}{\text{Interest Expense}}$	-	-
Profitability Ratio	$\frac{\text{Net Income (Net Loss)}}{\text{Equity}}$	-2.98%	-3.18%

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

During the past two completed calendar years, there had been no changes in, or disagreements with, the independent auditors on accounting and financial disclosures.

For the year 2016, the Company engaged the services of R.S. Bernaldo & Associates.

Audit and Audit Related Fees

The Corporation spent ₱64,400 as payment for external audit services of R.S. Bernaldo & Associates, for each of the years 2016 and 2015. The engagement included the expressing of opinion regarding the presentation and conformity of the financial statements with the Philippine Financial Reporting Standards and review of income tax returns filed with the Bureau of Internal Revenue.

In relation to the audit of the Corporation's annual financial statements, the Corporation's Corporate Governance Manual provides that the audit committee shall, among other activities (i) perform oversight functions over the Internal Audit Office and external auditors; (ii) monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security; (iii) review the reports submitted the external auditors; (iv) ensure that other nonaudit work provided by the external auditors are not in conflict with their functions as external auditors; and (v) ensure the compliance of the Company with acceptable auditing and accounting standards and regulations.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors

LUCIO L. CO, 62, Filipino, Chairman and President

Mr. Co has been a Director and Chairman of the Company since May 2013.

Mr. Co currently holds the following positions in publicly listed companies: Chairman of Cosco Capital, Inc. and Puregold Price Club, Inc.; Chairman and President of Da Vinci Capital Holdings, Inc.; and Director of Philippine Bank of Communications.

Mr. Co is also the Chairman of the following privately-owned companies: Entenso Equities, Inc., Liquigaz Philippines Corp., NE Pacific Shopping Centers Corp., Puregold Duty Free Subic, Inc., San Jose City 1 Power Corp., Union Energy Corporation, Puregold Realty Leasing and Management, Alcorn Petroleum & Minerals Corporation, Union Equities, Inc., Puregold Finance, Inc., Bellagio Holdings, Inc., Canaria Holdings Corporation, Ellimac Prime Holdings, Inc., Invescap, Incorporated, PG Holdings, Inc., Puregold Duty Free, Inc., Puregold Properties, Inc., PPCI Subic, Inc., and PurePetroleum Corp.

He is also a Director of the following privately-owned companies: Alphaland Makati Tower, Inc., Karayan Hydropower Corporation, Catuiran Hydropower Corp., Kareila Management Corp., LCKK & Sons Realty, League One Finance and Leasing Corporation, Meritus Prime Distributions, Inc., Montosco, Inc., Nation Realty, Inc., Patagonia Holdings Corp., PG Lawson Company, Inc., Premier Wine & Spirits, Inc., S&R Pizza (Harbor Point), Inc. and S&R Pizza, Inc.

He is a member of the Board of Trustees of Adamson University and Luis Co Chi Kiat Foundation.

Mr. Co has been an entrepreneur for the past 40 years.

Ma. Editha D. Alcantara, 45, Filipino, Director and Vice-President

Ms. Alcantara has been a Director of the Company since May 2013.

Ms. Alcantara serves as Chairman of Blue Ocean Holdings, Inc. and Jurist Realty, Inc.; President of PSMT Philippines, Inc. and CHMI Hotel and Residences, Inc.; Vice-President and Treasurer of Invescap Incorporated; Treasurer of Blue Ocean Foods, Inc, KB Space Holdings, Inc., Maxents Investments, Inc. and Premier Freeport, Inc., Director of Cosco Price, Inc., Fertuna International Trading, Inc., Subic Freeport Zone Hamburgers Corporation and Wenphil Corporation and Corporate Secretary of P.G. Holdings, Inc.

Ms. Alcantara is a graduate of Philippine University of the Philippines with a degree of Bachelor of Economics and Politics in 1992.

Maritez Tacus, Director, 53, Filipino, Director

Mrs. Tacus has been a Director of the Company since May 2013.

Ms. Tacus also serves as President of Etro Management Corporation; Director of Invescap, Incorporated, Jurist Realty, Inc. and Kuleto's Restaurant, Inc.; Treasurer of Lucida Management Corporation; and Corporate Secretary for Entenso Equities, Inc. and Fertuna International Trading, Inc.

Ms. Tacus is a graduate of Far Eastern University with a degree of Bachelor of Science in Management.

Maridel Behagan, 51, Filipino, Director

She also serves as Treasurer of Etro Management Corporation and Fertuna International Trading; Director of Invescap, Incorporated.

Jocelyn Rodulfa, 49, Filipino, Director

Ms. Rodulfa has been a Director of the Company since May 2013.

She is currently acting as Director of 999 Shopping Mall, Dearborn Realty Corporation, Invescap, Incorporated, Jurist Realty, Inc., Puregold Properties, Inc., and Star Alliance, Inc.; President of Maxent Investments, Inc.

Atty. Angelo Patrick F. Advincula, 45, Filipino, Independent Director

Atty. Advincula has been an Independent Director of the Company since May 2013.

He is currently a Partner in Zambrano and Gruba law firm, and he specializes in Commercial Law, Commercial Litigation and Arbitration, Government Policy, as well as Taxation. He is competent in commercial litigation and arbitration in the fields of BOT infrastructure contracts and water concession contracts. He has been engaged by the Office of the Government Corporate Counsel, the Department of Justice and the National Irrigation Authority. He is presently engaged as a consultant of the Japan Bank of International Cooperation, preparing a study on Water Sector Reform Policies and Regulatory Re-structuring. He has previously been consulted for the World Bank regarding risk allocation and mitigation on bulk water supply projects, as well as rationalizing the issuance of National Government Guarantees in Private Sector Participation Projects. He has likewise been engaged as a sub-consultant for the United States Trade Development Agency in the preparation of bid documents for water supply projects in southern Philippines. In the field of Taxation, he is engaged in tax structuring, preparation of tax-exempt

vehicles, giving tax advice to multi-national clients, handling tax assessments and VAT refund cases.

Atty. Antero Jose M. Caganda, 45, Filipino, Independent Director

Atty. Caganda has been an Independent Director of the Company since May 2013.

He is currently a Partner at Zambrano and Gruba law firm with specialty in Corporate Law, Tax Advisory and Banking, Mergers and Acquisitions, Investments Law and Special Projects. He has advised the majority shareholder of a Philippine commercial bank and its financial subsidiaries on post-acquisition issues, such as cost rationalization, consolidation of redundant operations, and manpower rightsizing. He has advised a Philippine business process outsourcing ("BPO") company in the partial acquisition by a Fortune 500 company of a US\$ 15 million ownership stake. He has documented and implemented the US\$ 400 million capital infusion activity in a major Philippine commercial bank through a combined initial acquisition and subsequent capital increase strategy.

Significant Employees

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently without operation.

Family Relationships

No family relationships among members of the Board.

Involvement in certain Legal Proceedings

The Directors and Executive Officers of the Company are not involved in any bankruptcy petition by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding 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 Commission 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.

Item 10. Executive Compensation

For the year 2016, there were no bonuses and other compensation received by the Directors from the Corporation. Also, no employment contracts exist between the Corporation and its executive officers. There are no other standard arrangements existing between the Corporation and any of the Directors and officers of the Corporation.

Item 11. Market Information

The following table shows the high and low prices (in PHP) of Da Vinci Capital Holdings, Inc.'s shares in the Philippine Stock Exchange for the year 2016:

2016	High	Low
January	2.98	1.63
February	2.74	1.88
March	6.70	2.90
April	6.02	4.90
May	5.32	4.61
June	6.20	5.12
July	6.10	5.34
August	6.15	5.55
September	6.30	6.00
October	7.95	6.12
November	7.68	6.64
December	7.35	6.30

Source: Daily Quotation Reports of the Philippine Stock Exchange

The market capitalization of the Company's common shares as of end-2016, based on the closing price of Php6.47 per share, was approximately Php7.2 Billion.

Holder. There are approximately 105 registered holders of common shares as of December 31, 2016 owning at least one board lot per 100 share (based on number of accounts registered with the Stock Transfer Agent).

The top 20 stockholders as of December 31, 2016 are as follows:

1	Invescap Incorporated	956,203,336	85.00%
2	SB Equities, Inc.	100,652,900	8.95%
3	Tower Securities, Inc.	14,009,100	1.25%
4	COL Financial Group, Inc.	12,807,783	1.14%
5	TGN Realty Corp.	5,897,775	0.52%
6	BDO Securities Corporation	3,700,690	0.33%
7	Securities Specialists, Inc.	3,345,700	0.30%
8	Astra Securities Corporation	2,552,000	0.23%
9	SunSecurities, Inc.	2,136,600	0.19%
10	H.E. Bennett Securities, Inc.	2,053,600	0.18%
11	BPI Securities Corporation	2,013,362	0.18%
12	Ansaldo Godinez & Co., Inc.	1,683,600	0.15%
13	Tersero, Inc.	1,408,536	0.13%
14	Evergreen Stock Brokerage & Sec. Inc.	1,146,200	0.10%
15	Wealth Securities, Inc.	1,087,701	0.10%
16	First Metro Securities Brokerage Corp.	956,999	0.09%
17	Abacus Securities Corporation	883,312	0.08%
18	Philstock Financial Inc.	776,170	0.07%
19	Maybank ATR Kim eng Securities, Inc.	729,200	0.06%
20	E. Chua Chiaco Securities, Inc.	676,000	0.06%

Dividends:

There were no dividends declared for the years ended December 31, 2016.

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

There was no recent sale of unregistered or exempt securities, including recent issuance of securities constituting an exempt transaction.

Shareholdings of Directors

Each Director is holding 1 common share of the Company.

Item 12. Certain Relationships and Related Transactions

After the Change in Control, there has not been any related transaction and as of to date, the Corporation does not have any subsidiary. However, prior to the Change in Control, the Corporation and its subsidiary, in the normal course of business, had significant transactions with related companies.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports

Annex "A" - Audited Financial Statements;

Annex "B" - Supplementary Schedules

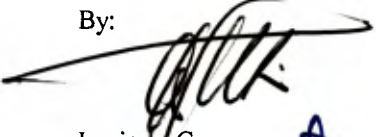
Annex "C" - Summary of SEC 17-C


SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, the registrant has duly caused this Annual Report (SEC 17-A) to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Manila on 05 day of April 2017.

Da Vinci Capital Holdings, Inc.
Issuer

By:



Lucio L. Co
Chairman and President
TIN No. 108-975-97


Mary S. Demetillo
Chief Finance Officer
TIN No. 152-885-512


Candy P. Dacanay-Datuon
Corporate Secretary
TIN No. 233-200-394

SUBSCRIBED AND SWORN to before me this 05 day of April 2017 in the City of Manila, affiants presented competent proof of their identities.

Doc. No. 119
Page No. 25
Book No. 5
Series of 2017.


EMMA RHEA B. SADURAL-CAPISTRANO
Notary Public for the City of Manila
Commission No. 2017-081 until Dec. 31, 2018
Roll No. 55724

IBP Lifetime Member No. 07476
PTR No. 5993491/01-03-17/Manila
MCLE No. V-0013976/02-12-2016
No. 900 Romualdez St., Paco, Manila

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						2	4	0	1	5
--	--	--	--	--	--	---	---	---	---	---

Company Name

D	A		V	I	N	C	I		C	A	P	I	T	A	L		H	O	L	D	I	N	G	S	,		I	N	C	.
---	---	--	---	---	---	---	---	--	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---	---	--	---	---	---	---

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Principal Office (No./Street/Barangay/City/Town)Province)

N	O	.		9	0	0		R	O	M	U	A	L	D	E	Z		S	T	R	E	E	T	,		P	A	C	O	,
---	---	---	--	---	---	---	--	---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	--	---	---	---	---	---

M	A	N	I	L	A																								
---	---	---	---	---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Form Type

A	A	F	S
---	---	---	---

Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

--	--	--	--

COMPANY INFORMATION

Company's Email Address

N/A

Company's Telephone Number/s

523-3055

Mobile Number

N/A

No. of Stockholders

470

Annual Meeting
Month/Day

ANY DAY OF MAY

Fiscal Year
Month/Day

DECEMBER 31ST

CONTACT PERSON INFORMATION

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

Name of Contact Person

MARY S. DEMETILLO

Email Address

msumera2000@yahoo.com

Telephone Number/s

523-8633

Mobile Number

N/A

Contact Person's Address

NO. 900 ROMUALDEZ STREET, PACO, MANILA
--

Note: 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.

DA VINCI CAPITAL HOLDINGS, INC.

900 Romualdez St., Paco, Manila

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

R.S. Bernaldo & Associates, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

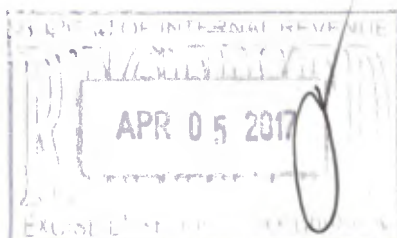

LUCIO L. CO
Chairman of the Board and President

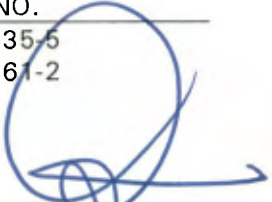

MA. EDITHA D. ALCANTARA
Treasurer

SUBSCRIBED AND SWORN to before me this APR 04 2017 day of 2017 affiants exhibiting to me their respective SSS ID, as follows:

Name	SSS ID NO.
Lucio L. Co	03-2846635-5
Ma. Editha D. Alcantara	33-1178661-2

Doc. No. 224
Page No. 46
Book No. VI
Series of 2017




CAROLINE G. EXCONDE
NOTARY PUBLIC FOR THE CITY OF MANILA
APPOINTMENT NO. 2016-068
UNTIL DECEMBER 31, 2017
PTR NO. 5993454 MANILA 01-03-17
IBP NO. 1062578/2-2-17/PPLM
MCLE COMPLIANCE NO. V-0014291/02-16-2016
ROLL NO. 55392/05-02-08
NO. 900 ROMUALDEZ ST., PACO, MANILA 1007

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Stockholders
DA VINCI CAPITAL HOLDINGS, INC.
(Formerly Mariwasa Siam Holdings, Inc.)
No. 900 Romualdez St.
Paco, Manila

Report on the Audit of the Financial Statements*Opinion*

We have audited the financial statements of **DA VINCI CAPITAL HOLDINGS, INC. (Formerly Mariwasa Siam Holdings, Inc.)** (the Company), which comprise the statements of financial position as at December 31, 2016 and 2015, and the 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, 2016, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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

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



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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

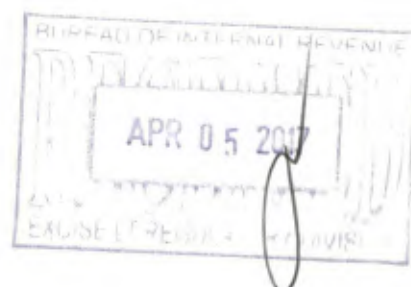
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 and 19-2011 in Notes 18 and 19, respectively, to the financial statements, are presented for purposes of filing with Bureau of Internal Revenue and are not required parts of the basic financial statements. Such information is the responsibility of the Management of **DA VINCI CAPITAL HOLDINGS, INC. (Formerly Mariwasa Siam Holdings, Inc.)**. The information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditors' report is **ROMEO A. DE JESUS, JR.**



R.S. BERNALDO & ASSOCIATES

BOA/PRC No. 0300

Valid until December 31, 2018

SEC Group A Accredited

Accreditation No. 0153-FR-2

Valid until September 1, 2017

BSP Group B Accredited

Valid until 2018 audit period

CDA CEA No. 0013-AF

Valid until December 12, 2019

IC Accreditation No. F-2016/002-R

Valid until August 30, 2019


ROMBO A. DE JESUS, JR.

Partner

CPA Certificate No. 86071

SEC Group A Accredited

Accreditation No. 1135-AR-1

Valid until August 4, 2017

BIR Accreditation No. 08-004744-001-2015

Valid from March 27, 2015 until March 26, 2018

Tax Identification No. 109-227-897

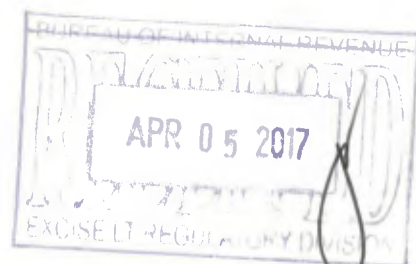
IC Accreditation No. SP-2016/007-R

Valid until August 30, 2019

PTR No. 5929421

Issued on January 15, 2017 at Makati City

April 4, 2017



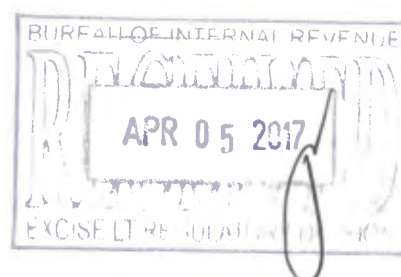
DA VINCI CAPITAL HOLDINGS, INC.*(Formerly Mariwasa Siam Holdings, Inc.)***STATEMENTS OF FINANCIAL POSITION**

December 31, 2016 and 2015

(In Philippine Peso)

	NOTES	2016	2015
A S S E T			
Non-current Asset			
Other non-current assets	6	23,717,000	23,717,000
LIABILITIES AND STOCKHOLDERS' EQUITY			
L I A B I L I T I E S			
Current Liabilities			
Accounts payable	7	1,439,000	1,439,000
Accrued expense	8	359,500	407,320
Due to related parties	9	3,683,202	3,091,570
TOTAL LIABILITIES		5,481,702	4,937,890
S T O C K H O L D E R S ' E Q U I T Y			
Capital Stock	10	25,875,000	25,875,000
Additional Paid-in Capital	10	46,033,000	46,033,000
Deficit		(53,672,702)	(53,128,890)
TOTAL STOCKHOLDERS' EQUITY		18,235,298	18,779,110
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		23,717,000	23,717,000

(See Notes to Financial Statements)



(Formerly Mariwasa Siam Holdings, Inc.)

For the Years Ended December 31, 2016, 2015 and 2014

	NOTES	2016	2015	2014
OPERATING EXPENSES	11	543,812	595,950	2,621,940
LOSS		543,812	595,950	2,621,940
LOSS PER SHARE				
Basic Loss per Share	13	(0.0005)	(0.0005)	(0.0023)

BUREAU OF INTERNAL REVENUE
APR 11 2017
EXCISE & REGISTRATION DIVISION

DA VINCI CAPITAL HOLDINGS, INC.

(Formerly Mariwasa Siam Holdings, Inc.)

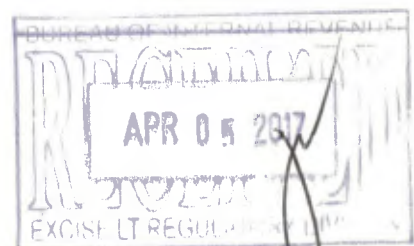
STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2016, 2015 and 2014

(In Philippine Peso)

	Note	Capital Stock	Additional Paid-in Capital	Deficit	Total
Balance, January 1, 2014		25,875,000	46,033,000	(49,911,000)	21,997,000
Loss				(2,621,940)	(2,621,940)
Balance, December 31, 2014		25,875,000	46,033,000	(52,532,940)	19,375,060
Loss				(595,950)	(595,950)
Balance, December 31, 2015	10	25,875,000	46,033,000	(53,128,890)	18,779,110
Loss				(543,812)	(543,812)
Balance, December 31, 2016	10	25,875,000	46,033,000	(53,672,702)	18,235,298

(See Notes to Financial Statements)



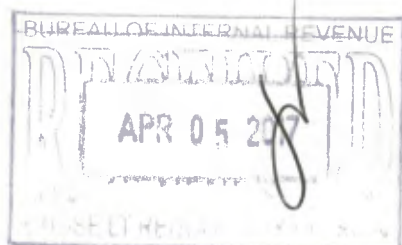
DA VINCI CAPITAL HOLDINGS, INC.*(Formerly Mariwasa Siam Holdings, Inc.)***STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2016, 2015 and 2014

(In Philippine Peso)

	NOTE	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(543,812)	(595,950)	(2,621,940)
Increase (Decrease) in Accrued expense		(47,820)	86,410	39,910
Net cash used in operating activities		(591,632)	(509,540)	(2,582,030)
CASH FLOW FROM INVESTING ACTIVITY				
Advances received from related parties	9	591,632	509,540	2,582,030
NET DECREASE IN CASH		-	-	-
CASH AT BEGINNING OF YEAR		-	-	-
CASH AT END OF YEAR		-	-	-

(See Notes to Financial Statements)



DA VINCI CAPITAL HOLDINGS, INC.

(Formerly Mariwasa Siam Holdings, Inc.)

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

1. CORPORATE INFORMATION AND STATUS OF OPERATION

Da Vinci Capital Holdings, Inc. *(Formerly Mariwasa Siam Holdings, Inc.)* (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 5, 1963 and its shares are listed in the Philippine Stock Exchange. The principal activities of the Company are to purchase, subscribe for or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness and other securities, contracts or obligations of any corporation or corporations, association or associations, domestic or foreign, engage in, but not limited to, the business of real estate, manufacturing, trading and agribusiness, and to pay, in whole or in part, in cash or by exchanging therefor, stocks, bonds and other evidences of indebtedness or securities of this or any other corporation, and while the owner or holder of any such real or personal property, stocks, bonds, debentures, notes, evidences of indebtedness or other securities, contracts or obligations, to receive, collect and dispose of the interest, dividends and income arising from such property and to possess and exercise in respect therefor all the rights, powers and privileges of ownership, including all voting powers on any stock so owned, without however engaging in dealership in securities or in stock brokerage business, to the extent permitted by law, to aid, either by loans or by guaranty of securities or in any other manner, any corporation, domestic, or foreign, any share of stock, or any bond, debenture, evidence of indebtedness or other security whereof are held by this corporation or in which it shall have interest, and to do any act designed to protect, preserve, improve or enhance the value of any property at any time held or controlled by this corporation or in which it at that time may be interested.

Mariwasa Siam Ceramics, Inc. (MSCI), a former subsidiary, is primarily engaged in the manufacture of ceramic tiles. MSCI ceased to be a wholly-owned subsidiary of the Company effective March 15, 2012, following the implementation of the Mariwasa Group Reorganizational Plan.

On January 25, 2013, the Board of Directors (BOD) approved the change of the corporate name from Mariwasa Siam Holdings, Inc. to Da Vinci Capital Holdings, Inc. The change in corporate name was approved by the majority vote of the stockholders during its annual stockholders meeting on March 8, 2013. This was later approved by the SEC on April 26, 2013.

The Company is 85% owned by Invescap Incorporated, its Parent Company that is incorporated in the Philippines. The remaining 14.48% and 0.52% are owned by other domestic corporations and by Filipino individuals, respectively.

As of December 31, 2016, the Company's registered address is located at Orient Square Building, F. Ortigas, Jr. Road, Ortigas Center, Pasig City. In January 9, 2017, the Company received approval by the Securities and Exchange Commission (SEC) to amend its articles of incorporation, hence, changing its principal office address to No. 900 Romualdez St., Paco, Manila.

1.01 Status of Operations

1.01.01 Status of Operations

Following the implementation of the Mariwasa Group Reorganization Plan which was completed in March 2012 as discussed below, the Company will continue to operate and look for other investment opportunities.

Reorganization

On November 25, 2011, the BOD approved the Mariwasa Group Reorganizational Plan which consists of the following sequential steps:

- a. Full redemption of the Company's convertible subordinated debentures (CSDs) in the aggregate full principal amount of P454,518,000 and full payment of all accrued interest as of the early redemption date within the first quarter of 2012 by way of conveyance to the holders thereof of such number of shares in MSCI owned and held by the Company sufficient in value based on the audited book value per share of MSCI as of September 30, 2011 or P1.88 per share, as may be adjusted by approximately P0.02 per share due to subsequent events, to fully redeem the said debentures and fully pay for accrued interest thereon, subject to the Company and MSCI being able to secure the consent of the restructuring creditors.
- b. Reduction of the Company's authorized capital stock through the following actions:
 - Decrease its authorized capital stock from P1,500,000,000 divided into 1,200,000,000 common shares with par value of P1.00 per share and 3,000,000,000 preferred shares with par value of P0.10 per share; to P327,600,000 divided into 1,200,000,000 common shares with par value of P0.023 per share and 3,000,000,000 preferred shares with par value of P0.10 per share;
 - Decrease its subscribed capital from P1,125,000,000 to P25,875,000;
 - Wipe out all its deficit as of September 30, 2011 to the extent of P678,026,000, subject to adjustment;
 - Return to the shareholders any remaining capital surplus created due to such decrease in proportion to their shareholding in the Company in the form of MSCI shares; and
 - Amend the Article Seven of the Amended Articles of Incorporation in accordance with the planned reorganizational plan.
- c. Prepayment of the creditors of the Mariwasa Group in relation to MSCI's restructured loan through the refinancing of such restructured loan where such refinancing will be undertaken entirely by MSCI.

On the same day, the BOD authorized to invest the dividends that it will receive from MSCI and SMT Holdings, Inc. (SHI) amounting to P71,333,000 as additional paid-in capital of MSCI, subject to:

- The Company's receipt from MSCI and SHI of the dividends in the amount at least equal to the aforesaid investment; and
- The Company and MSCI being able to secure the consent of the restructuring creditors.

On February 16, 2012, SEC approved the Company's application for reduction of its authorized capital stock and the wipe out of the deficit of the Company as of September 30, 2011 amounting to P678,026,000 against the existing additional paid-in capital of P152,796,000 and part of the reduction surplus amounting to P525,230,000 subject to the condition that the difference between the actual deficit wiped out shall be reverted to additional paid-in capital, as disclosed in Note 10.

On March 6, 2012, the Company executed a deed of transfer of MSCI's shares to implement the return of capital surplus to the Company's stockholders, as disclosed in Note 10.

On March 15, 2012, the CSDs were redeemed and on said date, MSCI ceased to be a subsidiary of the Company.

After the implementation of the reorganization, the Company will continue to operate and look for other investment opportunities.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Philippine Financial Reporting Standards Council (FRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). The term "PFRS" in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FRSC and adopted by SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Company. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

2.01 New and Revised PFRSs Applied with No Material Effect on the Financial Statements

The following new and revised PFRSs have been adopted in these financial statements. The application of these new and revised PFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to PFRS 10, PFRS 12 and PAS 28, *Investment Entities: Applying the Consolidation Exception*

The amendments confirm that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.

In addition, it clarifies that a subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.

Moreover, it clarifies that when applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.

And, an investment entity measuring all of its subsidiaries at fair value shall provide the disclosures relating to investment entities as required by PFRS 12.

The amendments are effective for annual periods beginning on or after January 1, 2016 and must be applied retrospectively. Earlier application is permitted.

- PFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*

Amendments in PFRS 11 require an acquirer of an interest in a joint operation in which the activity constitutes a business to apply the accounting principles and disclosure requirements in PFRS 3 and other PFRS for business combinations. This is applicable in initial acquisition and acquisition of initial interest in a joint operation. This is applicable prospectively to annual periods beginning January 1, 2016.

- PFRS 14, *Regulatory Deferral Accounts*

PFRS 14 issued on January 30, 2014, provides temporary guidance for first-time adopters of PFRS on accounting for regulatory deferral account balances. Regulatory deferral account balances are describe as amounts of expense or income that would not be recognized as assets or liabilities in accordance with other Standards, but that qualify to be deferred because the amount is included, or is expected to be included, by the rate regulator in establishing the price(s) that an entity can charge to customers for rate-regulated goods or services.

PFRS 14 permits an entity that adopts PFRS to continue to use, in its first and subsequent PFRS financial statements, its previous generally accepted accounting principles (GAAP) accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances without specifically considering the requirements of paragraph 11 of PAS 8. PFRS 14 requires entities to present regulatory deferral account balances as separate line items in the statement of financial position and to present movements in those account balances as separate line items in the statement of profit or loss and other comprehensive income. PFRS 14 also requires specific disclosures to identify the nature of, and risks associated with, the rate regulation that has resulted in the recognition of regulatory deferral account balances in accordance with this Standard.

PFRS 14 is effective for a period beginning on or after January 1, 2016. Earlier application is permitted.

- Amendments to PAS 1, *Disclosure Initiative*

The amendments clarify that information should not be obscured by aggregating or by providing immaterial information. Materiality considerations shall apply to all parts of the financial statements even if when a standard requires a specific disclosure.

In addition, the amendments introduce a clarification that the list of line items to be presented in the statement of financial position and statement of comprehensive income can be disaggregated and aggregated as relevant. Also, it clarifies that an entity's share of other comprehensive income (OCI) of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

Further, the amendments add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes. The IASB also removed guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful.

The amendments are effective for the period beginning on or after January 1, 2016. Earlier application is permitted

- *PAS 16, Property, Plant and Equipment and PAS 38, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization*

The amendments clarify that revenue-based depreciation is not appropriate for property, plant and equipment. Revenue-based amortization is allowed only when the intangible assets are expressed as a measure of revenue or when it can be demonstrated that revenue and the consumption of economic benefits of the intangible asset are highly correlated. This is effective prospectively from January 1, 2016. Earlier application is permitted.

- *PAS 16, Property, Plant and Equipment and PAS 41, Agriculture – Bearer Plants*

The amendments include bearer plants, which are living plants that are used in the production or supply of agricultural produce over a several periods and has a remote likelihood of being sold as agricultural produce, to be within the scope of PAS 16 instead of PAS 41 and consequently be accounted for in the same way as property, plant and equipment. However, the produce growing on bearer plants will remain within the scope of PAS 41. The amendments are applicable for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

- *PAS 27, Separate Financial Statements – Equity Method in Separate Financial Statements*

The amendments in PAS 27 permit an entity to account its investments in subsidiaries, joint ventures and associates using the equity method as described in PAS 28 in its separate financial statements. The amendments shall be applied for annual periods beginning January 1, 2016 retrospectively. Earlier application is permitted.

- *Improvements to PFRS (2014) – Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.*

PFRS 5, Non-current Assets Held for Sale and Discontinued Operations –

The amendments require that an asset reclassified directly from being held sale to being held for distribution, or directly from being held for distribution to being held for sale, the requirements for classification, presentation and measurement shall continue to be applied in accordance with this standard

PFRS 7, Financial Instruments: Disclosure – The amendments clarify that the right to service a financial asset transferred may be retained for a fee that is included in the servicing contract. The right to earn a fee for servicing the financial asset is generally continuing involvement for the purpose of applying the disclosure requirements. The service contract must be assessed to determine whether there is a continuing involvement in the financial asset transferred.

Further, the additional disclosure required by amendments to PFRS 7, *Disclosure – Offsetting Financial Assets and Financial Liabilities* is not specifically required for all interim periods. For condensed financial interim financial statements, the disclosure requirements are required to be given if the financial statements are prepared in accordance with PAS 34, *Interim Financial Reporting* when the inclusion would be required by the standard.

PAS 19, *Employee Benefits* – It clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and that the depth of the market for high quality corporate bonds should be assessed at the currency level.

PAS 34, *Interim Financial Reporting* – It clarifies that information shall be disclosed either in the notes to the interim financial statements or elsewhere in the interim financial report, by incorporating cross-reference from the interim financial statements to the other part of the interim financial report which is available to users on the same terms as the interim financial statements and at the same time.

- PIC Q&A No. 2015-01, *Conforming Changes in PIC Q&As – Cycle 2015*

This Q&A No. 2015-01 sets out the amendments to certain PIC Q&As. These changes are made as a consequence of the issuance of new Philippine Financial Reporting Standards (PFRS) and amendments to certain existing PFRS that are effective as of January 1, 2013.

The effective date of the amendments is included in the Q&As affected.

- PIC Guidance on Financial Reporting

This guidance is issued to help preparers of financial statements identify and address some of the common pitfalls and difficult interpretative issues arising from application of PAS 7, *Statement of Cash Flows*.

2.02 New and Revised PFRSs in Issue but Not Yet Effective

The Company will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS to have significant impact on the financial statements.

2.02.01 Standard Adopted by FRSC and Approved by the Board of Accountancy (BOA)

- PFRS 9, *Financial Instruments (2014)*

PFRS 9, amended on July 24, 2014, made limited amendments to the requirements for classification and measurement of financial assets and requirements for impairment.

The amendments introduced a 'fair value through other comprehensive income' measurement category for particular simple debt instruments. Also, it introduced impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit. These requirements eliminate the threshold that was in PAS 39 for the recognition of credit losses. Under the impairment approach in PFRS 9, it is no longer necessary for a credit event to have occurred before the credit losses are recognized. Instead, an entity always accounts for expected credit losses, and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition and, consequently, more timely information is provided about the expected credit losses.

PFRS 9 (2014) supersedes PFRS 9 (2009), PFRS 9 (2010) and PFRS 9 (2013) is effective retrospectively for annual periods beginning on or after January 1, 2018, but comparative information is not required, with earlier application permitted.

- PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments clarify the treatment of the sale or contribution of assets between an investor and its associate and joint venture. This requires an investor in its financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e. up to the extent only of unrelated investor share).

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

- PFRS 16, *Leases*

Introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

On the other hand, it substantially carries forward the lessor accounting requirements in PAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Effective for annual periods beginning on or after January 1, 2019, however, earlier application is not permitted until the FRSC has adopted the new revenue recognition standard.

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

The Interpretation addresses how entities should determine whether an agreement for the construction of real estate is within the scope of PAS 11, *Construction Contracts*, or PAS 18, *Revenue*, and when revenue from the construction of real estate should be recognized. The requirements have not affected the accounting for the Company's construction activities.

Effectivity of this interpretation has been deferred until the final Revenue standard is issued by International Accounting Standards Board (IASB), and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

- *Amendments to PAS 7, Disclosure Initiative*

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash charges.

Effective for annual periods beginning on or after January 1, 2017 and shall be applied prospectively, with earlier application permitted.

- *Amendments to PAS 12, Recognition of Deferred Tax Assets for Unrealized Losses*

The amendments clarify that unrealized losses on debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences.

In addition, these clarify that the carrying amount of an asset does not limit the estimation of probable future taxable profits and that when comparing deductible temporary differences with future taxable profits, the future taxable profits excludes tax deductions resulting from the reversal of those deductible temporary differences.

Effective for annual periods beginning on or after January 1, 2017 and shall be applied retrospectively, with earlier application permitted.

2.02.02 Standards Adopted by FRSC but pending Approval of the BOA

- *Amendments to PFRS 2, Classification and Measurement of Share-based Payment Transactions*

The amendments clarify the accounting for the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and modification to the terms and conditions of share-based payment transactions that will result to change in classification from cash-settled to equity-settled.

The amendments are effective for annual periods beginning on or after January 1, 2018. Retrospective application is permitted if elected for all of the aforementioned amendments and other criteria are met.

- PIC Q&A No. 2016-02, *PAS 32 and PAS 38 – Accounting Treatment of Club Shares Held by an Entity*

A proprietary club share entitles the shareholder to a residual interest in the net assets upon liquidation which justifies that such instrument is an equity instrument and thereby qualifies as a financial asset to be accounted for under PAS 39, *Financial Instruments: Recognition and Measurement*.

A non-proprietary club share, though an equity instrument in its legal form, is not an equity instrument in the context of PAS 32. Furthermore, it does not entitle the holder to a contractual right to receive cash or another financial asset from the issuing corporation. The holder of the share, in substance, only paid for the privilege to enjoy the club facilities and services but not for ownership of the club. In such case, the holder must account for the share as an intangible asset under PAS 38.

3. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

3.01 Statement of Compliance

The financial statements have been prepared in conformity with PFRS and are under the historical cost convention, except for certain financial instruments that are carried at amortized cost.

3.02 Functional and Presentation Currency

Items included in the financial statements of the Company are measured using Philippine Peso (P), the currency of the primary economic environment in which the Company operates (the "functional currency").

The Company chose to present its financial statements using its functional currency.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets that are subsequently measured at amortized cost, and where the purchase or sale are under a contract whose terms require delivery of such within the timeframe established by the market concerned are initially recognized on the trade date.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss' (FVTPL), 'held-to-maturity' (HTM) investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company does not have financial assets as of reporting dates.

4.02 Other Non-current Assets

Other assets presented in the statements of financial position pertain to other resources controlled by the Company as a result of past events. These are recognized in the financial statements when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. Other assets are stated at its net realizable value.

4.02.01 Excess tax credit

Excess tax credit is recognized when the Company paid income tax more than the actual amount of payable. This is classified as asset and measured in the excess of cash paid and income tax incurred. This may be offset to income tax payable in the next period.

4.02.02 Input VAT

Input VAT is recognized when the Company pays all vatable transactions. This is initially recorded as an asset and measured at the amount of cash paid. Subsequently, this may be offset to output VAT.

4.03 Impairment of Assets

At each reporting period, the Company assesses whether there is any indication that any of its prepayments and other current assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as an income.

4.04 Financial Liabilities and Equity Instruments

4.04.01 Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

4.04.02 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The Company's financial liabilities include accounts payable, accrued expense and due to related parties.

4.04.03 Other Financial Liabilities

Other financial liabilities are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.04.04 Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.04.05 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the proceeds, net of tax.

4.05 Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.06 Provisions

Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate.

4.07 Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Company.

The Company recognizes expenses in the statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

4.08 Employee Benefits

4.08.01 Short-term Benefits

The Company 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 Company to its employees include salaries and wages, social security contributions, short-term compensated absences and non-monetary benefits. In both years, the Company has no employees.

4.09 Related Parties and Related Party Transactions

A related party is a person or entity that is related to the Company that is preparing its financial statements. A person or a close member of that person's family is related to Company if that person has control or joint control over the Company, has significant influence over the Company, or is a member of the key management personnel of the Company or of a parent of the Company.

An entity is related to the Company if any of the following conditions applies:

- The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); or
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or
- Both entities are joint ventures of the same third party; or
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
- The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company; or
- The entity is controlled or jointly controlled by a person identified above; or

- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Company and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

4.10 Taxation

Income tax expense represents the sum of the current and deferred taxes.

4.10.01 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4.10.02 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carryover (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at

the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4.10.03 Current and Deferred Tax for the Period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in other comprehensive income or directly in equity, in which case the tax is also recognized outside profit or loss.

4.11 Earnings Per Share

The Company computes its basic earnings per share by dividing net income or loss attributable to ordinary holders of the Company by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings per share, profit or loss attributable to ordinary equity holders of the Company and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

4.12 Events after the Reporting Period

The Company identifies subsequent events as events that occurred after the reporting date but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Company's position at the reporting date, adjusting events, are reflected in the financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to financial statements when material.

5. KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Company's accounting policies, which are disclosed in Note 4, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the key assumptions concerning the future, and other key sources of estimation uncertainties at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.01 Impairment of Non-financial Assets

The Company determines whether its non-financial assets are impaired when events or changes in circumstances indicate that the carrying values may not be recoverable. Determining the fair values of these assets, which require the determination of future cash flows expected to be generated from the discontinued use and ultimate disposition of such assets, require the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause Management to conclude that these assets are impaired. Any resulting impairment loss could have a material impact on the Company's financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While Management believes that the assumptions made are appropriate and reasonable, significant changes in Management assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

In both years, Management assessed that there is no indication of any impairment had occurred in relation to its other non-current assets. As of December 31, 2016 and 2015, the carrying value of Company's other non-current assets both years amounted to P23,717,000, as disclosed in Note 6.

5.02 Non-recognition of Deferred Tax Asset

The Company reviews the carrying amounts at each reporting date and reduces deferred tax asset to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized prior to its expiration.

As of December 31, 2016 and 2015, the Company did not recognize deferred tax asset amounting to P977,989 and P1,304,589, respectively, as disclosed in Note 12. Management believes that it is not probable that future taxable profits will be available to allow all or part of its deferred tax asset to be utilized prior to its expiration.

6. OTHER NON-CURRENT ASSETS

The detail of the Company's other non-current assets are shown below:

	2016	2015
Excess tax credits	P 23,234,026	P 23,234,026
Input VAT	482,974	482,974
	P 23,717,000	P 23,717,000

Excess tax credits pertain to prepaid taxes carried over from previous taxable years.

7. ACCOUNTS PAYABLE

The Company's accounts payable pertains to listing fees, retainers' fee and other expenses. Such are payable to former stockholders which both amounted to P1,439,000 as of December 31, 2016 and 2015.

8. ACCRUED EXPENSE

As of December 31, 2016 and 2015, the Company's accrued expense pertains to professional fee which amounted to P359,500 and P407,320, respectively.

9. RELATED PARTY TRANSACTIONS

The Company and its stockholders are related parties since the latter is a member of the key management personnel of the Company.

Balances and transactions between the Company and its related parties are disclosed below:

9.01 Due to Related Parties

Balances of due to related parties as shown in the statements of financial position are summarized as follows:

9.01.01 Key Management Personnel

Transaction with key management personnel is detailed as follows:

		December 31, 2016		December 31, 2015	
		Amount/ Volume	Outstanding Balance	Amount/ Volume	Outstanding Balance
Stockholders					
Advances	P	591,632	P 3,683,202	P 509,540	P 3,091,570

Advances represent amounts owed to related party for working capital requirements of the Company.

Transactions with key management personnel are non-interest bearing, unsecured, payable on demand and will be settled in cash. No guarantees have been given.

9.02 Remuneration of Key Management Personnel

In 2016 and 2015, no remuneration was given to the Company's directors and other members of key management personnel.

10. ISSUED CAPITAL

The issued capital of the Company is as follows:

		2016		2015	
Ordinary shares	P	25,875,000	P	25,875,000	
Additional paid-in capital		46,033,000		46,033,000	
	P	71,908,000	P	71,908,000	

10.01 Preferred Shares

As of December 31, 2016 and 2015, the Company has not issued any of its 3,000,000,000 preferred shares at P0.10 par value per share amounting to P300,000,000.

10.02 Ordinary Shares

Shown below are the details on the movements of ordinary shares.

	2016		2015	
	Shares	Amount	Shares	Amount
Authorized: P0.023 par value per share	1,200,000,000	P 27,600,000	1,200,000,000	P 27,600,000
Subscribed and outstanding: P0.023 par value per share	1,124,999,969	P 25,875,000	1,124,999,969	P 25,875,000

Ordinary shares carry one (1) vote per share and a right to dividend.

As mentioned in Note 1, on February 16, 2012, the SEC approved the Company's application for the reduction of its authorized capital stock from P1,500,000 divided into 1,200,000,000 common shares with par value of P1.00 per share and 3,000,000,000 preferred shares with par value of P0.10 per share, to P327,600,000 divided into 1,200,000,000 common shares with par value of P0.023 per share and 3,000,000,000 preferred shares with par value of P0.10 per share. The said approval resulted in the reduction in total issued and outstanding common stock from P1,125,000,000 as of December 31, 2011 to P25,875,000 as of December 31, 2012 and the creation of a reduction surplus of P1,099,125,000 credited to additional paid-in capital.

On the same day, the SEC approved the Company's equity restructuring to wipe out the deficit of the Company as of September 30, 2011 amounting to P678,026 against the existing additional paid-in capital amounting P152,796,000 and part of the reduction surplus amounting to P525,230,000 subject to the condition that the difference between the actual deficit as of December 31, 2011 and the amount wiped out shall be reverted to additional paid-in capital. The excess of P55,780,000 representing the difference between the deficit as of December 31, 2011 of P622,246,000 and the total amount wiped out of P678,026,000 was reverted to additional paid-in capital.

On March 6, 2012, the Company implemented the return of the remaining reduction surplus arising from the reduction in authorized capital stock. Total reduction surplus amounting to P629,675,000 was returned to the Company's stockholders through the conveyance of shares in MSCI with the total cost of P663,926,000.

11. OPERATING EXPENSES

The account is composed of the following:

	2016	2015	2014
Listing fee	P 280,000	P 283,360	P 288,960
Retainer fee	143,480	142,200	216,060
Professional fee	66,700	50,000	2,091,410
Taxes and licenses	25,510	25,510	25,510
Others	28,122	94,880	-
	P 543,812	P 595,950	P 2,621,940

Others pertain to the cost of web development project, its maintenance and hosting fee during the year.

12. INCOME TAXES

12.01 Income Tax Recognized in Profit or Loss

A numerical reconciliation between tax benefit and the product of accounting loss multiplied by the tax rate in 2016, 2015, 2014 is as follows:

	2016	2015	2014
Accounting loss	P (543,812)	P (595,950)	P (2,621,940)
Tax benefit at 30%	(163,144)	(178,785)	(786,582)
Tax effects of:			
Non-recognition of DTA from NOLCO	120,100	136,125	721,764
Non-deductible expense	43,044	42,660	64,818
	P -	P -	P -

Details of NOLCO are as follows:

Year Incurred	Beginning balance	Addition during the year	Expired during the year	Ending balance	Expiry Date
2013	P 1,489,000	P -	P 1,489,000	P -	2016
2014	2,405,880	-	-	2,405,880	2017
2015	453,750	-	-	453,750	2018
2016	-	400,332	-	400,332	2019
	P 4,348,630	P 400,332	P 1,489,000	P 3,259,962	

As of December 31, 2016 and 2015, the Company did not recognize deferred tax asset amounting to P977,989 and P1,304,589, respectively. Management believes that it is not probable that future taxable profits will be available to allow all or part of deferred tax assets to be utilized prior to its expiration.

13. LOSS PER SHARE

The Company's basic loss per share is P0.0005, P0.0005 and P0.0023 as of December 31, 2016, 2015 and 2014, respectively.

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2016	2015	2014
Loss used in the calculation of total basic loss per share	P 543,812	P 595,950	P 2,621,940
Weighted average number of ordinary shares for the purposes of basic loss per share	1,124,999,969	1,124,999,969	1,124,999,969

The weighted average number of ordinary shares for the years 2016, 2015 and 2014 used for the purposes of basic loss per share were computed is follows:

	Number of Ordinary Shares	Proportion to Period	Weighted Average
Outstanding shares at the beginning and end of the period	1,124,999,969	12/12	1,124,999,969

The Company did not have any potential dilutive instruments as of December 31, 2016, 2015 and 2014.

14. FAIR VALUE MEASUREMENTS

14.01 Fair Value of Financial Liabilities

The carrying amounts and estimated fair values of the Company's financial liabilities as of December 31, 2016 and 2015 are presented below:

	2016		2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities:				
Accounts payable	P 1,439,000	P 1,439,000	P 1,439,000	P 1,439,000
Accrued expense	359,500	359,500	407,320	407,320
Due to related parties	3,683,202	3,683,202	3,091,570	3,091,570
	P 5,481,702	P 5,481,702	P 4,937,890	P 4,937,890

The carrying amounts of financial liabilities approximate their fair values due to either the demand feature or relatively short-term duration of these payables.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The management function provides services to the business, co-ordinates access to domestic markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. This risk includes liquidity risk.

The Company seeks to minimize the effects of these risks through appropriate and dedicated investment planning aimed to reduce risk exposure. These parameters include monitoring cash flows and investigation of counterparty's credit quality. Compliance with policies and exposure limits is reviewed by the Management on a continuous basis.

Management reports quarterly that monitors risks and policies implemented to mitigate risk exposures.

15.01 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Weighted Average Effective Interest Rate		Within 1 Year
December 31, 2016			
Accounts payable	-	P	1,439,000
Accrued expense	-		359,500
Due to related parties	-		3,683,202
		P	5,481,702
December 31, 2015			
Accounts payable	-	P	1,439,000
Accrued expense	-		407,320
Due to related parties	-		3,091,570
		P	4,937,890

16. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2015.

The capital structure of the Company consists of total liabilities and equity of the Company.

Pursuant to Section 43 of Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus plus profits in excess of one hundred percent (100%) of their paid-in capital stock, except: (1) when justified by definite corporate expansion projects or programs approved by the board of directors; or (2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or (3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies. The Company is in compliance with this requirement.

The Company's Board of Directors reviews the capital structure of the Company on an annual basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The Company has a target debt to equity ratio of 1:1 determined as the proportion of net debt to equity.

The debt to equity ratio at the end of reporting periods is as follows:

		2016		2015
Debt	P	5,481,702	P	4,937,890
Equity		18,235,298		18,779,110
Debt to equity ratio		0.30:1		0.26:1

17. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issuance by the Board of Directors on April 4, 2017.

18. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS NO. 15-2010

The Bureau of Internal Revenue (BIR) has released a revenue regulation dated November 25, 2010 amending Revenue Regulations No. 21-2002 setting forth additional disclosures on notes to financial statements. Below are the disclosures required by the said regulation:

18.01 Taxes and Licenses Paid or Accrued

The details of the Company's taxes and licenses paid or accrued in 2016 are as follows:

18.01.01 Input VAT

As of December 31, 2016, the Company's input VAT amounted to P482,974.

18.01.02 Taxes and Licenses

The Company's taxes and licenses pertains to registration fee amounted to P25,510.

18.01.03 Withholding Taxes

The Company does not have withholding taxes paid or accrued during the year.

19. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS NO. 19-2011

Pursuant to Section 244 in relation to Section 6(H) of the National Internal Revenue Code of 1997 (Tax Code), as amended, these Regulations are prescribed to revise BIR Form 1702 setting forth the following schedules. Below are the disclosures required by the said Regulation:

19.01 Itemized Deductions

The following is an analysis of the Company's itemized deductions for the taxable year:

Listing fee	P	280,000
Professional fee		66,700
Taxes and licenses		25,510
Others		28,122
	P	400,332



INDEPENDENT AUDITORS' REPORT TO ACCOMPANY INCOME TAX RETURN

The Board of Directors and the Stockholders
DA VINCI CAPITAL HOLDINGS, INC.
(Formerly Mariwasa Siam Holdings, Inc.)
No. 900 Romualdez St.
Paco, Manila

We have examined the financial statements of **DAVINCI CAPITAL HOLDINGS, INC.** *(Formerly Mariwasa Siam Holdings, Inc.)* for the years ended December 31, 2016 and 2015 on which we have rendered the attached report dated April 4, 2017.

In compliance with Revenue Regulation V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

R.S. BERNALDO & ASSOCIATES

BOA/PRC No. 0300
Valid until December 31, 2018
SEC Group A Accredited
Accreditation No. 0153-FR-2
Valid until September 1, 2017
BSP Group B Accredited
Valid until 2018 audit period
CDA CEA No. 0013-AF
Valid until December 12, 2019
IC Accreditation No. F-2016/002-R
Valid until August 30, 2019


ROMEO A. DE JESUS, JR.

Partner
CPA Certificate No. 86071
SEC Group A Accredited
Accreditation No. 1135-AR-1
Valid until August 4, 2017
BIR Accreditation No. 08-004744-001-2015
Valid from March 27, 2015 until March 26, 2018
Tax Identification No. 109-227-897
IC Accreditation No. SP-2016/007-R
Valid until August 30, 2019
PTR No. 5929421
Issued on January 15, 2017 at Makati City

April 4, 2017





INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
DA VINCI CAPITAL HOLDINGS, INC.
(Formerly Mariwasa Siam Holdings, Inc.)
No. 900 Romualdez St.
Paco, Manila

We have issued our report dated April 4, 2017 on the basic financial statements of **DAVINCI CAPITAL HOLDINGS, INC. (Formerly Mariwasa Siam Holdings, Inc.)** as of and for the period ended December 31, 2016. Our audits were conducted for the purpose of forming an opinion on the basic financial statements of **DA VINCI CAPITAL HOLDINGS, INC. (Formerly Mariwasa Siam Holdings, Inc.)** taken as a whole. The information in the Reconciliation of Retained Earnings and in Schedules A, B, C, D, E, F, G, H, I, J and K as of and for the period ended December 31, 2016 are presented for purposes of complying with Securities Regulation Code Rule 68, as amended and are not required parts of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.S. BERNALDO & ASSOCIATES

BOA/PRC No. 0300

Valid until December 31, 2018

SEC Group A Accredited

Accreditation No. 0153-FR-2

Valid until September 1, 2017

BSP Group B Accredited

Valid until 2018 audit period

CDA CEA No. 0013-AF

Valid until December 12, 2019

IC Accreditation No. F-2016/002-R

Valid until August 30, 2019


ROMEO A. DE JESUS, JR.

Partner

CPA Certificate No. 86071

SEC Group A Accredited

Accreditation No. 1135-AR-1

Valid until August 4, 2017

BIR Accreditation No. 08-004744-001-2015

Valid from March 27, 2015 until March 26, 2018

Tax Identification No. 109-227-897

IC Accreditation No. SP-2016/007-R

Valid until August 30, 2019

PTR No. 5929421

Issued on January 15, 2017 at Makati City

April 4, 2017



INDEX TO SUPPLEMENTARY SCHEDULES Form 17-A, Item 7

Supplementary Schedules	Page No
Independent Auditors’ Report on Supplementary Schedules	
Part 1	
Reconciliation of Retained Earnings	2
Part 2	
A. Marketable Securities – (Current Marketable Equity Securities and Other Short-term Cash Investments)	3
B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	4
C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements	5
D. Intangible Assets – Other Assets	6
E. Long-term Debt	7
F. Indebtedness to Related Parties (Long-term Loans from Related Companies)	8
G. Guarantees of Securities of Other Issuers	9
H. Capital Stock	10
I. Map of Conglomerate or Group of Companies within which the Reporting Entity Belongs	11
J. Financial Soundness Indicators	12 – 13
K. Effective Standards and Interpretations as of December 31, 2016	14 – 19

DA VINCI CAPITAL HOLDINGS, INC.
(Formerly Mariwasa Siam Holdings, Inc.)
RECONCILIATION OF RETAINED EARNINGS
December 31, 2016

NOT APPLICABLE

DA VINCI CAPITAL HOLDINGS, INC.*(Formerly Mariwasa Siam Holdings, Inc.)***SCHEDULE A - MARKETABLE SECURITIES**

December 31, 2016

	NUMBER OF SHARE OF PRINCIPAL AMOUNT	AMOUNT IN THE BALANCE SHEET	VALUED BASED ON MARKET QUOTATION AT BALANCE SHEET DATE	INCOME RECEIVED & ACCRUED
A. OTHER SHORT TERM CASH INVESTMENT				
NOT APPLICABLE				

DA VINCI CAPITAL HOLDINGS, INC.*(Formerly Mariwasa Siam Holdings, Inc.)*

**SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES,
RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)**
December 31, 2016

	ACCOUNTS RECEIVABLE				
	BEGINNING BALANCE	ADDITIONS	DEDUCTIONS	ENDING BALANCE	
				CURRENT	NON-CURRENT
Due to related parties	3,091,570	591,632	-	3,683,202	-

DA VINCI CAPITAL HOLDINGS, INC.***(Formerly Mariwasa Siam Holdings, Inc.)*****SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED
DURING THE CONSOLIDATION OF FINANCIAL ASSETS**

December 31, 2016

NAME OF RELATED PARTIES	VOLUME OF TRANSACTIONS	BALANCE AT BEGINNING OF PERIOD	BALANCE AT END OF PERIOD	TERMS
NOT APPLICABLE				

DA VINCI CAPITAL HOLDINGS, INC.*(Formerly Mariwasa Siam Holdings, Inc.)***SCHEDULE D – INTANGIBLE ASSETS - OTHER ASSETS**

December 31, 2016

DESCRIPTION	BEGINNING BALANCE	ADDITIONS AT COST	CHARGED TO COSTS & EXPENSES	CHARGED TO OTHER ACCOUNTS	OTHER CHANGES ADDITIONS/ (DEDUCTIONS)	ENDING BALANCE
NOT APPLICABLE						

DA VINCI CAPITAL HOLDINGS, INC.*(Formerly Mariwasa Siam Holdings, Inc.)***SCHEDULE E - LONG-TERM DEBT**

December 31, 2016

TITLE OF ISSUE & TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE	CURRENT PORTION OF LONG-TERM DEBT	LONG-TERM DEBT (NET OF CURRENT PORTION)	MATURITY DATE
NOT APPLICABLE				

DA VINCI CAPITAL HOLDINGS, INC.*(Formerly Mariwasa Siam Holdings, Inc.)***SCHEDULE F - INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)**

December 31, 2016

NAME OF AFFILIATE	BALANCE AT BEGINNING OF PERIOD	BALANCE AT END OF PERIOD
NOT APPLICABLE		

DA VINCI CAPITAL HOLDINGS, INC.*(Formerly Mariwasa Siam Holdings, Inc.)***SCHEDULE G - GUARANTEES OF SECURITIES OF OTHER ISSUERS**

December 31, 2016

NAME OF ISSUING ENTITY OF SECURITIES GUARANTEED BY THE COMPANY FOR W/C THIS STATEMENT IS FILED	TITLE OF ISSUE OF EACH CLASS OF SECURITIES GUARANTEED	TOTAL AMOUNT GUARANTEED & OUTSTANDING	AMOUNT OWNED BY PERSON FOR W/C STATEMENT IS FILED	NAME OF GUARANTEE
NOT APPLICABLE				

DA VINCI CAPITAL HOLDINGS, INC.
(Formerly Mariwasa Siam Holdings, Inc.)
SCHEDULE H - CAPITAL STOCK
December 31, 2016

Preferred Stock

	No. of Shares
Authorized	<u>3,000,000,000</u>
Issued	-
Subscribed	<u>-</u>
Total	-
Less: Treasury Shares	<u>-</u>
Total Issued and Outstanding	<u>-</u>

Common Stock

	No. of Shares
Authorized	<u>1,200,000,000</u>
Issued	1,124,999,969
Subscribed	<u>-</u>
Total	1,124,999,969
Less: Treasury Shares	<u>-</u>
Total Issued and Outstanding	<u>1,124,999,969</u>

DA VINCI CAPITAL HOLDINGS, INC.

(Formerly Mariwasa Siam Holdings, Inc.)

**SCHEDULE I – MAP OF CONGLOMERATE OR GROUP OF COMPANIES WITHIN WHICH THE
REPORTING ENTITY BELONGS**

December 31, 2016

NOT APPLICABLE

DA VINCI CAPITAL HOLDINGS, INC.

(Formerly Mariwasa Siam Holdings, Inc.)

SCHEDULE J - FINANCIAL SOUNDNESS INDICATORS

For the Years Ended December 31, 2016 and 2015

	2016	2015
A. SHORT-TERM LIQUIDITY RATIO		
CURRENT RATIO	-	-
<u>Current Assets</u>	<u>-</u>	<u>-</u>
Current Liabilities	5,481,702.00	4,937,890
WORKING CAPITAL TO ASSETS	(0.23)	(0.21)
<u>(Current Assets - Current Liabilities)</u>	<u>(5,481,702)</u>	<u>(4,937,890)</u>
Total Assets	23,717,000	23,717,000
B. LONG-TERM SOLVENCY		
DEBT TO EQUITY	0.30	0.26
<u>Total Liabilities</u>	<u>5,481,702</u>	<u>4,937,890</u>
Shareholders' Equity	18,235,298	18,779,110
FIXED ASSETS TO EQUITY	-	-
<u>(Fixed Assets - Accumulated Depreciation)</u>	<u>-</u>	<u>-</u>
Shareholders' Equity	18,235,298	18,779,110
CREDITORS EQUITY TO TOTAL ASSETS	0.23	0.21
<u>Total Liabilities</u>	<u>5,481,702</u>	<u>4,937,890</u>
Total Assets	23,717,000	23,717,000
C. RETURN ON INVESTMENTS		
RATE OF RETURN ON TOTAL ASSETS	0.00	0.00
<u>Net Income</u>	<u>-</u>	<u>-</u>
Average Total Assets	23,717,000	23,717,000
RATE OF RETURN ON EQUITY	-	-
<u>Net Income</u>	<u>-</u>	<u>-</u>
Average Stockholders' Equity	18,507,204	19,077,085

D. PROFITABILITY RATIOS			
GROSS PROFIT RATIO		-	-
$\frac{\text{Gross Income}}{\text{Revenues}}$		$\frac{-}{-}$	$\frac{-}{-}$
OPERATING INCOME TO REVENUES		-	-
$\frac{\text{Income from Operations}}{\text{Revenues}}$		$\frac{-}{-}$	$\frac{-}{-}$
PRETAX INCOME TO REVENUES		-	-
$\frac{\text{Pretax Income}}{\text{Revenues}}$		$\frac{-}{-}$	$\frac{-}{-}$
NET INCOME TO COMMISSION INCOME		-	-
$\frac{\text{Net Income}}{\text{Revenues}}$		$\frac{-}{-}$	$\frac{-}{-}$

DA VINCI CAPITAL HOLDINGS, INC.

SCHEDULE OF EFFECTIVE STANDARDS AND INTERPRETATIONS DECEMBER 31, 2016

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Effective as of December 31, 2016				
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: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exception from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-Settled Share-based Payment Transactions			✓
	Amendment to PFRS 2: Definition of Vesting Condition			✓
	Amendments to PFRS 2: Classification and Measurement of Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations			✓
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination			✓
	Amendment to PFRS 3: Scope Exceptions for Joint Ventures			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4: Financial Guarantee Contracts			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Adopted	Not Applicable
PFRS 5	Non-current Asset Held for Sale and Discontinued Operations			✓
	Amendments to PFRS 5: Changes in Methods of Disposal			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition			✓
	Amendments to PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfer of Financial Assets			✓
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures			✓
	Amendments to PFRS 7: Hedge Accounting			✓
	Amendments to PFRS 7: Servicing Contracts			✓
	Amendments to PFRS 7: Applicability of the amendments to PFRS 7 to condensed interim financial statements			✓
PFRS 8	Operating Segments			✓
	Amendment to PFRS 8: Aggregation of Operating Segments			✓
	Amendment to PFRS 8: Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets			✓
PFRS 9 (2014)	Financial Instruments	✓		
PFRS 10	Consolidated Financial Statements			✓
	Amendments to PFRS 10: Transition Guidance			✓
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture			✓
	Amendments to PFRS 10: Investment Entities: Applying the Consolidation Exception			✓
	Joint Arrangements			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Adopted	Not Applicable
PFRS 11	Amendments to PFRS 11: Transition Guidance			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			✓
PFRS 12	Disclosure of Interest in Other Entities			✓
	Amendments to PFRS 12: Transition Guidance			✓
	Amendments to PFRS 12: Investment Entities			✓
	Amendments to PFRS 12: Investment Entities: Applying the Consolidation Exception			✓
PFRS 13	Fair Value Measurements	✓		
	Amendment to PFRS 13: Portfolio Exception			✓
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 16	Leases			✓

Philippine Accounting Standards

PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of items Other than Comprehensive Income	✓		
	Amendments to PAS 1: Disclosure Initiative	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
	Amendments to PAS 7 - Disclosure Initiative	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events After the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendments to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
	Amendments to PAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses	✓		
PAS 16	Property, Plant and Equipment			✓
	Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation			✓
	Amendments to PAS 16: Bearer Plants			✓
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Adopted	Not Applicable
PAS 17	Leases			✓
PAS 18	Revenue			✓
PAS 19 (Amended)	Employee Benefits	✓		
	Amendments to PAS 19 (Revised): Defined Benefit Plans: Employee Contributions			✓
	Amendment to PAS 19: Discount Rate: Regional Market Issue			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates			✓
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendment to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements			✓
	Amendments to PAS 27 (Amended): Investment Entities			✓
	Amendments to PAS 27 (Amended): Equity Method in Separate Financial Statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓
	Amendments to PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture			✓
	Amendments to PAS 28: Investment Entities: Applying the Consolidation Exception			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Adopted	Not Applicable
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Financial Instruments: Presentation	✓		
	Amendments to PAS 32: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 32: Classification of Right Issues			✓
	Amendment to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings Per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Amendment to PAS 34: Disclosure of Information 'elsewhere in the interim financial report'			✓
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
	Amendment to PAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization			✓
	Amendments to PAS 38: Clarification of Acceptable Methods of Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			✓
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39: Financial Guarantee Contract			✓
	Amendments to PAS 39: Reclassification of Financial Assets			✓
	Amendments to PAS 39: Reclassification of Financial Assets - Effective Date and Transition			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Adopted	Not Applicable
	Amendments to PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
	Amendments to PAS 39: Hedge Accounting			✓
PAS 40	Investment Property			✓
	Amendment to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-occupied Property			✓
PAS 41	Agriculture			✓
	Amendments to PAS 41: Bearer Plants			✓

Philippine Interpretations

IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Member's Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Adopted	Not Applicable
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC-9: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programs			✓
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 15	Agreements for the Construction of Real Estate			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distribution of Non-Cash Assets to Owners			✓
IFRIC 18	Transfer 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 - 15	Operating Leases - Incentives			✓
SIC - 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC - 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC - 29	Service Concession Arrangements: Disclosures			✓
SIC - 31	Revenue - Barter Transaction Involving Advertising Services			✓
SIC - 32	Intangible Assets - Web Site Costs			✓

Annex “C” – Summary of SEC 17-C filed by the Company to the Securities and Exchange Commission for the year 2016:

Date of Report	Date Filed with SEC
July 19, 2016	July 20, 2016
<p>Result of Board Meeting dated July 19, 2016</p> <p>On July 19, 2016, the Board of Directors of Da Vinci Capital Holdings, Inc. issued the following resolutions:</p> <p>Resolved, that Article III of the Articles of Incorporation of Da Vinci Capital Holdings, Inc. is hereby amended to read as follows:</p> <p>Third: That the place where the principal office of the corporation is to be established or located at No. 900 Romualdez St., Paco, Manila 1007.</p> <p>Resolved, further, that the Corporate Secretary be authorized to secure approval from the stockholders, through written assent, representing at least 2/3 of the outstanding capital stock of the Corporation and regulatory requirements of the Securities and Exchange Commission.</p> <p>The amendment of Articles of Incorporation will be subject to approval of the stockholders representing at least 2/3 of the outstanding capital stock of the Corporation and regulatory requirements of the Securities and Exchange Commission.</p>	
October 20, 2016	October 21, 2016
<p>Result of Written Assent submitted by DA VINCI Stockholders.</p> <p>On August 12, 2016, Da Vinci Capital Holdings, Inc. submitted for approval the Amendment to Third Article of the Company’s Articles of Incorporation by written assent per Information Statements dated August 15 and September 5, 2016.</p> <p>Stockholders representing up to 956,203,350 votes or 85% of the outstanding shares of Da Vinci Capital Holdings, Inc. voted in favor of the amendment of the Third Article of the Articles of Incorporation, now read as follows:</p> <p>“Third: That the place where the principal office of the corporation is to be established or located at No. 900 Romualdez St., Paco, Manila 1007.”</p>	