CR02877-2017

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A, AS AMENDED

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

1. For the fiscal year ended
   Dec 31, 2016
2. SEC Identification Number
   A200115151
3. BIR Tax Identification No.
   219-045-668
4. Exact name of issuer as specified in its charter
   AG Finance, Incorporated
5. Province, country or other jurisdiction of incorporation or organization
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   16/F Citibank Tower, 8741 Paseo de Roxas, Makati City
   Postal Code
   1227
8. Issuer's telephone number, including area code
   (632)833-0769
9. Former name or former address, and former fiscal year, if changed since last report
   Not Applicable
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	261,824,002

11. Are any or all of registrant's securities listed on a Stock Exchange?
    (●) Yes ( ) No
    If yes, state the name of such stock exchange and the classes of securities listed therein:
    Philippine Stock Exchange
12. 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

13. 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

259,511,611.72

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

- ( ) Yes (•) No

DOCUMENTS INCORPORATED BY REFERENCE

15. 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:

(a) Any annual report to security holders

N/A

(b) Any information statement filed pursuant to SRC Rule 20

N/A

(c) Any prospectus filed pursuant to SRC Rule 8.1

N/A

AG Finance, Incorporated
AGF

PSE Disclosure Form 17-1 - Annual Report
References: SRC Rule 17 and
Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the fiscal year ended	Dec 31, 2016
Currency (indicate units, if applicable)	Philippine Peso

Balance Sheet

	Year Ending	Previous Year Ending
	Dec 31, 2016	Dec 31, 2015
Current Assets	2,603,939	2,340,362
Total Assets	336,791,521	329,750,022
Current Liabilities	2,431,005	513,945
Total Liabilities	2,895,359	513,945
Retained Earnings/(Deficit)	-2,205,088	-6,865,173
Stockholders' Equity	333,896,162	329,236,077
Stockholders' Equity - Parent	-	-
Book Value per Share	1.28	1.25

Income Statement

	Year Ending	Previous Year Ending
	Dec 31, 2016	Dec 31, 2015
Operating Revenue	6,778,721	35,220,811
Other Revenue	-	-
Gross Revenue	6,778,721	35,220,811
Operating Expense	1,654,282	20,155,497
Other Expense	-	23,641,540
Gross Expense	1,654,282	43,797,037
Net Income/(Loss) Before Tax	5,124,439	-8,576,226
Income Tax Expense	464,354	1,242,568
Net Income/(Loss) After Tax	4,660,085	-9,818,794
Net Income/(Loss) Attributable to Parent Equity Holder	4,660,085	-9,818,794

Earnings/(Loss) Per Share (Basic)	0.02	-0.04
Earnings/(Loss) Per Share (Diluted)	0.02	-0.04

Financial Ratios

	Formula	Fiscal Year Ended	Previous Fiscal Year
		Dec 31, 2016	Dec 31, 2015
Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	**Current Assets / Current Liabilities**	1.07	4.55
Quick Ratio	**(Current Assets - Inventory - Prepayments) / Current Liabilities**	0.13	0.12
Solvency Ratio	**Total Assets / Total Liabilities**	1.77	641.61
Financial Leverage Ratios			
Debt Ratio	**Total Debt/Total Assets**	0.01	0
Debt-to-Equity Ratio	**Total Debt/Total Stockholders' Equity**	0.01	0
Interest Coverage	**Earnings Before Interest and Taxes (EBIT) / Interest Charges**	-	-
Asset to Equity Ratio	**Total Assets / Total Stockholders' Equity**	1.01	1
Profitability Ratios			
Gross Profit Margin	**Sales - Cost of Goods Sold or Cost of Service / Sales**	1	1
Net Profit Margin	**Net Profit / Sales**	0.69	-0.28
Return on Assets	**Net Income / Total Assets**	0.01	-0.03
Return on Equity	**Net Income / Total Stockholders' Equity**	0.01	-0.03
Price/Earnings Ratio	**Price Per Share / Earnings Per Common Share**	174.5	-76.26

Other Relevant Information
NONE

Filed on behalf by:

Name	Joanna Manzano
Designation	Compliance Officer

COVERSHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A 2 0 0 1 1 5 1 5 1

COMPANY NAME

AG FINANCE INCORPORATED (A Subsidiary of RYM Business Management Corp.)

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

Unit 2205A East Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
info@agfinance.ph	833-0769	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
12	Any day in June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Rolando S. Santos	rolly.santos@marcventures.com.ph	826-8609/856-7976	09989850229

CONTACT PERSON'S ADDRESS

16th Floor, Citibank Tower, 8741, Paseo de Roxas, Makati City

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

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

AG Finance

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **AG Finance Incorporated** 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 in overseeing the Company's financial reporting process.

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders for the years ended **December 31, 2016 and 2015**, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature ______________________
ISIDRO C. ALCANTARA, JR.
Chairman

Signature ______________________
ARSENIO K. SEBIAL, JR.
President

Signature ______________________
ROLANDO S. SANTOS
Treasurer

Signed this 7th day of April 2017

BUREAU OF INTERNAL REVENUE
REVENUE REGION NO. 7
RDO 43 PASIG CITY
RECEIVED
4-20-17
BY: REMEDIOS V. JAVIER

SUBSCRIBED AND SWORN to before me this APR 2 0 2017 day of ________________, 2017
at PASIG CITY affiant(s) exhibiting to me their Passport as follows:

Name	Passport Number	Date/Place Issued
Isidro C. Alcantara, Jr.	Passport#EB8303097	06/04/13
Rolando S. Santos	Senior Citizen#1003235	March 2010/Antipolo
Arsenio K. Sebial	Passport#EC3433503	02/11/2015

EDWIN G. CONDAYA
NOTARY PUBLIC
PASIG, PATEROS, & SAN JUAN
UNTIL DEC. 31, 2017
PTR NO. 2500000/1-03-17
IBP NO. 1016995/12-29-16/UNTIL 2017
ROLL NO. 26683
TIN NO. 210-588-191-000
MCLE V-0004493
2ND FLOOR ARMAL BLDG. URBANO
VELASCO AVE. MALINAO, PASIG CITY

Notary Public

Doc. No. 82
Page No. 18
Book No. LXXIV
Series of 2017.

RIAN CEASAR P. SOLIMAN
• CERTIFIED PUBLIC ACCOUNTANT •

Practitioner's Compilation Report

The Stockholders and the Board of Directors
AG Finance Incorporated
(A Subsidiary of RYM Business Management Corp.)
Unit 2205A East Tower, Philippine Stock Exchange Center, Exchange Road
Ortigas Center, Pasig City

I have compiled the accompanying financial statements of AG Finance Incorporated (A Subsidiary of RYM Business Management Corp.) (or the Company) based on information you have provided. These financial statements comprise the statement of financial position of the Company as at December 31, 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

I performed this compilation engagement in accordance with Philippine Standard on Related Services 4410 (Revised), Compilation Engagements.

I have applied my expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with Philippine Financial Reporting Standards (PFRS). I have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, I am not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, I do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with PFRS.

Rian Soliman

RIAN CEASAR P. SOLIMAN
CPA Certificate No. 0141071
BOA A.N.: 5925
Valid Until December 31, 2017
BIR Accreditation No.: 06-006384-001-2016`
Valid Until March 7, 2019
TIN No. 309-973-133-000
PTR No. 6016643 issued January 10, 2017
City of Manila

April 07, 2017

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

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
AG Finance Incorporated
Unit 2205A East Tower
Philippine Stock Exchange Center, Exchange Road
Ortigas Center, Pasig City

Opinion

We have audited the accompanying financial statements of AG Finance Incorporated (the Company), a subsidiary of RYM Business Management Corp., 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 the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the 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 the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *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 the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Assessment of Realizability of Note Receivable

As at December 31, 2016 and 2015, the Company's note receivable represents 99% of total assets and the assessment of its realizability requires the use of significant judgment by management. Hence, the matter is of significance to our audit.

Our audit procedures included the review of management's assessment of the realizability of the note receivable which includes determining whether there is objective evidence that note receivable is impaired.

Further disclosures are included in Note 3, Significant Accounting Judgments, Estimates and Assumption and Note 5, Receivable.

Other Matter

The financial statements of AG Finance Incorporated as at and for the year ended December 31, 2014 were audited by another auditor whose report dated February 5, 2015, expressed an unmodified opinion on those statements. The opinion of such auditor, however, does not include the prior period adjustment discussed in Note 17 to the financial statements.

Other Information

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

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

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

Responsibilities of Management and Those Charged with Governance for the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Belinda B. Fernando.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until December 31, 2018
SEC Accreditation No. 1022-AR-1 Group A
Valid until March 15, 2020
BIR Accreditation No. 08-005144-4-2017
Valid until January 13, 2020
PTR No. 5908526
Issued January 3, 2017, Makati City

BUREAU OF INTERNAL REVENUE
4-2017

April 7, 2017
Makati City, Metro Manila

AG FINANCE INCORPORATED
(A Subsidiary of RYM Business Management Corp.)

STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2016	2015
ASSETS			
Current Assets			
Cash in banks	4	**₱324,502**	₱61,425
Other current assets		**2,279,437**	2,278,937
Total Current Assets		**2,603,939**	2,340,362
Noncurrent Asset			
Note receivable	5	**334,187,582**	327,409,660
		₱336,791,521	₱329,750,022
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other current liabilities	7	**₱2,431,005**	₱513,945
Noncurrent Liability			
Deferred tax liability	14	**464,354**	–
Total Liabilities		**2,895,359**	513,945
Equity			
Capital stock		**261,824,002**	261,824,002
Additional paid-in capital		**74,277,248**	74,277,248
Deficit		**(2,205,088)**	(6,865,173)
Total Equity		**333,896,162**	329,236,077
		₱336,791,521	₱329,750,022

See accompanying Notes to Financial Statements.

AG FINANCE INCORPORATED

(A Subsidiary of RYM Business Management Corp.)

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(With Comparative Figures for 2014)

	Note	**2016**	2015	2014 (As restated - Note 17)
INCOME				
Interest income	11	**₱6,778,721**	₱34,085,787	₱74,021,105
Processing fees		–	606,000	4,337,250
Penalties		–	529,024	3,857,081
		6,778,721	35,220,811	82,215,436
EXPENSES	12	**(1,654,282)**	(20,155,497)	(32,849,830)
OTHER INCOME (CHARGES)				
Loss on discounting of loans receivable	5	–	(11,639,111)	–
Day-1-difference	5	–	(11,870,527)	–
Impairment loss on loans receivable	5	–	–	(16,017,567)
Gain from sale of property and equipment	6	–	–	15,558,784
Others – net		–	(131,902)	53,287
INCOME (LOSS) BEFORE INCOME TAX		**5,124,439**	(8,576,226)	48,960,110
PROVISION FOR INCOME TAX	14			
Current		–	373,967	19,488,131
Deferred		**464,354**	868,601	7,008,494
		464,354	1,242,568	26,496,625
NET INCOME (LOSS)		**4,660,085**	(9,818,794)	22,463,485
OTHER COMPREHENSIVE INCOME (LOSS)				
Not to be reclassified to profit or loss -				
Remeasurement gain (loss) on retirement liability - net of deferred income tax	8	–	166,847	(318,810)
TOTAL COMPREHENSIVE INCOME (LOSS)		**₱4,660,085**	(₱9,651,947)	₱22,144,675
EARNINGS (LOSS) PER SHARE – BASIC AND DILUTED	13	**₱0.02**	(₱0.04)	₱0.09

See accompanying Notes to Financial Statements.

4-21-17

AG FINANCE INCORPORATED
(A Subsidiary of RYM Business Management Corp.)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(With Comparative Figures for 2014)

	Note	**2016**	2015	2014 (As restated - Note 17)
CAPITAL STOCK - ₱1 par value	10			
Authorized - 550,000,000 shares				
Issued and outstanding -				
261,842,002 shares		**₱261,824,002**	₱261,824,002	₱261,824,002
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning and end of year		**74,277,248**	74,277,248	74,277,248
RETAINED EARNINGS (DEFICIT)				
Balance at beginning of year		**(6,865,173)**	126,010,902	103,547,417
Net income (loss)		**4,660,085**	(9,818,794)	22,463,485
Cash dividends	10	**–**	(123,057,281)	–
Balance at end of year		**(2,205,088)**	(6,865,173)	126,010,902
REMEASUREMENT GAIN (LOSS) ON RETIREMENT LIABILITY	8			
Balance at beginning of year		**–**	(166,847)	151,963
Effect of curtailment		**–**	166,847	–
Remeasurement loss on retirement liability		**–**	–	(318,810)
Balance at end of year		**–**	–	(166,847)
		₱333,896,162	₱329,236,077	₱461,945,305

See accompanying Notes to Financial Statements.

AG FINANCE INCORPORATED

(A Subsidiary of RYM Business Management Corp.)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(With Comparative Figures for 2014)

	Note	2016	2015	2014 (As restated - Note 17)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		**₱5,124,439**	(₱8,576,226)	₱48,960,110
Adjustments for:				
Interest income	11	**(6,778,721)**	(34,085,787)	(74,021,105)
Depreciation	6	–	169,335	2,029,355
Unrealized foreign currency losses (gains)		–	146,908	(53,287)
Gain on sale of property and equipment	6	–	–	(15,558,784)
Operating loss before working capital changes		**(1,654,282)**	(42,345,770)	(38,643,711)
Decrease (increase) in:				
Note receivable		–	(320,769,206)	–
Loan receivable		–	179,235,601	(3,391,965)
Other current assets		**(500)**	(2,058,102)	(1,018,450)
Increase (decrease) in:				
Accrued expenses and other current liabilities		**1,917,060**	(4,011,411)	(578,421)
Retirement liability		–	(2,948,625)	666,536
Net cash generated from (used for) operations		**262,278**	(192,897,513)	(42,966,011)
Interest received		**799**	27,445,333	74,021,105
Income taxes paid		–	(6,626,777)	(15,729,281)
Net cash provided by (used in) operating activities		**263,077**	(172,078,957)	15,325,813
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in other noncurrent assets		–	564,345	(182,833)
Proceeds from sale of property and equipment	6	–	300,832	28,438,013
Acquisitions of property and equipment	6	–	–	(493,464)
Net cash provided by investing activities		–	865,177	27,761,716
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash dividends paid	10	–	(123,057,281)	–
EFFECTS OF FOREIGN CURRENCY TRANSLATION		–	(146,908)	53,287
NET INCREASE (DECREASE) IN CASH IN BANKS		**263,077**	(294,417,969)	43,140,816
CASH IN BANKS AT BEGINNING OF YEAR		**61,425**	294,479,394	251,338,578
CASH IN BANKS AT END OF YEAR		**₱324,502**	₱61,425	₱294,479,394

See accompanying Notes to Financial Statements.

AG FINANCE INCORPORATED

(A Subsidiary of RYM Business Management Corp.)

NOTES TO FINANCIAL STATEMENTS

(With Comparative Information for 2014)

1. Corporate Information

AG Finance Incorporated (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 14, 2001 primarily to operate as a financing company and provide short-term, unsecured credit facilities to permanent rank-and-file employees of medium-sized companies in the Philippines.

The Company's shares of stock were listed in the Philippine Stock Exchange (PSE) on August 13, 2013. As at December 31, 2016 and 2015, 261,824,002 shares of the Company are listed in the PSE.

On June 25, 2015, RYM Business Management Corp. (RYM or the Parent Company) acquired 183,276,801 shares representing 70% interest in the Company from various stockholders.

The Company's registered office is Unit 2205A East Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City.

The financial statements of the Company as at and for the years ended December 31, 2016 and 2015 (with comparative figures and information in 2014) were approved and authorized for issue by the Board of Directors on April 7, 2017.

Status of Operations

The Company's operating segment consists only of lending activities which was winded down in 2015. The Company is in the process of applying with the SEC for the change of its principal purpose to a holding company.

2. Summary of Significant Accounting Policies

Basis of Preparation

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

Measurement Bases

The financial statements are presented in Philippine Peso (Peso), which is the Company's functional currency. All values are in absolute amount, unless otherwise stated.

The financial statements of the Company have been prepared on a historical basis. Historical cost is generally based on the fair value of the consideration given in exchange of an asset.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date.

The Company uses market observable data to a possible extent when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

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

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

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair value is included in Note 15, Financial Risk Management Objectives and Policies.

Adoption of New and Amended PFRS
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Company adopted effective for annual periods beginning on or after January 1, 2016:

- Amendments to PAS 1, *Presentation of Financial Statements: Disclosure Initiative* – The amendments clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

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

New and Amended PFRS Not Yet Adopted
Relevant new and amended PFRS which are not yet effective for the year ended December 31, 2016 and have not been applied in preparing the financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2017:

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

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

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

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

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

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

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

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

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

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

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

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

<u>Financial Assets and Liabilities</u>

Date of Recognition. Financial assets and liabilities are recognized in the statements of financial position when the Company becomes a party to the contractual provision of a financial instrument. Financial instruments are initially recognized at fair value. In the case of regular way purchase or sale of financial asset, recognition and derecognition, as applicable, is done using trade date accounting.

Initial Recognition. Financial assets and liabilities are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) held-to-maturity (HTM) investments, (c) loans and receivables and (d) available-for-sale (AFS) investments. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or other financial liabilities at amortized cost. The classification depends on the purpose for which the financial instruments were acquired or incurred and whether or not the instruments are quoted in an active market.

"Day 1" Differences. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in the statement of comprehensive income. In cases where there is no observable data on inception, the Company deemed the transactions price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

As at December 31, 2016 and 2015, the Company does not have financial assets and liabilities at FVPL, HTM investments and AFS financial assets.

Loans and Receivables. Loans and receivables are financial assets with fixed or determinable payments and fixed maturities and that are not quoted in an active market. These are not entered into with the intention of immediate or short-term resale and are not classified or designated as AFS investments or financial asset at FVPL. Loans and receivables are included in current assets if maturity is within twelve months from reporting date. Otherwise, these are classified as noncurrent assets.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and any transaction cost which are directly attributable in the acquisition of the financial instrument. The amortization is included in profit or loss.

This category includes cash in banks and note receivable.

Other Financial Liabilities at Amortized Cost. Financial liabilities are classified in this category if these are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or through borrowing.

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any related issue costs, discount or premium. Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as when there is amortization process.

This category includes accrued expenses and other current liabilities (excluding statutory payables).

Derecognition of Financial Assets and Liabilites

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

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

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

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

A modification is considered substantial if the present value of the cash flows under the new terms, including net fees paid or received and discounted using the original effective interest rate, is different by at least 10% from the discounted present value of remaining cash flows of the original liability.

The fair value of the modified financial liability is determined based on its expected cash flows, discounted using the interest rate at which the Company could raise debt with similar terms and conditions in the market. The difference between the carrying value of the original liability and fair value of the new liability is recognized in the separate statements of comprehensive income.

On the other hand, if the difference does not meet the 10% threshold, the original debt is not extinguished but merely modified. In such case, the carrying value is adjusted by the costs or fees paid or received in the restructuring.

Offsetting of Financial Assets and Liabilities

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

Impairment of Financial Assets
The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The carrying value of the impaired account is reduced to the extent that it exceeds the asset's net realizable value. Impairment losses are recognized in full in profit or loss. If in a subsequent period, the amount of accumulated impairment losses has decreased because of an event occurring after impairment was recognized, the decline is allowed to be reversed to profit or loss to the extent that the resulting carrying value will not exceed the amortized cost determined had no impairment been recognized.

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

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying value and the present value of the estimated future cash flows discounted at the assets' original effective interest rate. Time value is generally not considered when the effect of discounting is not material. The carrying value of the asset shall be reduced directly or through the use of an allowance account. The amount of loss shall be recognized in profit or loss.

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

Other Current Assets
Other current assets primarily include creditable withholding taxes (CWT).

CWT. CWT are amounts withheld from income subject to expanded withholding taxes. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The initial cost of property and equipment comprises its purchase price, including import duties, non-refundable purchase taxes after deducting trade discounts and rebates and any directly attributable costs of bringing the asset to its working condition and location for its intended use. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs

directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to operations in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying value of the replaced component is derecognized.

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

Depreciation is calculated on a straight-line basis with estimated useful lives of 3-5 years for furniture, fixtures and office equipment.

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

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

Impairment of Property and Equipment

Nonfinancial assets consisting of property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount is the higher of an asset's 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 time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statements of comprehensive income.

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

Equity

Capital Stock. Capital stock is measured at par value for all shares issued. Incremental costs directly attributable to the issuance of new shares are treated as deduction from equity, net of tax.

APIC. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as APIC.

Deficit. Deficit represents the accumulated net income or loss, less any dividends declared.

Revenue Recognition
Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is recognized as follows:

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

Processing Fees. Processing fees are recognized at the time the loan contract was agreed with the borrowers to the extent of the cost incurred for processing of the loans extended.

Penalties. Penalties are recognized based on a certain percentage of monthly amortizations that were collected beyond due date.

Otherlincome. Income from other sources is recognized when earned.

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

Finance Costs. Finance costs represent the cost of money used in operations. It is recognized as incurred using the effective interest rate method.

Employee Benefits

Short-term Benefits. The Company provides short-term benefits to its employees in the form of basic 13th month pay, bonuses, employer's share on government contribution, and other short-term benefits. Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits. The Company has an unfunded, noncontributory defined benefit plan covering all qualified employees. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Company recognizes service costs, comprising of current service costs, past service costs, gains and losses on curtailments and non-routine settlements and interest expense in profit or loss. Interest expense is calculated by applying the discount rate to the retirement liability or asset.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring-related costs.

Remeasurements comprising actuarial gains and losses are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

The retirement liability is the aggregate of the present value of the defined benefit obligation. The present value of the retirement liability is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate used to compute the amount is the one that has been enacted or substantively enacted at the reporting date.

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

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

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

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate that has been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized in equity as other comprehensive income.

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

Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing net income for the year attributable to capital stockholders by the weighted average number of capital stock outstanding during the year, with retroactive adjustments for any stock dividends declared and stock split.

Diluted earnings (loss) per share is calculated by adjusting the weighted average number of capital stock outstanding to assume conversion of all dilutive potential ordinary shares.

Where the earnings (loss) per share effect of potential dilutive capital stock would be anti-dilutive, basic and diluted earnings (loss) per share are stated at the same amount.

Related Parties

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

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

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Contingencies

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

Events after the Reporting Date

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

Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components.

The Company's operating segment consists only of lending activities which was winded down in 2015. As discussed in Note 1, the Company is in the process of applying with the SEC for the change of its principal purpose to a holding company.

3. Significant Judgments, Accounting Estimates and Assumptions

PFRS requires management to exercise judgments and make estimates and assumptions that affect the amounts reported in the financial statements. The judgment and estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. The estimates and underlying assumptions are reviewed on an on-going basis. Actual results could differ from such estimates.

Judgments

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

Accounting for Operating Lease - Company as a Lessee. The Company, as a lessee, has an operating lease agreement for its office space. The Company has determined that the risks and benefits of ownership related to the leased properties are retained by the lessor. Accordingly, the lease is accounted for as an operating lease.

Rent expense amounted to nil and ₱1.5 million in 2016 and 2015, respectively (₱0.3 million in 2014) (see Note 12).

Determining Operating Segments. The Company determines and presents operating segments based on the information that is internally provided to the BOD. As at December 31, 2016 and 2015, the Company has determined that it has no operating segment other than being a holding company.

Estimates and Assumptions

The key estimates concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

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

Impairment loss on loan receivable amounted to nil in 2016 and 2015 (₱16.0 million in 2014) (see Note 5).

As at December 31, 2016 and 2015, the Company has not provided any allowance for impairment losses for note receivable. This assessment is undertaken each financial year through examining the financial position of the counterparty and the market in which the counterparty operates.

The carrying amount of note receivable amounted to ₱334.2 million and ₱327.4 million at December 31, 2016 and 2015, respectively (see Note 5).

Estimating Useful Lives of Property and Equipment. The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The Company annually reviews the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental changes and anticipated use of the assets.

There is no change in the useful lives of the Company's property and equipment in 2015. In 2015, the Company's property and equipment were sold at its carrying amount (see Note 6).

Assessing Impairment of Property and equipment. The Company assesses impairment on property and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- significant negative industry or economic trends.

No impairment loss was recognized in 2015 and 2014.

Estimating Retirement Liability. The determination of the Company's retirement obligation and costs is dependent on the selection by management of assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rate and salary increase rate.

Actual results that differ from the Company's assumptions are recorded as addition to or deduction from retirement liability and recognized in profit or loss or other comprehensive income. One or more of the actuarial assumptions may differ significantly and as a result, the actuarial present value of the retirement obligation estimated as at reporting date may differ significantly from the amount reported.

In 2015, the Company terminated all of its employees due to cessation of operations and change in management (see Note 8).

Assessing Realizability of Deferred Tax Assets. The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets were not recognized on temporary differences and carry forward benefits of unused NOLCO and MCIT as at December 31, 2016 and 2015 because the management has assessed that there will be no sufficient taxable profits against which deferred tax assets can be utilized.

The Company's unrecognized deferred tax assets amounted to ₱15.1 million and ₱16.2 million as at December 31, 2016 and 2015, respectively (see Note 14).

4. Cash in Banks

Cash in banks earn interest at prevailing bank deposit rates. Interest income earned amounted to ₱799 and ₱0.3 million in 2016 and 2015, respectively (₱1.9 million in 2014) (see Note 11).

5. Note Receivable

On May 5, 2015, the Company's outstanding loans receivables with carrying amount of ₱344.2 million, net of allowance for impairment loss of ₱40.9 million, were exchanged for a five-year note receivable with a nominal amount of ₱332.6 million, resulting to a loss of ₱11.6 million.

The note receivable was initially recognized with a Day-1-difference of ₱11.9 million. The Day-1-difference is being amortized over the term of the note of five years.

Movements of this account follows:

	Note	2016	2015
Nominal amount		**₱332,639,733**	₱332,639,733
Day-1-difference		**(11,870,527)**	(11,870,527)
		320,769,206	320,769,206
Accretion of interest:	11		
Balance at beginning of year		**6,640,454**	–
Accretion		**6,777,922**	6,640,454
Balance at end of year		**13,418,376**	6,640,454
		₱334,187,582	₱327,409,660

Interest income earned related to loans receivable amounted to ₱27.2 million in 2015, (₱72.2 million in 2014) (see Note 11). Impairment loss on loans receivable recognized amounted to ₱16.0 million in 2014.

6. Property and Equipment

Movements in this account in 2015 follows:

	Note	Furniture, Fixtures and Office Equipment
Cost		
Balance at beginning of year		₱3,526,443
Disposals		(3,526,443)
Balance at end of year		–
Accumulated Depreciation		
Balance at beginning of year		3,056,276
Depreciation	12	169,335
Disposals		(3,225,611)
Balance at end of year		–
Carrying Amount		₱–

In 2014, the Company sold its condominium units and furniture, fixtures and office equipment with carrying amounts of ₱11.1 million and ₱1.7 million, respectively, for ₱28.4 million, resulting in a gain of ₱15.6 million.

On June 1, 2015, all of the Company's remaining property and equipment were sold at its carrying amount.

7. Accrued Expenses and Other Current Liabilities

This account consists of:

	Note	**2016**	2015
Due to a related party	9	**₱2,044,457**	₱244,656
Accrued expenses		**369,600**	252,733
Statutory payables		**16,948**	16,556
		₱2,431,005	₱513,945

Accrued expenses include unpaid professional fees and other expenses that are expected to be settled within the next financial year.

8. Retirement Benefits

The Company has an unfunded, noncontributory defined benefit retirement plan covering substantially all of its regular employees. The retirement benefits are based on years of service and compensation during the last month of employment.

On June 25, 2015, the Company has terminated all of its employees due to the cessation of operations and change in management.

The retirement benefit cost (income) recognized in profit or loss as part of "Salaries and employee benefits" under "Expenses" account are as follows:

	2016	2015	2014
Gain on curtailment	**₱–**	(₱2,948,625)	₱–
Current service cost	**–**	–	542,636
Interest cost	**–**	–	123,900
	₱–	(₱2,948,625)	₱666,536

Changes in the retirement liability recognized in the statements of financial position are as follows:

	2016	2015
Balance at beginning of year	**₱–**	₱3,186,978
Effect of curtailment	**–**	(3,186,978)
Balance at end of year	**₱–**	₱–

Remeasurement (gain) loss recognized follow:

	2015	2014
Through profit or loss -		
Gain on curtailment	(₱2,948,625)	₱–
Through other comprehensive income:		
Gain on curtailment	(238,353)	–
Changes in financial assumptions	–	546,523
Experience adjustments	–	(91,080)
	(₱3,186,978)	₱455,443

The cumulative remeasurement gain (loss) recognized in other comprehensive income (loss) follows:

	2015		
	Cumulative Remeasurement Loss	Deferred Income Tax (see Note 14)	Cumulative Remeasurement Gain (Loss), Net of Deferred Income Tax
Balance at beginning of year	(₱238,353)	(₱71,506)	(₱166,847)
Gain on curtailment	238,353	71,506	166,847
Balance at end of year	₱–	₱–	₱–

	2014		
	Cumulative Remeasurement Loss	Deferred Income Tax (see Note 14)	Cumulative Remeasurement Gain (Loss), Net of Deferred Income Tax
Balance at beginning of year	₱217,090	₱65,127	₱151,963
Net remeasurement loss	(455,443)	(136,633)	(318,810)
Balance at end of year	(₱238,353)	(₱71,506)	(₱166,847)

9. Related Party Transactions

Outstanding balance and transaction with related parties are as follows:

<u>Related Party Under Common Control</u>

	Nature of Transaction	Amount of Transaction		Outstanding Balance	
		2016	2015	**2016**	2015
Due to a related party					
Bright Kindle Resources & Investments, Inc.	Advances for working capital	**₱1,799,801**	₱244,656	**₱2,044,457**	₱244,656

Outstanding balance which is included in "Accrued expenses and other current liabilities" account is noninterest-bearing, payable on demand and settlement occurs in cash.

Key Management Personnel

Compensation of key management personnel consists of short-term benefits amounting to nil and ₱2.7 million in 2016 and 2015, respectively (₱3.9 million in 2014).

10. Cash Dividends

On March 25, 2015, the Company declared cash dividends of ₱123.1 million or ₱0.47 a share to stockholders on record of April 15, 2015. The dividends were paid on April 24, 2015.

11. Interest Income

This account consists of:

	Note	2016	2015	2014
Accretion	5	**₱6,777,922**	₱6,640,454	₱–
Cash in banks	4	**799**	292,635	1,855,521
Loans receivable	5	**–**	27,152,698	72,165,584
		₱6,778,721	₱34,085,787	₱74,021,105

12. Expenses

This account consists of:

	Note	2016	2015	2014
Professional fees		**₱934,959**	₱1,594,492	₱1,797,586
PSE fees		**283,960**	253,000	258,000
Directors fee		**199,673**	105,882	–
Outside services		**163,600**	75,347	–
Representation		**41,500**	272,608	785,297
Communication and utilities		**15,000**	856,167	1,466,100
Legal and bank charges		**2,000**	53,070	57,350
Taxes and licenses		**500**	4,934,357	7,122,510
Salaries and employee benefits		**–**	6,443,639	11,199,875
Rent		**–**	1,484,250	283,149
Office supplies		**–**	875,448	1,606,608
Contractual services		**–**	780,014	1,688,812
Insurance		**–**	345,714	496,298
Transportation and travel		**–**	327,409	788,883
Dues and subscription		**–**	321,947	590,313
Marketing and collection		**–**	265,377	993,536
Depreciation	6	**–**	169,335	2,029,355
Others		**13,090**	997,441	1,686,158
		₱1,654,282	₱20,155,497	₱32,849,830

Expenses recognized as salaries and employee benefits are presented below:

	Note	2015	2014
Salaries and other short-term benefits		₱9,392,264	₱10,533,339
Retirement benefit cost (income)	8	(2,948,625)	666,536
		₱6,443,639	₱11,199,875

13. Earnings (Loss) Per Share

Basic and diluted earnings (loss) per share is computed as follows:

	2016	2015	2014
Net income (loss)	**₱4,660,085**	(₱9,818,794)	₱22,463,485
Weighted average number of common shares	**261,824,002**	261,824,002	261,824,002
Earnings (loss) per share - basic and diluted	**₱0.02**	(₱0.04)	₱0.09

There has been no transaction involving common shares or potential common shares that occurred subsequent to the reporting dates.

14. Income Taxes

There is no provision for income tax in 2016 because the Company is in a net tax loss position. The current provision for income tax in 2015 represents MCIT (RCIT in 2014).

The reconciliation of provision for income tax at the statutory income tax to the provision for income tax shown in the statements of comprehensive income follows:

	2016	2015	2014
Income tax computed at statutory tax rate	**₱1,537,332**	(₱2,572,868)	₱14,688,033
Change in unrecognized deferred tax assets	**(1,085,188)**	3,903,227	12,284,429
Add (deduct) tax effects on:			
Nondeductible expenses	**12,450**	–	80,819
Interest income already subjected to final tax	**(240)**	(87,791)	(556,656)
	₱464,354	₱1,242,568	₱26,496,625

Details of unrecognized deferred tax assets are as follows:

	2016	2015
NOLCO	**₱14,728,501**	₱14,200,594
MCIT	**373,967**	373,967
Day-1-difference on note receivable	–	1,569,022
Unrealized foreign exchange loss	–	44,073
	₱15,102,468	₱16,187,656

On December 31, 2016, the Company recognized the net deferred tax liability on Day-1-difference and accretion on note receivable amounted to ₱464,354.

The details of NOLCO which can be claimed as deduction from future taxable income within three years from the year the NOLCO was incurred is shown below.

Year Incurred	Beginning Balance	Incurred	Expired	Ending Balance	Valid Until
2016	₱–	₱1,759,691	₱–	₱1,759,691	2019
2015	47,335,312	–	–	47,335,312	2018
	₱47,335,312	₱1,760,191	₱–	₱49,095,003	

MCIT incurred in 2015 amounting to ₱0.4 million can be claimed as deduction against income tax liability until 2018.

Management has assessed that there will be no future taxable income against which the deferred tax assets can be utilized.

15. Financial Risk Management Objectives and Policies

The Company has risk management policies that systematically view the risks that could prevent the Company from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Company's objectives are achieved. The Company's risk management takes place in the context of day-to-day operations and normal business processes such as strategic and business planning. Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the Company's established business objectives.

Financial Risks

The Company's financial instruments consist of cash in banks, note receivable and accrued expenses and other current liabilities (excluding statutory payables), which arise directly from its operations. The main risks arising from the use of these financial instruments are credit risk and liquidity risk. Management reviews and approves the policies for managing each of these risks which are summarized below.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Company's exposure to credit risk arises primarily from cash in banks and note receivable.

Credit Quality. Credit risk arising from the inability of counterparty to meet the terms of the Company's financial instrument is generally limited to the amount, if any, by which the counterparty's obligations exceed the obligation of the Company. With respect to credit risk arising from the Company's financial assets the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying values of these instruments.

The aging analyses of financial assets as at December 31 are as follows:

	2016				
	Neither Past Due Nor Impaired		**Past Due But Not**	**Past Due and**	
	High Grade	**Standard Grade**	**Impaired**	**Impaired**	**Total**
Cash in banks	**₱324,502**	**₱–**	**₱–**	**₱–**	**₱324,502**
Note receivable	**334,187,582**	**–**	**–**	**–**	**334,187,582**
	₱334,512,084	**₱–**	**₱–**	**₱–**	**₱334,512,084**

	2015				
	Neither Past Due Nor Impaired		Past Due But Not	Past Due and	
	High Grade	Standard Grade	Impaired	Impaired	Total
Cash in banks	₱61,425	₱–	₱–	₱–	₱61,425
Loans receivable	327,409,660	–	–	–	327,409,660
	₱327,471,085	₱–	₱–	₱–	₱327,471,085

Cash in banks are entered into with reputable financial institutions duly approved by the BOD.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to settle or meet its financial obligations when they fall due. The Company aims to maintain flexibility by maintaining sufficient cash to meet all foreseeable cash needs.

The carrying amount of the accrued and other current liabilities (excluding statutory payables) as at December 31, 2016 and 2015 represents the contractual undiscounted cash flows and is payable on demand.

Fair Value Measurement

Set out below is a comparison by category of carrying values and fair values of the Company's financial instruments that are carried in the financial statements:

	2016		2015	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial Assets				
Cash in banks	**₱324,502**	**₱324,502**	₱61,425	₱61,425
Note receivable	**334,187,582**	**346,153,126**	327,409,660	333,359,398
	₱334,512,084	**₱346,477,628**	₱327,471,085	₱333,420,823
Financial Liabilities				
Accrued and other current liabilities*	**₱2,414,057**	**₱2,414,057**	₱497,389	₱497,389

**Excluding statutory payables amounting to ₱16,948 and ₱16,556 as at December 31, 2016 and 2015, respectively.*

Cash in Banks and Accrued and Other Current Liabilities. The carrying values of cash in banks and accrued and other current liabilities approximate their fair values due to the short-term nature of the transactions. The fair value measurement of current financial assets and liabilities is classified as Level 3 (significant unobservable inputs).

Note Receivable. The fair value of the Company's note receivable was computed using the credit adjusted risk-free rate of 3.67% to 3.90% as at December 31, 2016 and 2015, respectively.

16. Capital Management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by creating products and services commensurate with the level of risk. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or convert related party advances to an equity component item.

The Company monitors its capital using the debt to equity ratio, which is the total liabilities divided by the total equity.

There has been no change made in the objectives, policies and process in 2016 and 2015.

17. Other Matter

The Company's financial statements as at and for the year ended December 31, 2014 were restated to take up the derecognition of deferred tax asset related to the allowance for impairment loss on loans receivable amounting to ₱12.3 million.

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

The Stockholders and the Board of Directors
AG Finance Incorporated
Unit 2205A East Tower
Philippine Stock Exchange Center, Exchange Road
Ortigas Center, Pasig City

We have audited the accompanying financial statements of AG Finance Incorporated (the Company), a subsidiary of RYM Business Management Corporation, as at and for the year ended December 31, 2016 on which we have rendered our report dated April 7, 2017.

In compliance with Securities Regulations Code Rule 68, as amended, we are stating that the Company has nine (9) stockholders owning one hundred (100) or more shares each.

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until December 31, 2018
SEC Accreditation No. 1022-AR-1 Group A
Valid until March 15, 2020
BIR Accreditation No. 08-005144-4-2017
Valid until January 13, 2020
PTR No. 5908526
Issued January 3, 2017, Makati City

April 7, 2017
Makati City, Metro Manila

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

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REPORT OF INDEPENDENT AUDITOR
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
AG Finance Incorporated
Unit 2205A East Tower
Philippine Stock Exchange Center, Exchange Road
Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of AG Finance Incorporated (the Company), a subsidiary of RYM Business Management Corp., as at and for the year ended December 31, 2016 included in this Form 17-A and have issued our report thereon dated April 7, 2017. Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary schedules as at December 31, 2016 are the responsibility of the Company's management. These supplementary schedules include the following:

- Adoption of Effective Accounting Standards and Interpretations
- Financial Ratios
- Reconciliation of Retained Earnings Available for Dividend Declaration
- Schedules required by Part II of Securities Regulation Code (SRC) Rule 68, as amended

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

REYES TACANDONG & CO.

Belinda B. Fernando

BELINDA B. FERNANDO
Partner
CPA Certificate No. 81207
Tax Identification No. 102-086-538-000
BOA Accreditation No. 4782; Valid until December 31, 2018
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April 7, 2017
Makati City, Metro Manila

AG FINANCE INCORPORATED
(A Subsidiary of RYM Business Management Corp.)

SUPPLEMENTARY SCHEDULE OF ADOPTION OF EFFECTIVE ACCOUNTING STANDARDS AND INTERPRETATIONS
DECEMBER 31, 2016

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

Philippine Financial Reporting Standards (PFRS)

PFRS	Title	Adopted	Not Adopted	Not Applicable
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations			✓
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination			✓
	Amendment to PFRS 3: Scope Exceptions for Joint Ventures			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4: Financial Guarantee Contracts			✓

PFRS	Title	Adopted	Not Adopted	Not Applicable
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Amendment to PFRS 5: Changes in Methods of Disposal			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments			✓
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			✓
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	✓		
	Amendment to PFRS 7: Servicing Contracts			✓
	Amendment to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			✓
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8: Aggregation of Operating Segments			✓
	Amendments to PFRS 8: Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets			✓
PFRS 10	Consolidated Financial Statements			✓
	Amendments to PFRS 10: Transition Guidance			✓
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Investment Entities: Applying the Consolidation Exception			✓
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Transition Guidance			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			✓
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendments to PFRS 12: Transition Guidance			✓

PFRS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PFRS 12: Investment Entities			✓
	Amendments to PFRS 12: Investment Entities: Applying the Consolidation Exception			✓
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term receivables and Payables	✓		
	Amendment to PFRS 13: Portfolio Exception			✓
PFRS 14	Regulatory Deferral Accounts			✓

Philippine Accounting Standards (PAS)

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendment to PAS 1: Clarification of the Requirements for Comparative Presentation	✓		
	Amendments to PAS 1: Disclosure Initiative			✓
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
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	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Classification of Servicing Equipment			✓
	Amendment to PAS 16: Revaluation Method - Proportionate Restatement of Accumulated Depreciation			✓

PAS	Title	Adopted	Not Adopted	Not Applicable
	Amendment to PAS 16: Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortization	✓		
	Amendment to PAS 16: Agriculture: Bearer Plants			✓
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendment to PAS 19: Defined Benefit Plans: Employee Contributions	✓		
	Amendment to PAS 19: Discount Rate: Regional Market Issue	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates			✓
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendment to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements			✓
	Amendments to PAS 27: Investment Entities			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓
	Amendments to PAS 28: Investment Entities: Applying the Consolidation Exception			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Financial Instruments: Presentation	✓		
	Amendments to PAS 32: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓

PAS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 32: Tax Effect of Distribution to Holders of Equity Instruments			✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
	Amendment to PAS 34: Interim Financial Reporting and Segment Information for Total Assets and Liabilities			✓
	Amendment to PAS 34: Disclosure of Information 'Elsewhere in the Interim Financial Report'			✓
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for 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			✓
	Amendment to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			✓
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39: Financial Guarantee Contracts			✓
	Amendments to PAS 39: Reclassification of Financial Assets	✓		
	Amendments to PAS 39: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property			✓

PAS	Title	Adopted	Not Adopted	Not Applicable
	Amendment to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner-occupied Property			✓
PAS 41	Agriculture			✓
	Amendment to PAS 41: Agriculture: Bearer Plants			✓

Philippine Interpretations

Interpretations	Title	Adopted	Not Adopted	Not Applicable
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC–9: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment	✓		
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓

Interpretations	Title	Adopted	Not Adopted	Not Applicable
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies	✓		

PHILIPPINE INTERPRETATIONS - SIC

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

AG FINANCE INCORPORATED
(A subsidiary of RYM Business Management Corp.)

FINANCIAL RATIOS
DECEMBER 31, 2016

Below is a schedule showing financial soundness indicators in 2016 and 2015.

	2016	2015
Liquidity Ratio	**1.07**	4.55
Current assets	**₱2,603,939**	₱2,340,362
Current liabilities	**2,431,005**	513,945
Solvency Ratio	**1.77**	(16.36)
Income (loss) before income tax and depreciation	**5,124,939**	(8,406,891)
Total liabilities	**2,895,359**	513,945
Debt-to-equity Ratio	**0.01**	0.00
Total liabilities	**2,895,359**	513,945
Total equity	**333,896,162**	329,236,077
Asset-to-equity Ratio	**1.01**	1.00
Total assets	**336,791,521**	329,750,022
Total equity	**333,896,162**	329,236,077
Interest rate coverage Ratio	–	–
Pretax income before interest	**5,124,439**	59,597
Interest expense	**–**	–
Profitability Ratio	**0.01**	(0.03)
Net income (loss)	**4,660,085**	(9,818,794)
Total equity	**333,896,162**	329,236,077

AG FINANCE INCORPORATE

(A Subsidiary of RYM Business Management Corp.)

SUPPLEMENTARY SCHEDULE OF COMPANY'S RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

DECEMBER 31, 2016

		Amount
Unappropriated retained earnings as shown in the financial statements at beginning of year		(₱6,865,173)
Day-1-difference		11,870,527
Cumulative balance of accretion of day-1-difference at beginning of year		(6,640,454)
Unappropriated retained earnings as adjusted to available for dividend declaration at beginning of year		(1,635,100)
Net income actually earned during the year:		
Net income during the year closed to retained earnings	4,660,085	
Accretion of day-1-difference during the year	(6,777,922)	
Add deferred tax liability during the year (presented through profit or loss)	464,354	(1,653,483)
Total unappropriated retained earnings available for dividend declaration at end of year		(₱3,288,583)

Reconciliation:

	Amount
Unappropriated retained earnings as shown in the financial statements at end of year	(₱2,205,088)
Add deferred tax liability during the year (presented through profit or loss)	464,354
Day-1-difference	11,870,527
Cumulative balance of accretion of day-1-difference at end of year	(13,418,376)
Total retained earnings available for dividend declaration	(₱3,288,583)

**excludes amount presented in other comprehensive income.*

AG FINANCE INCORPORATED
(A subsidiary of RYM Business Management Corp.)

SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6 PART II
OF SRC RULE 68, AS AMENDED
DECEMBER 31, 2016

Table of Contents

Schedule A. Financial Assets
December 31, 2016

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position	Valued based on market quotation at end reporting period	Income received and accrued
Cash in banks	N/A	₱324,502	₱324,502	₱–
Note receivable	N/A	334,187,582	346,153,126	–
		₱334,512,084	₱346,477,628	₱–

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
December 31, 2016

Name and designation of debtor	Balance of beginning of year	Additions	Amounts collected	Amounts written-off	Current	Noncurrent	Balance at the end of the year
			-Not Applicable -				

Schedule C. Indebtedness to Related Parties
December 31, 2016

Name of related party	Beginning Balance	Ending balance
Under common control		
Bright Kindle Resources & Investments, Inc.	₱244,656	₱2,044,457

Schedule D. Guarantees of Securities of Other Issuers
December 31, 2016

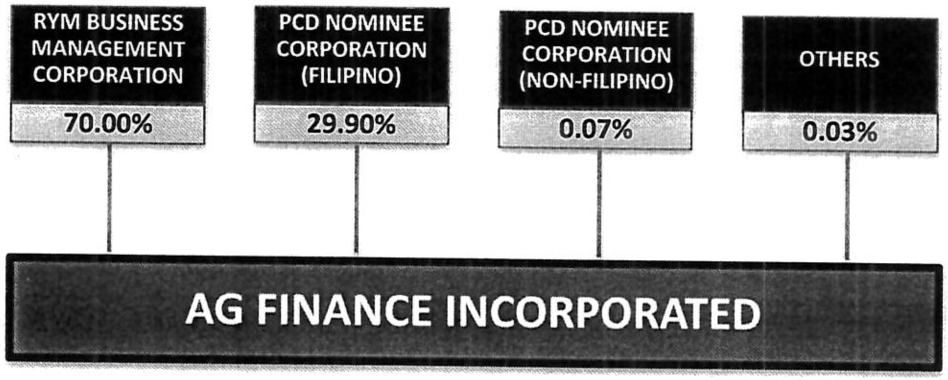
Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee

-Not Applicable -

Schedule E. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	No. of shares held by related parties	Directors officers and employees	Others
Common Stock	550,000,000	261,842,002	–	183,276,801	4,188,573	74,358,628

Schedule F. Conglomerate Map



COVER SHEET

A	2	0	0	1	1	5	1	5	1		

S.E.C. Registration Number

AG FINANCE INCORPORATED (A Subsidiary of RYM Business Management Corp.)

(Company's Full Name)

16th Floor Citibank Tower,

8741 Paseo de Roxas,

Makati City

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

Rolando S. Santos

Contact Person

(632) 831-44-79

Company Telephone Number

Last Wednesday of May

1	2		3	1

Month *Day*

SEC FORM 17-A

FORM TYPE

Month *Day*

Annual Meeting

Registered & Listed

Secondary License Type, If Applicable

MSRD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

			1	2

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A
ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

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

2. SEC Identification Number **A200115151** 3. BIR Tax Identification No. **219-045-668**

4. Exact name of issuer as specified in its charter **AG Finance Incorporated**

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

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

7. **16/F Citibank Tower, 8741 Paseo de Roxas, Makati City** **1227**
   Address of principal office Postal Code

8. **(02) 833-0769 Fax 856-7976**
   Issuer's telephone number, including area code

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares : P1.00 par value	**261,824,002 shares**

11. Are any or all of these securities listed on a Stock Exchange.

    Yes [X]   No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:
    Philippine Stock Exchange **Common Shares**

12. 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:

    Yes [X]   No [ ]

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

    Yes [X]   No [ ]

13. The aggregate market value of the voting stock held by non-affiliates is 78,544,701 shares representing 30.0% of the outstanding common shares is ₱242,703,126.09 computed on the basis of the closing price as of 31 March 2016 of ₱3.09 per share.

Table of Contents

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Overview

AG Finance, Incorporated ("AGF" or the "Company") was organized in the Philippines on December 14, 2001. The Company is initially registered with the Securities and Exchange Commission (SEC) to operate as a financing company and is governed by the Repubic Act (R.A.) No. 8556, The Financing Company Act of 1998.

The Company is one of the major players in the microfinance and consumer loans industry serving the financial needs of Filipinos here and abroad.

Over the years, AG Finance has built its reputation in the market delivering its unique personalized services with superior flexibility, productivity and efficiency. The Company aims to be one of the premier financing institutions meeting the diverse needs of its OFW Loan and Salary Loan markets by offering the best terms of credit, efficient service, and products that are suited to its clients' needs.

The Company initially has an authorized capital stock of ₱10.0 million divided into 10.0 million common shares with a par value of ₱1.00 per share. Due to continuous growth and expansion of the Company, a series of capital infusion were made by the shareholders in 2006 and 2009. On August 24, 2006 the Company increased its authorized capital stock to ₱30.0 million divided into 30.0 million common shares, of which 20.0 million common shares were subscribed and paid-up. Subsequently, on June 16, 2009, AG Finance increased its authorized capital stock to ₱75.0 million divided into 75.0 million common shares which were fully subscribed and paid -up.

On June 29, 2012, the Company's BOD and stockholders approved the: (i) application for increase in its authorized capital stock to ₱550.0 million divided into 550.0 million shares with a par value of ₱1 per share and (ii) declaration of stock dividends amounting to ₱65.6 million or 65.6 million shares at ₱1 par value.

The Company's share of stock were listed in the Philippine Stock Exchange (PSE) on August 13, 2013, the total number of shares listed in the PSE is 261,824,002 shares.

On March 6, 2015, the Board of Directors (BOD) approved the change of the Company's principal purpose to a holding company, including investment in mining and smelting operations as secondary purpose.

On June 26, 2015, the company disclosed that, on June 25, 2015, Mr. Tony O. King and his family, sold to RYM Business Management Corporation their 183,276,801 common shares or 70% of AG Finance through a block sale for ₱280.00 million or approximately ₱ 1.53 per share.

On June 30, 2015, the Company ceased its lending activities.

The Company's registered office is Unit 2205A East Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center Pasig City. On June 26, 2015 and December 17, 2015, the Board of Directors and shareholders approved the change of Principal address to 16th Floor Cititower Condominium, 8741 Paseo de Roxas Makati City subject to approval of the SEC.

Principal Business Activities

The Company initially provides worry-free short-term, unsecured credit facilities to permanent rank and file employees of reputable medium-sized companies in the Philippines.

During the special meeting of the stockholders of the Company held April 17, 2015, stockholders approved the amendment of Corporation's principal purpose to that of holding company and it added a secondary purpose which is to engage in the business of mining and smelting in preparation of the corporation's plan to diversify and expand its business.

Reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business

On June 1, 2015, all of the Company's remaining property and equipment were sold at its carrying amount.

Products and Services Offered

The Company was previously providing short-term, unsecured credit facilities to permanent rank-and-file employees of medium-sized companies in the Philippines and provide loans to OFWs for deployment overseas needing immediate funds to support their initial expenses in the country of deployment.

On June 30, 2015, the Company ceased its lending activities since the stockholders approved the amendment of Corporation's principal purpose to that of holding company and it added a secondary purpose which is to engage in the business of mining and smelting in preparation of the corporation's plan to diversify and expand its business.

Sources and availability of raw materials and the names of principal suppliers

This is not applicable to the Company.

Transaction with and/or dependence on related parties

This is not applicable to the Company.

Patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements held

This is not applicable to the Company.

Government approval of principal products or services

This is not applicable to the Company.

Effect of existing or probable governmental regulations on the business

The Company was previously governed by Republic Act No. 8556, The Financing Company act of 1998. It has complied with the requirements of existing laws to engage in the business.

The Corporation's business is not affected by existing or probable government regulations.

Amount spent on research and development activities

The Company does not have research and development activities.

Cost and effects of compliance with environmental laws

This is not applicable to the Company.

Employees

Starting July 2015, aside from the key management officers, all of the Corporation's personnel performing the Company's daily operations are being outsourced.

Item 2. Properties

On June 1, 2015, all of the Company's remaining property and equipment were sold at its carrying amount.

Item 3. Legal Proceedings

The Company is not involved in any legal proceedings.

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

The Company submitted the following matters to a vote of the security holders during the 2016 Annual Meeting:

AGENDA:
1) Call to Order
2) Certification of Quorum
3) Approval of Minutes of the previous meeting
4) Approval of Management Report and Audited Financial Statements
5) Ratification of Management's Acts
6) Election of Directors
7) Appointment of External Auditor
8) Other Matters
9) Adjournment

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

Market Information

The common shares of the Company was listed last August 13, 2013 in the Philippine Stock Exchange. The high and low prices of the Company's share for each quarter from 2014 to 2016 were as follows:

Year	Quarter	High (Php)	Low (Php)
2014	First	3.60	2.65
	Second	3.40	2.50
	Third	5.29	2.79
	Fourth	4.50	4.00
2015	First	7.88	3.70
	Second	8.90	6.40
	Third	7.65	2.20
	Fourth	3.32	2.50
2016	First	3.60	1.96
	Second	4.60	2.79
	Third	3.99	3.24
	Fourth	3.86	3.15

AGF was only listed on the Exchange on 13 August 2013.

As of March 31, 2017, the closing price of the Company's common shares was ₱3.33 per share. As of March 31, 2017, 74,358,628 common shares are held by the public, representing 28.40% of the Company's outstanding shares.

Holders

The number of shareholders as of December 31, 2016 is 12. The top stockholders of the Company as of December 31, 2016 were as follows:

Stockholders	Number of shares
PCD Nominee Corp. (Filipino)	261,559,136
PCD Nominee Corp. (Non-Filipino)	206,500
Joselyn C. Tiu	18,747
Marjorie Villanueva	18,747
Leila E. Jorge	10,001
Felisa D. King	8,747
Remegio C. Dayandan	1,000
Ramon N. Santos	1,000
Arsenio K. Sebial Jr.	100
Owen Nathaniel S AU ITF: Li Marcus Au	20
Peter Kho	2
Daleson Uy	2
Total	**261,824,002**

On June 26, 2015, the registrant disclosed to the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) that on June 25, 2015, Mr. Tony O. King and his family sold to RYM Business Management Corporation 183,276,801 common shares or 70% of AG Finance through block sale for ₱280.00 million or approximately ₱1.53 per share.

Dividends

On March 25, 2015, the Board approved a cash dividend declaration of ₱0.47 per share or a total of approximately ₱123.06 million. The cash dividends was paid on April 24, 2015.

Financial risk management objectives and policies

The Company is exposed to a variety of financial risks in relation to its financial instruments. The Company's risk management actively focuses on securing the Company's short-to-medium-term cash flows by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

1. Market Risk

   The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk which result from both its operating and investing activities.

   a. Foreign currency risk

      Most of the Company's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates arise from the Company's loans to OFWs, which are primarily denominated in United States (U.S.) dollars. The Company also holds U.S. dollar-denominated cash.

To mitigate the Company's exposure to foreign currency risk, non-Philippine peso cash flows are monitored.

b. Interest rate risk

There were no transactions in 2016 that are subject to interest rate risk. All financial assets and liabilities are non-interest bearing or has fixed interest rate.

c. Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, or may lead to financial loss. The Company cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Company is able to manage this risk. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff training and assessment processes, including the maintenance of internal audit.

2. Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Company's exposure to credit risk arises primarily from cash in banks and note receivable.

The Company continuously monitors defaults of borrowers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

None of the Company's financial assets are secured by collateral or other credit enhancements, except for the cash in bank. Cash in bank is insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 for every depositor per banking institution.

The Company is not exposed to any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics. The Company manages credit risk by setting limits for individual borrowings, and group of borrowers and industry segments. The Company maintains a general policy of avoiding excessive exposure in any particular sector of the Philippine economy. The Company actively seeks to increase its exposure in industry sectors which it believes to possess attractive growth opportunities.

Conversely, it actively seeks to reduce its exposure in industry sectors where growth potential is minimal. Although the Company's loan portfolio is composed of transactions with OFWs, the results of operations and financial condition of the Company may be adversely affected by any downturn in this sector as well as in the Philippine economy in general.

3. Liquidity risk

   Liquidity risk is the risk that the Company will not be able to settle or meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

Basis of Financial Statements presentation 2016 and 2015

Basis of preparation

The financial statements of the Company have been prepared using the historical cost basis and are presented in Philippine Peso, the Company's functional currency.

Statement of compliance

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

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following management's discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's audited financial statements, including the related notes, contained in this report. This report contains forward-looking statements that involve risks and uncertainties. The Company cautions investors that its business and financial performance is subject to substantive risks and uncertainties. The Company's actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including, without limitation, those set out in "Risk Factors." In evaluating the Company's business, investors should carefully consider all of the information contained in "Risk Factors."

Results of operations
In million

	Audited		Increase(Decrease)	
	2016	2015	Amount	%
Income	**6.78**	35.22	(28.44)	(80.75)
Expenses	**1.65**	20.16	(18.51)	(91.82)
Other Income (Charges)	–	(23.64)	(23.64)	(100)

Income decreased by ₱28.44 million or 80.75% as compared last year. In June 2015, the Company ceased its lending activities which resulted to lower interest income.

Expenses decreased by ₱18.51 million or 91.82% due to ceasation of lending activities. Significant changes in the expense accounts for the year ended December 31, 2016 versus the same period last year are as follows:

- Decrease in Salaries and employee benefits by ₱6.44 million or equivalent to 100.00% due to termination of all employees on June 2015.
- Decrease in Taxes and licenses by ₱4.93 million or equivalent to 100.00% as a result of ceasing the lending activities. The decrease pertains mainly to the tax in relation to lending transaction such as Documentary stamp tax and gross receipt tax.
- Decrease in Rent by ₱1.48 million or equivalent to 100.00% due to the ceasation of lending activities.

Other charges decreased by ₱23.64 due to last year's loss on sale of loans receivable of ₱11.64 million and finance cost of ₱11.87 million.

Financial Position

	Audited 2016	2015	Increase(Decrease) Amount	%
	(in PhP Millions)			
Assets	**₱336.79**	₱329.75	7.04	2.13
Liabilities	**2.89**	0.51	2.38	466.67
Stockholders' Equity	**333.90**	329.24	4.66	1.42

Assets

The total assets of the Company increased by ₱7.04 million or 2.14% from ₱329.75 million as of December 31, 2015 to ₱336.79 million as of December 31, 2016. The increase was mainly due to the net effect of the following:

- **Cash** increased by ₱0.26 million or 428.29% mainly due to advances received from affiliates.
- **Note receivable** increased by ₱6.78 million or 2.07% due to the accretion of interest income

Liabilities

As of December 31, 2016, the total liabilities of the Company increased by ₱2.38 million or equivalent to 463.36% from ₱0.51 million as of December 31, 2015 as compared to ₱2.90 million as of December 31, 2016. The increase was due to the following:

- **Current Liabilities** increased by ₱1.92 million or 373.01%, mainly due to increase in payable from affiliate by ₱1.25 million.

- **Non current Liabilities** increased by ₱0.46 million due to deferred tax liability arising from accretion of note receivable.

Stockholders' Equity

As of year-end 2016, the stockholders' equity increased by ₱4.66 million from ₱329.24 million as of December 31, 2015 to ₱333.90 million as of December 31, 2016. The increase was attributable to the net income of ₱4.66 million in 2016.

Explanations for the material changes in the Company's accounts between 2015 and 2014 are as follows:

<u>Results of operations</u>

Interest income decreased by ₱39.94 million or 57.16% as compared last year. In June 2015, the Company ceased its lending activities which resulted to lower interest income.

Expenses decreased by ₱12.69 million or 38.64% due to ceasation of lending activities. Significant changes in the expense accounts for the year ended December 31, 2015 versus the same period last year are as follows:

- Decrease in Salaries and employee benefits by ₱4.63 million or equivalent to 41.82% due to termination of employees on June 2015.
- Decrease in Taxes and licenses by ₱2.19 million or equivalent to 30.72% as a result of ceasing the lending activities. The decrease pertains mainly to the tax in relation to lending transaction such as Documentary stamp tax and gross receipt tax.
- Decreased in Depreciation expense by ₱1.88 million or 91.75% mainly due to disposal of property and equipment.
- Increase in Rent by ₱1.20 million or 424.19% because the Company is renting its office space at PSE Centre, Pasig City.

Other charges increased by ₱23.11 is attributable to loss on sale of loans receivable of ₱11.64 million and finance cost of ₱11.87 million.

<u>Financial Position</u>

Assets

The total assets of the Company decreased by ₱146.16 million or 30.71% from ₱475.91 million as of December 31, 2014 to ₱329.75 million as of December 31, 2015. The decrease was mainly due to the net effect of the following:

- **Cash and cash equivalents** decreased by ₱294.42 million or 99.98% mainly due to payment of dividends to its stockholders and payment of payables.
- On May 5, 2015, all of the Company's outstanding receivables with carrying amount of ₱332.60 were exchange for a five year note receivable with fair value of ₱327.41 million.
- **Other current assets** increased by ₱2.06 million or 931.96% is attributable to creditable tax on current income tax.
- **Property and equipment** decreased by ₱0.47 million or 100.00% due to disposal of property and equipment at its carrying amount.

Liabilities

As of December 31, 2015, the total liabilities of the Company decreased by ₱13.45 million or equivalent to 96.32% from ₱13.97 million as of December 31, 2014 as compared to ₱0.51 million as of December 31, 2015. The decrease was due to the following:

- **Current Liabilities** decreased by ₱10.26 million or 95.23%, mainly due to payment of 2014 income tax payable of ₱6.25 million and payment of accrued expenses and other current liabilities of ₱4.01.

- **Non current Liabilities** decreased by ₱3.19 million due to payment of retirement benefit liability to terminated employees.

Stockholders' Equity
As of year-end 2015, the stockholders' equity decreased by ₱132.71 million from ₱461.95 million as of December 31, 2014 to ₱329.24 million as of December 31, 2015. The decrease was attributable to the payment of cash dividend of ₱123.06 million and net operating loss of ₱9.65 million.

Material changes to the Statement of Financial Position as of December 31, 2014 compared to December 31, 2013 (increase/decrease of 5% or more)

Cash
Cash increased by 17.16% to ₱294.48 million as of December 31, 2014 from ₱251.34 million as of December 31, 2013. The increase was mainly due to sale of assets and increase in collection.

Property and equipment
Property and equipment decreased by 96.84% to ₱0.47 million as of December 31, 2014 from ₱14.89 million as of December 31, 2013. The decrease was primarily due to the Company's disposal of transportation equipment, condominium and condominium improvement, amounting to ₱12.9 million net of depreciation for the year amounting to P1.62 million.

Other assets
Deferred tax asset Deferred tax asset increased by 69.29% to ₱13.22 million as of December 31, 2014 from ₱7.81 million as of December 31, 2013. The increase was mainly due to tax impact of impairment loss recorded during the year.

Advances to employees and clients
Advances to employees and clients decreased by 73.21% to ₱0.18 million as of December 31, 2014 from ₱0.67 million as of December 31, 2013. The decrease was due to liquidation of employees advances at the end of the year.

Miscellaneous
Miscellaneous asset increased by 17.91% to ₱0.60 million as of December 31, 2014 from ₱0.51 million as of December 31, 2013. The increase was due to purchase of software.

Accrued expenses and other payables
Accrued expenses and other payables include unpaid utilities, professional fees, retirement benefit obligations, withholding taxes and interest and other expenses.

Accrued expenses and other payables increased by 7.58% to ₱7.71 million as of December 31, 2014 from ₱7.17 million as of December 31, 2013. The increase was due to additional accrual of post-employment benefit obligation.

Income tax payable
Income tax payable increased by 52.65% to ₱6.25 million as of December 31, 2014 from ₱4.10 million as of December 31, 2013. The increase was primarily due to gain from sale of assets in the amount of P15.5 million.

Capital stock

Deposit for future stock subscription

On June 29, 2012, the Company's BOD and stockholders approved the application for increase in the Company's authorized capital stock from ₱75 million divided into 75 million shares of stock to ₱550million divided into 550 million shares both with a par value of ₱1.00 per share. On the same day, the Company's BOD approved the declaration of stock dividends amounting to ₱65.60 million to be issued out of the increase in authorized capital stock. Out of the increase, ₱118.75 million worth of shares were subscribed and partly paid in the form of cash and partly issued as stock dividends. On December 11, 2012 and December 14, 2012, the stockholders subscribed to additional shares by paying cash amounting to ₱53.15 million. As of December 31, 2013, the amount of the subscription paid by the stockholders are presented as part of Capital Stock account in the 2013 statement of financial position.

Stock dividend distributable

On June 29, 2012, the Company's BOD approved the declaration of stock dividends amounting to P65,600,002 or 65,600,002 shares at P1 par value. On February 13, 2013, the SEC approved the Companys application for the increase in its authorized captal stock. Portion of the increase was subscribed in the form of cash and stock dividends. As of December 31, 2013, the amount of the subscription paid in the form of stock dividends by the stockholders are presented as part of Capital Stock account in the 2013 statement of financial position.

Retained earnings

Retained earnings increased by 33.56% to ₱138.30 million as of December 31, 2014 from ₱103.55 million as of December 31, 2013. The increase arised from the net income after tax of the company for the calendar year, amounting to ₱34.7 million.

Key performance indicators are listed below:

The key performance indicators presented below were selected to help the management of AG Finance in evaluating the Company's profitability, growth, efficiency, and financial stability, measures that will assist in the generation of future plans.

	2016	2015
Net Income	₱4,660,085	(₱9,818,794)
Current assets	2,603,939	2,340,362
Total assets	336,791,521	329,750,022
Current liabilities	2,431,005	513,945
Total liabilities	2,895,359	513,945
Stockholders' Equity	333,896,162	329,236,077
No. of common shares outstanding	261,824,002	261,824,002

	2016	2015
Current ratio [1]	1.07	4.55
Book value per share [2]	1.28	1.25
Debt ratio [3]	0.01	0.00
Profit per share [4]	0.01	(0.04)
Return on assets [5]	0.01	(0.02)

Note:

1. Current assets / current liabilities
2. Stockholder's Equity / Total outstanding number of shares
3. Total Liabilities / Stockholder's Equity
4. Net Income (Loss) / Total outstanding number of shares
5. Net income / average total assets

Item 7. Financial Statements

The audited financial statements of the Company are filed as part of this SEC17-A as "Annex A".

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

There were no disagreements with the auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

The Board of Directors of the Company consists of seven (7) members and shall hold office for a term of one year, or upon the election of its successors. The Board is responsible for the Company's overall mission, vision and strategy, management of the Company, and the preservation of the Company's assets and properties. For a person to be eligible to be elected as a director of the Company, it is necessary that he or she is a registered owner of at least one voting share of the Company.

The Company's Board elected during the most recent annual stockholders' meeting held on December 17, 2015 and are to serve until the next annual shareholders' meeting or until their successors have been duly elected and qualified.

Name	Age	Citizenship	Position
DIRECTORS			
Isidro C. Alcantara, Jr.	62	Filipino	Director / Chairman of the Board
Anthony M. Te	46	Filipino	Director / Vice Chairman
Arsenio K. Sebial, Jr.	60	Filipino	President and Director
Manuel Lazaro	81	Filipino	Independent Director
Ge Lin	38	Chinese	Independent Director
Remegio C. Dayandayan Jr.	36	Filipino	Director
Hermogene H. Real	61	Filipino	Director / Asst. Corp. Secretary
OFFICERS			
Rolando S. Santos	66	Filipino	Treasurer
Diane Madelyn Ching	34	Filipino	Corporate Secretary
Reuben F. Alcantara	33	Filipino	VP Marketing
Leddie D. Gutierrez	54	Filipino	VP Internal Audit

Described below are relevant business experience and qualifications of each of the Company's directors and officers covering the past five years.

DIRECTORS:

Mr. Isidro C. Alcantara Jr. was elected Chairman and Director last June 25, 2015. He currently sits as President of Marcventures Holding, Inc. (MHI) and presently Vice Chairman and Director of MMDC, MHI wholly owned subsidiary. He also serves as Director and President of Bright Kindle Resources, Inc. Mr. Alcantara is the President of Financial Risk Resolutions Advisory, Inc. He has been a Director of Benguet Corp. since November 2008. He served as Senior Vice President and Head of Corporate & Institutional Banking at HSBC. He was elected President and Chief Executive officer of Philippine Bank of Communications (PBCom) in Manila Philippines from 2000 to 2004. In addition, he served as Executive Vice President of the Corporate Banking Group of Equitable PCI Bank (EPCIB) from 1981 to 2000. He served as Director of Bankers Association of the Philippines from 2000 to 2003. He also served at Bancom Finance Corporation, PCI Bank, and Insular Bank of Asia and America (a Bank of America affiliate) from 1975 to 1981. Mr. Alcantara Jr. is a Certified Public Accountant. He obtained his BSc in Accounting and BS in Economics degrees from De La Salle University, graduating *magna cum laude*. He also attended the Special Studies in International Banking at the Wharton School, University of Pennsylvania.

Mr. Anthony M. Te. was elected as Vice Chairman and Director in June 25, 2015. He is currently Chairman of the Board of Asian Appraisal Company Inc., Amalgamated Project Management Services, Inc., Asian Asset Insurance Brokerage Corp. and Profesional Funding Services Inc. He serves as Chairman and Chief Finance officer of Mactel Corp.,as Director and Treasurer for Manila Standard Today Management Inc. and Director fro Marcventures Mining and Development Corporation. Mr. Te is a licensed solicitingofficial for Non Life insurancewith Philippine Insurance Commission. He previously sat as Director in the following companies:Balabac Resources & Holdings Co., Inc. Commonwealth Savings and Loan Bank, EBECOM Holdings, Inc. Equitable PCI Bank, MRC Allied Industries Inc., Oriental Petroleum & Mineral Corp., PAL Holdings Inc., PGA Cars Inc., and Phoenix Energy Corp. He obtained his Bachelor of Arts in Business Management from De La Salle University.

Engr. Arsenio K. Sebial, Jr. was elected as President and Director in June 25, 2015. He is the President and CEO of Marcventures Mining and Development Corporation (MMDC) He graduated from Mapua Institute of Technology with a degree in Mining Engineering and was previous president of the Philippine Mining Engineer's Society. He holds 40 years of mining experience, the longest was with Benguet Corporation where he rose to Division Manager for Mining and Engineering and worked in the highly successful Benguet-Dizon Copper Mines.

Justice Manuel Lazaro was elected Independent Directors in June 2015. He currently sits as Director for Philippine Airlines Inc., (PAL), The Manila Hotel Corporation and Manila Golf & Country Club. He is also the Chairman & CEO of Philippine Constitution Association (PHILCONSA) and served as its President and Governor for four terms from the year 1991 to 2011. He sat as Director for PHILIA Development Center Inc., and is a member of the Board of Advisor of Ateneo Law School and Chairman of Aquila legis Alumni Foundation, Inc.

Mr. Ge Lin(a.k.a. Gery Lam) was elected Independent Director in June 2015. He serves as Director of Zhejiang Long Kai and LianYuGang and as Director and General Manager for HYSS Holdings. Mr. Lam sat as Executive Director Philippine ZhaoHeng Mining Co., Ltd. From the year 2005 to 2007.

Atty. Remegio C. Dayandayan, Jr. was elected as Director in December 2015, Her was elected as Director of Bright Kindle Resources and Investment Inc. in March 2014. He currently sits as Director and President of RYM Business Management Corporation and the Philippine Manila Standard Publishing Inc. He was previously an associate of Dum lao Moraleda Antonano and Tuvera Law Offices from February 2008 to March 2009. He was also a Subjective Discovery Reviewer of Escaler and Company Inc.-LPO from May 2008 to March 2009. Atty. Dayandayan obtained his degrees in Bachelor of Arts major in Political Science from the University of San Carlos in 2001 and Bachelor of Laws from San Beda College- Mendiola in 2007. He was admitted to the Philippine Bar in 2008.

Atty. Hermogene H. Real was elected as Director in December 2016 and as Assistant Corporate Secretary in June 15, 2015. She serves as Director of Philippine Collectivemedia Corporation (2008 to present), as Corporate Secretary of Benguet Corporation (2000 to present) and Universal Re Condominium Corporation (1997 to 2009, 2010 to present), as Assistant Corporate Secretary of Doña Remedios Trinidad Romualdez Medical Foundation, Inc. (1996 to present), Benguet Corp Nickel Mines, Inc. (2009 to present). She is a lawyer in D.S. Tantuico and Associates (1998 to present). She previously held the following positions: Chairman of the Board and President of Philippine Collectivemedia Corporation (2008 to 2010); Corporate Secretary of Trans Middle East Phils. Equities, Inc. (1996 to 2006); and Assistant Corporate Secretary of Equitable PCI Bank, Inc. (2005-2006).

OFFICERS:

Mr. Rolando S. Santos was elected Treasurer in June 25, 2015. He also serves as Treasurer and concurrently holds the position of Senior Vice President for Finance and Administration of Marcventures Holdings, Inc. He also serves as Treasurer for MMDC, Bright Kindle Resources and Investments, Inc., and Bright Green Resources Corp. He was previously the Branch head/Cluster head of Branches for Banco De Oro from 2001 to 2013, Bank of Commerce from 1984 to 2001, Producers Bank of the Philippines from 1981 to 1984, and Far East Bank from 1972 and 1981. He obtained his degree in BS

Atty. Diane Madelyn C. Ching was elected Corporate Secretary in June 2015. She serves as General Counsel and Assistant Corporate Secretary of Marcventures Holdings Inc. and its subsidiary, Marcventures Mining and Development Corp. She sits as director of Prime Media Holdings Inc. where she was previously appointed as Corporate Secretary in 2013. She provides legal consultancy services to PLDT Global (Philippines) Corp. Atty. Ching was an associate of Ocampo & Manalo Law Firm from March 2010 to June 2013. She obtained her degrees in Bachelor of Secondary Education major in Economics and Bachelor of Arts major in Psychology from De La Salle University-Manila graduating Honorable Mention. She passed the Licensure Examination for Teachers in 2004. She worked as a Research Analyst of the Mergers and Acquisitions, Asia Pacific Region Division of Thomson (Philippines) Inc. (now Thomson Reuters). She obtained her Bachelor of Laws from San Beda College-Mendiola in 2009 and was admitted to the Philippine bar in 2010.

Mr. Reuben F. Alcantara is the Vice President for Marketing, he is also VP Marketing, Business Development, and Strategic Planning of Marcventures Holdings Inc. since September 2013. He is also the Company's Investor Relations Officer. He joined the company in December 2015. He previously served as Relationship and Credit Officer for Security Bank and has had stints in Corporate Banking in Bank of Commerce and Maybank Philippines.

Leddie D. Gutierrez was appointed as VP Internal Audit in June 2015. He is a Certified Public Accountant and has held key positions in internal audit, corporate services and compliance and control in 1995. Mr. Gutierrez is currently the Vice President for Audit and Risk Management of Marcventures Mining and Development Corp. (MMDC). He served as Division Head (Assistant Vice President) of Strategic Support Division under Institutional Banking Sector of Metropolitan Bank and Trust Company, where, since joining in November 2011 as Compliance and Control Officer (Senior Manager), he oversaw IBS's compliance to policies, procedures and regulations set by the bank, BSP and regulatory agencies and led systems and process improvements for the group. From April 2005 to October 2011, Mr. Gutierrez served as Head of Internal Audit of PLDT Global Corporation (PGC), a subsidiary and international marketing firm of PLDT Co. In this role, he carried out operational, information technology, financial, network and compliance audits of PGC. Mr. Gutierrez is a graduate of University of the East.

Identify Significant Employees

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

Family Relationships

Mr. Isidro C. Alcantara Jr., Chairman, and Mr. Reuben F. Alcantara, Vice President for Marketing, are family.

Involvement in Certain Legal Proceedings of Directors and Senior Management

To the knowledge of the Company, there has been no occurrence of any events during the past 5 years up to present which are material to an evaluation of the ability and integrity of any director, any person nominated to become director, executive officer or control person of the Company.

Item 10. Executive Compensation

The following are the Company's CEO and four most highly compensated employees for the year ended 2016 is follows:

Name	Position
Isidro C. Alcantara, Jr.	Chairman of the Board
Anthony M. Te	Vice Chairman
Arsenio K. Sebial, Jr.	President and Director
Manuel Lazaro	Independent Director
Ge Lin	Independent Director
Remegio C. Dayandayan Jr.	Director
Rolando S. Santos	Treasurer
Diane Madelyn Ching	Corporate Secretary
Hermogene H. Real	Asst. Corp. Secretary
Reuben F. Alcantara	VP Marketing
Leddie D. Gutierrez	VP Internal Audit

The table below summarizes the aggregate compensation of the Company's CEO and the four most highly compensated employees, as well as the aggregate compensation paid to all directors and officers as a group for the years, 2014, 2015 and 2016.

	Year	Salary	Bonuses	Other Benefits	Total
President and Top 5 Executive Officers as group named above	2014	3,461,012	268,125	184,208	3,913,345
	2015	1,515,757	3,820,843	-	5,336,600
	2016			199,673	199,673
	2017 estimated	-	-	-	-

All Other Officers and Directors, as a group unnamed	2014	5,381,529	428,741	294,555	6,104,825
	2015	1,515,757	3,820,843	-	5,336,600
	2016			140,849.68	140,849.68
	2017	-	-		

Compensation of Directors

Standard Arrangement

Other than payment of reasonable per diem as may be determined by the Board for every meeting, there are no standard arrangement pursuant to which directors of the company are compensated directly or indirectly, for any services provided as a director.

Other Arrangement

There are no other arrangements pursuant to which directors of the company are compensated directly or indirectly, for any services provided as a director.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no special contracts of employment between the Company and the named directors and executive officers, as well as compensatory plans or arrangements.

There are no arrangements for compensation to be received by the officers from the Company in the event of a change in control of the Company.

Warrants and Options Outstanding

There are no outstanding warrants or options held by the Company's directors, named senior management and all officers and directors as a group.

Item 11. Security Ownership of Certain Beneficial Owners and Management

The following persons own at least five percent (5%) of the Company's outstanding common shares:

Title of Class	Name and Address of Record Owner & Relationship with the Company	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares	Percentage
Common		RYM Business Management Corp	Filipino	183,276,801	70.0%
TOTAL				**183,276,801**	**70.00%**

Other than the persons identified above, there are no beneficial owners of more than 5% of the Company's outstanding capital stock that are known to the Company.

Security Ownership of Directors and Officers

Title of Class	Name Beneficial Owner	Citizen ship	Amount of Shares & Nature of beneficial ownership	Percen tage
Common	Isidro C. Alcantara Jr.	Filipino	(Direct) 100	0.00%
Common	Anthony M. Te	Filipino	(Direct) 100	0.00%
Common	Arsenio K. Sebial Jr.	Filipino	(Direct) 100	0.00%
Common	Manuel M. Lazaro	Filipino	(Direct) 100	0.00%
Common	Ge Lin (a.k.a.Gery Lam)	Filipino	(Direct) 100	0.00%
Common	Remegio Dayandayan Jr.	Filipino	(Direct) 1,000	0.00%
Common	Hermogene H. Real	Filipino	(Direct) 100	0.00%
TOTAL			**(Direct) 1,600**	**0.00%**

Voting Trust Holders of 5% Or More

The Company has no voting trust agreement or any other similar arrangement which may result in a change in control of the Company.

Changes in Control

On June 26, 2015, the registrant disclosed to the Philippine Stock Exchange "PSE" and Securities and Exchange Commission "SEC" that on June 25, 2015 Mr. Tony O. King, and his family, controlling shareholders of AGF have sold to RYM Business Management Corporation, 183,273,801 common shares or 70% of AG Finance through a block sale on 25 June for Php280.00 Million or approximately Php1.5278 per share.

Item 12. Certain Relationships and Related Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence over the other party in making financial amd operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are on arm's length basis in a manner similar to transactions with non-related parties.

During the last three years, there were no transactions or series of similar transactions with or involving the Company or any of its subsidiaries in which a director, executive officer, nominee for election as a director or stockholder owning ten percent (10%) or more of total outstanding shares and members of their immediate family, had or is to have a direct or indirect material interest.

PART IV – CORPORATE GOVERNANCE

Item 13. Please refer to attached ACGR.

PART V - EXHIBITS AND SCHEDULES

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

(a) Exhibits

The audited financial statements of the Company are filed as part of this SEC17-A as "Annex A".

(b) Reports on SEC Form 17-C

Items reported under SEC Form 17-C for the year 2016:

	Date of Report	Event Reported
(1)	*April 14, 2016*	*Results of Board Meeting last April 06, 2016* *Change in Corporate Contact Details and/or Website* *Postponement of annual stockholders' meeting*
(2)	*August 31, 2016*	*Resignation of Mr. Ramon N. Santos as Director*
(3)	*December 19, 2016*	*Results of Organizational meeting of BOD and Annual Stockholders' Meeting*

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of MAKATI CITY on APR 19, 2017.

By:

Isidro C. Alcantara, Jr.
Chairman

Arsenio K. Sebial, Jr.
President

Rolando S. Santos
Treasurer

APR 19 2017

SUBSCRIBED AND SWORN to before me this ______ day of __________ affiant(s) exhibiting to their evidence of identity, as follows:

NAMES	Competent Evidence of Identity (TIN)	DATE OF ISSUE	PLACE OF ISSUE
Isidro C. Alcantara, Jr.	123-371-185		
Arsenio K. Sebial, Jr.	138-800-795		
Rolando S. Santos	127-551-054		

ATTY. VIRGILIO R. BATALLA
NOTARY PUBLIC FOR MAKATI
Notary Public

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