COVER SHEET

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S.E.C.Registration Number

MILLENNIUM GLOBAL HOLDINGS, INC.

(Company's Full Name)

2ND FLOOR SENSES SPA BUILDING,

MIA ROAD CORNER PILDERA ST.,

TAMBO PARANAQUE CITY 1701

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

Janine G. Manzano

Contact Person/s

(02) 218-0437

Company Telephone Number

1 2	3 1	**Amended SEC Form 17-Q March 31, 2019**	June	Last Friday
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc. Amended Articles Number/Section

Total No. of Stockholders Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number LCU

Document I.D. Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

**AMENDED QUARTERLY 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 **March 31, 2019**

2. Commission identification number **25160**

3. BIR Tax Identification No **000-189-138-000**

4. Exact name of issuer as specified in its charter **Millennium Global Holdings, Inc.**

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

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

7. 2nd Floor Senses Spa Bldg., MIA Road corner Pildera St. Tambo, Paranaque City **1701**
Address of issuer's principal office Postal Code

   Temporary address: **Blk 1 Lot 1, Dahlia St. corner J.P. Rizal St., Sto. Nino, Paranaque City**

   Issuer's telephone number, including area code **(632) 551-2575**

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

9. 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	**2,500,000,000 shares**

10. Are any or all of the securities listed on a Stock Exchange?

    Yes [√] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    Philippine Stock Exchange; Common Shares

11. Indicate by check mark whether the registrant:

    (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 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 [ ]

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

The aggregate market value of the voting stock held by non-affiliates of the Company as of March 31, 2019 is Php 228,383,101 (1,130,609,412 shares @ Php0.202/share)

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

13. 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 [ ] **(N/A)**

DOCUMENTS INCORPORATED BY REFERENCE

14. 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)**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*Our discussions in the succeeding sections of this report pertain to the results of our company's operations for the twelve (12) months ended **March 31, 2019**. References are going to be made on results of operations for the same period of the previous year 2018.*

This report may also contain forward-looking statements that reflect our current views with respect to the company's future plans, events, operational performance, and desired results. These statements, by their very nature, contain substantial elements of risks and uncertainties, and therefore, may not be 100% accurate. Actual results may be different from our forecasts.

Furthermore, the information contained herein should be read in conjunction with the accompanying audited consolidated financial statements and related notes. Our financial statements, and the financial discussions below, have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

PART I. BUSINESS AND GENERAL INFORMATION

Millennium Global Holdings, Inc. (the "Company"), formerly IPVG Corp. (IPVG), was incorporated and registered with the Philippine Securities and Exchange Commission ("SEC") per SEC Registration No. 25160 on May 19, 1964. A general holding company, it is listed in the Philippine Stock Exchange, Inc. (the "PSE") with the stock symbol MG.

On July 1, 2011, the stockholders of the Company, pursuant to a corporate restructuring, approved the sale of all assets and liabilities of IPVG to a new private company, IP Ventures, Inc., ("IPVI"), having the same shareholding structure of IPVG. The corporate restructuring aimed to achieve the Company's business and operational targets and create shareholder value for the group. Pursuant thereto, IPVG has transferred substantially all of its assets to IPVI.

On February 16, 2012, the stockholders of the Company approved the amendment of its Articles of Incorporation changing the primary purpose of the Company, allowing it to, among others, establish a refinery in the Philippines to refine metal ores, precious stones, oil, gas, coal, and minerals intended primarily for export purposes.

On October 22, 2012, the stockholders of the Company further approved the amendment of its Articles of Incorporation, changing the primary purpose of the Company to a general holding company, allowing business ventures in areas involving seafood, aqua-culture, seafood processing, and agriculture. The amendment is in line with the Company's strategic direction and focus on natural resource plays.

On February 14, 2013, the SEC approved the following changes:

- Change of name from "IPVG Corp." to "Millennium Global Holdings, Inc.";
- Change of primary purpose to a general holding company; and
- Change of principal place of office from "34thFloor, Tower 2, RCBC Plaza, 6819 Ayala Avenue, Makati City" to "2ndFloor Senses Spa Building, MIA Road corner Pildera Street, Tambo, Paranaque City"

On July 25, 2013, the SEC also approved the Company's increase in authorized capital stock from Php2 Billion to Php2.5 Billion.

On December 20, 2013, the stockholders approved the investment in and/or acquisition of various businesses and operating companies, including 51% controlling interest in Millennium Ocean Star Corporation ("MOSC"), majority-owned by the Company's Chairman and President, Yang Chi Jen. On January 10, 2014, the Company acquired 51% controlling interest in MOSC.

On May 14, 2014, the SEC approved the extension of term of the Company for another fifty (50) years from and after May 19, 2014.

On October 14, 2014, the Board of Directors approved the acquisition of Cebu Canning Corporation (C3) through a combined acquisition of primary and secondary shares, making it a wholly-owned subsidiary of the Company. Notably, on April 17, 2015, C3 became a subsidiary (51%) of MG.

On December 16, 2015, the stockholders approved the equity restructuring of the Company to wipe out/reduce the deficit, with corresponding amendment to the Company's Articles of Incorporation to decrease the authorized capital stock from Php2.5 Billion to Php250 Million and the par value from Php1.00/share to Php0.10/share, without change in the number of common shares.

On February 1, 2017, the SEC approved the Company's application for decrease in authorized capital stock to Php250 Million and equity restructuring. On March 20, 2017, the SEC approved a further equity restructuring to partially wipe out the remaining deficit as of December 31, 2015.

Status of Operations

To date, the Company has two subsidiaries—the MOSC and C3.

The Company owns 51% controlling interest in MOSC. MOSC is primarily engaged in the processing of high quality seafood and aquaculture products for export and trading of imported marine and other related products. Its key business activity is the processing and export of several quality and high valued seafood products such as Black Tiger Shrimps, Kisu (asohos) fillet, frozen lobsters, etc. Its processing plants and buying stations are strategically located all over the country, enabling it to have a strong market foothold in Japan, Taiwan, Hong Kong, Vietnam, Malaysia, Singapore, United States of America, Canada, etc. MOSC also imports salmon, mackerel scad, scallops, shrimps, etc. for the local market, supplying supermarkets, groceries, food processors, hotels, and restaurants nationwide.

The Company also owns 51% stake in C3, with the intention of making it a 100%-owned subsidiary. To date, the Company's acquisition of the remaining 49% of C3, through purchase of secondary shares from existing shareholders of the Subsidiary, is yet to be completed. C3 is a domestic company engaged in the business of manufacturing, processing and dealing in pasteurized canned crabmeat, frozen marine products and other food products for export purposes. The raw crab meat which is the main material used in the business is locally sourced by C3.

Temporary Address

The Company temporarily holds office at **Blk. 1 Lot 1, Dahlia St. corner J. P. Rizal St., Sto. Niño, Parañaque City**. The Company shall return to the site of its registered address after the expected completion of the newly constructed building in 2019, or as may be later determined.

In the meantime, all communications shall be addressed to the above-mentioned temporary address.

Key Competitors

No key competitors are identifiable for the year 2019.

Principal Suppliers

No principal suppliers are identifiable for the year 2019.

Dependence on a Few or Single Customer

No customer/s are identifiable for the year 2019.

Transaction with and/or Dependence on Related parties

As a result of the Asset Purchase Agreement executed on September 28, 2011, all Management Agreements and Related Parties were transferred to IPVI.

In 2013, the stockholders approved the investment in and/or acquisition of various businesses and operating companies, including 51% controlling interest in MOSC, majority-owned by the Company's Chairman and President, Yang Chi Jen. A Subscription Agreement acquiring 51% controlling interest in MOSC was consequently executed on January 10, 2014.

In 2014, the stockholders approved the issuance and listing of 9.125 Million shares at par value of Php1.00/share which were subscribed by the Company's Chairman/President and CEO, Yang Chi Jen.

In 2017, the Company made additional subscription to 117,091,837 primary shares of its subsidiary, MOSC, at par value of Php1.00 per share, to maintain the Company's 51% ownership in MOSC.

In 2017, Yang Chi Jen, subscribed to the remaining 365,785,000 unissued shares of the Company at Php0.20 per share, double the lowered par value of Php0.10 per share, equivalent to a total amount of Php73,157,000 with premium of Php36,578,500. The BOD likewise approved the subscription by Yang Chi Jen to at least 25% of the increase in authorized capital stock of the Company at Php0.20 per share. The increase in authorized capital stock of the Company was initially pegged from Php250,000,000 to Php750,000,000 but was later amended during the year to an amount as may be determined by the BOD but not exceeding Php10 Billion.

Effect of Existing or Probable Government Regulations on the Business

The government regulations affecting the Company have no significant impact on its business.

Development Activities

Other than the corporate restructuring activities, the Company has not spent or engaged in any other significant development activities.

Cost and Effects of Compliance with Environmental Laws

The Company is committed to complying with the relevant environmental laws and regulations. Its costs and effects have no significant impact on its business.

Employees

In line with the Company's restructuring plan with IPVI dated September 28, 2011, all personnel employed or under the payroll of the Company were transferred to IPVI.

Beginning 2014, personnel support has been provided to the Company through its subsidiaries, MOSC and C3. The Company in the normal course of business will hire personnel, as needed, to support the businesses that it will undertake in the future. Furthermore, the Company complies with government prescribed labor standards.

Description of Properties

The Properties are comprised mostly of land, processing plants and equipment, machinery and delivery equipment owned by the Company's subsidiaries.

Legal Proceedings

The Company is not aware of any legal proceedings of the nature required to be disclosed under Part I, paragraph (C) of "Annex C, as amended" of the SRC Rule 12 with respect to the Company and/or its subsidiaries.

The Company is not aware of (1) any bankruptcy petition filed by or against any business of which any of the directors and executive officers was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (2) any conviction of any of the directors and executive officers by final judgment or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses; (3) any of the directors and executive officers being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and (4) any of the directors and executive officers being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated, occurring during the past five (5) years up to the latest date that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter or control person of the Registrant.

Submission of Matters to a Vote of Security Holders

On December 18, 2018, the stockholders of the Company representing 1,557,815,419 issued and outstanding shares, or 62.31% thereof, elected the following members of the Board of Directors for the ensuing year:

1. Yang Chi Jen (a.k.a Michael Yang)
2. Hsin –Jan Wan
3. Hsien-Tzu Yang
4. Willy O. Dizon
5. Maria Soledad C. Lim
6. Nancy T. Golpeo
7. Ernesto S. Go
8. Amelia T. Tan
9. Aracelli G. Co
10. Maria Luisa T. Wu (Independent)
11. Cristina Hiltrude L. Aganon (Independent)

On the said meeting, the following matters were approved and/or ratified by the stockholders:

1. Minutes of the Annual Meeting of the Stockholders held on December 19, 2017;
2. Audited Financial Statements for the calendar year ended December 31, 2017, as contained in the Annual Report;
3. All prior acts and proceedings of the Board of Directors, Corporate officers and Management; and
4. Appointment of Valdes Abad & Company, CPAs as external Auditor for the calendar year 2018.

   The matter on the proposed increase of the authorized capital stock up to Php10 Billion was deferred and shall be taken up during the following stockholders' meeting since the needed stockholders' approval is at least 66.67% of the issued and outstanding shares.

During the organizational meeting of the new Board following the stockholders' meeting, the following were duly elected:

Name	Positions
Yang Chi Jen a.k.a. Michael Yang	Chairman / President & CEO
Hsin – Jan Wan	Deputy Chairman
Amelia T. Tan	Treasurer
Lyra Gracia Y. Lipae-Fabella	Corporate Secretary

The Board likewise approved the appointments of Atty. Lyra Gracia Y. Lipae-Fabella as Corporate Information Officer and Alternate Compliance Officer; Mr. Yang Chi Jen as Alternate Corporate Information Officer and Alternate Compliance Officer; and Ms. Janine G. Manzano as Compliance Officer and Alternate Corporate Information Officer.

PART II. RESULTS OF OPERATIONS

Financial Highlights and Key Performance Indicators

Consolidated Balance Sheet

		As at March 31		As at December 31		Increase (Decrease)	
		2019		2018		Amount	%
Total Assets	₱	1,987,214,930	₱	1,956,404,742	₱	30,810,188	1.57%
Current Assets		1,544,495,425		1,530,806,697		13,688,728	0.89%
Property and Equipment		360,550,637		359,226,597		1,324,040	0.37%
Total Liabilities		1,568,940,093		1,539,527,225		29,412,868	1.91%
Current Liabilities		1,479,242,995		1,445,015,472		34,227,523	2.37%
Interest-bearing Loans		1,075,551,009		1,113,083,982		(37,532,973)	(3.37%)
Equity		418,274,837		416,877,517		1,397,320	0.34%

Consolidated Statements of Comprehensive Income

		For the 3 months ended March 31				Increase (Decrease)	
		2019		2018		Amount	%
Revenues (gross)	₱	279,354,518	₱	323,338,750	₱	-43,984,232	-13.60%
Gross Profit		25,137,757		23,711,616		1,426,141	6.01%
General & administrative expenses		27,537,689		26,655,985		881,704	3.31%
Earnings Before Interest, Taxes, Dep'n. & Amort.		5,179,271		16,540,709		-11,361,438	-68.69%
Profit / (Loss) before tax		1,397,320		1,344,773		52,547	3.91%
Profit / (Loss) after tax		1,397,320		1,344,773		52,547	3.91%
Total Comprehensive Income (loss)		1,397,320		1,344,773		52,547	3.91%

Consolidated Cash Flows

		For the 3 months ended March 31				Increase (Decrease)	
		2019		2018		Amount	%
Net Cash from Operating Activities	₱	61,770,827	₱	(251,476,896)	₱	313,247,723	(124.56%)
Net Cash from Investing Activities		(8,903,243)		396,398,104		(405,301,347)	(102.25%)
Net Cash from Financing Activities		(58,289,982)		(96,602,812)		38,312,830	(39.66%)

Key Performance Indicators	For the 3 months ended March 31 2019	As at December 31 2018
Current Ratio	1.04	1.06
Quick Ratio	0.51	0.54
Solvency Ratio	1.27	1.27
Debt Ratio	0.79	0.79
Debt-to-Equity Ratio	3.75	3.69
Interest coverage ratio	-0.20	1.01
Asset to Equity Ratio	4.75	4.69

Gross Profit Margin	0.09	0.07
Net Profit Margin	0.01	0.00
Return on Assets	0.00	0.00
Return on Equity	0.00	0.00
Price/Earnings Ratio	375.53	-194.87
Book value per share	0.069346	0.069160
	2019	**2018**
Issued & Outstanding Shares	2,500,000,000	2,500,000,000
Number of Employees	248	248
Ave. Exchange Rates ($ to Peso)	52.78	52.72
Please refer to Financial Statement Notes		

Ratios

- *Current Ratio is computed by dividing Current Assets by Current Liabilities.*
- *Quick Ratio is computed by dividing Current Assets less Inventory and Prepayments by Current Liabilities.*
- *Solvency Ratio is computed by dividing Total Assets by Total Liabilities.*
- *Debt Ratio is computed by dividing Total Debts by Total Assets.*
- *Debt to Equity Ratio is computed by dividing Total Debts by Total Equity.*
- *Net Profit Margin Ratio is computed by dividing Net Profit (Loss) by Total Revenue.*
- *Gross Margin is computed by dividing Gross Profit by Total Revenue.*
- *Interest Coverage Ratio is computed by dividing EBIT by Interest Charges.*
- *Return on Assets Ratio is computed by dividing Net Profit (Loss) by Total Assets.*
- *Return on Equity Ratio is computed by dividing Net Profit (Loss) by Total Equity.*
- *Price/Earnings Ratio is computed by dividing Price per Share by Earnings per Share.*

As of March 31, 2019, the financial results reflect the consolidated financial statements of the Company and its subsidiaries, MOSC and C3.

Discussion on Financial Results

Assets

Cash as of March 31, 2019 is Php133 Million as compared to Php138.6 Million on December 31, 2018.

Accounts receivables as of March 31, 2019 amounting to Php590.9 Million represents trade and other receivables of MOSC and nil for the Company. Accounts receivable increased by ₱21 Million as compared to ₱612 Million as of Dec. 31, 2018.

Liabilities

Liabilities as of March 31, 2019 amount to ₱1.57 Billion as compared to ₱1.54 Billion as of December 31, 2018. The increase of ₱30 Million is mainly due to increase in domestic trade payable.

Equity

Increase in equity to ₱1.4 Million as of March 31, 2019 pertains to the decrease in the deficit.

Additional details on balance sheet accounts may be found in the accompanying Notes to Financial

Statements.

Revenues

Revenue generated for the period ended March 31, 2019 is ₱279 Million. The revenues are attributable to MOSC's import/export and processing of marine goods and other related products.

Other Income (charges) as of March 31, 2019 is ₱15.45 Million. The revenues are attributable to Rental income and Miscellaneous income for storage.

Expenses

Comparing the three (3) months ended March 31, 2019 against three (3) months ended March 31, 2019, the top expenses in Peso terms are as follows:

- **Cost of Sales**

  Total cost of sales for Php254 Million in 2019 represents cost of 91% of gross sales of Php279 Million.

- **Salaries and Benefits**

  The Company as of March 31, 2019 has made no hiring. As of March 31, 2019, total salaries increased by ₱0.7 Million, from ₱3.4 Million as of March 31, 2018 to ₱4.2 Million as of March 31, 2019. Salaries represent MOSC and C3 manpower cost and employee's benefits. This accounts for 34% of total operating expenses as of March 31, 2019.

  Below is the headcount summary for each of the quarter ended March 31, 2019 and preceding four (4) periods:

Headcount Summary	**Mar-18**	**Jun-18**	**Sep-18**	**Dec-18**	**Mar-19**
MGHI	-	-	-	-	-
MOSC					
Managerial	9	9	9	9	9
Rank and File	215	215	215	215	215
Consultants	-	-	-	-	-
C3					
Managerial	1	1	1	1	1
Rand and File	23	23	23	23	23
Consultants					
Total	**248**	**248**	**248**	**248**	**248**

- **Interest expense** for the year 2019 amounted to Php11.7 Million. This accounts for about 43% of the group's total operating expenses.

- **Utilities expense** for the year 2019 amounted to Php5 Million. This accounts for about 18% of groups' total operating expenses. For the year 2018 it amounted to Php4.2 Million.

- **Shipping and handling cost** for the year 2019 amounted to Php5.6 Million. This accounts for about 20% of groups' total operating expenses. For the year 2018 it amounted to Php4 Million.

Additional details on the Statement of Comprehensive Income accounts may be found in the accompanying Notes to Financial Statements.

Liquidity and Capital Resources

The following table shows the consolidated cash flows as of March 31, 2019 and 2018:

	For the 3 months ended March 31		Increase (Decrease)	
Consolidated Cash Flows	**2019**	**2018**	**Amount**	**%**
Net Cash from Operating Activities	₱ 61,770,827	₱ (251,476,896)	₱ 313,247,723	(124.56%)
Net Cash from Investing Activities	(8,903,243)	396,398,104	(405,301,347)	(102.25%)
Net Cash from Financing Activities	(58,289,982)	(96,602,812)	38,312,830	(39.66%)

Operating Activities

Net cash from operating activities of Php61 Million as of March 31, 2019 are mainly for MOSC operations as of March 31, 2019.

Investing Activities

Net cash used for investing activities of ₱8 Million as of March 31, 2019 was mainly from the acquisition of property and equipment of MOSC.

Financing Activities

Net cash used for financing activities of ₱58 Million as of March 31, 2019 represents ₱30 Million repayment of borrowings and ₱10 Million each for payment of finance cost and due to related parties.

Seasonal aspects that had a material effect on the financial condition or results of operations

There are no identifiable seasonal aspects that had a material effect on the financial condition or results of operations.

Requirements under SRC Rule 17 and 68.1

We have extensively disclosed the risks in this report and Financial Statements filed with the Exchange.

Financial Risk Assessment

The Company and its operating subsidiaries face various categories and levels of risk. Inherent in all of the businesses is Counterparty risk, or the risk that clients may stop or delay payments of their service invoices, and that suppliers may fail to deliver the goods and services. Each company is addressing these issues through continuous dialogue with, and management of, the specific counterparty at risk.

We do not see, at this point, that any failure on the part of our customers, our suppliers, or a group thereof, would materially affect the financial conditions and results of the company.

<u>Currency Risk</u>

During the period when the Peso was still strong, the company decided to hedge its net USD inflows with a foreign bank, by fixing the USD-Peso exchange rate until the end of the contract. Since then, the Peso has depreciated and we may see the USD to strengthen as the other economies are affected by the credit crisis, and inflows from OFW remittances may slow down.

<u>Disclosure on Financial Instruments</u>

The Company does not carry any market-based financial instruments, derivatives, and other similar products in their portfolios. Hence, the evaluation of these financial instruments, comparison to fair values and realization of gains or losses, criteria for determining fair values, are not applicable to the Company.

Aside from risks that are inherent in our businesses, such as risks from competitive forces and from the performance of business operations, we do not foresee any other trend, event or uncertainty that will have a material impact on our net sales and income from the continuing operations of our subsidiaries.

Any events that will trigger direct or contingent financial obligation, which is material to the company, including default or acceleration of an obligation.

We do not foresee any event that would trigger direct or contingent financial obligation, including default or acceleration of any obligation.

All material off balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

Other than those disclosed by the Company, there are no material off balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

Any significant elements of income or loss that did not arise from the issuer's continuing operations.

The Company does not foresee any extraordinary income or charges that would arise from non-core operating business.

Issuances, repurchases, and repayments of debt and equity securities.

Except as disclosed, there are no significant issuances, repurchases, and repayments of debt and equity securities during the year.

Any change in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring, and discontinuing operations.

There are no significant changes in the composition of the issuer during the year.

Changes in contingent liabilities or contingent assets since the last annual balance sheet date.

There are no material changes in contingent liabilities or assets since the last annual balance sheet.

Disclosures not made under SEC Form 17-C.

All disclosures made under SEC Form 17-C have been filed during the period.

Other subsequent events disclosed under SEC Form 17-C.

None.

PART III. CONTROL AND COMPENSATION INFORMATION

DIRECTORS & EXECUTIVE OFFICERS

Name	Age	Citizenship	Position	Term of Office*
Yang Chi Jen (a.k.a Michael Yang)	49	Filipino	Chairman/ President & CEO/ Alternate Corporate Information Officer and Alternate Compliance Officer	December 18, 2018 – present
Hsin – Jan Wan	54	Taiwanese	Director	December 18, 2018 – present
Hsien – Tzu Yang	77	Taiwanese	Director	December 18, 2018 – present
Willy O. Dizon	62	Filipino	Director	December 18, 2018 – present
Maria Soledad C. Lim	58	Filipino	Director	December 18, 2018 – present
Nancy T. Golpeo	57	Filipino	Director	December 18, 2018 – present
Amelia T. Tan	53	Filipino	Director	December 18, 2018 – present
Aracelli G. Co	53	Filipino	Director	December 18, 2018 – present
Ernesto S. Go	67	Filipino	Director	December 18, 2018 – present
Maria Luisa T. Wu (Independent)	63	Filipino	Independent Director	December 18, 2018 – present
Cristina Hitrude L. Aganon (Independent)	52	Filipino	Independent Director	December 18, 2018 – present
Lyra Gracia Y. Lipae-Fabella	42	Filipino	Corporate Secretary/ Corporate Information Officer and Alternate Compliance Officer	December 18, 2018 – present
Janine G. Manzano	25	Filipino	Compliance Officer and Alternate Corporate Information Officer	December 18, 2018 – present

*Since date of last election

PROFILES

YANG CHI JEN (a.k.a Michael Yang)
Chairman, President & CEO, Alternate Corporate Information and Alternate Compliance Officer

Mr. Yang has 3 decades of extensive experience in the export/import business as he has been immersed in the day to day operations of various businesses owned by his family. Mr. Yang is the controlling shareholder of Millennium Ocean Star Corporation; ShieJie Corporation, a company engaged in the business of seafood processing, packing, and import/export trading; Jomark Food Corporation, a company engaged in fish and squid ball, kikiam, crab nuggets processing and serves as the local distributor of Millennium products; and Lion Head Int'l Corporation, a company engaged in spa business. He was educated in Taiwan where he attended Kweishan Junior High School.

HSIN – JAN WAN
Director, Deputy Chairman

Mr. Wan has served as Finance Vice President of the Manhattan International Co., Ltd (Cambodia) from September 2013 until October 2014; Acting CFO & MBOS Director of Nippecraft Limited (Singapore) from November 2006 until July 2013; Finance & Administration Director of Jinxing Paper Industry Co. (China) from September 2005 – November 2006; Verification Deputy Manager of PT Pabrik Kertas Tjiwi Kimia Tbk (Indonesia) from August 2000 - November 2004; Finance & Administration Manager of Contex Textile Co. (Philippines), Logimas Manufacturing Co. (Philippines) and Markwins Cosmetics Co. (China) from 1996- 2004. He received his BA (Accounting) degree from Chong Yuan Christian University (Taiwan) and MBA (Finance Major) degree from the George Washington University (USA).

HSIEN-TZU YANG
Director

Mr. Yang has had more than three (3) decades of experience in the areas of seafood processing, packing, canning, and manufacturing of marine products. For a number of years, he ran ShieJie Corporation, South Sea Marine Products, Tawi-Tawi King Fisher Incorporated and South Phil. Marine Products, Incorporated. He was educated in Taiwan where he attended Taichung Elementary School.

WILLY O. DIZON
Director

Mr. Dizon is the Chairman/President of Timbercity Jetti Gas Station and De Luxe Construction Supply Co., Inc. He is a seasoned businessman with more than 22 years track experience in sales and marketing. He took up BS Chemical Engineering at Mapua Institute of Technology.

MARIA SOLEDAD C. LIM
Director

Ms. Lim is the Executive Vice President in Optimum Solutions, Inc. and Secretary of Fuji Zipper Manufacturing Inc., a family owned business. She has extensive experience in marketing and finance. Ms. Lim is a graduate of the University of the East in Business Administration.

NANCY T. GOLPEO
Director

Ms. Golpeo is engaged in the real estate business and has been a licensed real estate appraiser since 2011. She has a Bachelor of Science degree in Commerce from the University of Santo Tomas.

AMELIA T. TAN
Director, Treasurer

Ms. Tan is the Treasurer of the Company and Chief Finance Officer and Corporate Secretary of Millennium Ocean Star Corporation. She has more than 19 years of combined banking experience in Bank of the Philippine Islands (1999-2004), Far East Bank (1987-1999) and Urban Bank (1985-1987). She obtained her degree in Bachelor of Science in Commerce major in Management Financial Institution from De La Salle University.

ARACELLI G. CO
Director

Ms. Co is the Manager of Aracelli Plastic Products. She is also a member of the faculty of Northern Rizal Yorklin School since 1984 up to present. She has been an Asst. Treasurer of the Philippine Plastic Industry Association and Treasurer of Northern Rizal Yorklin Alumni Assn. since 2013 up to present. She is a Certified Public Accountant. She obtained her degree in Bachelor of Science in Business Administration major in Accounting from the Philippine School of Business Administration.

ERNESTO S. GO
Director

Atty. Go is a Senior Partner at the Cerilles Navarro Nuval & Go Law Offices since 1978. He has an extensive background in Corporate and Litigation practice. He holds a Bachelor of Laws degree from the Ateneo De Manila University Law School and placed 20th in the 1975 Bar Examinations.

MARIA LUISA T. WU
Independent Director

Ms. Wu is a Financial Consultant for Planters and Green Revolutionist Association Inc.; President of Uniq Intertrade Corporation; and Proprietor of the Giant Builders and the Ad-Reds International Trading. She is also a member of the Filipino-Chinese Eastern Chamber of Commerce. She was previously connected with Giant Footwear (Shanghai, China) and Masterx Footwear (Mariveles, Bataan) as production manager. Ms. Wu took up Bachelor of Science in Commerce, Major in Accountancy, at the University of the East.

CRISTINA HILTRUDE L. AGANON
Independent Director

Ms. Aganon is a Certified Public Accountant. She serves as the Treasury Officer/Budget Officer/Accounting Officer of Private Infra Dev. Corp. since 2011. Previously, she has worked as Branch Manager for the Philippine National Bank from2008 to 2010.Ms. Aganon obtained her degree in BS Commerce Major in Accounting from St. Mary's University in Nueva Vizcaya. She likewise earned 36

MBA units from the University of Santo Tomas.

LYRA GRACIA Y. LIPAE-FABELLA
Corporate Secretary, Corporate Information Officer and Alternate Compliance Officer

Atty. Lipae-Fabella is a Certified Public Accountant and member of the Integrated Bar of the Philippines. She serves/has served as Corporate Secretary to a number of publicly-listed and private companies. At present, she is the Managing Partner of the Fabella and Fabella Law Office. Her work experience includes having been a Junior Auditor in a leading auditing firm, Associate in a law firm and Securities Counsel III at the Securities and Exchange Commission. Atty. Lipae-Fabella graduated from San Beda College of Law and obtained her BS Business Administration and Accountancy degree from the University of the Philippines-Diliman.

JANINE G. MANZANO
Compliance Officer and Alternate Corporate Information Officer

Ms. Manzano is a licensed teacher who found joy working in the corporate field. Prior to immersing in the corporate practice, she taught at St. Benedict School of Novaliches. She obtained her degree in BS Secondary Education in Divine Word College of Vigan.

Family Relationship

Yang Chi Jen (a.k.a. Michael Yang) is the son of Hsien-Tzu Yang.

There are no other family relationships known to the Company other than the ones disclosed herein.

PART IV. CORPORATE GOVERNANCE

The Board of directors and shareholders, management and employees of the Company believe that corporate governance is a necessary component to achieve strategic business management. Going beyond compliance to laws and the implementation of rules and regulations, the Company's governance cultivates a corporate culture of integrity and empowering leadership, and significantly contributes to long-term growth and enhanced shareholder value.

The Company is committed to adhering to the highest level of sound corporate governance practices in setting values that serve as its foundation in guiding both employees and stockholders alike. With a dedicated team of professionals who share such passion, its business practices and work ethics put in place a philosophy of corporate transparency and public accountability.

In compliance with SEC Memorandum Circular No.19, Series of 2016, the Company revised its Manual on Corporate Governance, adopting all the mandatory provisions of the Revised Code of Corporate Governance pursuant to the aforesaid Memorandum Circular. There has been no material deviation from the Corporation's Revised Manual on Corporate Governance.

THE BOARD OF DIRECTORS

A Board leads the Company, which is the highest authority in matters of governance and in managing the business of the Company.

It is the Board's responsibility to foster the long-term success of the Company and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Company, its shareholders and other stakeholders.

The Board meets regularly throughout the year to ensure a high standard of business practice for the Company and its stakeholders and to ensure soundness, effectiveness, and adequacy of the Company's internal control environment. Independent judgment is exercised at all times.

COMMITTEES

To aid in complying with the principles of good corporate governance and as expressly provided in the Company's Revised Manual of Corporate Governance, the following committees were established with specific responsibilities.

Nomination, Compensation and Election Committee

The Nomination, Compensation and Election Committee is composed of three (3) members of the Board of Directors and at least one of who is an independent director. The members of the Committee are as follows:

1. Maria Luisa T. Wu (Independent Director) – Chairman
2. Yang Chi Jen – Member
3. Hsin-Jan Wan – Member

The Committee has established a formal, transparent procedure developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors. It provides oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and control environment. It determined the amount of remuneration, which is sufficient to attract and retain directors and officers who are needed to run the company successfully.

It is also tasked to install and maintain a process to ensure that all directors to be nominated for election at the annual stockholders' meeting have all the qualifications and none of the disqualifications for directors as stated in the By-Laws, the Revised Manual on Corporate Governance of the Company and the pertinent rules of the SEC.

It likewise reviews and evaluates the qualifications of all persons nominated to positions in the Company, which require appointment, by the Board.

Audit Committee

The Audit Committee is composed of three (3) members of the Board and chaired by an independent director. The members of the Committee are as follows:

1. Cristina Hiltrude L. Aganon (Independent Director) – Chairman
2. Aracelli G. Co – Member
3. Maria Luisa T. Wu (Independent Director) – Member

The members have adequate understanding at least or competence at most of the company's financial management systems and environment. The Committee checks all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements. It performs oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Company, and crisis management.

The committee function includes a direct interface with the internal and external auditors, which are separate and independent of each other.

Corporate Governance Committee/Risk Management and Oversight Committee

The Committee is composed of one (1) independent director and two (2) regular directors. The members are as follows:

1. Maria Luisa T. Wu – (Independent Director) Chairman
2. Yang Chi Jen – Member
3. Amelia T. Tan – Member

The Committee is tasked to assist the Board in the performance of its corporate governance responsibilities. It shall ensure compliance with and proper observance of corporate governance principles and practices.

The Committee is likewise tasked for the oversight of a Company's Risk Management system to ensure its functionality and effectiveness.

Executive Committee

The Executive Committee is composed of a minimum of three (3) members. The members of the Committee are as follows:

1. Yang Chi Jen – Chairman
2. Amelia T. Tan – Member
3. Atty. Ernesto S. Go – Member
4. Maria Luisa T. Wu (Independent Director) – Member
5. Hsin – Jan Wan – Member

The Executive Committee acts in accordance with the authority granted by the Board, or during the absence of the Board, on specific matters within the competence of the Board of Directors, except with respect to approval of any action for which shareholders' approval is also required; distribution of cash dividends; filling of vacancies in the Board or in the Executive Committee; amendment or repeal of By-Laws or the adoption of new By-Laws; amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable; and the exercise of powers delegated by the Board exclusively to other committees.

Compliance Officer

The Compliance Officer is designated to ensure adherence to corporate principles and best practices.

The duties of the Compliance Officer include monitoring of compliance with the provisions and requirements of the Revised Manual on Corporate Governance; determine violation/s of the Manual and recommend penalty for violation thereof for further review and approval of the Board; appear before the Securities and Exchange Commission upon summon; and identify, monitor and control compliance risks.

<u>Content and Timing of Disclosures</u>

The Company updates the investing public with strategic, operating and financial information through adequate and timely disclosures filed with the Securities and Exchange Commission and the Philippine Stock Exchange.

In addition to compliance with periodic reportorial requirements, the Company ensures that not only major and market-sensitive information but material information such as earnings, dividend declarations, joint ventures and acquisitions, sale and disposition of significant assets are punctually disclosed to the SEC, PSE and through the Company's website.

PART V. EXHIBITS AND SCHEDULES

No relevant reports on SEC Form 17-C were filed during the first quarter of 2019.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, in Paranaque City on JUN 27 2019.

MILLENNIUM GLOBAL HOLDINGS, INC.
Issuer

By:

YANG CHI JEN (a.k.a. Michael Yang)
President and CEO

AMELIA T. TAN
Treasurer

MILLENNIUM GLOBAL HOLDINGS, INC.
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
March 31, 2019 (Unaudited) AND DECEMBER 31, 2018 AND 2017 (Audited)

(In Philippine Peso) AS AT	31 Mar-19 (Unaudited)	31 Dec-18 (Audited)	31 Dec-17 (Audited)
ASSETS			
Current Assets			
Cash	133,186,651	138,609,049	150,450,265
Trade and other receivables, net	590,923,262	612,181,280	574,793,675
Inventories	655,172,400	684,084,065	711,647,394
Other current assets	128,715,251	64,426,794	36,768,156
Due from related parties	36,497,861	31,505,509	69,142,444
Total Current Assets	**1,544,495,425**	**1,530,806,697**	**1,542,801,934**
Noncurrent Assets			
Property, plant and equipment, net	360,550,637	359,226,597	419,820,316
Investment in associate	35,120,653	35,120,653	-
Deferred tax assets	16,349,057	16,349,057	15,264,744
AFS financial asset, net	50,000	50,000	50,000
Goodwill	14,521,202	14,521,202	14,521,202
Other noncurrent assets	16,127,956	330,536	48,523,840
Total Noncurrent Assets	**442,719,505**	**425,598,045**	**498,180,102**
TOTAL ASSETS	**1,987,214,930**	**1,956,404,742**	**2,040,982,036**
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	**239,092,452**	167,142,772	389,282,218
Due to a related party	**172,031,257**	177,366,262	216,671,553
Obligations under finance lease, current portion	63,991,353	70,506,301	11,913,503
Borrowings	1,004,127,933	1,030,000,137	960,101,000
Total Current Liabilities	**1,479,242,995**	**1,445,015,472**	**1,577,968,274**
Noncurrent Liabilities			
Obligations under finance lease, net of current portion	5,464,091	5,464,091	14,290,118
Borrowings, net of current portion	1,967,632	7,113,453	4,890,848
Retirement benefits obligations	44,628,440	44,297,274	41,260,152
Deposit for future share subscription	37,636,935	37,636,935	37,636,935
Total Noncurrent Liabilities	**89,697,098**	**94,511,753**	**98,078,053**
TOTAL LIABILITIES	**1,568,940,093**	**1,539,527,225**	**1,676,046,327**

Equity (capital deficiency)			
Attributable to equity holders of the parent			
Share capital	**250,000,000**	250,000,000	250,000,000
Share premium	**36,578,500**	36,578,500	36,578,500
Remeasurement of retirement benefits obligation	(7,455,587)	(7,455,587)	(7,455,587)
AFS reserve	(300,000)	(300,000)	(300,000)
Deficit	(105,457,383)	(105,922,591)	(103,664,672)
Total	173,365,530	172,900,322	175,158,241
Equity attributable to non-controlling interests	244,909,307	243,977,195	189,777,468
TOTAL EQUITY	**418,274,837**	**416,877,517**	**364,935,709**
TOTAL LIABILITIES & EQUITY	**1,987,214,930**	**1,956,404,742**	**2,040,982,036**

MILLENNIUM GLOBAL HOLDINGS, INC.
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE 3 MONTHS PERIOD ENDED MARCH 31, 2019, 2018 AND 2017 (Unaudited)

(In Philippine Peso)	**3 mos.** **31-Mar-19** (Unaudited)	**3 mos.** **31-Mar-18** (Unaudited)	**3 mos.** **31-Mar-17** (Unaudited)
REVENUES			
Gross sales	279,354,518	323,338,750	404,328,339
	279,354,518	323,338,750	404,328,339
Less: COST OF SALES	254,216,761	299,627,134	378,328,754
GROSS PROFIT	**25,137,757**	**23,711,616**	**25,999,585**
OPERATING EXPENSES			
Taxes and licenses	908,169	971,147	969,767
Salaries and other employees' benefits	4,206,633	3,427,568	2,646,999
Transportation and Travel	98,415	-	69,285
Storage expense	676,546	-	-
Representation expenses	36,707	47,318	132,532
Others administrative cost	-	-	-
Communication, light& water expense	5,062,115	4,235,967	4,123,756
Commission	323,073	337,319	540,696
Brokerage fees	-	95,871	80,639
Rental expenses	516,610	622,674	815,849
Repair and maintenance	667,231	453,802	139,006
Management & Professional fees	292,178	241,863	557,781
Retirement benefits	-	-	-
Security and janitorial services	50,755	125,468	-
Supplies & other Office expense	193,017	69,622	128,687
Insurance	41,055	75,585	10,196
Membership dues	250,000	251,624	258,272
Warehousing services	-	596,817	663,005
Shipping cost	5,614,135	4,066,308	6,020,672
Information technology services	69,973	13,611	9,702
Documentary stamps	349,978	38,243	41,838
Fuel and lubricants	69,135	83,480	34,922
Donations and contributions	84,638	14,000	890
Product testing and analysis fee	106,045	75,808	29,803
Sanitation	74,513	67,086	31,299
Fines, penalties & other charges	116,009	46,962	41,913
Outside services	-	125,468	35,350
Miscellaneous	151,556	749,053	709,103
Total Operating Expenses	**19,958,486**	**16,832,664**	**18,091,962**
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	**5,179,271**	**6,878,952**	**7,907,623**
Total Depreciation and amortization	7,579,203	9,823,321	12,564,243

Other Income/Expenses			
Bank charges	(218,690)	(35,820)	-
Foreign exchange (gain) or loss	119,672	(370,587)	-
Rental income	2,805,429	2,642,434	-
Gain on finance lease-sale and leaseback	1,921,643	140,548	-
Miscellaneous income	10,824,446	7,285,182	10,701,661
Other income (loss), net	**15,452,500**	**9,661,757**	**10,701,661**
Profit (loss) from operations	**13,052,568**	**6,717,388**	**6,045,041**
Finance Income	77,642	56,671	5,702
Finance costs	11,732,890	5,429,286	6,251,312
Profit (Loss) before income tax	**1,397,320**	**1,344,773**	**(200,569)**
Provision for Income Tax	-	-	514
Profit (Loss)	**1,397,320**	**1,344,773**	**(200,055)**
Share in net losses (income of consolidated subsidiaries in excess of investments	**-**	**-**	**-**
Profit (loss)	**1,397,320**	**1,344,773**	**(200,055)**
TOTAL COMPREHENSIVE INCOME (LOSS)	**1,397,320**	**1,344,773**	**(200,055)**

MILLENNIUM GLOBAL HOLDINGS, INC.
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)
FOR THE PERIOD ENDED MARCH 31, 2019, 2018 AND 2017 (Unaudited)

AS AT	**31-Mar-19**	**31-Mar-18**	**31-Mar-17**
CAPITAL STOCK			
Share capital			
Balance at beginning of year	250,000,000	250,000,000	2,134,215,000
Issuance of shares	-	-	67,828,500
Balance at end of period	**250,000,000**	**250,000,000**	**2,202,043,500**
Share premium			
Balance at beginning of year	36,578,500	36,578,500	820,128,896
Additions during the year	-	-	-
Balance at end of period	**36,578,500**	**36,578,500**	820,128,896
AFS Reserves			
Balance at beginning of year	(300,000)	(300,000)	(300,000)
Other comprehensive income	-	-	-
Balance at end of period	**(300,000)**	**(300,000)**	**(300,000)**
Remeasurement of retirement benefits obligation			
Balance at beginning of year	(7,455,587)	(7,455,587)	**(7,455,587)**
Other comprehensive income	-	-	-
Balance at end of period	**(7,455,587)**	**(7,455,587)**	**(7,455,587)**
Deficit			
Balance at beginning of year	(105,922,591)	(96,512,829)	(2,842,645,253)
Equity restructuring (Wipeout)	-	-	2,744,830,032
Prior period adjustment	-	12,518,160	-
Share in net income of subsidiary	465,208	434,124	1,302,392
Balance at end of period	**(105,457,383)**	**(83,560,545)**	**(96,512,829)**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**173,365,530**	**195,262,368**	**140,694,598**
NON-CONTROLLING INTERESTS			
Balance at beginning of year	243,977,195	178,777,467	121,877,374
Changes in ownership interest	932,112	910,649	374,126
	244,909,307	**179,688,116**	**122,251,500**
TOTAL EQUITY (CAPITAL DEFICIENCY)	**418,274,837**	**374,950,484**	**224,143,741**

MILLENNIUM GLOBAL HOLDINGS, INC.
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2019, 2018 and 2017 (Unaudited)

(In Philippine Peso)	3 mos. 31-Mar-19 (Unaudited)	3 mos. 31-Mar-18 (Unaudited)	3 mos. 31-Mar-17 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax	1,397,320	1,344,773	(200,569)
Adjustments for:			
Depreciation and amortization	7,579,203	9,823,321	12,564,243
Prior period adjustment		12,518,160	-
Retirement Benefits/AFS Reserve		-	-
Net unrealized gain on available for sale (AFS) investment			
Net unrealized gain (loss) on remeasurement of retirement plan			
Retirement benefits expense	331,166	-	456,974
Finance costs	(77,642)	5,429,286	6,251,312
Finance income	10,429,652	(56,671)	(5,702)
Operating loss before working capital changes	**19,659,699**	**29,058,869**	**19,066,258**
Decrease (increase) in:			
Trade and other receivables	21,258,018	(135,824,991)	(87,988,047)
Inventories	28,911,665	(23,098,219)	(36,767,172)
Due from related parties			(14,000,000)
Prepayment and other current assets	(64,288,457)	(8,170,183)	(3,649,551)
Other noncurrent assets	(15,797,420)	(21,190,195)	100,764
Goodwill	-	-	-
Deferred tax asset	-	(9,609)	(358,777)
Increase (decrease) in:			
Accounts payable and accrued expenses	71,949,680	(92,759,142)	362,817,208
Retirement benefits	-	-	-
Cash provided by (used in) operations	**61,693,185**	**(251,993,470)**	**239,220,683**
Finance income received	77,642	56,671	5,702
Interests paid	-	-	-
Benefits paid	-	459,903	
Income taxes paid	-	-	(514)
Cash provided by (used in) Operating activities	**61,770,827**	**(251,476,896)**	**239,225,871**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Net Cash flow from business combination			
Acquisition of property & equipment	(8,903,243)	-	(259,251)
Proceeds from disposal of property & equipment	-	396,348,104	-
Disposal of available-for-sale investment	-	50,000	
Cash from investing activities	**(8,903,243)**	**396,398,104**	**(259,251)**

CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Issuance of shares	-	-	36,578,500
Net proceeds (repayments) of interest-bearing loans	-	(78,449,826)	95,181,557
Availment (repayment) of borrowings			
Loan payable	(31,018,025)	-	-
Obligation under Finance lease	(6,514,948)	23,157,138	(19,402,450)
Increase (decrease) in due to related parties	(10,327,357)	(35,880,838)	(231,638,490)
Finance cost paid	(10,429,652)	(5,429,286)	(6,251,312)
Non-controlling interest	-	-	-
Net cash provided by financing activities	**(58,289,982)**	**(96,602,812)**	**(125,532,195)**
Net Increase / (Decrease) in Cash and cash equivalents	(5,422,398)	48,318,396	113,434,425
Cash at beginning of year	138,609,049	150,450,265	120,602,653
Cash at end of year	**133,186,651**	**198,768,661**	**234,037,078**

MILLENNIUM GLOBAL HOLDINGS, INC.

AND ITS SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS AND INDICATORS

FOR THE PERIOD ENDED MARCH 31, 2019 (Unaudited) and DECEMBER 31, 2018 and 2017 (Audited)

(In Philippine Peso)	Mar. 31, 2019 (Unaudited)	Dec. 31, 2018 (Audited)	Dec. 31, 2017 (Audited)
Current/Liquidity ratio			
Current assets	1,544,495,425	1,530,806,697	1,542,801,934
Current liabilities	1,479,242,995	1,445,015,472	1,577,968,274
Current Ratio	1.044	1.059	0.977
Quick ratio			
Current assets-Inventory-prepayments	760,607,774	782,295,838	794,386,384
Current liabilities	1,479,242,995	1,445,015,472	1,577,968,274
Quick Ratio	0.514	0.541	0.503
Solvency ratio			
Total Assets	1,987,214,930	1,956,404,742	2,040,982,036
Total Liabilities	1,568,940,093	1,539,527,225	1,676,046,327
Solvency Ratio	1.267	1.271	1.218
Debt ratio			
Total Debts	1,568,940,093	1,539,527,225	1,676,046,327
Total Assets	1,987,214,930	1,956,404,742	2,040,982,036
Debt Ratio	0.790	0.787	0.821
Debt to Equity Ratio			
Debt	1,568,940,093	1,539,527,225	1,676,046,327
Equity	418,274,837	416,877,517	364,935,709
Debt/Equity Ratio	3.751	3.693	4.593
Assets to Equity ratio			
Assets	1,987,214,930	1,956,404,742	2,040,982,036
Equity	418,274,837	416,877,517	364,935,709
Assets to Equity Ratio	4.751	4.693	5.593
Net Profit margin ratio			
Net Income (loss)-continuing operation	1,397,320	-558,192	5,210,029
Revenue	279,354,518	1,547,645,874	1,824,715,335
Net Profit Margin Ratio	0.0050	-0.0004	0.0029

Gross margin ratio			
Gross profit	25,137,757	113,611,684	133,817,416
Revenue	279,354,518	1,547,645,874	1,824,715,335
Gross Margin Ratio	0.0900	0.0734	0.0733
Interest coverage			
EBIT (Earnings before Interest income (charges) and taxes)	-2,399,932	47,527,036	53,971,080
Interest Charges	11,732,890	46,891,262	45,471,185
Interest coverage Ratio	-0.205	1.014	1.187
Return on Assets			
Profit (loss)	1,397,320	(558,192)	5,210,029
Total Assets	1,987,214,930	1,956,404,742	2,040,982,036
Return on Assets Ratio	0.001	0.000	0.003
Return on Equity			
Profit (loss)	1,397,320	(558,192)	5,210,029
Equity	418,274,837	416,877,517	364,935,709
Return on Equity Ratio	0.003	0.000	0.014
Price/Earnings Ratio			
Price per share	0.202	0.176	0.20
Per common share	0.000538	-0.000903	0.002163
Price/Earnings Ratio	375.53	-194.87	92.46

MILLENNIUM GLOBAL HOLDINGS, INC.
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2019 (Unaudited) and December 31, 2018 and 2017 (Audited)

NOTE 1 - GENERAL INFORMATION

1.1 Corporate information

Millennium Global Holdings, Inc. (*formerly IPVG Corp.*) (the Parent Company) was incorporated under the laws of the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) per SEC Registration No. 25160 on May 19,1964.

The capital stocks of the Parent Company are listed since March 1, 1976 on the Philippine Stock Exchange (PSE) with the ticker code MG (formerly IP).

The Parent Company was previously primarily engaged in investing and management of investments in media technology industry and all types of information technology before becoming a general holdings company in 2013.

After being in existence for 50 years, the Parent Company was granted on May 14, 2014 by the SEC another 50 years term extension.

On December 16, 2015, the stockholders approved the equity restructuring of the Parent Company to wipe out/reduce the deficit, with corresponding amendment to the Parent Company's Articles of Incorporation to decrease the authorized capital stock from Php2.5 Billion to Php250 Million and the par value from Php1.00/share to Php0.10/share, without change in the number of common shares.

On February 1, 2017, the SEC approved the Parent Company's application for decrease in authorized capital stock to Php250 Million and equity restructuring. On March 20, 2017, the SEC approved a further equity restructuring to partially wipe out the remaining deficit as of December 31, 2015.

The Parent Company's principal place of business is located at 2nd Floor Senses Spa Building, MIA Road corner Pildera Street, Tambo, Paranaque City, Philippines.

The Parent Company temporarily holds office at Blk. 1 Lot 1, Dahlia St. corner J. P. Rizal St., Sto. Niño, Parañaque City. It shall return to the site of its registered address after the expected completion of the newly constructed building in 2019, or as may be later determined.

1.2 Company updates

Millennium Ocean Star Corporation (MOSC)

On January 10, 2014, the Parent Company entered into a subscription agreement with MOSC (the "Subsidiary") wherein the Parent Company agreed to subscribe to 137,908,163 common shares of the subsidiary at ₱1 par value per share or ₱137,908,163, representing a 51 % stake in the equity shareholdings of the Subsidiary.

On June 29, 2017, the Parent Company approved the additional subscription to 117,091,837 primary shares of its subsidiary, MOSC, at par value of ₱1.00 per share, to maintain the Parent Company's 51% ownership in the Subsidiary.

The Subsidiary was organized under the laws of the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) per Registration No. A200008891 on June 7, 2000.

The primary purpose of the Subsidiary is to engage in the business of trading, import/export and processing of goods such as but not limited to marine and other related products including squid balls/seafood on wholesale, operation of cold storage and conduct of similar activities related to the foregoing.

The Subsidiary's principal place of business is located at 2nd Floor Senses Spa Building, MIA Road corner Pildera Street, Tambo, Paranaque City, Philippines.

Cebu Canning Corporation (C3)

On October 14, 2014, the Parent Company approved the acquisition of Cebu Canning Corporation (the "Subsidiary") through a combined acquisition of primary and secondary shares, to make it a wholly-owned subsidiary of the Parent Company. This was approved by the stockholders of the Parent Company on November 28, 2014.

Pursuant thereto, on March 6, 2015, the Parent Company entered into Subscription Agreements with the Subsidiary for the Parent Company to subscribe to a total of 67,000 primary common shares at par value of ₱100 per share, equivalent to a total amount of ₱6.7 Million. Out of the 67,000 primary common shares subscribed, 30,000 primary common shares thereof worth P3.0 Million were subsequently taken from the increase in authorized capital stock of the Subsidiary, approved by the SEC on April 17, 2015. This completed the Parent Company's acquisition of 51% stake in the Subsidiary.

As of March 31, 2019, the Parent Company's acquisition of the remaining 49% of the Subsidiary, through purchase of secondary shares from existing shareholders of the Subsidiary, is yet to be completed.

The Subsidiary was incorporated under the laws of the Republic of the Philippines and registered with Philippine Securities and Exchange Commission (SEC) per Registration No. CS200806090 on April 24, 2008.

The primary purpose of the Subsidiary is to engage in manufacturing, processing, buying, selling and exporting pasteurized canned crab meat, frozen marine products, dried fruit and other food products.

The Subsidiary's registered office address is at Tresco Compound, Casuntinigan, Asahi Road, Mandaue City, Cebu, Philippines.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) approved by the Philippine Financial Reporting Standards Council (PFRSC) and the SEC.

The consolidated financial statements have been prepared on the accrual basis using historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) that are measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Group's functional and presentation currency. All values are rounded to the nearest million, except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company, Millennium Global Holdings, Inc. (*formerly IPVG Corp.*), and the following subsidiaries:

	Percentage of Ownership
Operating subsidiaries:	
Millennium Ocean Star Corporation	51%
Cebu Canning Corporation	51%

A subsidiary is an entity in which the Parent Company has control. Subsidiaries are consolidated from the date on which control is transferred to the Parent Company and cease to be consolidated from the date on which control is transferred out of the Parent Company. Control is achieved when the Parent Company is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee, if and only if, the Parent Company has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to intra-group transactions are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Parent Company loses control over the subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary
- derecognizes the carrying amount of any non-controlling interest
- derecognizes the cumulative transaction differences recorded in equity
- recognizes the fair value of the consideration received
- recognizes the fair value of any investment retained
- recognizes any surplus or deficit in profit or loss
- reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated in full.

Non-controlling Interests

Non-controlling interests represent the interests in subsidiaries which are not owned, directly or indirectly through subsidiaries, by the Parent Company. If losses applicable to the non-controlling interest in a consolidated subsidiary exceed the non-controlling interest's equity in the subsidiary, the excess, and any further losses applicable to non-controlling interest, are charged against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good of the losses. If the subsidiary subsequently reports profits, the majority interest is allocated all such profits until the interest's share of losses previously absorbed by the majority interest has been recovered.

2.3 Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PAS, is measured at fair value with changes in fair value recognized either in profit or loss or as a change to OCI. If the contingent consideration is not within the scope of PAS 39, it is measured in accordance with the appropriate PFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assess whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statements of income.

After the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized, but is reviewed for impairment at least annually. Any impairment loss is recognized immediately in profit or loss and is not subsequently reversed. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

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

2.4 Use of judgment and estimates

The preparation of the consolidated financial statements in compliance with PFRS requires the use of certain critical accounting estimates. It also requires the Company's management to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the separate financial statements and their effects are disclosed in Note 3.

2.5 Adoption of new and revised accounting standards

New and Revised Accounting Standards Effective in 2018

PFRS 9 Financial Instruments - the new standard contains accounting requirements for financial instruments, replacing PAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- **Classification and measurement** - Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of PFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under PAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment** - The 2014 version of PFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- **Hedge accounting** - Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

Derecognition - The requirements for the derecognition of financial assets and liabilities are carried forward from PAS 39.**Future Changes in Accounting Policies**

PFRS 15 Revenue from Contracts with Customers - The new standard provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognize revenue when (or as) the entity satisfies a performance obligation.

The standard is not applicable to the Group.

IFRIC 22 *Foreign Currency Transactions and Advance Consideration (New)* - The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognizes a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

The standard is not applicable to the Group.

PFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments) – The amendment clarify the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

The standard is not applicable to the Group.

PFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to PFRS 4) - Amends PFRS 4 *Insurance Contracts* provide two options for entities that issue insurance contracts within the scope of PFRS 4:

- an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;
- an optional temporary exemption from applying PFRS 9 for entities whose predominant activity is issuing contracts within the scope of PFRS 4; this is the so-called deferral approach.

The standard is not applicable to the Group.

PAS 40 Transfers of Investment Property (Amendments) - The standard amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.

The standard is not applicable to the Group.

Annual Improvements to PFRS Standards 2014–2016 Cycle - The amendments to the following standards:

- PFRS 1 - Deletes the short-term exemptions in paragraphs E3–E7 of PFRS 1, because they have now served their intended purpose
- PFRS 12 - Clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with PFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- PAS 28 - Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition

The standard is not applicable to the Group.

New and Revised Accounting Standards Effective in 2019

PFRS 16 Leases - The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with PFRS 16's approach to lessor accounting substantially unchanged from its predecessor, PAS 17.

The Group is still assessing the impact of the adoption of PFRS 16.

PAS 28 Long-term Interests in Associates and Joint Ventures (Amendments) - The amendment clarifies that an entity applies PFRS 9 *Financial Instruments* to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The standard is not applicable to the Group.

Annual Improvements to IFRS Standards 2015–2017 Cycle - The amendments to the following standards:

- PFRS 3 and PFRS 11 - The amendments to PFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to PFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- PAS 12 - The amendments clarify that the requirements in the former paragraph 52B (to recognize the income tax consequences of dividends where the transactions or events that generated distributable profits are recognized) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

- PAS 23 - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

The Group is still assessing the impact of the amendments.

IFRIC 9 Prepayment Features with Negative Compensation (Amendments) - The standard amends the existing requirements in PFRS 9 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The standard is not applicable to the Group.

IFRIC 23 Uncertainty over Income Tax Treatments (New) - The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under PAS 12. It specifically considers:

- Whether tax treatments should be considered collectively
- Assumptions for taxation authorities' examinations
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- The effect of changes in facts and circumstances

The Group is still assessing the impact of the adoption of IFRIC 23.

New and Revised Accounting Standards Effective in 2021

IFRIC 17 Insurance Contracts - requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.

The Group is still assessing the impact of the adoption of IFRIC 17.

2.6 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statements of financial position based on current/non-current classification.

An asset as current when:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is primarily held for the purpose of trading
- It is expected to be realized within twelve months after the reporting period, or
- It is cash on hand and in banks unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as noncurrent.

2.7 Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded by the group at the respective functional currency rates prevailing at the date of the transaction.

Monetary assets and monetary liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the consolidated statement of income with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognized in OCI until the disposal of the net investment, at which time they are recognized in profit or loss. Tax charges and credits applicable to exchange differences on these monetary items are also recorded in the OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the par value is determined.

2.8 Fair value measurement

For measurement and disclosure purposes, the Group determines the fair value of an asset or liability at the initial measurement or at each statement of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

2.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments – Policy Applicable before January 1, 2018

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss (FVPL), loans and receivables, held to maturity (HTM) investments, available for sale (AFS) financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as described below:

(a) Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading and financial assets designated upon initial recognition at FVPL.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by PAS 39. Financial assets at FVPL are carried in the separate statements of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the separate loss.

The Group has not designated any financial assets at FVPL.

(b) Loans and receivables

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

This category generally applies to cash, trade and other receivables, and due from related parties

(c) HTM investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as HTM when the Group has the positive intention and ability to hold them to maturity. After initial measurement, HTM investments are measured at amortized cost using the EIR, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance income in the separate statements of loss. The losses arising from impairment are recognized in the separate statements of loss in finance costs.

The Group does not have any asset under this category.

(d) AFS financial assets

AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at FVPL. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income (OCI) and credited in the AFS reserve until the investment is derecognized, at which time, the cumulative gain or loss is recognized in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the separate statements of loss in finance costs. Interest earned while holding AFS financial assets is reported as finance income using the EIR method.

The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if the Group has the intent and ability to hold these assets for the foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortized cost and any previous gain or loss on the asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the maturity amount is also amortized over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the separate statements of loss.

The Group's equity investments fall in this category.

Derecognition

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

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

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

Continuing involvement that takes the form of a guarantee over transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

ii. Impairment of financial assets

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

Further disclosures relating to impairment of financial assets are also provided in Note 4 and 6.

(a) Financial assets carried at amortized cost

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

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

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

(b) Financial assets carried at cost

If there is an objective evidence that an impairment loss occurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or of a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

(c) AFS financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the separate statements of loss – is removed from OCI and recognized in the separate statements of loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized directly in OCI.

The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Group evaluates among other factors the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the separate statements of loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the separate statements of loss, the impairment loss is reversed through the separate statements of loss.

iii. Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL and other financial liabilities. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

(a) *Financial liabilities at FVPL*

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

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

Gains or losses on liabilities held for trading are recognized in the separate statements of loss.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in PAS 39 are satisfied.

The Group does not have any liabilities held for trading nor has it designated any financial liability as being at FVPL.

(b) Other financial liabilities

This is the category most relevant to the Group. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

This category generally applies to trade and other payables, due to related parties, borrowings, and obligations under finance lease (see Notes 18, 19, 20 and 32).

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

iv. Classification of financial instruments between debt and equity

Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. The Group designates a financial instrument as equity instrument if, and only if, the following conditions are met:

(a) The instrument includes no contractual obligation:
    i. to deliver cash or another financial asset to another entity; or
    ii. to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer; and
(b) If the instrument will or may be settled in the issuer's own equity instruments, it is:
    i. a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or
    ii. a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. For this purpose, rights, options

or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability is reported as expense or income.

v. Offsetting of financial instruments

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

Financial instruments – Policy applicable from January 1, 2018

Initial recognition
The financial asset or a financial liability are recognized only when the entity becomes party to the contractual provisions of the instrument.

A financial asset (except trade receivable without a significant financing component) or financial liability are initially measured at fair value plus, in the case not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and measurement
The financial assets are classified based on the entity's business model for managing the assets and the contractual cash flows characteristics, and these are measured as follows:

- Amortized cost - a financial asset is measured at amortized cost if both of the following conditions are met:
    i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
    ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Fair value through other comprehensive income (FVOCI) - financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Fair value through profit or loss (FVTPL) - any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The foregoing categories of financial instruments are more fully described below.

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

As of December 31, 2018, and 2017, the Group has no financial assets at FVTPL.

Financial assets at amortized cost - These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss. Cash, trade and other receivables, and due from related parties are included in this catergory.

Debt investments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

As of December 31, 2018, and 2017, the Group's equity investments are carried at FVOCI.

Financial liabilities – Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

As of December 31, 2018, and 2017, the Group has no financial liabilities classified under FVTPL.

The other financial liabilities of the Group as of December 31, 2018 and 2017, includes trade and other payables, due to related parties, borrowings, and obligations under finance lease.

Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities
The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

Offsetting
Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Impairment
Impairment of financial assets are recognized in stages as follows:

- Stage 1 - as soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognized in profit or loss and a loss allowance is established. This serves as a proxy for the initial expectations of credit losses. For financial assets, interest revenue is calculated on the gross carrying amount (without deduction for expected credit losses).
- Stage 2 - if the credit risk increases significantly and is not considered low, full lifetime expected credit losses are recognized in profit or loss. The calculation of interest revenue is the same as for Stage 1.
- Stage 3 - if the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortized cost (the gross carrying amount less the loss allowance). Financial assets in this stage will generally be assessed individually. Lifetime expected credit losses are recognized on these financial assets.

<u>2.10 Cash</u>

Cash consist of cash on hand and in banks. Cash in banks earns interest at respective bank deposit rates. For purpose of reporting cash flows, cash on hand and in banks are unrestricted and available for use in current operations.

2.11 Trade and other receivables

Trade and other receivables are recognized initially at the transaction price and are subsequently measured at amortized cost using the EIR method, less provision for impairment. Provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

2.12 Inventories, net

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value (NRV). Cost comprises all cots of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out (FIFO) method. NRV represent the estimated selling price less all estimated costs to be incurred in marketing, selling and distributing the goods.

When the NRV of the inventories is lower than the cost, the group provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in the consolidated statement of income.

When the inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

2.13 Prepayments and other current assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to the consolidated statement of income as they are consumed in operations or have expired with the passage of time.

Prepayments are classified in the consolidated statements of financial position as current assets when the cost of goods or services related to the prepayment are expected to be incurred within one year or the Group’s normal operating cycle, whichever is longer. Otherwise, prepayments are classified as noncurrent assets.

Other assets are recognized when the Group expects to receive future economic benefit from them and the amount can be measured reliably. Other assets are classified in the consolidated statements of financial position as current assets when the cost of goods or services related to the assets are expected to be incurred within one year of the Group’s normal operating cycle, whichever is longer. Otherwise, other assets are classified as non-current assets.

2.14 Investment in associates

Associates are entities over where the Company is in a position to exercise significant influence in the financial and operating policy decisions but not control or joint control.

Investment in associates is recognized using the equity method of accounting. Under the equity method the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor’s share of net assets of the investee. On acquisition of the investment any difference between the cost of the investment and the investor’s share of the net fair value of the associate’s identifiable assets, liabilities and contingent liabilities is accounted for in accordance with PFRS 3 Business Combinations.

The income statement of the investor includes the investor's share of the income statement of the investee.

Losses of associates in excess of the Company’s interest in the relevant entity are not recognized except to the extent that the Company has an obligation. Profits on company transactions with associates are eliminated to the extent of the Company’s interest in the relevant associate.

Below is the Company's associate, which is incorporated outside the Philippines.

Associate	Percentage of Ownership
Pacific Seafoods Company (PASECO)	49%

2.15 Property, plant and equipment, net

Property, plant and equipment are initially measured at cost. At the end of each reporting period, items of property, plant and equipment are measured at cost less any subsequent accumulated depreciation, amortization and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Subsequent expenditures relating to an item of property, plant and equipment that have already been recognized are added to the carrying amount of the asset when it is probable the future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognized as expense in the period in which those are incurred.

Depreciation and amortization is charged so as to allocate the cost of other assets less their residual values over their estimated useful lives using the straight-line method.

Below are the estimated useful lives used for the depreciation and amortization of property, plant and equipment:

	Useful years
Building	30 years
Leasehold improvements	15 years
Machineries	15 years
Transportation equipment	5 years
Furniture and fixtures	5 years

Land is not depreciated. Leasehold improvements are amortized over the term of the lease, or the estimated useful life of the leasehold improvements whichever is shorter.

The estimated useful lives and depreciation and amortization method are reviewed periodically, and adjusted prospectively, if necessary, to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment. The lease term includes assumption of lease renewals when such have been determined to be reasonably assured. The lease renewal is reasonably assured when failure to renew the lease imposes a penalty to the lessee. In 2016, the Company reviewed and accordingly revised the estimated useful life of leasehold improvements from twenty-five (25) to fifteen (15). The revision is accounted for prospectively as a change in accounting estimate with effect at the beginning of the year.

Depreciation and amortization of these assets, on the same basis as other property assets commences at the time the assets are ready for their intended use.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is charged to the consolidated statement of income.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts and any resulting gain or loss arising on the disposal or retirement of an asset, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the consolidated statement of income.

Government dues and remittances include withholding income taxes which represent taxes retained by the Group for an item of income required to be remitted to the BIR within one (1) month. The obligation of the Group to deduct and withhold the taxes arises at the time an income payment is paid or payable, or the income payment is accrued or recorded as an expense or asset, whichever comes first. The term “payable” refers to the date the obligation becomes due, demandable or legally enforceable.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the EIR method.

2.16 Refundable security deposits

Refundable security deposits represent payments made in relation to the lease agreements entered into by the Group. These are carried at cost and will generally be applied as lease payments toward the end of the lease terms or refunded to the Group.

2.17 Impairment of non-financial assets other than inventories

The carrying amounts of the Group’s non-financial assets are reviewed art each reporting date to determine whether there is any indication of impairment or an impairment loss previously recognized no longer exists or may have decreased. If any such indication exists, the Group makes a formal estimate of the asset’s recoverable amount.

An asset’s recoverable amount is the higher of an asset’s or its Cash Generating Units (CGU’s) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash flows independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss is recognized. Reversals of impairment are recognized in the consolidated statement of income.

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

The Group performs its impairment test of goodwill every reporting date.

2.18 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less (or within the normal operating cycle of the business if longer); otherwise, they are presented as noncurrent liabilities.

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with supplier, including amounts due to employees. It is necessary to estimate the amount or timing of accruals, however, the uncertainty is generally much less than for provision.

Government dues and remittances include withholding income taxes which represent taxes retained by the Group for an item of income required to be remitted to the BIR within one (1) month. The obligation of the Group to deduct and withhold the taxes arises at the time an income payment is paid or payable, or the income payment is accrued or recorded as an expense or asset, whichever comes first. The term "payable" refers to the date the obligation becomes due, demandable or legally enforceable.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the EIR method.

2.19 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost using EIR method, which ensures that any finance cost over the period of repayment is at constant rate on the balance of the liability carried in the consolidated statements of financial position.

The Group classifies borrowings as current liabilities if settlement is expected within one year or less, and the Group does not have the right to defer settlement of the liabilities and does not breach any loan provisions on or before the end of the reporting period. Otherwise, these are presented as noncurrent liabilities.

2.20 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Borrowing costs that are not directly attributable to the acquisition, construction, or production of qualifying asset are recognized in the consolidated statement of income in the period which they are incurred.

2.21 Provisions and contingencies

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

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

Contingent assets are not recognized in the consolidated financial statements but disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

2.22 Due to (from) related parties

Due to (from) related parties are non-interest bearing borrowings. These are measured initially at their nominal values and subsequently recognized at amortized costs less settlement payments.

2.23 Deposit for future share subscription

Deposit for future share subscription represents payments made on subscription of shares which cannot be directly credited to 'Capital Stock' pending application for the approval of the proposed increase presented for filing /filed with the SEC and registration of the amendment to the Articles of Incorporation increasing capital stock. The paid-up subscription can be classified under equity if the nature of the transaction give rise to a contractual obligation of the Company to deliver its own shares to the subscriber in exchange of the subscription amount.

In addition, deposit for future share subscription shall be classified under equity if all of the following elements are present as at reporting date:

a. The unissued authorized capital of the entity is insufficient to cover the amount of shares indicated in the contract;
b. There is Board of Directors' approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
c. There is stockholders' approval of said proposed increase; and
d. The application for the approval of the proposed increase has been presented for filing or has been filed with the Commission.

If any or all of the foregoing elements are not present, the deposit for future share subscription shall be recognized as a noncurrent liability in the consolidated statements of financial position.

2.24 Equity

Share capital is measured at par value for all shares issued. When the shares are sold out at a premium, the difference between the proceeds and the par value is credited to the "Share premium" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Group, the shares shall be measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

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

Retained earnings represent the cumulative balance of periodic net income or loss, dividend distribution, prior period adjustments, effect of changes in accounting policy and other capital adjustments. When retained earnings account has a debit balance, it is called "deficit", and presented as a deduction from equity.

Dividends are recognized when they become legally payable. Dividend distribution to equity shareholders is recognized as liability in the Group's consolidated financial statements in the period in which the dividends are declared and approved by the Group's BOD.

2.25 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable for goods sold and services rendered in the normal course of the business, excluding value-added tax (VAT) and trade discounts.

Sale of goods

Revenue from the sale of goods is recognized when all of the following conditions are satisfied:

a. The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
b. The Group retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold;
c. The amount of revenue can be measured reliably;
d. It is probable that the economic benefits associated with the transaction will flow to the Group; and
e. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

If it is probable that discount will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sale is recognized.

Rental income

Rental income from non-cancellable operating leases is recognized as income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Finance income

For financial instrument measured at amortized cost and interest-bearing assets classified as AFS, interest income is recorded using the EIR which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. Interest income is included in “finance income” in the consolidated statements of income.

2.26 Employee benefits

A defined contribution plan is a pension plan under which Group pays fixed contributions into a consolidated entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability or asset recognized in the consolidated statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually using projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of all related pension obligations.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

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

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

Remeasurements comprising actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

2.27 Costs and expense recognition

Costs and expenses are recognized in the consolidated statements of income when the decrease in future economic benefit related to a decrease in an asset or an increase in liability has arisen that can be measured reliably. Costs and expenses are recognized in the consolidated statements of income: on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the consolidated statements of financial position as an asset.

Costs and expenses in the consolidated statements of income are presented using the function of expense method. Costs of sales are expenses incurred that are associated with the goods sold and include purchases of goods, distribution costs, labor costs and overhead. General and administrative expenses are costs attributable to administrative and other business activities of the Group.

2.28 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lease. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. All other leases are classified as operating leases.

The Group as lessor

Operating lease

Leases which do not transfer to the Company substantially all the risk and rewards of ownership of the asset, are classified as operating lease. Lease income from operating lease is recognized as income in the statements of income on a straight-line basis over the lease term.

The Group as lessee

Operating lease

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except when another systematic basis is more representative of the time pattern I which economic benefits from the leased asset are consumed.

Finance lease

Each lease payments are allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in finance lease payables. The interest expense is charged over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The equipment acquired under the finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.29 Taxes

Current income tax

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

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, when timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax credits from excess minimum corporate income tax (MCIT) and net operating loss carry over (NOLCO), and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits from MCIT and NOLCO and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary differences 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).

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient 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 rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle the liabilities simultaneously.

Value-added Tax (VAT)

Revenue, expenses and assets are recognized net of the amount of VAT.

For acquisition of capital goods over ₱1,000,000, the VAT is deferred and amortized over the useful life of the related capital goods or 60 months, whichever is shorter, commencing on the date of the acquisition.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of 'prepayments and other current assets' or 'trade and other payables' in the consolidated statements of financial position.

2.30 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. Related parties may be individuals or corporate entities. The key management personnel of the Group and post-employment benefit plans for the benefit of the Group's employees are also considered to be related parties.

2.31 Earnings per share (EPS)

Basic EPS is determined by dividing profit or loss by the weighted average number of shares issued and outstanding during the year.

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

2.32 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 transactions with any of the Company's other components.

Allocating resources and assessing performance of the operating segments, has been identified as the Chairman of the Board that makes strategic decisions.

An operating segment may engage in business activities for which it has yet to earn revenues, for example, start-up operations may be operating segments before earning revenues.

Segment results that are reported to the Chairman of the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, interest income and expenditures and income tax assets and liabilities.

2.33 Events after the reporting date

Post year-end events up to the date when the consolidated financial statements were authorized for issue by the BOD that provide additional information about the Group's position at reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

NOTE 3 - SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with PFRS requires the management to make estimates, assumptions and judgments that affect the amounts reported in the consolidated financial statements and accompanying notes.

The estimates and associated assumptions are based on historical experiences and other various factors that are believed to be reasonable under the circumstances including expectations of related future events, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

3.1 Judgments

Going concern

The Group's management has made an assessment on the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue their business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

Determination of functional currency

The consolidated financial statements are presented in the Philippine Peso, which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

Classification of financial statements

The Group classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the guidelines set by PAS 39 on the definitions of a financial asset, a financial liability or an equity instrument. In addition, the Group also determines and evaluates its intention and ability to keep the investments until its maturity date.

The substance of a financial instrument, rather than its legal form, and the management's intention and ability to hold the financial instrument to maturity generally governs its classification in the consolidated statements of financial position.

Determination whether an agreement contains a lease

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

3.2 Estimates

Impairment of trade and other receivables and due from related parties

The Group reviews its receivables at each reporting date to assess whether an impairment loss should be recognized in it consolidated statement of income or receivables balance should be written off. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance is required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance. Moreover, management evaluates the presence of objective evidence of impairment which includes observable data that comes to the attention of the Group about loss events such as but not limited to significant financial difficulty of the counterparty, a breach of contract, such as a default or delinquency in interest or principal payments, probability that the borrower will enter bankruptcy or other financial re-organization.

Impairment of financial asset at FVOCI

The Group classifies certain financial assets at FVOCI and recognizes movements in fair value in other comprehensive income and equity. When the fair value declines, management makes assumptions about the decline in value to determine whether it is an impairment that should be recognized in profit and loss. Impairment may be appropriate when there is evidence of deterioration in the financial cash flows. The Group treats equity securities as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment.

The Group treats "significant" generally 20% or more of the original cost of the investment, and "prolonged", longer than 12 months. In addition, the Group evaluates other factors including volatility in share price for quoted securities and the future cash flows and the discount factors for unquoted securities.

Estimation of net realizable values and impairment of inventories

The Group provides an allowance to reduce inventories to net realizable values whenever the utility of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The estimate of the net realizable value is reviewed regularly.

Estimation of useful lives of property, plant and equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. It is possible that future results of operations could be materially affected by changes in these estimates. A reduction in the estimated useful lives of property, plant and equipment would increase recorded depreciation and amortization expense and decrease the related asset accounts.
The estimated useful lives of property, plant and equipment are discussed in Note 2.15.

Impairment of goodwill

The Group performed its annual impairment test on its goodwill as of reporting date. The recoverable amounts of the intangible assets were determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The following assumptions were also used in computing value in use:

Growth rate estimates – growth rates were based on experiences and strategies developed for the various subsidiaries. The prospect for the industry was also considered in estimating the growth rates.

Discount rates – discount rates were estimated based on the industry weighted average cost of capital, which includes the cost of equity and debt after considering the gearing ratio. Value-in-use is the most sensitive to changes in discount rate and growth rate.

Impairment of non-financial assets other than inventories

The Group assesses at each reporting date whether there is an indication that the carrying amount of all non-financial assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. At the reporting date, the Group assesses 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.

Realizability of deferred tax

Management reviews carrying amount of deferred tax assets at each reporting date. The carrying amount of deferred tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the related tax assets can be utilized.

Estimation of retirement benefits

The determination of the Group's obligation and cost for retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. The assumptions include, among others, discount rates, average remaining working lives and rates of compensation increase. While management believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect pension and other retirement obligations.

NOTE 4 - CASH

This account consists of the following:

		31-Mar-19		31-Dec-18		31-Dec-17
Cash	₱	133,186,651	₱	138,609,049	₱	150,450,265
Total	₱	**133,186,651**	₱	**138,609,049**	₱	**150,450,265**

NOTE 5 – TRADE AND OTHER RECEIVABLES

This account consists of the following:

		31-Mar-19		31-Dec-18		31-Dec-17
Accounts receivable-trade	₱	483,676,515	₱	544,043,733	₱	501,193,920
Accounts receivable-others		123,886,446		84,777,246		88,567,888
Allowance for impairment loss		(16,639,699)		(16,639,699)		(14,968,133)
Total	₱	**590,923,262**	₱	**612,181,280**	₱	**574,793,675**

NOTE 6 - AGING OF ACCOUNTS RECEIVABLE TRADE AND OTHER RECEIVABLES

This account as of March 31, 2019 consists of the following:

	Total	Neither past due nor impaired	31-60 days	61-90 days	Over 90 days
A/R-Trade	483,676,515	197,455,471	38,441,812	40,628,029	207,151,203

NOTE 7 – PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of the following:

		31-Mar-19		31-Dec-18		31-Dec-17
Prepayments & other current assets	₱	7,262,790	₱	50,645	₱	4,713,944
Input tax		45,481,526		43,304,087		25,679,487
Factory supplies		15,206,826		1,402,615		5,758,657
Prepaid tax & creditable withholding tax		1,423,844		6,032		1,127,606
Guaranty deposits		59,851,803		20,174,953		-
Allowance for impairment		(511,538)		(511,538)		(511,538)
Total	₱	**128,715,251**	₱	**64,426,794**	₱	**36,768,156**

NOTE 8 – TRADE AND OTHER PAYABLES

This account consists of the following:

		31-Mar-19		31-Dec-18		31-Dec-17
Trade payables	₱	89,965,774	₱	123,235,877	₱	377,332,369
Government payables		603,851		150,444		816,298
Accrued expenses		11,599,038		11,855,063		10,244,588
Others		136,837,405		31,126,041		888,964
Total	₱	**239,006,068**	₱	**166,367,425**	₱	**389,282,219**

-END OF REPORT-