COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

A 1 9 9 8 0 6 8 6 5

COMPANY NAME

APOLLO GLOBAL CAPITAL, INC.
(FORMERLY YEHEY! CORPORATION)

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

1801E EAST TOWER, PSE CENTRE,
EXCHANGE ROAD, ORTIGAS CENTRE,
PASIG CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
FS16		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
	(632) 910-6429	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
797	14-Dec	31-Dec

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Kristina Joyce Caro-Gañgan	main@picazolaw.com	888-0999	

CONTACT PERSON's ADDRESS

18/F Liberty Center, 104 H.V. Dela Costa St. Salcedo Village Makati City

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

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

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2016

APOLLO GLOBAL CAPITAL INC

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **APOLLO GLOBAL CAPITAL, INC. (Formerly YEHEY! CORPORATION)** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2016 and 2015, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Alba Romeo & Co. and **Sycip, Gorres, Velayo and Co.**, the independent auditors appointed by the stockholders for the period December 31, 2016 and 2015, respectively, have audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

Socorro P. Lim
Chairman of the Board

Vittorio P. Lim
President

Nathaniel Go

Nathaniel Go
Treasurer

Signed this 3rd day of February 2017

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES
MAKATI CITY

BEFORE ME, a Notary Public in and for the above jurisdiction, personally appeared on FEB 2 3 2017, the following persons with their respective competent evidence of identity, to wit:

Name	Tax Identification/Passport No.	Issuing Government Agency
Socorro P. Lim (Chairman)	116-281-810	Bureau of Internal Revenue
Vittorio P. Lim (President)	239-269-242	Bureau of Internal Revenue
Nathaniel C. Go (Treasurer)	1-419-716-01	Bureau of Internal Revenue

known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged and the same to be their own free and voluntary act and deed.

WITNESS MY HAND AND SEAL in the place and on the date first above written.

Doc. No. 80
Page No. 18
Book No. 4
Series of 2017

JEROME L. INCIONG
NOTARY PUBLIC
ROLL NO. 49406
MAKATI CITY, PHILIPPINES

JEROME L. INCIONG
Notary Public for Makati City
Appointment No. M-33
Until 31 December 2017
PTR No. 1386705; 5 Jan. 2016; Pasig City
Roll of Attorneys No. 49406
IBP Lifetime No. 06213 Laguna
Valero Plaza Building, Valero Street
Salcedo Village, Makati City

BDO ALBA ROMEO & CO., CPAS
Audit | Tax | Consulting

7/F Multinational Bancorporation Centre
6805 Ayala Avenue, Makati City 1226 Philippines
www.bdoalbaromeo.ph
Branches: Bacolod / Cagayan de Oro / Cebu
Tel: +(632) 844 2016
Fax: +(632) 844 2045

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)
1801 East Tower, Philippine Stock Exchange Centre
Exchange Road, Ortigas Centre
Pasig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **APOLLO GLOBAL CAPITAL, INC. (Formerly YEHEY! CORPORATION)** ("the Company"), which comprise the statement of financial position as at December 31, 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows the year then ended December 31, 2016, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

We have determined that there are no key audit matters to communicate in our report.

Other Matter

The financial statements of **APOLLO GLOBAL CAPITAL, INC. (Formerly YEHEY CORORATION!)** as at December 31, 2015 and each of the two years ended December 31, 2015 and 2014 were audited by another auditor who expressed an unqualified opinion on those statements dated March 11, 2016 and March 4, 2015, respectively.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on the Supplementary Information Required by the Bureau of Internal Revenue (BIR)

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information as disclosed in Note 25 to the financial statements is presented for purposes of filing with the BIR and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Maria Carmina A. Ussher.

ALBA ROMEO & CO.

Maria Carmina A. Ussher
Partner
CPA Certificate No. 0068006
Tax Identification No. 123-046-738
PTR No. 5917853, issued on January 9, 2017, Makati City
PRC/BOA Accreditation No. 0005 (Firm), issued on December 1, 2015
effective until December 31, 2018
SEC Accreditation No. 0007-FR-4 (Firm), Group A
issued on July 16, 2015, effective until July 15, 2018
SEC Accreditation No. 1542-A (Individual), Group A
issued on March 9, 2016, effective until May 1, 2019
BIR Accreditation No. 08-005455-1-2014 issued on January 5, 2015
effective until January 5, 2018

February 3, 2017
Makati City, Philippines

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Audit | Tax | Consulting

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WINNER NETWORK OF THE YEAR 2015
International Accounting Bulletin

INDEPENDENT AUDITORS' SUPPLEMENTAL WRITTEN STATEMENT

The Stockholders and the Board of Directors
APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)
1801 East Tower, Philippine Stock Exchange Centre
Exchange Road, Ortigas Centre
Pasig City

We have examined the financial statements of **APOLLO GLOBAL CAPITAL, INC. (Formerly YEHEY! CORPORATION)** as at and for the year ended December 31, 2016, on which we have rendered the attached report dated February 3, 2017.

In compliance with SRC Rule 68, we are stating that the said Company has a total number of seven hundred ninety seven (797) stockholders owning one hundred (100) or more shares each.

ALBA ROMEO & CO.

Maria Carmina A. Ussher
Partner
CPA Certificate No. 0068006
Tax Identification No. 123-046-738
PTR No. 5917853, issued on January 9, 2017, Makati City
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issued on March 9, 2016, effective until May 1, 2019
BIR Accreditation No. 08-005455-1-2014 issued on January 5, 2015
effective until January 5, 2018

February 3, 2017
Makati City, Philippines

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016
(With Comparative Figures as at December 31, 2015)

	Notes	2016	2015
ASSETS			
Current assets			
Cash	5	P1,152,404	P1,176,539
Other receivables	7, 19	259,971,750	257,426,750
Prepayment and other current assets	8	1,439,164	1,420,294
TOTAL ASSETS		P262,563,318	P260,023,583
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	11	P1,130,215	P1,309,301
Due to a related party	19	1,515,123	-
Total current liabilities		2,645,338	1,309,301
Equity			
Share capital	12	278,000,000	278,000,000
Share premium		17,586,961	17,586,961
Deficit		(35,668,981)	(36,872,679)
Total equity		259,917,980	258,714,282
TOTAL LIABILITIES AND EQUITY		P262,563,318	P260,023,583

(The notes on pages 5 to 42 are integral part of these financial statements.)

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Figures for the Years Ended Dcember 31, 2015 and 2014)

	Note	2016	2015	2014
Service income	14	P-	P16,034,162	P19,405,014
Cost of services	15	-	(8,158,498)	(11,978,522)
Gross profit		-	7,875,664	7,426,492
General and administrative expenses	16	(1,075,383)	(11,656,420)	(9,856,121)
Operating loss		(1,075,383)	(3,780,756)	(2,429,629)
Non-operating income				
Interest income	18	2,275,527	6,585,862	2,679,254
Gain on sale of investment in AFS securities	9	-	1,166,258	1,953,878
Foreign exchange gain		-	277,619	27,895
Dividend income	9	-	-	660,000
Miscellaneous income		50,000	1,882,219	-
Profit before income tax		1,250,144	6,131,202	2,891,398
Provision for income tax	20	(46,446)	(887,427)	(686,295)
Net profit		1,203,698	5,243,775	2,205,103
Other comprehensive income (loss), net of tax				
Items that will be reclassified subsequently to profit or loss				
Net unrealized loss on change in fair value of available-for-sale investments	9	-	-	(2,781,299)
Items that will not be reclassified subsequently to profit or loss				
Remeasurement gain on retirement plan		-	55,550	-
Total comprehensive income (loss)		P1,203,698	P5,299,325	(P576,196)
Earnings per share	21	P0.00004	P0.01886	P0.00793

(The notes on pages 5 to 42 are integral part of these financial statements.)

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Figures for the Years Ended Dcember 31, 2015 and 2014)

	Note	2016	2015	2014
Share capital	12	P278,000,000	P278,000,000	P278,000,000
Share Premium		17,586,961	17,586,961	17,586,961
Deficit				
At January 1		(36,872,679)	(42,116,454)	(44,321,557)
Net profit for the year		1,203,698	5,243,775	2,205,103
At December 31		(35,668,981)	(36,872,679)	(42,116,454)
Net unrealized gain (loss) on changes in fair value of available-for-sale investments				
At January 1		-	-	2,781,299
Total comprehensive loss for the year		-	-	(2,781,299)
At December 31		-	-	-
Remeasurement loss on retirement plan				
At January 1		-	(55,550)	(55,550)
Total comprehensive income for the year		-	55,550	-
At December 31		-	-	(55,550)
TOTAL EQUITY		P259,917,980	P258,714,282	P253,414,957

(The notes on pages 5 to 42 are integral part of these financial statements.)

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Figures for the Years Ended Dcember 31, 2015 and 2014)

	Note	2016	2015	2014
Cash flows from operating activities				
Profit before income tax		P1,250,144	P6,131,202	P2,891,398
Adjustments for				
Depreciation and amortization	10	-	893,742	1,039,696
Foreign exchange gain		-	(277,619)	(27,895)
Interest income	18	(2,275,527)	(6,585,862)	(2,679,254)
Gain on sale of investments in AFS securities	9	-	(1,166,258)	(1,953,878)
Miscellaneous income		-	(2,693,438)	-
Operating loss before working capital changes		(1,025,383)	(3,698,233)	(729,933)
Changes in working capital accounts				
Decrease (increase) in				
Trade receivables		-	420,316	7,375,450
Other receivables		(272,679)	34,878	987,461
Prepayment and other current assets		(18,870)	41,549	(357,569)
Increase (decrease) in				
Trade and other payables		(179,086)	(892,684)	(5,721,860)
Due to a related party		1,515,123	-	-
Movement in retirement liability		-	(788,937)	112,394
Net cash generated from (used in) operations		19,105	(4,883,111)	1,665,943
Interest received		3,206	3,769,899	2,619,271
Income tax paid		(46,446)	(1,030,003)	(788,505)
Net cash provided by (used in) operating activities		(24,135)	(2,143,215)	3,496,709
Cash flows from investing activities				
Advances to a shareholder		-	(254,500,000)	-
Proceeds from sale of available-for-sale securities	9	-	46,982,000	18,057,580
Acquisitions of property and equipment	10	-	(58,027)	(31,964)
Acquisitions of available-for-sale securities	9	-	(45,815,742)	-
Decrease in other non-current assets		-	290,331	566,147
Net cash provided by (used in) investing activities		-	(253,101,438)	18,591,763
Effect of exchange rate changes on cash		-	277,619	27,895
Net increase (decrease) in cash		(24,135)	(254,967,034)	22,116,367
Cash				
Beginning balance		1,176,539	256,143,573	234,027,206
Ending balance		P1,152,404	P1,176,539	P256,143,573

(The notes on pages 5 to 42 are integral part of these financial statements.)

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Figures as at December 31, 2015 and for the Years Ended December 31, 2015 and 2014)

NOTE 1 - GENERAL INFORMATION

1.1 Corporate information

APOLLO GLOBAL CAPITAL, INC. (the “Company”), formerly known as YEHEY! CORPORATION, was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) per SEC Registration No. A199806865 on June 10, 1998. Prior to the approval of the change in the corporate name and its business on October 7, 2016, the Company’s primary purpose is to engage in the business of internal online-related products relating to database search engine, such as, but not limited to, conceptualizing, designing, illustrating, processing and editing websites; to engage in other pre-production and post-production work on websites in the internet; and to sell and market said products in the form of advertising of finished products in the domestic or export market.

On August 9, 2012, the SEC approved the Company’s application to list P278 million common shares by way of introduction in the second board of the Philippine Stock Exchange (PSE) at an initial price of P1 per share. On October 18, 2012, the Company was listed in the PSE.

As of December 31, 2014, the Company is 66.95% owned by Vantage Equities, Inc. (Vantage), a company also incorporated in the Philippines and listed in the PSE.

On July 7, 2015, Vantage entered into a Sale and Purchase Agreement (SPA), with third party buyers for the sale of the entire shares owned by Vantage. Under the SPA, the closing of the transfer of the Sale Shares is subject to and conditioned upon the conduct and completion of a mandatory tender offer as well as the payment of the purchase price, which conditions have been complied with on October 15, 2015. Accordingly, on October 15, 2015, the Company ceased as a majority owned subsidiary of Vantage when Vantage sold its shares at P290 million to a group of individual shareholders.

Pursuant to the SPA, the Board of Directors (BOD) of the Company approved on October 30, 2015 the assignment of the noncash assets and liabilities of the Company to Vantage. Total amount assigned is a net liability of P2,693,438, as disclosed in Notes 6, 7, 10, and 11. Such amount was recognized as miscellaneous income in the Company’s 2015 statement of comprehensive income.

On December 7, 2015, the BOD approved the change of the Company’s name from YEHEY! CORPORATION to APOLLO GLOBAL CAPITAL, INC. The amendment was filed with the SEC and was approved on October 7, 2016. Along with the change in the corporate name, the Company’s primary purpose was likewise amended to that of a holding company which is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, guarantee, exchange, develop, or otherwise dispose of real or personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences, of indebtedness, and other securities, or obligations of any corporation or corporations, associations, domestic or foreign, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership.

The registered office address of the Company is at 1801E East Tower, PSE Centre, Exchange Road, Ortigas Centre, Pasig City.

1.2 Issuance of financial statements

The Board of Directors (BOD) approved and authorized for issuance the Company's financial statements as at and for the year ended December 31, 2016 on February 3, 2017.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

Statement of compliance

The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) as issued by the Financial Reporting Standards Council (FRSC), and adopted by the SEC.

Basis of measurement and presentation

The financial statements have been prepared on the historical cost basis.

Functional and presentation currency

The financial statements are presented in Philippine Peso (P), the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest peso and represent absolute amounts, unless otherwise stated.

Use of judgments and estimates

The preparation of the financial statements in compliance with PFRS requires the use of certain critical accounting estimates. It also requires the management to exercise judgment in the most appropriate application of the accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and its effects are disclosed in Note 3.

Changes in accounting policies and disclosures

New standards and amendments effective from January 1, 2016:

- Amendments to PFRS 10, *Consolidated Financial Statements,* PFRS 12, *Disclosure of Interests in Other Entities* and PAS 28, *Investment in Associates and Joint Ventures: Investment Entities - Applying the Consolidation Exception:* The amendments address issues that have arisen in applying the investment entities exception under PFRS 10. The amendments to PFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

  Furthermore, the amendments to PFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to PAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or Company to its interests in subsidiaries.

  The adoption of the amendments did not have any impact on the Company.

- Amendments to PFRS 11, *Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations*: The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

  A consequential amendment to PFRS 1, *First-time Adoption of International Financial Reporting Standards*, has also been made, to clarify that the exemption from applying PFRS 3 to past business combinations upon adoption of PFRS, also applies to past acquisitions of interests in joint operations in which the activity of the joint operation constitutes a business.

  The adoption of these amendments did not have significant impact on the Company.

- PFRS 14, *Regulatory Deferral Accounts*: PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

  Since the Company is an existing PFRS preparer, this standard would not apply.

- Amendments to PAS 1, *Presentation of Financial Statements: Disclosure Initiatives*: The amendments clarify, rather than significantly change, existing requirements under PAS 1:

  a) The materiality requirements;
  b) That specific line items in the financial position and performance may be disaggregated;
  c) That entities have flexibility as to the order in which they present the notes to financial statements; and
  d) That the entity's share of other comprehensive income will be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as single line items within those two groups.

  Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of income.

  The adoption of these amendments did not have significant impact on the Company.

- Amendments to PAS 16, Property, Plant and Equipment and PAS 38, Intangible Assets: *Clarification of Acceptable Methods of Depreciation and Amortization*: The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property and equipment and may only be used in very limited circumstances to amortize intangible assets.

The guidance on the depreciation amount and the depreciation period has been expanded to state the expected future reductions in the selling price of items produced by an item of property, plant and equipment could indicate technical or commercial obsolescence (and therefore a reduction in the economic benefits embodied in the item) rather than a change in the depreciable amount or period of the item.

PAS 38 has been amended to incorporate a rebuttable presumption that amortization based on revenue is not appropriate. The presumption can be rebutted if either the intangible asset is expressed as a measure of revenue; or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The adoption of these amendments did not have significant impact on the Company since the Company has not used a revenue-based method to depreciate its non-current assets.

- Amendments to PAS 16, Property, Plant and Equipment and PAS 41, Agriculture: *Bearer Plants*: The amendments extend the scope of PAS 16 to include bearer plants and define a bearer plant as a living plant that is used in the production process of agricultural produce, is expected to bear produce for more than a period and has a remote likelihood of being sold (except incident scrap sales). The changes made result in bearer plants being accounted for in accordance with PAS 16 using either the cost or revaluation model. The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply.

  The amendments include transitional reliefs for the purposes of first time application, such as deemed cost exemption, wherein the entities are allowed to use the fair value of the bearer plants at the beginning of the earliest period presented as deemed cost for PAS 16 purposes; and disclosures, wherein the quantitative information describing the effect of the first time application as required by PAS 8.28(f) is not required for the current reporting period, but is required for each prior period presented.

  The adoption of these amendments did not have significant impact on the Company.

- Amendments to PAS 27, *Separate Financial Statements:* The amendments include the introduction of an option for an entity to account for its investments in subsidiaries, joint venture and associates using the equity method in its separate financial statements. The accounting approach that is selected is required to be applied for each category of investments. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively.

  A consequential amendment was also made to PAS 28, *Investments in Associates and Joint Ventures*, to avoid a potential conflict with PFRS 10, *Consolidated Financial Statements*, for partial sell downs.

  The adoption of these amendments did not have significant impact on the Company.

- Amendments to PAS 34, *Interial Financial Reporting*: *Disclosure of Information **'Elsewhere in the Inter Financial Report':*** The amendment requires certain disclosures to be presented in the notes to the interim financial report, unless they are presented elsewhere in the interim financial report (such as a front end management report).

  If the disclosures are presented 'elsewhere' in the interim financial report, such as in the management commentary or the risk report of an entity, a cross reference must be made from the notes to the interim financial statements to where the disclosures have been made. Further, if the disclosures are contained in a separate document from the interim report, that document needs to be available on the same terms and at the same time as the interim report itself.

The adoption of these amendments did not have significant impact on the Company.

Annual Improvements to PFRSs (2012 - 2014 Cycle)

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*: *Changes in methods of disposal:* The amendment clarifies that the reclassification of an asset or disposal group from being held for sale to being held for distribution to owners, or vice versa is considered to be a continuation of the original plan of disposal. Upon reclassification, the classification, presentation and measurement requirements of PFRS 5 are applied. If an asset ceases to be classified as held for distribution to owners, the requirements of PFRS 5 for assets that cease to be classified as held for sale apply.

- PFRS 7, *Financial Instruments: Disclosures- Servicing Contracts:* PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

- PAS 19, *Employee benefits*: *Discount rate - regional market issue:* The guidance in PAS 19 has been clarified and requires that high quality corporate bonds used to determine the discount rate for the accounting of employee benefits need to be denominated in the same currency as the related benefits that will be paid to the employee.

  Entities are required to apply the amendment from the earliest comparative period presented in the financial statements, with initial adjustments being recognized in retained earnings at the beginning of that period.

The adoption of these annual improvements did not have significant impact on the Company.

New standards and amendments to existing standards issued but not yet effective and with mandatory adoption for periods beginning on or after January 1, 2017:

- PFRS 9, *Financial Instruments*: In July 2014 the PASB published PFRS 9 Financial Instruments (2014) which incorporated the final requirements on all three phases of the financial instruments projects, such as the classification and measurement, impairment, and hedge accounting.

  PFRS 9 (2014) introduces amendments to the previously finalized classification and measurement requirements for financial assets. A third measurement category has also been added for debt instruments – FVTOCI. This new measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest (SPPI) contractual cash flow characteristics test and where the entity is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets. Additional application guidance was included to clarify the requirements for contractual cash flows of a financial asset to be regarded as giving rise to payments that are SPPI.

  The classification and measurement requirements for financial liabilities were first added to PFRS 9 in 2010 and have been carried forward from PAS 39 largely unchanged, including a continuation of the requirement to separate embedded derivatives. However a significant change is that, if a financial liability is designated (under the option available in PFRS 9) as at fair value through profit or loss, changes in the fair value of that financial liability that are attributable to changes in the entity’s own credit risk will typically be recorded in Other Comprehensive Income instead of profit or loss.

The existing guidance for derecognition of financial assets and liabilities has been carried forward from PAS 39 unchanged, with some improvements to disclosure requirements being added to PFRS 7, *Financial Instruments: Disclosures*.

For the impairment of financial assets, a new 'expected loss' model in PFRS 9 (2014) replaces the 'incurred loss' model in PAS 39. The new impairment requirements will affect all entities with financial assets that are not measured at fair value through profit or loss and are likely to bring significant changes.

The hedge accounting requirements of PFRS 9 are also significantly different from those set out in PAS 39, and are designed to align hedge accounting more closely with entities' risk management processes. In practice, it will be significantly more straightforward to apply hedge accounting under the new model and we expect that entities that have previously decided not to hedge account may do so in future.

The effective date of the fully completed version of PFRS 9 (2014) is for periods beginning on or after 1 January 2018 with retrospective application. Early application is permitted. If an entity's date of initial application (the start of the period in which PFRS 9 is adopted) is before 1 February 2015, there is a choice of which version of PFRS 9 to adopt (2009, 2010, 2013 or 2014). The 2009 version covered the classification and measurement of financial assets only, the 2010 version added the classification and measurement of financial liabilities and derecognition, and the 2013 version added hedge accounting.

In addition, there is an option to early adopt the 'own credit' provisions for financial liabilities measured at fair value through profit or loss (FVTPL) under the fair value option without any of the other requirements of PFRS 9. This option will remain available until 1 January 2018.

- PFRS 15, *Revenue from Contracts with Customers*: PFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including PAS 18, *Revenue*, PAS 11, *Construction Contracts*, and IFRIC 13, *Customer Loyalty Programmes*.

  PFRS 15 contains significantly more prescriptive and precise requirements in comparison with existing PFRS. In future, revenue will be recognized from the application of the five steps, such as identification of the contract, identification of the performance obligation(s), determination of the transaction price, allocation of the transaction price to each performance obligation, and recognition of revenue when each performance obligation is satisfied.

  In May 2015 the PASB published Exposure Draft ED/2015/2 Effective Date of PFRS 15 which proposes to defer the effective date of PFRS 15 by one year to 1 January 2018. The reason for deferring the effective date is that additional changes to PFRS 15 will be proposed in the near future that stem from the discussions at the PASB and FASB Joint Transition Resource Group for Revenue Recognition (TRG). The comment deadline ended on 3 July 2015.

  At its meeting on 22 July 2015, the PASB decided to defer the effective date of PFRS 15 Revenue from Contracts with Customers to periods beginning on or after 1 January 2018.

  In addition the change will keep the effective date aligned with the equivalent US GAAP guidance. The FASB published Accounting Standards Update 2014-09 (ASU) on 29 April 2015, which proposes to defer the effective date of the new revenue standard by one year. At its meeting on 9 July 2015, the FASB affirmed its proposal to defer the effective date, the final ASU is expected to be published by the end of the third quarter of 2015.

  The Company is currently assessing the impact of PFRS 15 and plans to adopt the new standard on the required effective date.

2.2 Financial instruments

Initial recognition

Financial asset or financial liability is recognized in the statement of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The fair value of the consideration given or received is determined by reference to the transaction price or other market prices. If such market prices are not reliably determinable, the fair value of the consideration is estimated as the sum of all future cash payments or receipts, discounted using the prevailing market rate of interest for similar instruments with similar maturities. The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

Financial instruments are classified as financial assets and financial liabilities or equity instruments in accordance with the substance of the contractual agreement.

Classification of financial instruments

The Company classifies its financial assets as financial assets at fair value through profit and loss (FVPL), loans and receivables, held-to-maturity (HTM) investments and available-for-sale (AFS) financial assets. Financial liabilities are classified as financial liabilities at FVPL and other liabilities. The classification depends on the purpose for which the investments are acquired or liabilities are settled and whether these are quoted in an active market or not. Management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates such designation at every financial reporting date.

Classification of financial instruments between debt and equity

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual agreement. Interest relating to a financial instrument or a component that is a financial liability, are reported as expenses.

A financial instrument is classified as debt if it provides for a contractual obligation to deliver cash or other financial assets to another entity; or exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Offsetting financial instruments

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

Determination of fair value

The fair value for financial instruments traded in active markets at the statement of financial position date is based on its quoted market price or dealer price quotation (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

Fair Value measurement hierarchy

PFRS 7 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices) (Level 2); and
c) inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in its entirety into only one of the three levels.

The only financial instrument of the Company measured at fair value is it's available for sale financial asset as disclosed in Note 9, which was classified under level 1. There are no other financial instruments measured at fair value under levels 2 and 3.

Financial assets

Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading and financial assets designated upon initial recognition as at FVPL. Financial assets are classified as held for trading if these are acquired for the purpose of selling in the near term. These are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive income. Derivatives are also classified as held for trading unless these are designated as effective hedging instruments.

The Company has no assets under this category as at December 31, 2016 and 2015.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are not entered into with the intention of immediate or short-term resale and are not designated as AFS or financial asset at FVPL. Loans and receivables are carried at amortized cost, less impairment in value. Amortization is determined using the effective interest rate method. Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. Such provisions are recorded in allowance account with the loss being recognized in the statement of comprehensive income. On confirmation that the receivables will not be collectible, the gross carrying value of the asset is written off and derecognized against the associated provision.

The Company's cash, trade receivables and other receivables, as disclosed in Notes 5, 6 and 7, respectively, are included in this category.

HTM investments

HTM investments are quoted non-derivative financial assets with fixed or determinable payments and fixed maturities for which the Company's management has the positive intention and ability to hold to maturity. After initial measurement, these investments are measured at amortized cost using the effective interest rate method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in the statement of comprehensive income when the HTM investments are derecognized or impaired, as well as through the amortization process.

The Company has no investment classified under this category as at December 31, 2016 and 2015.

AFS investments

AFS investments are non-derivative financial assets that are either designated in this category or are not classified in any of the other categories. AFS investments are carried at fair value in the statement of financial position and the unrealized gains or losses are recognized as other comprehensive income in AFS reserve shown in the statement of changes equity until the investment is derecognized or the investment is determined to be impaired.

On derecognition or impairment, the cumulative gain or loss previously reported in AFS reserve is transferred to the statement of comprehensive income. Interest earned on holding AFS investments are recognized in the statement of comprehensive income using the effective interest rate method.

As of financial reporting period, the Company has no investment classified under this category.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Financial liabilities at FVPL

Financial liabilities are classified in this category if these result from trading activities or derivative transactions that are not accounted for as accounting hedges, or when the Company elects to designate a financial liability under this category. These are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive income.

The Company has no designated financial liability at FVPL.

Other financial liabilities

This category pertains to financial liabilities that are not held for trading or not designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or borrowings.

The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

The Company's trade and other payables and due to a related party, as disclosed in Notes 11 and 19, are included in this category.

Derecognition of financial assets and liabilities

Financial assets

A financial asset or, where applicable a part of a financial asset or part of a group of similar financial assets is derecognized when the rights to receive cash flows from the asset have expired; the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or the Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of ownership of the asset, or has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has transferred control of the asset.

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

Financial liabilities

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

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

Impairment of financial assets

Assessment of impairment

The Company assesses at each financial reporting date whether a financial asset or group of financial assets is impaired. It assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment.

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 determination of impairment losses for financial assets is inherently subjective because it requires material estimates, including the amount and timing of expected recoverable future cash flows. These estimates may change significantly from time to time, depending on available information.

Evidence of impairment

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Company on terms that it would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

Impairment on assets carried at amortized cost

If there is objective evidence that an impairment loss has been incurred on an asset carried at amortized cost such as loans and receivables carried at amortized cost, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of loss shall be recognized in the statement of comprehensive income.

Impairment on assets carried at cost

If there is an objective evidence that an impairment loss has been incurred on an asset carried at cost, such as 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.

Reversal of impairment loss

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

2.3 Property and equipment

Property and equipment are initially measured at cost. At the end of each financial reporting period, property and equipment are measured at cost less any subsequent accumulated depreciation, amortization and impairment in value. The initial cost of an asset consists of its purchase price, directly attributable costs of bringing the asset to its working condition for its intended use and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. The carrying amount of property and equipment includes the cost of testing machinery to ensure that these function as intended and also all costs attributable to bringing the asset to the location and condition for it to be capable of operating. All repairs and maintenance costs are charged to the operations during the year in which these are incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follow:

Property Classification	Estimated Useful Life
Server and network equipment	3 years
Furniture, fixtures and office equipment	3 years
Leasehold improvements	4 years or term of the lease, whichever is shorter
Transportation Equipment	3 - 5 years

The useful lives, residual values and depreciation method are reviewed periodically to ensure that the periods, residual values and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment. Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation are credited or charged against profit or loss in the statement of comprehensive income.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognized.

2.4 Impairment of non-financial assets

At each financial reporting date, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication of impairment. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount of the assets is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to its present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Any impairment loss is recognized in the statement of comprehensive income.

An impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of impairment loss is credited to current operations.

2.5 Provisions and contingencies

The Company recognizes a provision if a present obligation, legal and constructive, has arisen as a result of a past event, payment is probable and the amount can be reliably measured. The amount recognized is the best estimate of the expenditure required to settle the present obligation at statement of financial position date, that is, the amount the Company would rationally pay to settle the obligation to a third party.

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

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

2.6 Equity

Share capital

Share capital is measured at par value for all shares issued. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to '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 Company, 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.

Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are chargeable to 'Share premium' account. If the 'Share premium' is not sufficient, the excess is charged against the 'Retained earnings'.

Deficit

Deficit pertains to accumulated losses of the Company.

Dividends on common shares

Dividends on common shares are recognized as a liability and deducted from equity when approved by the BOD and shareholders of the Company. Dividends for the year that are approved after the financial reporting date are dealt with as subsequent events.

2.7 Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. When the transaction involves rendering of services, the revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the end of the reporting period. The following specific recognition criteria must also be met before revenue is recognized:

Web Development and Production

Revenue is recognized based on the percentage of completion method. The stage of completion is assessed by reference to stage of completion of the development, including completion of services provided for post-delivery service support.

Media Sales

Revenue is recognized at the time that services are rendered.

Digital Public Relations (PR) and Strategy

Revenue is recognized when services are rendered in accordance with the provisions of the contracts.

Interest Income

Interest income on interest-bearing loan is recorded on a time proportion basis taking into account the effective yield of the asset. Interest on financial instruments is recognized based on the effective interest method of accounting.

2.8 Costs and expenses recognition

Costs and expenses are recognized in profit or loss when decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen and that can be reliably measured. Expenses are recognized in profit or loss on the basis of a direct association between the costs incurred and the earning of specific items of income; a 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 statement of financial position, as an asset.

Expenses in the statement of comprehensive income are presented using the function of expense method. Cost of services are expenses incurred that are associated with services rendered. Operating expenses are cost attributable to administrative, marketing and other business activities of the Company.

2.9 Retirement benefits

Defined benefit plan

Defined benefit plan surpluses and deficits are measured at the fair value of plan assets at the reporting date less plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities plus unrecognized past service costs less the effect of minimum funding requirements agreed with plan trustees.

Remeasurements of the net defined obligation are recognized directly within equity. The remeasurements include:

- Actuarial gains and losses
- Return on plan assets (interest exclusive)
- Any asset ceiling effects (interest exclusive)

Service costs are recognized in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognized in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to plan benefits or plan curtailment are recognized immediately in profit or loss.

Settlements of defined benefit plan are recognized in the period in which the settlement occurs.

Other long-term service benefits

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities.

Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method and then discounted using yields available on high quality corporate bonds that have maturity dates approximating to the expected remaining period to settlement.

2.10 Foreign currency denominated transactions

Foreign currency denominated transactions are recorded in Philippine peso by applying to the foreign currency amount the exchange rate between the Philippine peso and the foreign currency at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the PDS closing exchange rate at the financial reporting date. Exchange rate differences arising from the settlement and translation of monetary items at rates different from those at which they were initially recorded are recognized under 'Foreign exchange gain (loss)' in profit or loss in the year such differences arises. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

2.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating lease.

Company as lessee

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

The Company is a lessee under an operating lease.

2.12 Related parties

Parties are considered 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 related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. The key management personnel of the Company and post-employment benefit plans for the benefit of the Company's employees are also considered related parties.

2.13 Income tax

Current income tax

Current income tax assets and liabilities for the current and the prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute for the amount are those that have been enacted or substantively enacted at the financial reporting date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred income tax

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

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess minimum corporate income tax (MCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward of unused tax credits and NOLCO can be utilized.

The carrying amount of deferred income tax assets is reviewed at each financial 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 income tax asset to be utilized. Any adjustments are recognized in the statement of comprehensive income.

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

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

2.14 Earnings per share

Basic earnings per share (EPS) is calculated by dividing profit or loss for the period attributable to common shareholders by the weighted average number of common shares outstanding during the period, after giving retroactive effect to any stock dividend.

2.15 Segment Reporting

The Company's operating businesses are organized and managed separately according to the nature of the products and services, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 13 to the financial statements. The Company's assets producing revenues are located in the Philippines (i.e., one geographical location). Therefore, geographical segment information is no longer presented.

2.16 Events after the financial reporting date

Post year-end events up to the date of the auditors' report that provide additional information about the Company's position at financial reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements, when material.

NOTE 3 - ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the financial statements in compliance with PFRS requires management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements and accompanying notes. The estimates, assumptions and judgments are based on management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates and assumptions used. The effect of any change in estimates will be reflected in the financial statements when these become reasonably determinable.

3.1 Estimates

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The Company's revenues are recognized based on the completion of the project or at the time that the services are rendered.

Revenue recognized in 2016, 2015 and 2014 are disclosed in Note 14.

Estimation of allowance for credit losses

Provision for doubtful accounts are made for specific and group of accounts where objective evidence of impairment exists. The level of this allowance is evaluated by management on the basis of factors affecting the collectibility of the accounts, such as but not limited to, the length of the Company's relationship with the customer, the customer's payment behavior, known market factors and historical loss experiences.

As at December 31, 2016 and 2015, the Company has not determined any of its receivables as doubtful of collection. The carrying values of the Company's receivables amounted to P259,971,750 and P257,426,750 as at December 31, 2016 and 2015, respectively, as disclosed in Note 7.

The management has assessed that no allowance for credit losses is necessary to establish as at December 31, 2016 and 2015 as the Company's outstanding receivables are collectible.

Impairment on AFS investments

The Company treats AFS investments 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' when the difference between its cost and fair value is 20% or more, and 'prolonged decline' when the fair value of quoted equity securities is lower than its cost for more than 12 months. In addition, the Company evaluates other factors, including normal volatility in share prices for quoted equities and future cash flows and discount factors for unquoted equities.

Estimation of useful lives of property and equipment

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase recorded operating expenses and decrease non-current assets.

The estimated useful lives of items of property and equipment are set out in Note 2.3.

The Company does not have property and equipment as at December 31, 2016 and 2015, since all of its property and equipment were transferred to Vantage on October 30, 2015, as disclosed in Note 1.

Estimation of impairment of property and equipment

The Company determines whether its property and equipment and other non-financial assets are impaired at least annually. In determining the fair value of property and equipment and other assets, the Company considers evidences that may arise, such as but not limited to significant decline in market value of the assets during the year more than what is normally expected; significant adverse effect that may take place during the year or in the near future, in relation to the technological, market, economic and legal environment to which it operates; obsolescence and physical damage; and chance of the asset being idle, disposed of and discontinuance of usage. Future events could cause management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial condition and results of operations.

No impairment losses were recognized on the Company's property and equipment in 2016, 2015 and 2014.

Estimation of liability for retirement benefits cost

The determination of the Company's pension cost is dependent on the selection of certain assumptions used by actuaries in calculating such amount. Those assumptions include, among others, discount rate, expected rate of return on plan assets and salary increase rate. In accordance with PFRS, actual results that differ from the assumptions used are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

No deferred tax asset is recognized in the statement of financial position because management believes that future taxable income may not be available against which the deferred tax asset can be utilized. The unrecognized deferred tax assets are disclosed in Note 20.

Realizability of deferred tax assets

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

The Company has not recognized deferred tax assets as at December 31, 2016 and 2015.

3.2 Judgments

Determination of functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency is determined to be the Philippine Peso. It is the currency that mainly influences the rendering of IT related services and the cost of providing such services.

Classification of financial instruments

The Company 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 definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial position.

The Company's financial assets and liabilities are presented in Note 4.

Determination of fair value of financial assets

The Company carries certain financial assets at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement, were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, volatility rates), the amount of changes in fair value would differ if the Company utilized a different valuation methodology. Any changes in fair value of these financial assets would affect profit and loss and equity.

Leases

The Company has entered into a lease agreement as a lessee. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements.

Total rent expense incurred from the leases amounted to nil in 2016, P523,980 in 2015 and P603,169 in 2014, as disclosed in Note 16.

NOTE 4 - FINANCIAL RISK AND CAPITAL MANAGEMENT OBJECTIVES AND POLICIES

General objectives, policies and processes

Risk management structure

The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Company. It has also the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Company's approach to risk issues in order to make relevant decisions.

The risk management committee is responsible for the comprehensive monitoring, evaluation and analysis of the Company's risks in line with the policies and limits set by the BOD.

Principal financial instruments

The Company's principal financial instruments consist of cash, other receivables, trade and other payables, and due to a related party, which arise directly from its operations.

A summary of the financial instruments held by category as at December 31 is provided below:

Fair value of financial instruments

	Loans and receivables	
	2016	2015
Financial assets		
Cash (Note 5)	P1,152,404	P1,176,539
Other receivables (Note 7)	259,971,750	257,426,750
Total	P261,124,154	P258,603,289

	Other financial liabilities	
	2016	2015
Financial liabilities		
Trade and other payables* (Note 11)	P529,542	P995,720
Due to a related party (Note 19)	1,515,123	-
Total	P2,044,665	P995,720

** Excludes output VAT and government dues*

The carrying amounts of the financial assets and liabilities approximate its fair values due to the relatively short-term maturities of these financial instruments.

The Company is exposed to the following financial risks and the policies for managing risks are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company manages and controls credit risk by trading only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. For transactions that involve special credit terms arrangement, the Company may require approval of the BOD.

The credit quality of the Company's financial assets is evaluated using internal credit rating. Financial assets are considered as high grade if the counterparties are not expected to default in settling their obligations, thus credit risk exposure is minimal. The Company's bases in grading its financial assets are as follow:

High grade These are receivables which have a high probability of collection (the counterparty has the apparent ability to satisfy its obligation and the security on the receivables are readily enforceable).

Standard These are receivables where collections are probable due to the reputation and the financial ability of the counterparty to pay but have been outstanding for a certain period of time.

Substandard These are receivables that can be collected provided the Company makes persistent effort to collect them.

The table below shows the credit quality by class of financial assets based on the historical experience with the corresponding third parties as at December 31, 2016 and 2015.

	2016						
	Neither Past Due nor Impaired			Past Due but Not Impaired			
	High grade	Standard grade	Substandard grade	1 - 120 days	More than 120 Days	Impaired	Total
Cash (Note 5)	P1,152,404	P-	P-	P-	P-	P-	P1,152,404
Other receivables (Note 7)	259,971,750	-	-	-	-	-	259,971,750
	P261,124,154	P-	P-	P-	P-	P-	P261,124,154

	2015						
	Neither Past Due nor Impaired			Past Due but Not Impaired			
	High grade	Standard grade	Substandard grade	1 - 120 days	More than 120 Days	Impaired	Total
Cash (Note 5)	P1,176,539	P-	P-	P-	P-	P-	P1,176,539
Other receivables (Note 7)	257,426,750	-	-	-	-	-	257,426,750
	P258,603,289	P-	P-	P-	P-	P-	P258,603,289

Credit risk also arises from deposits with banks.

The Company does not enter into derivatives to manage credit risk, although in certain isolated cases, it may take steps to mitigate such risks if it is sufficiently concentrated.

Quantitative disclosures of the credit risk exposure in relation to financial assets as at December 31, 2016 and 2015 are set out below:

	2016		2015	
	Carrying Value	Maximum Exposure	Carrying Value	Maximum Exposure
Financial assets				
Cash (Note 5)	P1,152,404	P1,152,404	P1,176,539	P1,176,539
Other receivables (Note 7)	259,971,750	259,971,750	257,426,750	257,426,750
	P261,124,154	P261,124,154	P258,603,289	P258,603,289

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as these fall due under normal and stress circumstances. To limit this risk, the Company closely monitors its cash flows and ensures that credit facilitates are available to meet its obligations as and when they fall due. The Company also has a committed line of credit that it can access to meet liquidity needs.

Maturity profile of financial liabilities:

	2016				
	Carrying value	Contractual undiscounted payments			
		On demand	<1 year	1-5 years	>5 years
Trade and other payables* (Note 11)	P529,542	P529,542	P-	P-	P-
Due to a related party (Note 19)	1,515,123	1,515,123	-	-	-
	P2,044,665	P2,044,665	P-	P-	P-

	2015				
	Carrying value	Contractual undiscounted payments			
		On demand	<1 year	1-5 years	>5 years
Trade and other payables* (Note 11)	P995,720	P995,720	P-	P-	P-

* *Excludes output VAT and government dues*

Market risk

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

The Company is subject to various market risks, including risks from changes in interest rates and currency exchange rates. There has been no change in the Company's exposure to market risks or the manner in which it manages and measures the risk.

a) Interest rate risks

   Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk as the Company's interest rates on its advances are fixed.

b) Foreign currency risk

   Foreign currency risk arises when transactions are denominated in foreign currencies.

   As of December 31, 2016 and 2015, the Company has transactional currency exposures and maintains several U.S. dollar (US$) accounts to manage its foreign currency denominated transactions.

The Company's monetary assets and liabilities denominated in foreign currency as of the statement of financial position date are as follow:

		2016		2015	
	Currency	Foreign	Philippine Peso	Foreign	Philippine Peso
Cash (Note 5)	US$	-	-	12	565

In translating the foreign currency denominated assets into peso amounts, the exchange rate used was P49.78 to US$1 and P47.06 to US$1 as at December 31, 2016 and 2015, respectively.

The following table details the Company's sensitivity to a 10% increase and decrease in Peso against the relevant foreign currency. The sensitivity rate used represents management's assessment of the reasonably possible change in foreign exchange rates and includes only outstanding foreign currency denominated items and adjusts its translation at the end for a 10% increase (decrease) in foreign currency rates. This includes all of the Company's foreign currency-denominated monetary assets and liabilities. A positive number below indicates an increase in profit and other equity when the Peso strengthens 10% against the relevant currency. For a 10% weakening of the Peso against the relevant currency, there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

	Change in foreign currency rates	Effect on profit before tax 2016	Effect on profit before tax 2015
Cash	+10%	-	56.48
	-10%	-	(56.48)

Capital risk management

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital on the basis of the debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is equivalent to total liabilities shown in the statement of financial position. Total equity comprises all components of equity including share capital and deficit but excluding accumulated other comprehensive income. Debt to equity ratio of the Company is 0.01:1 as at December 31, 2016 and 2015.

The Company defines capital as share capital and deficit.

There were no changes in the Company's approach to capital management in 2016 and 2015.

The Company is not subject to externally imposed capital requirements.

NOTE 5 - CASH

Cash in banks earn interest at the prevailing bank deposit rate of 0.25% to 2.5% in 2016 and 2015 and 0.25% to 0.50% in 2014.

The Company has short-term investments as at December 31, 2014 which were made for varying periods of up to three months depending on the immediate cash requirements of the Company, and earned interest at the prevailing short term investments rates, net of tax, of 0.20% to 0.90% in 2014.

Interest income earned from the Company's cash deposits and short-term investments amounted to P3,206 in 2016, P3,173,886 in 2015 and P2,678,042 in 2014, as disclosed in Note 18.

NOTE 6 - TRADE RECEIVABLES

Trade receivables are non-interest bearing and normally collectible within two to four months after billing is made.

Net trade receivables amounting to P5.77 million were assigned to Vantage on October 30, 2015, as disclosed in Note 1.

As at December 31, 2016 and 2015, no trade receivables remained outstanding, since all of the Company's receivables as at October 30, 2015 were assigned to Vantage.

NOTE 7 - OTHER RECEIVABLES

The composition of this account is as follows:

	2016	2015
Advances to a shareholder (Note 19)	P254,500,000	P254,500,000
Accrued interest receivable (Note 19)	5,471,750	2,926,750
	P259,971,750	P257,426,750

On October 21, 2015, the BOD approved the advances to a shareholder amounting to P254,500,000 collectible within 12 months, with an interest rate of 6% per annum. Interest income earned from these advances amounted P2,613,170 in 2015, as disclosed in Note 18.

On January 4, 2016, the BOD approved the change of interest rate of the loan from 6% to 1% per annum. Interest income earned from the advances for the year ended December 31, 2016 amounted to P2,272,321, as disclosed in Note 18.

On October 10, 2016, the BOD approved the extension of the loan from its original maturity date of October 21, 2016 to February 21, 2017.

Accrued interest receivable relates to the interest accrued, on the advances made to a shareholder, from the inception of the agreement up to the end of the financial reporting period.

The carrying value of the other receivables assigned to Vantage on October 30, 2015 amounted to P0.05 million, as disclosed in Note 1.

NOTE 8 - PREPAYMENT AND OTHER CURRENT ASSETS

This account consists of the following:

	2016	2015
Claims from the Bureau of Internal Revenue (BIR)	P1,373,847	P1,424,779
Excess input VAT	65,317	-
Other current assets	-	1,226,245
	1,439,164	2,651,024
Allowance for impairment	-	(1,230,730)
	P1,439,164	P1,420,294

Claims from the BIR refer to the Company's accumulated excess tax credits from prior years which may be used to offset against its future income tax liabilities.

Other current assets pertain to unsupported creditable withholding taxes (CWTs). The management deemed that these CWTs will not be recoverable in the near future, thus, provided allowance for impairment amounting to P1,230,730 as at December 31, 2015.

In 2016, these other current assets were written-off through the allowance for impairment account, resulting to a loss on write-off amounting to P56, which was lodged under others account in the general and administrative expenses disclosed in Note 16.

NOTE 9 - AVAILABLE FOR SALE INVESTMENTS

The Company acquired bonds on April 7, 2015 at a cost of P45,815,742 and sold the same for P46,982,000 on July 7, 2015. Gain on sale of investments amounted to P1,166,258 in 2015, as shown the in the statement of comprehensive income. Interest income from these investments amounted to P797,543 in 2015, as disclosed in Note 18.

As of December 31, 2013, the Company's AFS investments pertain to 150,000 common shares of Union Bank of the Philippines (UBP) which were sold in 2014. Gain on sale of investments in AFS investments amounted to P1,953,878, as shown in the statement of comprehensive loss. In 2014, the Company received cash dividends on these investments amounting to P660,000.

Changes in the fair value of AFS investments, which are presented as a separate component of equity in the statement of financial position are as follow:

	2016	2015	2014
At January 1	P-	P-	P2,781,299
Fair value changes taken to equity	-	1,166,258	(827,421)
Transferred to profit or loss	-	(1,166,258)	(1,953,878)
Net change in fair value for the year	-	-	(2,781,299)
At December 31	P-	P-	P-

NOTE 10 - PROPERTY AND EQUIPMENT, NET

The details pertinent to the Company's property and equipment, by major classifications, are as follow:

	Transportation equipment	Server and network equipment	Furniture, fixture and office equipment	Leasehold improvements	Total
Cost					
January 1, 2015	P2,906,250	P6,088,188	P16,585,072	P1,647,223	P27,226,733
Additions	-	58,027	-	-	58,027
Transfers	(2,906,250)	(6,146,215)	(16,585,072)	(1,647,223)	(27,284,760)
December 31, 2015	-	-	-	-	-
Additions	-	-	-	-	-
Transfers	-	-	-	-	-
December 31, 2016	-	-	-	-	-
Accumulated Depreciation					
January 1, 2015	1,832,143	5,972,046	16,442,879	549,075	24,796,143
Provision	268,527	174,169	142,192	308,854	893,742
Transfers	(2,100,670)	(6,146,215)	(16,585,071)	(857,929)	(25,689,885)
December 31, 2015	-	-	-	-	-
Provision	-	-	-	-	-
Transfers	-	-	-	-	-
December 31, 2016	-	-	-	-	-
Net book value					
December 31, 2016	P-	P-	P-	P-	P-
December 31, 2015	P-	P-	P-	P-	P-

There are no fully depreciated property and equipment that are still in use for operations as at December 31, 2016 and 2015.

The Company recognized depreciation on its property and equipment in the amount of nil in 2016, P893,742 in 2015 and P1,039,696 in 2014, as shown in the cost of services and general and administrative expenses sections, as disclosed in Notes 15 and 16, with details as follow:

	2016	2015	2014
Cost of services (Note 15)	P-	P116,145	P182,187
General and administrative expenses (Note 16)	-	777,597	857,509
	P-	P893,742	P1,039,696

The Company has assigned its property and equipment, with a net book value of P1,594,875, to Vantage on October 30, 2015, as disclosed in Note 1.

NOTE 11 - TRADE AND OTHER PAYABLES

The composition of this account is as follows:

	2016	2015
Trade accounts payable	P-	P945,720
Accrued expenses	529,542	50,000
Output value-added tax (VAT)	586,259	313,581
Government dues	14,414	-
	P1,130,215	P1,309,301

Trade accounts payable represents liabilities to suppliers, with credit terms ranging from 30 to 120 days from invoice date.

Accrued expenses pertain to the liabilities incurred for professional fees and Philippine Stock Exchange (PSE) listing fees, which will be paid on the subsequent month.

Output VAT pertains to the liability to be paid to the BIR in relation to the interest to be collected from the Company's advances to its shareholder.

The Company assigned trade accounts payable and other current liabilities amounting to P10.27 million to Vantage on October 30, 2015, as disclosed in Note 1.

NOTE 12 - SHARE CAPITAL

The pertinent information on this account is presented hereunder:

	2016	
	Number of shares	Amount
Authorized - par value of P0.01 per share	100,000,000,000	P1,000,000,000
Issued and outstanding	27,800,000,000	278,000,000

	2015	
	Number of shares	Amount
Authorized - par value of P1 per share	1,000,000,000	P1,000,000,000
Issued and outstanding	278,000,000	278,000,000

The track record of the Company's registration of securities in compliance with SEC Rule 68, Annex 68-D follows:

a) The authorized number of shares registered with the SEC on June 10, 1998 is at one billion shares with a par value of P1 per share.

b) On July 7, 2015, Vantage (majority owner of the Company) entered into a Sale and Purchase Agreement (SPA) with third party buyers for the sale of the entire shares owned by Vantage. Under the SPA, the closing of the transfer of the Sale Shares is subject to and conditioned upon the conduct and completion of a mandatory tender offer as well as the payment of the purchase price, which conditions have been complied with on October 15, 2015. Accordingly, on the said date, the Company ceased as a majority-owned subsidiary of Vantage.

c) On December 7, 2015, the BOD in its special meeting, approved the quasi-reorganization and increase in authorized capital stock of the Company. The quasi-reorganization will reduce the par value of the Company's one billion authorized common shares from P1 to P0.01. Further, the authorized capital stock will be increased to P3,000,000,000 divided into 300,000,000,000 shares.

   On December 11, 2015, the shareholders of the Company, representing at least 2/3 of the outstanding capital stock, ratified the said resolutions.

   As of December 31, 2015, the Company has not yet applied for the quasi-reorganization and increase in authorized capital stock with the SEC.

d) In 2016, the Company submitted an application with the SEC for the change of the Company's name from YEHEY! CORPORATION to APOLLO GLOBAL CAPITAL, INC. Along with the change in the corporate name, the Company filed for its Amended Articles of Incorporation with the following equity information:

	Shares	Amount
Authorized capital stock	100,000,000,000	P1,000,000,000
Par value per share		0.01
Issued and outstanding	27,800,000,000	278,000,000

   Instead of the P3,000,000,000 authorized capital stock that was initially planned last December 7, 2015, the Company decided and finalized its plans with the revised authorized capital stock as mentioned above.

   A certification on the above amendments was issued by the Company's acting corporate secretary on April 6, 2016 as a support for the Company's application for the amended articles of incorporation and by-laws.

e) On October 7, 2016, the SEC approved the change in name of the Company and the amendments in the articles of incorporation.

f) On the annual stockholders' meeting held last December 14, 2016, it was resolved that the Company has plans to increase its authorized capital stock from one billion pesos (P1,000,000,000) to six billion pesos (P6,000,000,000).

   The shareholders of the Company, representing at least 2/3 of the outstanding capital stock, approved and ratified the said resolution. The said approval shall supersede the approval on the increase in the Company's authorized capital stock to P3,000,000,000 as approved by the stockholders during the annual stockholders' meeting held last December 11, 2015.

   The application on the increase in authorized capital stock to P6,000,000,000 is yet to be filed by the Company with SEC.

g) On the same annual stockholders' meeting, the stockholders had approved the issuance and listing of shares to be issued out of the current unissued and/or the increase in the authorized capital stock of the Company to new investors and/or existing stockholders, and the listing thereof, on terms beneficial to the Company.

h) As of December 31, 2016 and 2015, the total number of stockholders of the Company is 797 and 800, respectively.

NOTE 13 - SEGMENT INFORMATION

The primary segment reporting format is presented based on business segments in which the Company's risks and rates of return are affected predominantly by differences in the products and services provided. The Company is organized into three major operating business segments in 2015 and 2014 which is consistent with how the Company's management internally monitors and analyzes the financial information for reporting to the Chief Operating Decision Maker (CODM), who is responsible for allocating resources, assessing performance and making operating decisions:

a) Digital PR and Strategy

Digital PR and strategy specializes in creative management and implementation of professional value—added solutions in the new media, helping clients meet marketing goals and objectives. It focuses on three core areas of expertise such as, Research and Monitoring, Reputation Defense and Promotions. This covers seeding of content — articles, videos, audio clips, and the like, in these sites.

b) Web Development and Production

The Company develops and maintains websites of various corporate clients. Web production services include creative development of websites, hardware and software management, and site maintenance. To date, the Company has created and launched approximately 300 websites of corporate clients catering to varied industries to include food, finance, consumer products and media, among others.

c) Media Sales

The Company engages in media selling of ad space of publishers. This media selling is only part of a Media Plan, which the Company prepares for each client to specifically cater to its marketing needs.

Information on the Company's significant business segments follow (amounts in thousands):

	December 31, 2016				
Earnings Information	Digital PR and strategy	Web development and productions	Media sales	Others*	Total
Service income	P-	P-	P-	P-	P-
Cost of services	-	-	-	-	-
Gross profit	-	-	-	-	-
Interest Income (Note 18)	-	-	-	2,276	2,276
Provision for income tax (Note 20)	-	-	-	46	46
Net profit	-	-	-	1,204	1,204
Other Information					
Segment assets**	-	-	-	262,563	262,563
Segment liabilities**	-	-	-	2,645	2,645
Depreciation and amortization (Notes 15 and 16)	-	-	-	-	-

**These are not allocable to the Company's segments.*

***Segment assets and liabilities are allocated based on the revenue of each segment over the total revenues of the Company*

	December 31, 2015				
Earnings Information	Digital PR and strategy	Web development and productions	Media sales	Others*	Total
Service income	P11,334	P1,838	P2,862	P-	P16,034
Cost of services	6,344	869	945	-	8,158
Gross profit	5,527	1,056	1,293	-	7,876
Interest income (Note 18)	-	-	-	6,856	6,856
Provision for income tax (Note 20)	-	-	-	887	887
Net profit	5,527	1,056	1,293	(2,632)	5,244
Other Information					
Segment assets**	183,804	29,807	46,413	-	260,024
Segment liabilities**	925	150	234	-	1,309
Depreciation and amortization (Notes 15 and 16)	70	35	11	778	894

These are not allocable to the Company's segments.

***Segment assets and liabilities are allocated based on the revenue of each segment over the total revenues of the Company.*

	December 31, 2014				
Earnings Information	Digital PR and strategy	Web development and productions	Media sales	Others*	Total
Service income	P11,162	P7,092	P1,151	P-	P19,405
Cost of services	7,965	3,561	453	-	11,979
Gross profit	3,197	3,531	698	-	7,426
Interest income (Note 18)	-	-	-	2,679	2,679
Provision for income tax (Note 20)	-	-	-	686	686
Net profit	3,197	3,531	698	(5,221)	2,205
Other Information					
Segment assets**	153,512	97,537	15,830	-	266,879
Segment liabilities**	7,744	4,921	799	-	13,464
Depreciation and amortization (Notes 15 and 16)	105	67	10	858	1,040

These are not allocable to the Company's segments.

***Segment assets and liabilities are allocated based on the revenue of each segment over the total revenues of the Company.*

NOTE 14 - SERVICE INCOME

This account consists of the following:

	2016	2015	2014
Digital PR and Strategy	P-	P11,333,613	P11,162,151
Web development and production	-	1,837,703	7,091,720
Media sales	-	2,862,846	1,151,143
	P-	P16,034,162	P19,405,014

NOTE 15 - COST OF SERVICES

This account consists of the following:

	2016	2015	2014
Salaries and benefits (Note 17)	P-	P4,540,821	P6,683,313
Cost of Digital PR and Strategy	-	2,604,314	3,573,713
Internet connection fee	-	361,912	463,405
Web development and production	-	262,630	770,732
Depreciation and amortization (Note 10)	-	116,145	182,187
Retirement expense (Note 17)	-	-	87,855
Others	-	272,676	217,317
	P-	P8,158,498	P11,978,522

NOTE 16 - GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of the following:

	2016	2015	2014
Registration and license fees	P525,220	P255,960	P255,650
Professional fees	292,500	3,581,800	2,862,157
Taxes and licenses	227,853	403,538	817,025
Separation pay (Note 17)	-	3,070,217	-
Salaries and benefits (Note 17)	-	1,903,463	2,570,494
Depreciation and amortization (Note 10)	-	777,597	857,509
Rent	-	523,980	603,169
Communication and utilities	-	379,023	569,917
External services	-	238,879	334,641
Condominium dues	-	110,700	145,140
Directors' fees	-	94,118	217,647
Entertainment, amusement and recreation	-	44,024	29,455
Transportation and travel	-	35,296	91,282
Office supplies	-	27,950	41,559
Repairs and maintenance	-	10,886	23,189
Retirement expense (Note 17)	-	-	24,539
Others	29,810	198,989	412,748
	P1,075,383	P11,656,420	P9,856,121

NOTE 17 - PERSONNEL COSTS

The Company recognized personnel expenses in the amount of nil in 2016, P9,514,501 in 2015 and P9,366,201 in 2014, as shown in the cost of services and general and administrative expenses sections in the statement of comprehensive income, with details as follow:

	2016	2015	2014
Cost of services (Note 15)			
Salaries and benefits	P-	P4,540,821	P6,683,313
Retirement expense	-	-	87,855
	P-	P4,540,821	P6,771,168
General and administrative expenses (Note 16)			
Salaries and benefits	P-	P1,903,463	P2,570,494
Separation pay	-	3,070,217	-
Retirement expense	-	-	24,539
	P-	P4,973,680	P2,595,033
Total personnel costs	P-	P9,514,501	P9,366,201

As a result of the disposal of the investment of Vantage, the Company did not have any employees as of December 31, 2016.

NOTE 18 - INTEREST INCOME

This account consists of interest income from the following:

	2016	2015	2014
Cash (Note 5)	P3,206	P3,173,886	P2,678,042
Other receivables (Note 7)	2,272,321	2,613,170	1,212
AFS investment (Note 9)	-	797,543	-
Others	-	1,263	-
	P2,275,527	P6,585,862	P2,679,254

NOTE 19 - RELATED PARTY TRANSACTIONS

a) The details of the Company's related parties are summarized as follows:

Name of related party	Relationship	Country of incorporation
E-business Services, Inc.	With common officer	Philippines
Vantage Equities, Inc.	Former parent	Philippines
Individuals	Key management personnel/shareholders	-

The Company, in the normal course of business, has significant transactions with related parties pertaining to granting and availing of advances for operational expenses.

b) Significant transactions and outstanding balances with related parties are as follow:

	Outstanding balance 2016	Outstanding balance 2015	Terms and conditions	Security	Nature of consideration to be provided in settlement	Guarantees received	Allowance for impairment loss 2016	Allowance for impairment loss 2015	Impairment loss 2016	Impairment loss 2015	Impairment loss 2014
Advances to a shareholder (Note 7)											
Individual	P254,500,000	P254,500,000	Interest-bearing; payable within 12 months	Unsecured	Cash	None	P-	P-	P-	P-	P-
Accrued interest receivable (Note 7)											
Individual	5,471,750	2,926,750	Accrued interest on advances to a shareholder	Unsecured	Cash	None	-	-	-	-	-
	P259,971,750	'257,426,750					P-	P-	P-	P-	P-
Due to a related party											
Individual	(P1,515,123)	P-	Demandable	Unsecured	Cash	None	P-	P-	P-	P-	P-

c) Significant transactions of the Company during the year are as follow:

c.1) Additional interest income on the advances made to the Company's shareholder was accrued during the year amounting to P2,545,000.

c.2) The Company owes one of its shareholder the amount of P1,515,123 for the payments made by the latter for the expenses incurred by the former. The liability was lodged under 'Due to a related party', as shown in the statement of financial position.

d) The salaries and other short-term benefits of the Company's key management personnel amounted to nil in 2016, P1,896,448 in 2015 and P3,234,859 in 2014.

Post-employment benefits amounted to nil in 2016 and 2015 and P24,539 in 2014, as disclosed in Note 17.

NOTE 20 - INCOME TAXES

The income tax expense consists of:

	2016	2015	2014
Current tax			
Final tax	P-	P634,680	P535,334
MCIT	46,446	252,747	150,961
	P46,446	P887,427	P686,295

The reconciliation between the income tax expense, based on pretax profit, computed at the statutory income tax rate of 30%, and the provision for income tax expense, as shown in the statement of comprehensive income is as follows:

	2016	2015	2014
Profit before income tax	P1,250,144	P6,131,202	P2,891,398
Income tax computed at statutory tax rate of 30%	P375,043	P1,839,361	P867,419
Tax effect of:			
Non-taxable income	-	(349,877)	(784,163)
Interest income subject to final tax	(962)	(317,487)	(268,442)
Movement in unrecognized deferred tax assets	(327,652)	(284,570)	777,973
Non-deductible expenses	17	-	93,508
Income tax expense	P46,446	P887,427	P686,295

Details of the unrecognized deferred tax assets are as follow:

	2016	2015
Net operating loss carry-over (NOLCO)	P1,962,088	P3,541,700
Minimum corporate income tax (MCIT)	450,154	648,494
	P2,412,242	P4,190,194

The Company believes that it is not reasonably probable that these temporary differences will be realized in the future.

Details of the Company's MCIT that can be claimed as tax credit are as follow:

Year of incurrence	Year of expiry	Amount	Applied	Expired	Balance
2013	2016	P244,786	P-	(P244,786)	P-
2014	2017	150,961	-	-	150,961
2015	2018	252,747	-	-	252,747
2016	2019	46,446	-	-	46,446
		P694,940	P-	(P244,786)	P450,154

Details of the Company's NOLCO are as follow:

Year of incurrence	Year of expiry	Amount	Applied	Expired	Balance
2013	2016	P1,579,612	(P1,246,994)	(P332,618)	P-
2014	2017	1,962,088	-	-	1,962,088
		P3,541,700	(P1,246,994)	(P332,618)	P1,962,088

NOTE 21 - EARNINGS PER SHARE

The financial information pertinent to the derivation of earnings per share follows:

	2016	2015	2014
Net profit for the year	P1,203,698	P5,243,775	P2,205,103
Weighted average number of shares outstanding	27,800,000,000	278,000,000	278,000,000
Basic earnings per share	P0.00004	P0.01886	P0.00793

The Company has no dilutive potential common shares that can reduce the earnings per share.

NOTE 22 - COMMITMENTS AND CONTINGENCIES

Commitments

The Company has no significant commitments as at December 31, 2016 and 2015 and for the years ended December 31, 2016, 2015 and 2014.

Contingencies

There are no significant contingencies in relation to any legal action or claims involving the Company as at December 31, 2016 and 2015 and for the years ended December 31, 2016, 2015 and 2014.

NOTE 23 - OTHER MATTER

In the annual stockholders' meeting held last December 14, 2016, it was resolved that the Company will change its principal office address from Unit 1801 East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City to Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City.

NOTE 24 - EVENTS AFTER THE END OF THE FINANCIAL REPORTING DATE

There are no material subsequent transactions/events after the financial reporting date that would require adjustment to or disclosure in the financial statements.

NOTE 25 - INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

A. REVENUE REGULATIONS (RR) NO. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 which prescribes additional procedural and/or documentary requirements in connection with the preparation and submission of the financial statements accompanying the tax returns. Under the said RR, companies are required to disclose, in addition to the disclosures mandated under PFRS and such other standards and/or conventions that may heretofore be adopted, in the Notes to the Financial Statements, information on taxes, duties and license fees paid or accrued during the taxable year. In compliance with the requirements set forth by RR No. 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

1. The Company is a VAT-registered company with no VAT output tax declaration for the year since it has not generated any service income.

   However, the Company had recognized additional deferred output VAT amounting to P272,679 for the interest income to be collected on the advances extended by the Company to one of its shareholder. Outstanding deferred output VAT as at December 31, 2016 amounted to P586,259.

   The Company has no zero-rated receipts pursuant to the provisions of the National Internal Revenue Code.

2. The Company's input VAT is as follows:

Balance, January 1	P-
Current year's domestic purchases	65,317
Claimed for tax credit	-
	P65,317

3. There were no documentary stamp taxes accrued/paid during the year.

4. Other taxes paid during the year recognized under Taxes and Licenses account are the following:

Business permit	P218,665
Community taxes	8,688
BIR registration	500
	P227,853

5. The Company paid expanded withholding taxes in the amount of P14,504.

6. In April 2014, the Company received a Letter of Authority (LOA) pertaining to the VAT returns of the Company from January to June of 2013. A LOA was also received in September 2014 which pertains to all internal revenue taxes, excluding VAT, but including documentary stamp taxes for the year ended December 31, 2013. Examinations of the books of account for both LOAs are still ongoing as of December 31, 2016.

   For the year ended December 31, 2016, the Company has no tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.

B. REVENUE REGULATIONS (RR) NO. 2-2014

RR No. 2-2014 prescribes the new income tax forms to be used for income tax filing and starting with calendar year 2013. Pursuant to Section 244, in relation to Sections 6(H), 51(A)(1) and 51(A)(2) of the National Internal Revenue Code of 1997 (Tax Code), as amended, these Regulations are issued to prescribe the use of revised income tax forms with bar codes, and to reflect the changes in information required from said forms. This will also enable the said forms to be read by an optical character reader for ease in scanning.

In the case of corporations using BIR Form 1702, the taxpayer is now required to include as part of its notes to the audited financial statements, which will be attached to the income tax return (ITR), the schedules and information on taxable income and deductions to be taken.

1. Sales/Receipts/Fees

	Regular Rate	
Schedule of Revenues	Creditable Tax Withheld	Taxable Amount
Sale of Goods/Properties	P-	P-
Sale of Services	-	-
Lease of Properties	-	-
Total	-	-
Less: Sales Returns/Discounts	-	-
Net Sales/Revenues/Receipts/Fees	P-	P-

2. Cost of Sales/Services

Schedule of Cost of Sales (Service)	Amount under Special Rate	Amount under Regular Rate
Direct Charges - Salaries, Wages and Benefits	P-	P-
Direct Charges - Materials, Supplies, and Facilities	-	-
Direct Charges - Depreciation	-	-
Direct Charges - Rental	-	-
Direct Charges - Outside Services	-	-
Direct Charges - Others	-	-
Total Cost of Services	P-	P-

3. Non-Operating and Taxable Other Income

	Special Rate		Regular Rate	
Nature of Income	Creditable Tax Withheld	Taxable Amount	Creditable Tax Withheld	Taxable Amount
Interest income	P-	P-	P-	P2,272,321
Miscellaneous income	-	-	-	50,000
Total Other Income	P-	P-	P-	P2,322,321

4. Itemized deductions

Nature of Expense / Deduction	EXEMPT	TAXABLE Special Rate	TAXABLE Regular Rate
Advertising	P-	P-	P-
Charitable Contribution	-	-	-
Communications, Light and Water	-	-	-
Depreciation	-	-	-
Fringe Benefits	-	-	-
Fuel and Oil	-	-	-
Insurance	-	-	-
Interest	-	-	-
Miscellaneous	-	-	29,754
Outside Services	-	-	-
Professional Fees	-	-	292,500
Registration fees			525,220
Rental	-	-	-
Repairs & Maintenance	-	-	-
Representation & Entertainment	-	-	-
Salaries and Allowances	-	-	-
Security Services	-	-	-
SSS, GSIS, Medicare, HDMF and Other Contributions	-	-	-
Supplies	-	-	-
Taxes & Licenses	-	-	227,853
Tolling Fees	-	-	-
Transportation & Travel	-	-	-
Total Expenses	P-	P-	P1,075,327

4. NOLCO applied for the year ended amounted to P1,246,994.

BDO ALBA ROMEO & CO., CPAS
Audit | Tax | Consulting

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Fax: +(632) 844 2045

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)
1801 East Tower, Philippine Stock Exchange Centre
Exchange Road, Ortigas Centre
Pasig City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of **APOLLO GLOBAL CAPITAL, INC. (Formerly YEHEY! CORPORATION)** (the Company) as at and for the year ended December 31, 2016 included in this Form 17-A, and have issued our report thereon dated February 3, 2017. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Securities Regulation Code (SRC) Rule 68, As Amended, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ALBA ROMEO & CO.

Maria Carmina A. Ussher
Partner
CPA Certificate No. 0068006
Tax Identification No. 123-046-738
PTR No. 5917853, issued on January 9, 2017, Makati City
PRC/BOA Accreditation No. 0005 (Firm), issued on December 1, 2015
effective until December 31, 2018
SEC Accreditation No. 0007-FR-4 (Firm), Group A
issued on July 16, 2015, effective until July 15, 2018
SEC Accreditation No. 1542-A (Individual), Group A
issued on March 9, 2016, effective until May 1, 2019
BIR Accreditation No. 08-005455-1-2014 issued on January 5, 2015
effective until January 5, 2018

February 3, 2017
Makati City, Philippines

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

Schedule A. FINANCIAL SOUNDNESS INDICATORS
As of DECEMBER 31, 2016

	December 31, 2016	December 31, 2015
Current ratio	10,077.90%	19,859.73%
Debt-to-equity ratio	1.02%	0.51%
Asset-to-equity ratio	100.01%	100.51%
Debt ratio	1.01%	0.50%
Interest rate coverage ratio	N/A	N/A
Return on assets	0.46%	1.99%
Return on equity	0.46%	2.05%

(i) Current Ratio [Current assets/Current liabilities]
(ii) Debt to Equity Ratio [Total Liabilities/Total Equity]
(iii) Asset to Equity Ratio [Total Assets/Total Equity]
(iv) Debt Ratio [Total Liabilities/Total Assets]
(v) Interest coverage ratio [EBIT/finance cost]
(vi) Return on Assets [Net Income/Average Total Assets]
(vii) Return on Equity [Net Income/Average Total Equity]

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

Schedule B. FINANCIAL ASSETS
As of DECEMBER 31, 2016

Name of issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (ii)	Value based on market quotation at end of reporting period (iii)	Income received and accrued
Loans and receivables				
Other receivables	-	P259,971,750	N/A	P2,272,321

(i) Each issue shall be stated separately, except that reasonable grouping, without enumeration may be made of (a) securities issued or guaranteed by the Philippine Government or its agencies and (b) securities issued by others for which the amounts in the aggregate are not more than two percent of total assets.

(ii) State the basis of determining the amounts shown in the column. This column shall be totaled to correspond to the respective balance sheet caption or captions.

(iii) This column may be omitted if all amounts that would be shown are the same as those in the immediately preceding column.

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

Schedule C. AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
As of DECEMBER 31, 2016

Name and Designation of debtor (i)	Balance at beginning of period	Additions	Deductions: Amounts collected (ii)	Deductions: Amounts written off (iii)	Current	Not Current	Balance at end of period	Due date	Interest rate per annum	Terms of repayment	Collateral
Socorro P. Lim (Chairman)	P254,500,000	P-	P-	P-	P254,500,000	P-	P254,500,000*	Feb. 21, 2017	1%	Collectible on maturity date	None

**Collectible within 12 months with interest of 6% per annum from October 21, 2015 to December 31, 2015 and 1% per annum from January 1, 2016 to December 31, 2016.*

Interest income earned from the advances amounted to P2,272,321.

(i) Show separately accounts receivables and notes receivable. In case of notes receivable, indicate pertinent information such as the due date, interest rate, terms of repayment and collateral, if any.
(ii) If collection was other than in cash, explain.
(iii) Give reasons for write off.

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

Schedule D. AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
As of DECEMBER 31, 2016

Name and Designation of debtor	Balance at beginning of period	Additions	Deductions		Current	Not Current	Balance at end of period
			Amounts collected (i)	Amounts written off (ii)			

NOT APPLICABLE

(i) If collection was other than in cash, explain.
(ii) Give reasons for write off.

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

Schedule E. INTANGIBLE ASSETS - OTHER ASSETS
As of DECEMBER 31, 2016

Description (i)	Beginning balance	Additions at cost (ii)	Charged to cost and expenses	Charged to other accounts	Other changes, additions, deductions (iii)	Ending balance

NONE TO REPORT

(i) The information required shall be grouped into (a) intangibles shown under the caption intangible assets and (b) deferrals shown under the caption Other Assets in the related balance sheet. Show by major classifications.

(ii) For each change representing anything other than an acquisition, clearly state the nature of the change and the other accounts affected. Describe cost of additions representing other than cash expenditures.

(iii) If provision for amortization of intangible assets is credited in the books directly to the intangible asset account, the amounts shall be stated with explanations, including the accounts charged. Clearly state the nature of deductions if these represent anything other than regular amortization.

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

Schedule F. LONG-TERM DEBT
As of DECEMBER 31, 2016

Title of issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption **"Current portion** of long-term **debt" in related** balance sheet (ii)	Amount shown under caption **"Long**-Term **Debt" in** related balance sheet (iii)	Interest rates	Amount of periodic instalments	Number of periodic instalments	Maturity dates

NONE TO REPORT

(i) Include in this column each type of obligation authorized.
(ii) This column is to be totalled to correspond to the related balance sheet caption.
(iii) Include in this column details as to interest rates, amounts or number of periodic instalments, and maturity dates.

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

Schedule G. INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)
As of DECEMBER 31, 2016

Name of related party (i)	Balance at beginning of period	Balance at end of period (ii)

NONE TO REPORT

(i) The related parties named shall be grouped as in Schedule D. The information called for shall be stated separately for any persons whose investments were shown separately in such related schedule.

(ii) For each affiliate named in the first column, explain in a note hereto the nature and purpose of any material increase during the period that is in excess of 10 percent of the related balance at either the beginning or end of the period.

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

Schedule H. GUARANTEES OF SECURITIES OF OTHER ISSUERS
As of DECEMBER 31, 2016

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

NONE TO REPORT

(i) Indicate in a note any significant changes since the date of the last balance sheet filed. If this schedule is filed in support of consolidated financial statements, there shall be set forth guarantees by any person included in the consolidation except such guarantees of securities which are included in the consolidated balance sheet.

(ii) There must be a brief statement of the nature of the guarantee, such as "Guarantee of principal and interest", "Guarantee of Interest", or "Guarantee of dividends". If the guarantee is of interest, dividends, or both, state the annual aggregate amount of interest or dividends so guaranteed.

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

Schedule I. CAPITAL STOCK
As of DECEMBER 31, 2016

Title of issue (i)	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by Related parties (ii)	Directors, officers and employees	Others (iii)
Common shares of P0.01 par value	100,000,000,000	27,800,000,000	-	-	18,612,186,800	On October 7, 2016, the SEC approved the Company's application for the change in the par value per share from P1 to P0.01

(i) Include in this column each type of issue authorized.
(ii) Related parties referred to include persons for which separate financial statements are filed and those included in consolidated financial statements, other than the issuer of the particular security.
(iii) Indicate in a note any significant changes since the date of the last balance sheet filed.

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

Schedule J. MAP OF THE GROUP OF COMPANIES
As of DECEMBER 31, 2016

NOT APPLICABLE

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

Schedule K. RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
As of DECEMBER 31, 2016

NOT APPLICABLE

The Company posted deficit amounting to P35,668,981 as of December 31, 2016

APOLLO GLOBAL CAPITAL, INC.
(Formerly YEHEY! CORPORATION)

L. SCHEDULE OF STANDARDS AND INTERPRETATIONS

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics				
PFRSs Practice Statement Management Commentary				
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations			✓
	Amendment to PFRS 3: Accounting for contingent consideration in a business combination			✓
	Amendment to PFRS 3: Scope exceptions for joint ventures			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments			✓
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			✓
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities			✓
PFRS 8	Operating Segments	✓		
	Amendment to PFRS 8: Aggregation of operating segments	✓		
	Amendment to PFRS 8: Reconciliation of the total of the reportable segments' assets to entity's assets	✓		
PFRS 10	Consolidated Financial Statements			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2016		Adopted	Not Adopted	Not Applicable
	Amendments to PFRS 10, PFRS 12 and PAS 28: Investment Entities applying the consolidation exception			✓
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Accounting for acquisitions of interests in Joint Operations			✓
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendments to PFRS 12: Investment Entities applying the consolidation exception			✓
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Portfolio exception	✓		
PFRS 14	Regulatory Deferral accounts			✓
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets			✓
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Revaluation method - proportionate restatement of accumulated depreciation			✓
	Amendment to PAS 16: Clarification of acceptable methods of depreciation and amortization	✓		
	Amendments to PAS 16: Agriculture - Bearer plants			✓
PAS 17	Leases			✓
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates			✓
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendment to PAS 24: Key management personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	✓		

PAS 27 (Amended)	Separate Financial Statements			✓
	Amendment to PAS 27: Equity Method in Separate Financial statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓
	Amendments to PAS 28: Investment Entities applying the consolidation exception			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities			✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
	Amendment to PAS 38: Revaluation method proportionate restatement of accumulated amortization			✓
	Amendment to PAS 38: Clarification of acceptable methods of depreciation and amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			✓
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
PAS 40	Investment Property			✓
	Amendment to PAS 40: Clarifying the interrelationship between PFRS 3 and PAS 40 when classifying property and investment property or owner-occupied property			✓
PAS 41	Agriculture			✓
	Amendments to PAS 41: Agriculture - Bearer plants			✓
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓

IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of PFRS 2			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 15	Agreements for Construction of Real Estate*			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-12	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓