EXHIBIT 2

FINANCIAL STATEMENTS AND SCHEDULES

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

Company Name

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FINANCIAL STATEMENTS

The management of Megawide Construction Corp. and its subsidiaries is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2014 and 2013, in accordance with Philippine

information

Regulation Code Rule 68;

b. Reconciliation of Retained Earnings Available for Dividend Declaration;

c. Schedule of PFRS and Interpretations adopted by the SEC

P&A Grant Thornton

An instinct for growth

Report of Independent Auditors to Accompany Supplementary I

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center

List of Supplementary Information

Schedule	Content	Page No.
[illegible]	[illegible]	[illegible]

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES

Schedule A

Financial Assets - Fair Value Through Profit or Loss and Available for Sale Financial Assets

December 31, 2015

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
Schedule B
Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2015

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES

Schedule B

Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2015

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	

Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2015

[redacted]

December 31, 2015

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Balance carried forward	P 7,868,167	P 4,025,302	(P 4,330,388)	P	P 7,563,081	P -	P 7,563,081

[redacted]

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES

Schedule B

December 31, 2015

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

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES

Schedule C

[illegible]

December 31, 2015

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
Schedule D
Intangible Assets
December 31, 2015

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES

Schedule E

Long-Term Debt

December 31, 2015

Title of Issue and Type of	Amount Authorized	Amount Shown Under Caption"Current	Amount Shown Under Caption"Long-Term

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
Schedule F
Indebtedness to Related Parties
December 31, 2015

	Balance at Beginning of	Balance at End of

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
Schedule H
Capital Stock
December 31, 2015

				Number of Shares Held By

MEGAWIDE CONSTRUCTION CORPORATION
2nd Floor Spring Building, Arnaiz Avenue Cor. P. Burgos St., Pasay City

[redacted]

[redacted]

For Year Ended December 31, 2015

Unappropriated Retained Earnings of the Parent Company at Beginning of Year	P	2,805,735,798
Prior Periods' Outstanding Reconciling Item		
Deferred tax income		(13,607,003)
Unappropriated Retained Earnings Available for		
[illegible]		[illegible]

Net Profit of the Parent Company Realized During the Year

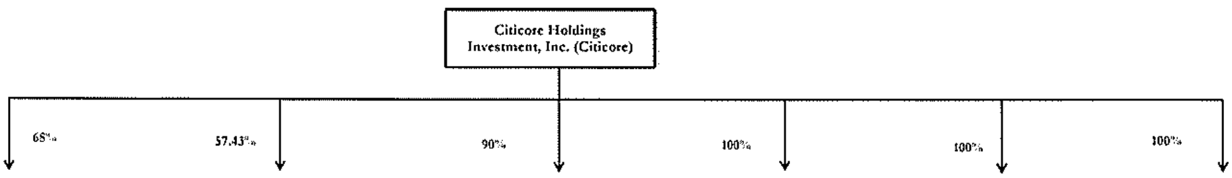
Net profit per audited financial statements	1,069,229,335

Schedule of Philippine Financial Reporting Standards and Interpretations
Adopted by the Securities and Exchange Commission and the

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS	Adopted	Not	Not

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
- 17 -				
Philippine Interpretations - Standing Interpretations Committee (SIC)				
SIC-7	Introduction of the Euro			✓

December 31, 2015



MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
Schedule of Relevant Financial Ratios as Required
Under SRC Rule 68, as amended
December 31, 2015
(Amounts in Philippine Pesos)

		2015		2014		2013	2015	2014	2013
I. Current/Equidity ratios									
a. Current Ratio									
Total Current Assets	P	22,495,456,946	P	17,128,706,554	P	16,742,320,130	1.78	0.90	2.14
Total Current Liabilities		[illegible]		[illegible]		[illegible]			
b. Quick Ratio									
Assets at Fair Value through Profit or Loss + Trade and Other Receivables)		17,068,432,025		12,823,544,588		12,203,245,795	1.35	0.67	1.56
Total Current Liabilities		12,647,217,358		19,011,486,714		7,815,237,646			
II. Solvency ratios									
a. Solvency Ratio									
(After Tax Net Profit + Depreciation)		2,002,423,868		1,282,349,039		1,916,253,873	0.06	0.05	0.15
Total Liabilities		31,910,630,827		24,096,887,435		12,961,986,946			
b. Debt to Equity Ratio									
Total Interest-bearing loans		22,542,400,194		19,914,967,111		7,465,375,785	1.36	1.29	0.87
Total Equity		16,604,203,384		15,410,589,469		8,541,010,236			
III. Asset-to-equity ratio									
Total Assets		48,514,834,211		39,507,476,904		21,502,997,182	2.92	2.56	2.52
Total Equity		[illegible]		[illegible]		[illegible]			

IV. Asset-to-liability ratio

MEGAWIDE
ENGINEERING EXCELLENCE

January 15, 2016

The Disclosure Department

[illegible]

Makati City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Re: **Annual Summary of Application of Proceeds**

P&A Grant Thornton

An instinct for growth

Financial Statements and Independent Auditor's Report

Megawide Construction Corporation and Subsidiaries

P&A Grant Thornton

An instinct for growth

...ion and Subsidiaries and ... Megawide Construction Corporation

...e Parent

Auditors' Responsibility

Our ... audit. We conducted our audits in accordance with Philippine Standards on Auditing ... to obtain reasonable assurance about whether the financial statements are free ... misstatement.

An audit involves ...

... cash flows for the years then ended, ... the financial performance and cash flows of the Parent Company ... December 31, 2013 ... in accordance with Philippine Financial Reporting Standards.

MEGAWIDE CONSTRUCT

	Notes	2015	2014
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	15	**P 3,591,596,098**	P 14,890,064,585
Trade and other payables	14	**6,664,240,736**	2,808,372,648
Advances from customers	16	**1,692,217,652**	1,097,101,769
[redacted]			
uncompleted contracts	9	**590,415,746**	153,915,058
[redacted]			
Total Current Liabilities		**12,647,217,338**	19,011,486,714

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013
(Amounts in Philippine Pesos)

	Notes	(Consolidated - See Note 2)	(Consolidated - See Note 2)	(Parent Company - See Note 2)
REVENUES	18			
Contract revenues		P 13,958,487,926	P 9,842,329,037	P 10,880,437,252
Airport operations revenues		1,483,891,826	199,959,118	-
		15,442,379,752	10,042,288,155	10,880,437,252
DIRECT COSTS	19, 20			
Contract costs		11,868,970,116	8,248,284,559	9,099,307,940
Costs of airport operations		348,461,765	45,462,357	-
		12,217,431,881	8,293,746,916	9,099,307,940
GROSS PROFIT		3,224,947,871	1,748,541,239	1,781,129,312
OTHER OPERATING EXPENSES	20	890,694,869	458,771,674	338,337,999
OPERATING PROFIT		2,334,253,002	1,289,769,565	1,442,791,313
OTHER INCOME (CHARGES)	22			
Finance costs		(557,086,991)	(441,344,309)	(421,151,138)
Finance income		141,846,177	116,172,018	459,041,037
Others - net		24,495,981	57,933,228	46,896,529
		(390,744,833)	(267,239,063)	84,786,428
PROFIT BEFORE TAX		1,943,508,169	1,022,530,502	1,527,577,741
TAX EXPENSE	23	469,483,345	135,366,631	131,944,316
NET PROFIT		1,474,024,824	887,163,871	1,395,633,425
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss				
Remeasurements of post-employment defined benefit plan	[illegible]	[illegible]	[illegible]	([illegible])

	Notes	2015 See Note 2)	2014 See Note 2)	2013 See Note 2)
Net Profit Attributable To:	1			
Shareholders of the Parent Company		P 1,273,682,741	P 867,587,087	P 1,395,633,425
Non-controlling interests		200,342,083	19,576,784	-
		P 1,474,024,824	P 887,163,871	P 1,395,633,425
Total Comprehensive Income Attributable To:				
Shareholders of the Parent Company		P 1,275,415,302	P 920,697,239	P 1,369,394,759
Non-controlling interests		200,335,987	19,576,784	-
		P 1,475,751,289	P 940,274,023	P 1,369,394,759

See Notes to Financial Statements.

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,236

(A Subsidiary of Citicore Holdings Investment, Inc.)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013

(Amounts in Philippine Pesos)

	Notes	2015 (Consolidated - See Note 2)	2014 (Consolidated - See Note 2)	2013 (Parent Company - See Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 1,943,508,169	P 1,022,530,502	P 1,527,577,741
Adjustments for:				

	Notes	2015 (Consolidated - See Note 2)	2014 (Consolidated - See Note 2)	2013 (Parent Company - See Note 2)

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES
(A Subsidiary of Citicore Holdings Investment, Inc.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 Incorporation and Operations

Megawide Construction Corporation (the "Parent Company") was incorporated in the

[redacted]

The Parent Company holds ownership interest in the following subsidiaries, associates and [redacted]

The Group's investments in MWCCI and CMCI are accounted for as investments in associates since the ownership of the Parent Company does not result to control over the entities' relevant activities [see Notes 3.1(g), 3.2(b) and 10.1].

MGCJV is an unincorporated joint venture formed on September 16, 2014 by the Parent [illegible]
(GISPL) each owning 50% interest and exercising joint control. MGCJV was established to provide all proper and suitable personnel and labor including supervision, materials, offices, workshops, tools, machinery, equipment and all other resources required for the construction of works for the renovation and expansion of the MCIA Project (see Note 10.4).

MWMTI is a joint venture arrangement formed on February 10, 2015 by the Parent [illegible]

In 2014, GMCAC and MCEI became subsidiaries of the Parent Company (see Note 1.2). Consequently, the Parent Company and its subsidiaries prepare [redacted]

for the year ended December 31, 2014 represent the first consolidated financial [redacted]

(i) PAS 19 (Amendment), *Employee Benefits – Defined Benefit Plans – Employee Contributions.* The amendment clarifies that if the amount of the contributions to defined benefit plans from employees or third parties is dependent on the number of years of service, an entity shall attribute the contributions to periods of service

using the same attribution method (i.e., either using the plan's contribution formula

or on a straight-line basis) for the gross benefit. The amendment did not have a

does not require employees or third parties to contribute to the benefit plan.

(ii) Annual Improvements to PFRS. Annual improvements to PFRS

Annual Improvements to PFRS (2011-2013 Cycle)

- PFRS 3, (Amendment), *Business Combinations – Scope Exceptions for Joint Ventures.* The amendment clarifies that PFRS 3 does not apply to the [redacted] PFRS 11, *Joint Arrangements,* in the financial statements of the joint arrangement itself.

- PFRS 13 (Amendment), *Fair Value Measurement – Scope of Portfolio Exception.* The amendment clarifies that the scope of the exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis [redacted]

(ii) PAS 16 (Amendment) *Property, Plant and Equipment* and PAS 38 (Amendment)

[redacted]

Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization (effective from January 1, 2016). The amendment in PAS 16 clarifies that a depreciation method that is based on revenue that is generated by an activity [redacted]

(vi) PFRS 10 (Amendment), *Consolidated Financial Statements* and PAS 28 (Amendment), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture* (effective date deferred indefinitely). The amendment to PFRS 10 requires full recognition in [illegible]

[illegible]

investor's financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3, between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor's [illegible]

[illegible]

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of [redacted]

an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

Management is currently assessing the impact of PFRS 9 (2014) on the financial [redacted]

statements and it will conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

The financial statements of subsidiaries, associates and joint arrangements are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

The Parent Company accounts for its investments in subsidiaries, associates, interests in joint arrangements, and non-controlling interests as follows:

(a) *Investments in Subsidiaries*

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date the Parent Company obtains control [see Notes 1.2 and 2.1(a)].

The Parent Company reassesess whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. Accordingly, entities are deconsolidated from the date that control ceases.

The acquisition method is applied to account for [illegible]. This

requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire and the

Acquired investment in associates is subject to the purchase method. The purchase method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. Goodwill represents the excess of acquisition cost over the fair value of the Parent Company's share of the [redacted] *(ii) Joint Venture*

A jointly controlled entity is a corporation, partnership, or other entity in which two or more venturers have an interest, under a contractual arrangement that establishes joint control over the entity. Each venturer usually contributes cash or other resources to the jointly controlled entity. Those contributions are included in the accounting records of the venturer and recognised in the venturer's financial statements as an investment in the jointly controlled entity.

[illegible]

[illegible] accounted for using the equity method.

Acquired investment in the jointly controlled entity is subject to the purchase method. The purchase method involves the recognition of the jointly controlled entity's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. Goodwill represents the excess of acquisition cost over the fair value of the

[redacted]

the entity is remeasured to its fair value at the date when control is lost, with the

[redacted]

[illegible]

determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the end of each reporting period which are classified as non-current assets.

[illegible]

(b) *Impairment of Financial Assets*

The Group assesses at the end of each reporting period whether there is objective

evidence that a financial asset or group of financial assets is impaired. The Group recognizes impairment loss based on the category of financial assets as follows:

(i) *Carried at Amortized Cost – Loans and Receivables* *(c) Items of Income and Expense Related to Financial Assets*

All income and expenses, including impairment losses, relating to financial assets

that are recognized in profit or loss are presented as part of Finance Income or Finance Costs in the statement of comprehensive income.

Non-compounding interest and other cash flows resulting from holding financial

assets are recognized in profit or loss when earned [illegible]

2.8 Property, Plant and Equipment

Property, plant and equipment, except land and construction in progress, are carried at

[redacted]

losses. Land held for use in operations or administration is stated at cost less any impairment losses.

[redacted]

The cost of an asset comprises its purchase price and directly attributable costs of bringing

The concession asset is recognized initially at cost. It consists of:

[redacted]

borrowing costs;

(ii) Directly attributable costs related to the acquisition of the concession assets; and,

(iii) Cost of infrastructure constructed and under construction in accordance with the terms and conditions of the Concession Agreement. These are not recognized as property, plant and equipment of the Group but as an intangible asset.

Following initial recognition, the service concession asset is carried at cost less any accumulated amortization and any accumulated impairment losses. The service

[redacted]

[redacted]

Acquired computer software license (shown as part of Other Non-current [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Obligations under finance lease (included as part of Interest-bearing Loans and Borrowings) are recognized at amounts equal to the fair value of the leased property or, if [redacted]

(see Note 2.17).

[redacted]

[redacted]

Operating segments are reported in a manner consistent with the internal reporting [redacted]

[redacted]

Additionally, as required under Philippine Interpretations IFRIC 12, *Service Concession Arrangements,* construction revenue and cost relating to construction or upgrade services of [illegible]

[illegible]

in accordance with PAS 11, *Construction Contracts*. The consideration is measured at the fair [illegible]

[redacted]

2.19 Impairment of Non-financial Assets

The Group's investments in associates and joint venture, property, plant, and equipment, [redacted] license, and other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which [redacted]

Remeasurements, comprising of actuarial gains and losses arising from experience

adjustments and changes in actuarial assumptions and the return on plan assets

(excluding amount included in net interest) [illegible]

2.22 Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

[illegible]

Parties are considered to be related if one party has the ability to control the other party or [redacted]

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in accordance with PFRS require management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events

[illegible]

[illegible] differ from these estimates.

3.1. [illegible]

(d) *Impairment of AFS Financial Assets*

The determination when an investment is other-than-temporarily impaired requires significant judgment. In making this judgment, the Group evaluates, among other [redacted] its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Based on the recent evaluation of information and circumstances affecting the [redacted]

In April 2014, GMCAC paid upfront fees to the Philippine Government amounting to P14,404.6 million to undertake the implementation and operation of the MCIA Project in accordance with the Concession Agreement (see Note 12). The Group identified certain significant and key activities related to the MCIA Project, as also set forth in the Concession Agreement. As such, the upfront fees were allocated among these key activities using proportionate rates based on the expected

(ii) construction of new passenger Terminal; (iii) renovation and expansion of Terminal and (iv) capacity augmentation. Subsequent project development costs

[redacted]

are not acquired businesses accounted for as business combination since the Parent Company is one of the incorporators. In addition, the acquired ownership in Altria [redacted]

(d) *Impairment of Trade and Other Receivables*

Adequate amount of allowance for impairment is provided for specific and groups

these accounts based on available facts and circumstances affecting the collectability of the accounts, including, but not limited to, the length of the Group's relationship

The carrying amount of intangible assets is analyzed in Notes 11 and 12. The carrying amount of property, plant and equipment is analyzed in Note 13. In 2014, [redacted]

4. SEGMENT REPORTING

The Group's operating businesses are recognized and managed separately according to the nature of services provided with a segment representing a strategic business unit. The

4.1 Business Segments

(a) *Construction* – principally refers to general construction business which involves site development, earthworks, structural and civil works, masonry works, and architectural finishes, electrical works, plumbing and sanitary works, fire protection works and

(b) *Airport Operations* – mainly relate to the business of building, rehabilitating, renovating, constructing, developing, operating, and maintaining the MCIA, including the commercial assets thereof and all allied businesses for the operation and maintenance of said airport facility.

4.3 Analysis of Segment Information

[redacted]

2014. Accordingly, no operating segment information is presented prior to 2014.

[redacted]

Liabilities

		2015		2014
Total segment liabilities	P	32,946,990	P	24,281,002
Elimination of intercompany accounts	(	1,074,617)	(	184,105)
Other unallocated liabilities		38,258		-

[redacted]

[redacted]

This account consists of the following:

	Notes	2015	2014
Contract receivables:			
Third parties		**P3,645,890,234**	P 865,424,576
Related parties	25.1	**1,500,156,033**	1,648,052,839

[redacted]

A reconciliation of the allowance for impairment at the beginning and end of 2015 and 2014 is shown below.

	Note	2015	2014
Balance at beginning of year		P 9,208,879	P -
Impairment losses	22.1	-	9,208,879
Balance at end of year		P 9,208,879	P 9,208,879

In 2013, the Parent Company collected certain receivables amounting to P14.7 million that were previously provided with allowance for impairment. Accordingly, the Parent

8. CONSTRUCTION MATERIALS

This account consists of the following

		2015		2014
Mechanical electrical plumbing and fireproof materials	P	72,810,634	P	42,267,345
Consumables and spare parts		63,436,996		-
Rebars		56,172,520		89,187,820
Hardware		34,074,196		47,590,573
Precast		22,007,603		117,507,046
Others		44,288,038		25,908,018
	P	292,789,987	P	322,460,802

Certain scrap construction materials were sold for P1.4 million, P8.0 milli[illegible]

P3.3 million in 2015, 2014 and 2013, respectively. Proceeds from the sale are presented as [illegible]

10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE, AND ACQUISITION OF ASSETS

The carrying values of Investments in Associates and Joint Venture account are shown below:

	Note	2015	2014
Investments in:			
Associates	10.1	P 775,412,091	P 783,771,889
Joint venture	10.3	43,381,936	-
		P 818,794,027	P 783,771,889

The significant commitments related to the associates and joint venture are discussed in Notes 26.

The Parent Company has also investment in SSPI which are accounted for as AFS financial asset as the Parent Company neither exercises control or significant influence over SSPI (see Note 11.6).

10.1 Investments in Associates

The components of the carrying values of this account are as follows: [illegible]

	Note	2015	2014
Acquisition cost:			
MWCCI		P 580,890,000	P 580,890,000
CMCI		[illegible]	[illegible]

[redacted]

[redacted]

[redacted]

[redacted]

10.2 Acquisition of Assets of Altria

On December 26, 2012, pursuant to a memorandum of agreement dated December 17, 2012, the Parent Company acquired 100% ownership interest in Altria. Altria is a company incorporated in the Philippines and holds an investment property in the form of land. The registered office of Altria, which is also its principal place of [redacted]

The carrying value of the interest in joint venture as of December 31, 2015 follows:

	Note	Amount
[illegible]		P [illegible]
Equity share in net losses	22.3	(364,199)
Balance at end of year		P 43,381,936

10.5 Material Non-controlling Interests

Non-controlling interests pertain to the 40% and 30% equity ownership of minority stockholders in GMCAC and MCEI, respectively. The Group determined that only the minority interest in GMCAC is considered as a material non-controlling interest, and [illegible]

	2015	2014
Assets	**P21,175,250,527**	P17,170,605,492
Liabilities	**15,595,169,645**	12,090,504,978
Equity	**5,580,080,882**	5,080,100,514
Net profit	**501,132,982**	49,010,929

[redacted]

construction of airport terminal facilities and purchase of property and equipment based on

		2015		2014
Balance at beginning of year	P	39,644,260	P	25,044,630
Additi[illegible]				

11.7 Investment in Trust Fund

[redacted]

[redacted]

operate trust and investment accounts with a local universal bank (Security Trustee). The [redacted]

13. PROPERTY, PLANT AND EQUIPMENT

The gross carrying amounts and accumulated depreciation at the beginning and end of December 31, 2015 and 2014 are shown below.

Land		Precast	Office Furniture, Fixtures and	Transportation	Precast and Construction	Construction in	

In 2012, the Parent Company entered into several sale and leaseback transactions for certain construction equipment and transportation equipment that resulted in a finance

recognized gain on these transactions amounting to P46.6 million upon inception. The

14. TRADE AND OTHER PAYABLES

This account consists of the following:

	Notes	2015	2014
Trade payables		**P 5,401,441,309**	P 1,063,570,759
Retention payable	17	**738,469,357**	683,292,596
Accrued expenses	10.2	**233,024,374**	254,262,316
Due to stockholders and related parties	10, 25.6, 25.7	**149,469,597**	443,245,560
Interest payable	15	**88,735,622**	343,253,326
Security deposits	26.1.2	**29,048,978**	-
Accrued salaries		**24,051,499**	18,713,864
Dividends payable	25.9(c)	**-**	1,983,227
		P 6,664,240,736	P 2,808,372,648

Retention payable pertains to amounts withheld from payments made to subcontractors to ensure compliance and completion of contracted projects ranging from 5% to 10% of

15.1 Notes Payable

On February 10, 2012, the Parent Company [illegible]

[illegible]

local universal bank. In this agreement, the Parent Company desired to offer and issue fixed-rate corporate notes in the aggregate principal amount of P4,000.0 million. The net

[illegible]

proceeds of the notes after deducting direct issue costs, such as underwriting fees and commissions, documentary stamp tax and other expenses associated with the issuance, amounted to P3,957.3 million.

In 2011, the Parent Company was granted another unsecured Notes payable facility up to P3,000.0 million by a local bank, to which P1,000.0 million was availed. The loan bears an annual interest of 6.5% payable in 5 years. The carrying value of the loan is P1,000.0 million as of December 31, 2015 and 2014. Total interest on these notes payable amounted to P313.4 million, P193.3 million, and P267.7 million in 2015, 2014 and 2013, respectively, and is presented as part of Interest expense from notes payable under Finance Costs account (see Note 22.1). Unpaid interest as of December 31, 2015 and

[redacted]

to May 5, 2015. The Company agreed to pay all interest already accrued thereon on

[redacted]

Moreover, GMCAC's BOD authorized GMCAC to establish, maintain and operate trust and investment accounts with a Security Trustee to ensure the prompt payment of the required amortization, interest and principal of the long-term loan, which was established

and maintained by GMCAC during the reporting period (see Note 11.7).

The total drawdowns made for the onshore loan amounted to P13,666.0 million while drawdowns on the offshore loan amounted to US$11.0 million (or equivalent to P517.7 million). The proceeds of the loan was used to refinance the bridge facility extended by a local universal bank which was used to partly finance the payment of the

Project's Upfront Premium and to finance the capital expenditures and other costs in relation to the Project [see Note 15.2(a)]. As of December 31, 2015, the carrying amount of the total onshore and offshore loans amounted to P13,947.3 million.

Total debt issue costs incurred in this Omnibus Agreement amounted to P245.7 million,

16. ADVANCES FROM CUSTOMERS

Advances from customers for construction works relate to the following projects:

[redacted]

	Note	2015	2014
[redacted]			
Related parties	25.1	**39,660,186**	132,022,782
		1,380,942,191	974,189,297

Deposit received prior to commencement of a project:

[redacted]

18. REVENUES

18.1 Contract Revenues

The details of this account for the years ended December 31, 2015, 2014 and 2013 are composed of the revenues from:

[redacted]

	(Consolidated - see Note 2)	(Consolidated - see Note 2)	(Parent Company - see Note 2)
[redacted]			
Completed contracts	634,215,891	413,522,297	42,630,462
[redacted]			

19. DIRECT COSTS

19.1 Contract Costs

The following is the breakdown of contract costs for the years ended December 31:

[redacted]

	Notes	(Consolidated - see Note 2)	(Consolidated - see Note 2)	(Parent Company - see Note 2)
Outside services		**P 5,595,835,656**	P 3,463,211,318	P 3,306,303,720
Project overhead		**679,722,706**	927,982,010	985,365,045
Salaries and employee benefits	21.1	**551,409,956**	518,245,808	439,558,561

[redacted]

20. OPERATING EXPENSES BY NATURE

The details of operating expenses by nature are shown below.

	Notes	2015 (Consolidated - see Note 2)	2014 (Consolidated - see Note 2)	2013 (Parent Company - see Note 2)
Outside services		**P 5,653,518,501**	P 3,494,400,944	P 3,325,452,632
[redacted]				
and facilities		**4,653,917,528**	3,004,945,350	3,897,316,640
Salaries and employee				
[redacted]				
Depreciation	11.5, 12,			
[redacted]				

21. POST-EMPLOYMENT DEFINED BENEFIT OBLIGATION

21.1 Salaries and Employee Benefits Expense

Expenses recognized for salaries and employee benefits (see Note 20) are presented below:

	Note	2015 (Consolidated - see Note 2)	2014 (Consolidated - see Note 2)	2013 (Parent Company - see Note 2)
Short-term employee benefits		**P 942,102,425**	P 693,526,902	P 557,375,332
Post-employment benefit	21.2	**12,687,221**	20,131,499	19,169,049
		P 954,789,646	P 713,658,401	P 576,544,381

The expenses are allocated in the statements of comprehensive income.

	Notes	2015 (Consolidated - see Note 2)	2014 (Consolidated - see Note 2)	2013 (Parent Company - see Note 2)

The amounts of post-employment DBO in the statements of financial position are determined as follows:

	2015	2014
[illegible]	[illegible]	[illegible]
	P 73,458,020	P 60,498,195

The movements in the present value of the DBO are as follows:

[illegible]

[redacted]

	2015	2014	2013
	see Note 2)	see Note 2)	see Note 2)
Recognized in other comprehensive income (loss)			
Actuarial gains (losses) arising from:			
Changes in financial assumptions	**P 5,667,595**	P 69,176,816	(P 6,605,649)
Experience adjustments	**(3,013,345)**	6,681,667	(30,973,601)
[redacted]			
(excluding amounts included in net interest)	**(187,872)**	13,163	59,441
	P 2,466,378	P 75,871,646	(P 37,483,809)

[redacted]

(c) Risks Associated with the Defined Benefit Plan

The plan exposes the Group to actuarial risks such as investment risk, interest rate [redacted]

(i) Investment and Interest Risks

[redacted]

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in [redacted]

22. OTHER INCOME (CHARGES)

22.1 Finance Costs

The breakdown of this account in 2015, 2014 and 2013 is as follows:

	Notes	2015 (Consolidated - see Note 2)	2014 (Consolidated - see Note 2)	2013 (Parent Company - see Note 2)
Interest expense from:	15			
[redacted]				
Notes payable		**P 313,393,982**	P 193,282,012	P 267,685,396
Bank loans		**214,925,858**	215,190,446	27,571,072
[redacted]				
Finance lease		**7,252,363**	5,057,470	48,606,497
		535,572,203	413,529,928	343,862,965
Foreign currency losses – net		**14,893,910**	1,939,283	2,839,816
Bank charges		**3,881,896**	5,661,896	1,400,718
Interest expense on retirement obligation – net	21.2	**2,738,982**	5,871,515	2,858,100
[redacted]				
on receivables	6	**-**	9,208,879	-
Loss on sale of financial assets at FVTPL	7	**-**	5,132,808	-
Fair value loss on financial assets at FVTPL	7	**-**	-	70,189,539
		P 557,086,991	P 441,344,309	P 421,151,138

	Notes	2015 (Consolidated - see Note 2)	2014 (Consolidated - see Note 2)	2013 (Parent Company - see Note 2)
Balance brought forward		**P 141,846,177**	P 111,444,789	P 444,324,844
Fair value gains on financial [illegible]				
[illegible]				
receivables	6	-	-	14,716,193
		P 141,846,177	P 116,172,018	P 459,041,037

22.3 Others

[illegible]

	2015	2014	2013
[illegible]			

(c) Employment of foreign nationals which will hold supervisory, technical or advisory positions for five years from June 1, 2011; and,

[redacted]

	2015 (Consolidated - see Note 2)	2014 (Consolidated - see Note 2)	2013 (Parent Company - see Note 2)
Reported in other comprehensive income (loss)			
Deferred tax income (expense) relating to origination and reversal of temporary differences	(P 739,913)	(P 22,761,494)	P 11,245,143

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense for the year ended December 31 is as follows:

	2015 (Consolidated - see Note 2)	2014 (Consolidated - see Note 2)	2013 (Parent Company - see Note 2)
Tax on pretax profit at 30%	**P 583,052,451**	P 306,759,151	P 458,273,322
Adjustment for income subjected to lower tax rates	**(15,047,080)**	(10,629,820)	(11,504,222)
Tax effects of:			
Non-taxable net profit under ITH	**(142,874,139)**	(142,010,947)	(249,304,006)
[illegible]	[illegible]	[illegible]	[illegible]
Non-taxable income	**(274,471)**	(31,385,041)	(98,784,787)
	P 469,483,345	P 135,366,631	P 131,944,316

The net deferred tax assets (liabilities) recognized in the statements of financial position as

The deferred tax expense (income) recognized in the statements of comprehensive income for December 31 relate to the following:

	Profit or Loss			Other Comprehensive Income		
	2015 (Consolidated - see Note 2)	2014 (Consolidated - see Note 2)	2013 (Parent Company see Note 2)	2015 (Consolidated - see Note 2)	2014 (Consolidated - see Note 2)	2013 (Parent Company - see Note 2)
Amortization of concession assets	P 152,616,717	P 24,639,851	P -	P -	P -	P -
Excess of estimated over actual cost	(43,860,185)	-	-	-	-	-
Uncollected non-taxable income*	37,895,829	-	-	-	-	-
NOLCO	18,855,625	(18,855,625)	-	-	-	-
Post-employment defined						

In the meeting of the Parent Company's BOD held on May 14, 2014 and of the
stockholders held on June 30, 2014, the BOD and the stockholders approved the inc...

As discussed in Note 24.1, on May 14, 2014 and June 30, 2014, the Parent Company's

[illegible]

25. RELATED PARTY TRANSACTIONS

The Group's related parties include its ultimate parent company and other shareholders

subsidiaries, associates, joint venture, parties related to the Parent Company by common ownership and key management personnel.

The summary of the Group's transactions with related parties as of December 31, 2015 is as follows:

Related Party Category	Notes	Amount of Transaction	Outstanding Receivable (Payable)	Term	Conditions
Ultimate Parent Company – Cash advances obtained	25.6	P 318,002,680	(P 14,461,850)	Normal credit terms	Unsecured
Shareholders:					
Revenue from services	6, 18, 25.1	14,116,562	6,433,075	Normal	
				Noninterest-bearing	Unsecured
Cash collected	6, 25.6	(74,493)	-	Normal credit terms	Unsecured
Advances obtained	14, 25.6	(801,841)	(801,841)	Normal	Unsecured

Outstanding

Related Parties Under Common Ownership:							
Advances from customers	16, 25.1	P	114,248,283	(P	39,660,186)	Normal credit terms	Unsecured
Rent expense	19, 25.2		3,219,617		-	On demand	Unsecured
Advances granted	6, 25.6		9,699,905		10,835,421	On demand; Noninterest-bearing	Unsecured
Advances obtained	14, 25.6	(	6,134,183)	(	6,134,183)	On demand;	

Related Party Category	Notes	Amount of Transaction	Outstanding Receivable (Payable)	Term	Conditions
[redacted]					
Common Ownership:					
Bank loans	15, 25.5 (a)	(P 10,953,898,987)	(P12,066,398,987)	Short-term, interest-bearing	Secured
[redacted]					
Interest expense	22.1, 25.5 (d)	112,964,307	(320,836,369)	Based on related loan term	Secured
Revenue from services	6, 18, 25.1	1,913,817,952	995,193,229	Normal credit terms	Unsecured
[redacted]					

25.1.2 Construction of Solar Power Facilities

In 2015, The Group entered into Engineering, Procurement and Construction Services Contracts (EPC Contracts) with SSPI and Next Generation Power [redacted]

25.5 Interest-bearing Loans and Borrowings

The Group has the following transactions with a local universal bank which is a related party under common ownership:

(a) Total credit lines granted to the Group amounted to P13,900.0 million and P12,793.2 million as of December 31, 2015 and 2014, respectively. The outstanding balance from the total amount availed by the Group as of December 31, 2015 and 2014 amounted to P8,952.9 million and P12,103.0 million, respectively (see Note 15);

(b) Notes payable facility up to P4,000.0 million of which the total amount drawn

25.7 Advances to and from Minority Shareholders

In 2014, the minority shareholders granted unsecured, noninterest-bearing cash advances to GMCAC to support its Project bid-related expenses. No impairment losses were recognized for these advances. These advances are presented as part of Due to [redacted]

s tatement of financial position (see Note 14). Also, in 2014, the minority interest [redacted]

(e) In August 2015, MCEI and SSPI entered into a Deed of Assignment whereby MCEI conveyed its rights and obligations over its Solar Energy Service Contract with the [redacted]

and obligations to explore and develop the renewable energy area located in [redacted]

Silay, Negros Occidental as covered by the said contract.

25.10 *Key Management Compensation*

The compensation of key management personnel is broken down as follows:

	2015	2014	2013
[redacted]			

almost all the leases started in 2015 and those entered into in 2014 were short-term in nature.

26.2 Finance Lease Commitments – Group as Lessee

The Group has finance leases covering certain transportation and construction equipment

with terms ranging from two to five years. Future minimum lease payments (MLP) under

Pursuant to the above agreements, the Parent Company and Citicore established CMCI (see Note 1) to handle the PPP school infrastructure project and executed an Accession Agreement to transfer all rights and obligation of the proponent to CMCI under the

agreement with the Philippine Government. On October 18, 2012, the Company and CMCI executed a construction agreement whereby the Parent Company has agreed to undertake the construction of the PPP school infrastructure project for a contract price of P8,000.0 million. As of December 31, 2015, the school infrastructure project is 100% and 62.67% complete for Phases 1 and 2, respectively.

In 2012, CMCI obtained a loan facility with a local bank for P6,500.0 million which was received by the latter in 2012. The Parent Company and Citicore are severally liable for the

(i) The preparation of policies and procedures such as O&M Manual and the [illegible]

26.6 Capital Commitments on Use of Proceeds

The Parent Company has capital commitments to utilize the proceeds from the issuance of its preferred shares amounting to P3,938.5 million for various PPP projects, development of renewable energy projects, and bid preparation and preliminary works for PPP projects that the Parent Company will bid for. As of December 31, 2015, the balance of proceeds is unutilized (see Note 24.1).

26.7 Legal Claims

There are pending claims, tax assessment, and other legal actions filed by the Group or against the Group arising from the normal course of business. There are no related provisions recognized in the financial statements as management believes that the Group [illegible]

ultimate liability, if any, with respect to such litigations, claims and disputes will not [illegible]

28. EVENTS AFTER THE END OF THE REPORTING PERIOD

[redacted]

Philippine pesos at the closing rates, are as follows:

[redacted]

	2015	2014
Cash in banks	P 22,379,206	P 3,240,286
Other non-current assets		
Investment in trust fund	364,341,980	-

[redacted]

(c) Other Price Risk Sensitivity

[redacted]

None of the Group's financial assets are secured by collateral or other credit

[redacted]

enhancements, except for cash and cash equivalents and trade and other receivables as

[redacted]

(d) Refundable Security and Bond Deposits

[redacted]

The Group is not exposed to any significant credit risk exposures to its lessors as

[redacted]

30. CATEGORIES, OFFSETTING AND FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

30.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of assets and liabilities presented in the statements of financial position are shown below.

		2015		2014	
		[illegible]	[illegible]	[illegible]	[illegible]
Loans and receivables:					
Cash and cash equivalents	5	P 3,275,607,016	P 3,275,607,016	P 4,431,651,910	P 4,431,651,910
Trade and other receivables – net	6	7,805,456,077	7,805,456,077	4,736,100,287	4,736,100,287

- Level 2: inputs other than quoted prices included within Level 1 that are observable

for the asset or liability, either directly [illegible]

30.5 Financial Instruments Measured at Amortised Cost