UNIPAGE MANAGEMENT INC.

9F Summit One Tower, 530 Shaw Boulevard, Mandaluyong City
Tel. no. 717-0523

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **UNIPAGE MANAGEMENT INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years of December 31, 2018 and 2017, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

CELINIA H. FAELMOCA, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standard on Auditing, and in its report to the stockholders has expressed its opinion on the fairness of presentation upon of such examination.

TWINIE KAYE NG
President and Chairman of the Board

DIANA L. NG
Treasurer

Sign this 26th day of March 2019

UNIPAGE MANAGEMENT, INC.

FINANCIAL STATEMENTS
December 31, 2018 AND 2017

REPORT OF INDEPENDENT AUDITOR

Board of Directors
Unipage Management Inc.
9F Summit One Tower, 530 Shaw Blvd.
Mandaluyong City

Opinion

I have audited the accompanying financial statements of **Unipage Management Inc.** which comprise the statements of financial position as at December 31, 2018 and 2017 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

I conducted my audits in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am 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 my audit of the financial statements in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of these 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 concerns, disclosing, as applicable, matters related to going concerns 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

My objective 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 my opinion. Reasonable assurance is a high level of assurance, but is not 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 reasonabless 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I communicate with those charged with the 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 I identity' during my audit.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010.

My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 13 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue 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 my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

Celinia H. Faelmoca

Celinia H. Faelmoca
CPA License No. 0062399
PRC ID expires on October 21, 2020
PTR No. 10877591, February 22, 2019, Province of Rizal
TIN No. 105-992-754
BOA Certificate of Accreditation No. 3454
Valid until October 21, 2021
BIR Accreditation No. 07-001072-002-2016
Valid until September 20, 2019

March 26, 2019
38 Lancia St. Village East
Cainta, Rizal

03 APR 2019

Satellite Office Securities and Exchange Commission
APR 0 8 2019
RECEIVED SUBJECT TO REVIEW OF FORM AND CONTENTS

UNIPAGE MANAGEMENT INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2018 and 2017

	Note		2018		2017
ASSETS					
Current Assets					
Cash in bank	4	P	**395,485**	P	138,362
Noncurrent Assets					
Available-for-sale investment	5		**57,000,000**		43,600,000
Deferred tax assets			-		58,236
			57,000,000		43,658,236
TOTAL ASSETS		P	**57,395,485**	P	43,796,598
LIABILITIES AND EQUITY					
Liabilities					
Current Liabilities					
Income tax payable	12	P	**6,570**	P	4,547
Noncurrent Liabilities					
Payable to related party	9		**63,277,606**		63,041,172
Deferred tax liability			**8,764**		-
			63,286,370		63,041,172
TOTAL LIABILITIES			**63,292,940**		63,045,719
Equity					
Share Capital	7		**20,000,000**		20,000,000
Unrealized loss on available-for sale financial assets - net of tax			**1,744,106**		(11,588,894)
Deficit	8		**(27,641,561)**		(27,660,227)
TOTAL EQUITY			**(5,897,455)**		(19,249,121)
TOTAL LIABILITIES AND EQUITY		P	**57,395,485**	P	43,796,598

See notes to financial statements

UNIPAGE MANAGEMENT INC.

STATEMENT OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2018 and 2017

	Note		2018		2017
Revenue	10	**P**	**150,000**	P	150,000
Interest income			**3,336**		-
			153,336		**150,000**
EXPENSES	11		**128,100**		134,842
INCOME (LOSS) BEFORE INCOME TAX EXPENSE			**25,236**		15,158
INCOME TAX EXPENSE			**6,570**		4,547
NET INCOME			**18,666**		10,611
COMPREHENSIVE INCOME (LOSS)					
Unrealized gain (loss) on FV adjustment of available-for-sale investment			**13,400,000**		(3,046,830)
Deferred lax			**67,000**		(15,234)
			13,333,000		(3,031,596)
TOTAL COMPREHENSIVE INCOME		**P**	**13,351,666**	P	(3,020,985)

See Notes to Financial Statements

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UNIPAGE MANAGEMENT INC.
STATEMENT OF CHANGES IN EQUITY
For the Years Ended December 31, 2018 and 2017

		Share Capital		Unrealized gain (loss) on available-for sale investment, net of tax deferred income tax		Deficit		Total
Balance at January 1, 2017	P	20,000,000	P	(8,557,298)	P	(27,670,838)	P	(16,228,136)
Changes and in fair value, net of tax				(3,031,596)				
Net income (loss) during the year						10,611		10,611
Balance at December 31, 2017		20,000,000		(11,588,894)		(27,660,227)		(19,249,121)
Changes in fair value of AFS				13,333,000				13,333,000
Net income (loss) during the year						18,666		18,666
Balance at December 31, 2018		**P 20,000,000**	**P**	**1,744,106**	P	(27,641,561)	**P**	**(5,897,455)**

See notes to financial statements

UNIPAGE MANAGEMENT INC.

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2018 and 2017

		2018		2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	P	18,666	P	10,611
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation and amortization		-		48,081
Income taxes		2,023		827
		20,689		59,519
Decrease (Increase) in:				
Trade receivables		-		150,000
		20,689		209,519
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase)/Decrease in:				
Available-for-sale investment		-		(10,000,000)
Payable to related party		236,434		9,731,272
		236,434		(268,728)
CASH FLOWS FROM FINANCING ACTIVITIES				
		-		-
		-		-
NET INCREASE/(DECREASE) IN CASH		257,123		(59,209)
CASH BEGINNING		138,362		197,571
CASH END OF YEAR	P	395,485	P	138,362

See notes to financial statements

UNIPAGE MANAGEMENT INC.
Notes to Financial Statements
December 31, 2018 and 2017

1. Corporate Information

The company, UNIPAGE MANAGEMENT INC. was incorporated on May 27, 1996 with authorized capital stock of P20,000,000.00 and SEC registration no. AS096005485. The primary purpose is to act as managers in providing management, investment and technical advice for commercial, industrial, manufacturing and other kinds of enterprises**.**

The company's registered office address is 9F Summit One Tower, 530 Shaw Boulevard, Mandaluyong City.

The accompanying financial statements were authorized for issue in accordance with the resolution by the Board of Directors (BOD) on March 26, 2019.

2. Summary of Significant Accounting Policies

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

Basis of Preparation

The accompanying financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) for Small and Medium-sized Entities (SME) under the historical cost method except for available-for-sale investment which are carried at fair value.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Philippine Peso, which is the Company's functional and presentation currency.

The preparation of financial statements in conformity with the PFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumption and estimations are significant to the financial statements are disclosed in Note 3.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the 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) for Small and medium-sized entities issued by the Financial Reporting Standards Council.

Summary of Significant Accounting Policies

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

Financial Assets

Financial assets include cash in bank and available-for-sale investment

Cash in bank

Cash are stated at face value. Cash in bank consist of current accounts that earns interest at prevailing bank rate.

AFS financial assets
Shares held by the Company that are traded in active market are classified as being AFS and are stated at fair value. Gains and losses arising from changes in the fair value re recognized directly in equity with the exception of impairment losses, interest calculated using the effective interest rate method and foreign exchange gains and losses on monetary assets, which are recognized directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in the equity is included in profit or loss of the period.

Dividend on AFS equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established.

Receivables
Receivables are stated at its face value.

Property and Equipment
Property and equipment, are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and amortization and any impairment in value.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. Cost also includes any asset retirement obligation and interest on borrowed funds used. When assets are sold or retired, their costs and accumulated depreciation, amortization and impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of operations of such period.

Depreciation and amortization are calculated on a straight-line basis over the useful lives of the assets.

The estimated useful lives of the property are as follows:

	No. of years
Office furniture and equipment	10
Office improvement	10

The useful life of each of the property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets.

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 operations in the year the item is derecognized.

Financial Liabilities
Financial liabilities include trade and other payables and non-interest bearing borrowings.

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Accounts Payables
Accounts payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade payables are not interest bearing and are stated at their nominal value.

Accounts payables are measured initially at their nominal values and subsequently recognized at amortized costs less settlement payments.

Financial Instruments

Date of Recognition
The Company recognizes a financial asset or a financial liability in the balance sheets when it becomes a party to the contractual provisions of the instrument.

Initial Recognition of Financial Instruments
All financial assets are initially recognized at fair value.

Determination of Fair Value
For all 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.

Impairment of Financial Assets
The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Derecognition of Financial Assets and Financial Liabilities

Financial assets
A financial asset (or, where applicable a part of 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 (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged, 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 income.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the balance sheet 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 balance sheet.

Impairment of Non-financial Assets
The Company assesses as at reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use or its net selling price and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset exceeds it recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses are recognized in the statements of income in those expense categories consistent with the function of the impaired asset.

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

Share Capital
Share capital is determined using the nominal value of shares that have been issued and fully paid.

The costs of acquiring Company's own shares are shown as a deduction from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Deficit
Deficit include all current and prior period results as disclosed in the statement of income.

Comprehensive Income
Comprehensive income, are recognized as part of total comprehensive income, outside of profit or loss, when they arise. Comprehensive income may represent some gains and losses arising on translating the financial statements of a foreign corporation, some actuarial gains and losses, and some changes in fair values of hedging instruments.

Revenue and cost recognition
Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectible amount, or the amount in respect of which recovery has ceased to be probable, is recognized as an expense, rather than as an adjustment of the amount of revenue originally recognized.

Short-term Benefits
The Company recognizes if any, a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the

Company to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and other non-monetary benefits.

Long-term Benefits

The Company provides retirement benefits to entitled employees as mandated by law.

Borrowing Costs

Borrowing costs if any, are generally expenses as incurred. Borrowing costs, including exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest cost, are capitalized if they are directly attributable to the acquisition or construction of an qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized.

For income tax reporting purposes, borrowing costs are treated as deductible expense in the year such are incurred.

Income Tax

The tax currently payable for the year is Regular Corporate Income Tax (RCIT). Taxable profit differs from net profit as reported in the statements of operations, 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. The reconciliation of the Company's liability, if any, for current tax is calculated using 30% tax rate.

Current tax assets and liabilities for the current and 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 the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax, if any, is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their 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 and carry forward benefits of unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward of NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that 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. Unrecognized deferred tax assets are reassessed at each balance date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax asset and liabilities are measured at the tax rates expected in the year 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 balance sheet date.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. When the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Contingencies
Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Events after the End of the Reporting Period
Post-year-end events up to the date of the auditor's report that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

Related Parties
Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (1) individual owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Company; (2) associates; and (3) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

The key management personnel of the Company and post-employment benefit plans for the benefit of Company's employees are also considered to be related parties.

The key management personnel do not derive compensation from the company.

3. Management's Significant Accounting Judgment and Estimate

Judgments
The preparation of the Company's financial statements in conformity with PFRS for SMEs requires management to make estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes. The estimates and assumptions used in the Company's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Company's financial statements. Actual results could differ from such estimates, judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

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

Estimated Useful Lives of Property and Equipment
The Company estimates the useful lives of property and equipment if any based on the period over which the property and equipment are expected to be available for use. The estimated useful lives of the 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 property and equipment. In addition, the estimation of the useful lives of property and equipment is based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance could be materially affected by changes in the 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 the property and equipment would increase the recorded expenses and decrease the noncurrent assets.

The estimated useful lives and depreciation method are reviewed from time to time to ensure that these are consistent with the expected economic benefits of the property and equipment.

Impairment of Non-financial Assets
The Company assesses the value of property and equipment which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, and require the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property, plant and equipment and other long-lived assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect the Company's assessment of recoverable values and may lead to future additional impairment charges.

Revenue recognition
The Company's revenue recognition policies require the use of estimates and assumptions that may affect the reported amounts of revenues and receivables. Differences between the amounts initially recognized and actual settlements are taken up in the accounts upon reconciliation. However, there is no assurance that such use of estimates may not result to material adjustments in future periods.

4. Cash in bank

Cash in banks earn interest at the prevailing bank deposit rates and consist of current account.

5. Available for sale investment

Investment in AFS securities represents a block of shares in Transpacific Broadband Group Int'l. Inc. (TBGI), a publicly listed company in the Philippine Stock Exchange. Fair value was determined thru reference to published price quotation.

The reconciliation of the carrying amounts of this account at the beginning and end of the year is as follows:

	2018		2017
Balance at the beginning	**43,600,000**	P	36,646,830
Addition during the year	**-**		10,000,000
Changes in fair value	**13,400,000**		(3,046,830)
	57,000,000	P	43,600,000

The company purchased ATN Philippine Solar shares of stock thru ATN Holdings Inc. 10,000,000 million shares in 2017 and 10,000,000 million shares 2016 at par value.

6. Property and equipment

This account consists of:

2017	Furniture and Fixtures	Leasehold Improvements	Total
Cost	**P 3,841,795**	**P 7,927,146**	**P 11,768,941**
Accumulated depreciation and amortization			
Balance, Jan. 1 2017	**3,643,714**	**7,886,813**	**11,530,527**
Provision	**198,081**	**40,333**	**238,414**
Balance, Dec. 1, 2017	**3,841,795**	**7,927,146**	**11,768,941**
Net book value	**P -**	**P -**	**P -**

7. **Share capital**

The company's authorized, subscribed and paid-up capital consists of:

	2018		2017	
	No. of shares	**Amount**	No. of shares	Amount
Authorized-P100 par value	**200,000**	**P20,000,000**	200,000	P20,000,000
Subscribed and paid-up	**200,000**	**P20,000,000**	200,000	P20,000,000

8. **Deficit**

This account consists of:

	2018		2017
Deficit, beginning balance	**27,660,227**	P	27,670,838
Deficit (income) during the year	**18,666**		10,611
	27,641,561	P	27,660,227

9. **Related party transactions**

The year end balances of payables to related parties after considering related party transactions for the year are as follows:

	2018		2017
ATN Holdings, Inc.	**734,881**		11,734,881
Stockholders	**62,542,725**		51,306,291
	63,277,606	P	63,041,172

Related party transactions are non-cash and non-trade in nature and do not bear interest. Key management personnel do not derive compensation from the company.

10. **Revenues**

Revenues consist of management fee.

11. **Expenses**

This account consists of:

		2018		2017
Depreciation and amortization	**P**	**-**	P	48,081
Office supplies		**33,552**		19,572
Miscellaneous		**28,665**		23,593
Transportation		**24,400**		14,580
Communication and utilities		**20,983**		18,516
Professional fees		**20,000**		10,000
Taxes and licenses		**500**		500
	P	**128,100**	P	134,842

12. **Income taxes**

The reconciliation of the income tax expense computed at statutory tax rate and the income tax liability for the current period is as follows:

	2018		2017
Statutory income tax	**7,571**	P	4,547
Income subject to final tax	**(1,001)**		-
Actual provision of income tax	**6,570**	P	4,547

The components of the company's deferred tax consist:

		2018		2017
Unrealized loss on available-for-sale investment		**-**	P	58,236
Unrealized gain on available-for-sale investment		**(8,764)**		
	P	**(8,764)**	P	58,236

13. Other internal revenue matters

In compliance with the requirements set forth by RR 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year:

The company's gross income of P150,000 are accrued income from related party and is not subject to Vat output. The company has no VAT input taxes claimed during the year.

Taxes and licenses consist of BIR annual registration fee of P500. There are no withholding taxes during the year on compensation, creditable withholdings taxes and final withholding taxes.

The company has no existing deficiency tax assessments, and no ongoing tax investigation as of December 31, 2018.

Supplementary information required under RR 19-2011

Details of itemized deductions for the year as follows:

Office supplies	**P**	**33,552**
Miscellaneous		**28,665**
Transportation		**24,400**
Communication and utilities		**20,983**
Professional fees		**20,000**
Taxes and licenses		**500**
	P	**128,100**

Details of taxes and licenses during the year as follows:

BIR – Annual registration	P500

REPORT OF INDEPENDENT AUDITOR

Board of Directors
Unipage Management Inc.
9F Summit One Tower, 530 Shaw Blvd.
Mandaluyong City

Opinion

I have audited the accompanying financial statements of **Unipage Management Inc.** which comprise the statements of financial position as at December 31, 2017 and 2016 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

I conducted my audits in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am 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 my audit of the financial statements in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of these 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 concerns, disclosing, as applicable, matters related to going concerns 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

My objective 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 my opinion. Reasonable assurance is a high level of assurance, but is not 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 reasonabless 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I communicate with those charged with the 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 I identity' during my audit.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010.

My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 13 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue 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 my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

Celinia H. Faelmoca

Celinia H. Faelmoca
CPA License No. 0062399
PRC ID expires on October 21, 2020
PTR No. 9311269, March 14, 2018, Province of Rizal
TIN No. 105-992-754
BOA Certificate of Accreditation No. 3454
Expires on December 31, 2018
BIR Accreditation No. 07-000113-1-2013
Expires on September 20, 2019

March 26, 2018
38 Lancia St. Village East
Cainta, Rizal

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UNIPAGE MANAGEMENT INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2017 and 2016

	Note		2017		2016
ASSETS					
Current Assets					
Cash in bank	4	P	138,362	P	197,571
Trade receivable			-		150,000
			138,362		347,571
Noncurrent Assets					
Available-for-sale investment	5		43,600,000		36,646,830
Property and Equipment	6		-		48,081
Deferred tax assets			58,236		43,002
			43,658,236		36,737,913
TOTAL ASSETS		P	43,796,598	P	37,085,484

	Note		2017		2016
LIABILITIES AND EQUITY					
Liabilities					
Current Liabilities					
Income tax payable	12	P	4,547	P	3,720
Noncurrent Liabilities					
Payable to related party	9		63,041,172		53,309,900
Deferred tax liability			-		-
			63,041,172		53,309,900
TOTAL LIABILITIES			63,045,720		53,313,620
Equity					
Share Capital	7		20,000,000		20,000,000
Unrealized loss on available-for sale financial assets - net of tax			(11,588,894)		(8,557,298)
Deficit	8		(27,660,227)		(27,670,838)
TOTAL EQUITY			(19,249,122)		(16,228,136)
TOTAL LIABILITIES AND EQUITY		P	43,796,598	P	37,085,484

See notes to financial statements

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UNIPAGE MANAGEMENT INC.
STATEMENT OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2017 and 2016

	Note		2017		2016
REVENUE	10	**P**	**150,000**	P	150,000
EXPENSES	11		**134,842**		137,600
INCOME (LOSS) BEFORE INCOME TAX EXPENSE			**15,158**		12,400
INCOME TAX EXPENSE			**4,547**		3,720
NET INCOME			**10,611**		8,680
COMPREHENSIVE INCOME (LOSS)					
Unrealized gain (loss) on FV adjustment of available-for-sale investment			**(3,046,830)**		(3,553,170)
Deferred lax			**(15,234)**		(17,766)
			(3,031,596)		(3,535,404)
TOTAL COMPREHENSIVE INCOME		**P**	**(3,020,986)**	P	(3,526,724)

See Notes to Financial Statements

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UNIPAGE MANAGEMENT INC.

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2017 and 2016

		2017		2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	P	10,611	P	8,660
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation and amortization		48,081		-
Income taxes		827		(1,280)
		59,519		7,380
Decrease (Increase) in:				
Trade receivables		150,000		(150,000)
		209,519		(142,620)
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase)/Decrease in:				
Available-for-sale investment		(10,000,000)		(10,000,000)
Payable to related party		9,731,272		10,273,889
		(268,728)		273,889
CASH FLOWS FROM FINANCING ACTIVITIES				
		-		-
		-		-
NET INCREASE/(DECREASE) IN CASH		(59,209)		131,269
CASH BEGINNING		197,571		66,302
CASH END OF YEAR	P	138,362	P	197,571

See notes to financial statements

UNIPAGE MANAGEMENT INC.
STATEMENT OF CHANGES IN EQUITY
For the Years Ended December 31, 2017 and 2016

		Share Capital		Unrealized gain (loss) on available-for sale investment, net of tax deferred income tax		Deficit		Total
Balance at January 1, 2016	P	20,000,000	P	(5,021,894)	P	(27,679,518)	P	(12,701,412)
Changes and in fair value, net of tax				(3,535,404)				
Net income (loss) during the year						8,680		8,680
Balance at December 31, 2016		20,000,000		(8,557,298)		(27,670,838)		(16,228,136)
Changes in fair value of AFS				(3,031,596)				(3,031,596)
Net income (loss) during the year						10,611		10,611
Balance at December 31, 2017	**P**	**20,000,000**	**P**	**(11,588,894)**	P	(27,660,227)	**P**	**(19,249,122)**

See notes to financial statements

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UNIPAGE MANAGEMENT INC.
Notes to Financial Statements
December 31, 2017 and 2016

1. Corporate Information

The company, UNIPAGE MANAGEMENT INC. was incorporated on May 27, 1996 with authorized capital stock of P20,000,000.00 and SEC registration no. AS096005485. The primary purpose is to act as managers in providing management, investment and technical advice for commercial, industrial, manufacturing and other kinds of enterprises.

The company's registered office address is 9F Summit One Tower, 530 Shaw Boulevard, Mandaluyong City.

The Company operates within the Philippines as of December 31, 2017 and 2016.

The accompanying financial statements were authorized for issue in accordance with the resolution by the Board of Directors (BOD) on March 26, 2018.

The board of directors is still empowered to make revisions on financial statements even after the date of issue.

2. Summary of Significant Accounting Policies

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

Basis of Preparation

The accompanying financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) for Small and Medium-sized Entities (SME) under the historical cost method except for available-for-sale investment which are carried at fair value.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Philippine Peso, which is the Company's functional and presentation currency.

The preparation of financial statements in conformity with the PFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumption and estimations are significant to the financial statements are disclosed in Note 3.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the 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) for Small and medium-sized entities issued by the Financial Reporting Standards Council.

Summary of Significant Accounting Policies

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

Financial Assets

Financial assets include cash in bank and available-for-sale investment

Cash in bank
Cash are stated at face value. Cash in bank consist of current accounts that earns interest at prevailing bank rate.

Cash Equivalents
Cash equivalents *if any*, are short-term, highly liquid debt instruments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value

AFS financial assets
Shares held by the Company that are traded in active market are classified as being AFS and are stated at fair value. Gains and losses arising from changes in the fair value re recognized directly in equity with the exception of impairment losses, interest calculated using the effective interest rate method and foreign exchange gains and losses on monetary assets, which are recognized directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in the equity is included in profit or loss of the period.

Dividend on AFS equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established.

Receivables
Receivables are stated at its face value.

Property and Equipment
Property and equipment, are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and amortization and any impairment in value.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. Cost also includes any asset retirement obligation and interest on borrowed funds used. When assets are sold or retired, their costs and accumulated depreciation, amortization and impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of operations of such period.

Depreciation and amortization are calculated on a straight-line basis over the useful lives of the assets.

The estimated useful lives of the property are as follows:

	No. of years
Office furniture and equipment	10
Office improvement	10

The useful life of each of the property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets.

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 operations in the year the item is derecognized.

Financial Liabilities
Financial liabilities include trade and other payables and non-interest bearing borrowings.

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Accounts Payables
Accounts payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade payables are not interest bearing and are stated at their nominal value.

Accounts payables are measured initially at their nominal values and subsequently recognized at amortized costs less settlement payments.

Financial Instruments

Date of Recognition
The Company recognizes a financial asset or a financial liability in the balance sheets when it becomes a party to the contractual provisions of the instrument.

Initial Recognition of Financial Instruments
All financial assets are initially recognized at fair value.

Determination of Fair Value
For all 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.

Impairment of Financial Assets
The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Derecognition of Financial Assets and Financial Liabilities

Financial assets
A financial asset (or, where applicable a part of 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 (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged, 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 income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet 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 balance sheet.

Impairment of Non-financial Assets

The Company assesses as at reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use or its net selling price and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset exceeds it recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses are recognized in the statements of income in those expense categories consistent with the function of the impaired asset.

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

Share Capital

Share capital is determined using the nominal value of shares that have been issued and fully paid.

The costs of acquiring Company's own shares are shown as a deduction from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Deficit

Deficit include all current and prior period results as disclosed in the statement of income.

Comprehensive Income

Comprehensive income, if any are recognized as part of total comprehensive income, outside of profit or loss, when they arise. Comprehensive income may represent some gains and losses arising on translating the financial statements of a foreign corporation, some actuarial gains and losses, and some changes in fair values of hedging instruments.

Revenue and cost recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectible amount, or the amount in respect of which recovery has ceased to be probable, is recognized as an expense, rather than as an adjustment of the amount of revenue originally recognized.

Short-term Benefits

The Company recognizes if any, a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and other non-monetary benefits.

Long-term Benefits

The Company provides retirement benefits to entitled employees as mandated by law.

Borrowing Costs

Borrowing costs if any, are generally expenses as incurred. Borrowing costs, including exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest cost, are capitalized if they are directly attributable to the acquisition or construction of an qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized.

For income tax reporting purposes, borrowing costs are treated as deductible expense in the year such are incurred.

Income Tax

The tax currently payable for the year is Regular Corporate Income Tax (RCIT). Taxable profit differs from net profit as reported in the statements of operations, 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. The reconciliation of the Company's liability, if any, for current tax is calculated using 30% tax rate.

Current tax assets and liabilities for the current and 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 the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax, if any, is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their 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 and carry forward benefits of unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward of NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that 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. Unrecognized deferred tax assets are reassessed at each balance date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax asset and liabilities are measured at the tax rates expected in the year 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 balance sheet date.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. When the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Events after the End of the Reporting Period

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

Related Parties

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (1) individual owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Company; (2) associates; and (3) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

The key management personnel of the Company and post-employment benefit plans for the benefit of Company's employees are also considered to be related parties.

The key management personnel do not derive compensation from the company.

3. Management's Significant Accounting Judgment and Estimate

Judgments

The preparation of the Company's financial statements in conformity with PFRS for SMEs requires management to make estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes. The estimates and assumptions used in the Company's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Company's financial statements. Actual results could differ from such estimates, judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates

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

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

Estimated Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment if any based on the period over which the property and equipment are expected to be available for use. The estimated useful lives of the 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 property and equipment. In addition, the estimation of the useful lives of property and equipment is based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance could be materially affected by changes in the 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 the property and equipment would increase the recorded expenses and decrease the noncurrent assets.

The estimated useful lives and depreciation method are reviewed from time to time to ensure that these are consistent with the expected economic benefits of the property and equipment.

Impairment of Non-financial Assets

The Company assesses the value of property and equipment which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, and require the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property, plant and equipment and other long-lived assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect the Company's assessment of recoverable values and may lead to future additional impairment charges.

Revenue recognition

The Company’s revenue recognition policies require the use of estimates and assumptions that may affect the reported amounts of revenues and receivables. Differences between the amounts initially recognized and actual settlements are taken up in the accounts upon reconciliation. However, there is no assurance that such use of estimates may not result to material adjustments in future periods.

4. Cash in bank

Cash in banks earn interest at the prevailing bank deposit rates and consist of current account.

5. Available for sale investment

Investment in AFS securities represents a block of shares in Transpacific Broadband Group Int’l. Inc. (TBGI), a publicly listed company in the Philippine Stock Exchange. Fair value was determined thru reference to published price quotation.

The reconciliation of the carrying amounts of this account at the beginning and end of the year is as follows:

	2017		2016
Balance at the beginning	**36,646,830**	P	30,200,000
Addition during the year	**10,000,000**		10,000,000
Changes in fair value	**(3,046,830)**		(3,553,170)
	43,600,000	P	36,646,830

The company purchased ATN Philippine Solar shares of stock thru ATN Holdings Inc. 10,000,000 million shares in 2017 and 10,000,000 million shares 2016 at par value.

6. Property and equipment

This account consists of:

2017	**Furniture and Fixtures**	**Leasehold Improvements**	**Total**
Cost	**P 3,841,795**	**P 7,927,146**	**P 11,768,941**
Accumulated depreciation and amortization			
Balance, Jan. 1 2017	**3,643,714**	**7,886,813**	**11,530,527**
Provision	**198,081**	**40,333**	**238,414**
Balance, Dec. 1, 2017	**3,841,795**	**7,927,146**	**11,768,941**
Net book value	**P -**	**P -**	**P -**

2016	Furniture and Fixtures	Leasehold Improvements	Total
Cost	P 3,841,795	P 7,927,146	P 11,768,941
Accumulated depreciation and amortization			
Balance, Jan. 1 2016	3,643,714	7,886,813	11,530,527
Provision	150,000	40,333	190,333
Balance, Dec. 1, 2016	3,793,714	7,927,146	11,720,860
Net book value	P 48,081	P -	P 48,081

7. Share capital

The company's authorized, subscribed and paid-up capital consists of:

	2017		2016	
	No. of shares	**Amount**	No. of shares	Amount
Authorized-P100 par value	**200,000**	**P20,000,000**	200,000	P20,000,000
Subscribed and paid-up	**200,000**	**P20,000,000**	200,000	P20,000,000

8. Deficit

This account consists of:

	2017		2016
Deficit, beginning balance	**27,670,838**	P	27,679,518
Deficit (income) during the year	**10,611**		8,680
	27,660,227	P	27,670,838

9. Related party transactions

The year end balances of payables to related parties after considering related party transactions for the year are as follows:

	2017		2016
ATN Holdings, Inc.	**11,734,881**	P	2,535,144
Stockholders	**51,306,291**		50,774,756
	63,041,172	P	53,309,900

Related party transactions are non-cash and non-trade in nature and do not bear interest. Key management personnel do not derive compensation from the company.

10. Revenues

Revenues consist of management fee.

11. Expenses

This account consists of:

		2017		2016
Depreciation and amortization	**P**	**48,081**	P	-
Miscellaneous		**23,593**		33,800
Office supplies		**19,572**		18,000
Communication and utilities		**18,516**		23,800
Transportation		**14,580**		51,500
Professional fees		**10,000**		10,000
Taxes and licenses		**500**		500
	P	**134,842**	P	137,600

12. Income taxes

The reconciliation of the income tax expense computed at statutory tax rate and the income tax liability for the current period is as follows:

	2017		2016
Statutory income tax	**4,547**	P	3,720
Minimum corporate income tax	**3,000**		3,000
Actual provision of income tax	**4,547**	P	3,720

The components of the company's deferred tax consist:

	2017		2016
Unrealized loss on available-for-sale investment	**58,236**	P	43,002

13. Other internal revenue matters

In compliance with the requirements set forth by RR 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year:

The company's gross income of P150,000 are accrued income from related party and is not subject to Vat output. The company has no VAT input taxes claimed during the year.

Taxes and licenses consist of BIR annual registration fee of P500. There are no withholding taxes during the year on compensation, creditable withholdings taxes and final withholding taxes.

The company has no existing deficiency tax assessments, and no ongoing tax investigation as of December 31, 2016.

Supplementary information required under RR 19-2011

Details of itemized deductions for the year as follows:

Depreciation and amortization	**P**	**48,081**
Miscellaneous		**23,593**
Office supplies		**19,572**
Communication and utilities		**18,516**
Transportation		**14,580**
Professional fees		**10,000**
Taxes and licenses		**500**
	P	**134,842**

Details of taxes and licenses during the year as follows:

BIR – Annual registration	P500

UNIPAGE MANAGEMENT INC.

9F Summit One Tower, 530 Shaw Boulevard, Mandaluyong City
Tel. no. 717-0523

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **UNIPAGE MANAGEMENT INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years of 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 presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

CELINIA H. FAELMOCA, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standard on Auditing, and in its report to the stockholders has expressed its opinion on the fairness of presentation upon of such examination.

TWINIE KAYE NG
President

DIANA L. NG
Treasurer

Sign this 28th day of March 2017

SUPPLEMENTAL WRITTEN STATEMENT

BOARD OF DIRECTORS AND STOCKHOLDERS
UNIPAGE MANAGEMENT INC.
9F Summit One Tower, 530 Shaw Blvd.
Mandaluyong City

I have examined financial statement of **UNIPAGE MANAGEMENT INC.** for the year ended **December 31, 2016**, on which I have rendered the attached report dated April 3, 2017.

In compliance with SRC Rule 68, I am stating that the said company has a total number of seven (7) stockholders owning one hundred (100) or more shares of stock.

Celinia H. Faelmoca
CPA License No. 0062399
PRC ID expires on October 21, 2017
PTR No. 7370448, March 15, 2017, Province of Rizal
TIN No. 105-992-754
BOA Certificate of Accreditation No. 3454
Expires on December 31, 2018
BIR Accreditation No. 07-000113-1-2013
Expires on September 20, 2019

April 3, 2017
38 Lancia St. Village East
Cainta, Rizal

REPORT OF INDEPENDENT AUDITOR

Board of Directors
Unipage Management Inc.
9F Summit One Tower, 530 Shaw Blvd.
Mandaluyong City

Opinion

I have audited the accompanying financial statements of **Unipage Management Inc.** which comprise the statements of financial position as at December 31, 2016 and 2015 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including summary of significant accounting policies.

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

Basis for Opinion

I conducted my audits in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am 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 my audit of the financial statements in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of these 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 concerns, disclosing, as applicable, matters related to going concerns 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.

I communicate with those charged with the 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 I identity' during my audit.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010.

My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 13 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue 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 my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

Celinia H. Faelmoca
CPA License No. 0062399
PRC ID expires on October 21, 2017
PTR No. 7370448, March 15, 2017, Province of Rizal
TIN No. 105-992-754
BOA Certificate of Accreditation No. 3454
Expires on December 31, 2018
BIR Accreditation No. 07-000113-1-2013
Expires on September 20, 2019

April 3, 2017
38 Lancia St. Village East
Cainta, Rizal

UNIPAGE MANAGEMENT INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2016 and 2015

	Note	2016	2015
ASSETS			
Current Assets			
Cash in bank	4	P 197,571	P 66,302
Trade receivable		150,000	
		347,571	66,302
Noncurrent Assets			
Available-for-sale investment	5	36,646,830	30,200,000
Property and Equipment	6	48,081	48,081
Deferred tax assets		43,002	514,258
		36,737,913	30,762,339
TOTAL ASSETS		P 37,085,484	P 30,828,641
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Income tax payable	12	P 3,720	P 5,000
Noncurrent Liabilities			
Payable to related party	9	53,309,900	48,274,055
TOTAL LIABILITIES		53,313,620	48,279,055
Equity			
Share Capital	7	20,000,000	20,000,000
Unrealized gain(loss) on available-for sale financial assets - net of tax		(8,557,298)	(9,770,896)
Deficit	8	(27,670,838)	(27,679,518)
TOTAL EQUITY		(16,228,136)	(17,450,414)
TOTAL LIABILITIES AND EQUITY		P 37,085,484	P 30,828,641

See notes to financial statements

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UNIPAGE MANAGEMENT INC.
STATEMENT OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2016 and 2015

	Note		2016		2015
REVENUE	10	**P**	**150,000**	P	250,000
OTHER INCOME					
Interest income			-		241
			150,000		250,241
EXPENSES					
Transportation expenses			**51,500**		20,000
Miscellaneous			**33,800**		48,808
Communication and utilities			**23,800**		-
Office supplies			**18,000**		-
Professional fees			**10,000**		-
Taxes and licenses			**500**		500
Depreciation and amortization			-		190,333
			137,600		259,641
INCOME (LOSS) BEFORE INCOME TAX EXPENSE			**12,400**		(9,400)
INCOME TAX EXPENSE			**(3,720)**		(5,000)
NET INCOME			**8,680**		(14,400)
OTHER COMPREHENSIVE INCOME (LOSS)			-		-
TOTAL COMPREHENSIVE INCOME		**P**	**8,680**	P	(14,400)

See Notes to Financial Statements

UNIPAGE MANAGEMENT INC.
Notes to Financial Statements
December 31, 2016 and 2015

1. Corporate Information

The company, UNIPAGE MANAGEMENT INC. was incorporated on May 27, 1996 with authorized capital stock of P20,000,000.00 and SEC registration no. AS096005485. The primary purpose is to act as managers in providing management, investment and technical advice for commercial, industrial, manufacturing and other kinds of enterprises**.**

The company's registered office address is 9F Summit One Tower, 530 Shaw Boulevard, Mandaluyong City.

The Company operates within the Philippines as of December 31, 2016 and 2015.

The accompanying financial statements were authorized for issue in accordance with the resolution by the Board of Directors (BOD) on March 27, 2017.

The board of directors is still empowered to make revisions on financial statements even after the date of issue.

2. Summary of Significant Accounting Policies

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

Basis of Preparation

The accompanying financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) for Small and Medium-sized Entities (SME) under the historical cost method except for available-for-sale investment which are carried at fair value.

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Philippine Peso, which is the Company's functional and presentation currency.

The preparation of financial statements in conformity with the PFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumption and estimations are significant to the financial statements are disclosed in Note 3.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the 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) for Small and medium-sized entities issued by the Financial Reporting Standards Council.

Summary of Significant Accounting policies

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

Financial Assets

Financial assets include cash in bank and available-for-sale investment

Cash in bank
Cash are stated at face value. Cash in bank consist of current accounts that earns interest at prevailing bank rate.

Cash Equivalents
Cash equivalents *if any*, are short-term, highly liquid debt instruments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value

AFS financial assets
Unlisted shares held by the Company that are traded in active market are classified as being AFS and are stated at fair value. Gains and losses arising from changes in the fair value re recognized directly in equity with the exception of impairment losses, interest calculated using the effective interest rate method and foreign exchange gains and losses on monetary assets, which are recognized directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in the equity is included in profit or loss of the period.

Dividend on AFS equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established.

Receivables
Receivables are stated at its face value.

Property and Equipment
Property and equipment, are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and amortization and any impairment in value.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. Cost also includes any asset retirement obligation and interest on borrowed funds used. When assets are sold or retired, their costs and accumulated depreciation, amortization and impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of operations of such period.

Depreciation and amortization are calculated on a straight-line basis over the useful lives of the assets.

The estimated useful lives of the property are as follows:

	No. of years
Office furniture and equipment	10
Office improvement	10

The useful life of each of the property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets.

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 operations in the year the item is derecognized.

Financial Liabilities
Financial liabilities include trade and other payables and non-interest bearing borrowings.

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Accounts Payables
Accounts payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade payables are not interest bearing and are stated at their nominal value.

Accounts payables are measured initially at their nominal values and subsequently recognized at amortized costs less settlement payments.

Financial Instruments

Date of Recognition
The Company recognizes a financial asset or a financial liability in the balance sheets when it becomes a party to the contractual provisions of the instrument.

Initial Recognition of Financial Instruments
All financial assets are initially recognized at fair value.

Determination of Fair Value
For all 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.

Impairment of Financial Assets
The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Derecognition of Financial Assets and Financial Liabilities

Financial assets
A financial asset (or, where applicable a part of 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 (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged, 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 income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet 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 balance sheet.

Impairment of Non-financial Assets

The Company assesses as at reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use or its net selling price and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset exceeds it recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses are recognized in the statements of income in those expense categories consistent with the function of the impaired asset.

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

Share Capital

Share capital is determined using the nominal value of shares that have been issued and fully paid.

The costs of acquiring Company's own shares are shown as a deduction from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Deficit

Deficit include all current and prior period results as disclosed in the statement of income.

Comprehensive Income

Comprehensive income, if any are recognized as part of total comprehensive income, outside of profit or loss, when they arise. Comprehensive income may represent some gains and losses arising on translating the financial statements of a foreign corporation, some actuarial gains and losses, and some changes in fair values of hedging instruments.

The Company has no comprehensive income for the periods ending December 31, 2016 and December 31, 2015.

Revenue and cost recognition
Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectible amount, or the amount in respect of which recovery has ceased to be probable, is recognized as an expense, rather than as an adjustment of the amount of revenue originally recognized.

Short-term Benefits
The Company recognizes if any, a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and other non-monetary benefits.

Long-term Benefits
The Company provides retirement benefits to entitled employees as mandated by law.

Borrowing Costs
Borrowing costs if any, are generally expenses as incurred. Borrowing costs, including exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest cost, are capitalized if they are directly attributable to the acquisition or construction of an qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized.

For income tax reporting purposes, borrowing costs are treated as deductible expense in the year such are incurred.

Income Tax
The tax currently payable for the year is Regular Corporate Income Tax (RCIT). Taxable profit differs from net profit as reported in the statements of operations, 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. The reconciliation of the Company's liability, if any, for current tax is calculated using 30% tax rate.

Current tax assets and liabilities for the current and 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 the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax, if any, is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their 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 and carry forward benefits of unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward of NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that 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. Unrecognized deferred tax assets are reassessed at each balance date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax asset and liabilities are measured at the tax rates expected in the year 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 balance sheet date.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. When the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Events after the End of the Reporting Period

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

Related Parties

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (1) individual owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Company; (2) associates; and (3) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

The key management personnel of the Company and post-employment benefit plans for the benefit of Company's employees are also considered to be related parties.

The key management personnel do not derive compensation from the company.

3. Management's Significant Accounting Judgment and Estimate

Judgments

The preparation of the Company's financial statements in conformity with PFRS for SMEs requires management to make estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes. The estimates and assumptions used in the Company's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Company's financial statements. Actual results could differ from such estimates, judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates

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

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

Estimated Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment if any based on the period over which the property and equipment are expected to be available for use. The estimated useful lives of the 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 property and equipment. In addition, the estimation of the useful lives of property and equipment is based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance could be materially affected by changes in the 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 the property and equipment would increase the recorded expenses and decrease the noncurrent assets.

The estimated useful lives and depreciation method are reviewed from time to time to ensure that these are consistent with the expected economic benefits of the property and equipment.

Impairment of Non-financial Assets

The Company assesses the value of property and equipment which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, and require the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Company to conclude that property, plant and equipment and other long-lived assets are impaired. Any resulting impairment loss could have a material adverse impact on the Company's financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect the Company's assessment of recoverable values and may lead to future additional impairment charges.

Revenue recognition

The Company’s revenue recognition policies require the use of estimates and assumptions that may affect the reported amounts of revenues and receivables. Differences between the amounts initially recognized and actual settlements are taken up in the accounts upon reconciliation. However, there is no assurance that such use of estimates may not result to material adjustments in future periods.

4. Cash in bank

Cash in banks earn interest at the prevailing bank deposit rates and consist of current account.

5. Available for sale investment

Investment in AFS securities represents a block of shares in Transpacific Broadband Group Int’l. Inc. (TBGI), a publicly listed company in the Philippine Stock Exchange. Fair value was determined thru reference to published price quotation.

The reconciliation of the carrying amounts of this account at the beginning and end of the year is as follows:

		2016		2015
Balance at the beginning	**P**	**30,200,000**	P	42,000,000
Addition during the year		**10,000,000**		
Changes in fair value		**(3,553,170)**		(11,800,000)
	P	**36,646,830**	P	30,200,000

The company has a co investment agreement with ATN Holdings in TBGI shares. As per agreement, the co-investment is reflected as UMI shares in TBGI.

The company purchased ATN Philippine Solar shares of stock thru ATN Holdings Inc. of 10,000,000 million shares at par value.

6. **Property and equipment**

This account consist of:

2016	Furniture and Fixtures	Leasehold Improvements	Total
Cost	P 3,841,795	P 7,927,146	P 11,768,941
Accumulated depreciation and amortization			
Balance, Jan. 1 2015	3,643,714	7,886,813	11,530,527
Provision	150,000	40,333	190,333
Balance, Dec. 1, 2015	3,793,714	7,927,146	11,720,860
Net book value	P 48,081	P -	P 48,081

7. **Share capital**

The company's authorized, subscribed and paid-up capital consist of:

	2016		2015	
	No. of shares	Amount	No. of shares	Amount
Authorized-P100 par value	200,000	P20,000,000	200,000	P20,000,000
Subscribed and paid-up	200,000	P20,000,000	200,000	P20,000,000

8. **Deficit**

This account consist of:

	2016	2015
Balance at the beginning	P 27,679,518	P 27,665,118
Deficit (income) during the year	(8,680)	14,400
	P 27,670,838	P 27,679,518

9. **Related party transactions**

The year end balances of payables to related parties after considering related party transactions for the year are as follows:

	2016	2015
ATN Holdings, Inc.	P 2,535,144	P 9,535,144
Stockholders	50,774,756	38,738,911
	P 53,309,900	P 48,274,055

Key management personnel do not derive compensation from the company.

10. **Revenues**

Revenues consist of management fee.

11. **Expenses**

This account consist of:

	2016	2015
Transportation	P 51,500	P 20,000
Miscellaneous	33,800	48,808
Communication and utilities	23,800	-
Office supplies	18,000	-
Professional fees	10,000	-
Taxes and licenses	500	500
Depreciation and amortization	-	190,333
	P 137,600	P 259,641

12. Income taxes

The reconciliation of the income tax expense computed at statutory tax rate and the income tax liability for the current period is as follows:

		2016		2015
Statutory income tax	**P**	**3,720**	P	-
Minimun corporate income tax		**-**		5,000
Actual provision for income tax	**P**	**3,720**	P	5,000

The components of the company's deferred tax consist:

		2016
Unrealized loss on available-for-sale investment	**P**	**43,002**
	P	**43,002**

13. Other internal revenue matters

In compliance with the requirements set forth by RR 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year:

The company's gross income of P250,000 are accrued income from related party. The income is subject to minimum corporate income tax of P5,000 and likewise, company has no VAT input taxes claimed during the year.

Taxes and licenses consist of BIR annual registration fee of P500. There are no withholding taxes during the year on compensation, creditable withholdings taxes and final withholding taxes.

The company has no existing deficiency tax assessments, and no ongoing tax investigation as of December 31, 2016.

Supplementary information required under RR 19-2011

Details of itemized deductions for the year as follows:

Transportation	P	51,500
Miscellaneous		33,800
Communication and utilities		23,800
Office supplies		18,000
Professional fees		10,000
Taxes and licenses		500
	P	137,600

Details of taxes and licenses during the year as follows:

BIR – Annual registration	P500