

COVER SHEET

A S 9 3 0 0 0 1 2 0

SEC Registration No.

F O R U M P A C I F I C , I N C.

(Company's Full Name)

3 5 F F L O O R O N E C O R P O R A T E C E N T R E

D O Ñ A J U L I A V A R G A S A V E . C O R .

M E R A L C O A V E . O R T I G A S , P A S I G

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

Atty. Arsenio A. Alfiler, Jr.

Contact Person

(632) 706-7888

Contact Telephone No.

1 2 3 1

Fiscal Year

1 7 - Q

FORM TYPE

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

874

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

1st Quarter Report: FPI

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 11
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the Quarter Period ended **March 31, 2018**
2. SEC Identification Number **AS93000120**
3. BIR Tax Identification No. **002-155-598-000**
4. **FORUM PACIFIC, INC.**
Exact name of registrant as specified in its charter
5. **Metro Manila, Philippines**
(Province, country or other jurisdiction of incorporation or organization)
6. (SEC Use only)
Industry Classification Code
7. **35/F One Corporate Centre, Doña Julia Vargas Ave. cor. Meralco Ave., Ortigas Center, Pasig**
Address of principal office
8. **Telephone No. 706-7888**
Registrant's telephone number, including area code
9. **NOT APPLICABLE**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 4 and 8 of the RSA:

<u>Title of Each Class</u>	<u>No. of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common Shares – ₱1.00 par value	Issued – ₱1,838,943,246 (Partially paid subscription – ₱1,171,486,871)

11. Are any or all of these securities listed on the Philippine Stock Exchange?
Yes [x] No. []

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 there under, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes [x] No []

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

Yes [x] No []

13. The aggregate market value of the voting stock held by non-affiliates: ₱1,303,929,249

14. Not Applicable

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

See Annex A.1 to A.5 and the accompanying notes to financial statements.

Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations

Unaudited Income Statements

	January - March 2018	January – March 2017
Revenues	₱–	₱–
Less: Costs and Expenses	775,962	634,738
Loss from Operation	(775,962)	(634,738)
Add: Other Expenses	(304,255)	(85,172)
Loss before Income Tax	(1,080,217)	(719,910)
Income Tax Expense	-	-
Net Loss for the quarter	(₱1,080,217)	(₱719,910)
Loss per share	(₱0.0009)	(₱0.0006)

Unaudited Balance Sheets

	As of March 31, 2018	As of March 31, 2017	As of December 31, 2017
Assets	₱339,086,117	₱355,704,067	₱337,781,351
Liabilities	4,506,746	4,267,231	4,631,590
Stockholders' Equity	334,579,371	351,436,836	333,149,761
Total Liabilities & Stockholders' Equity	₱339,086,117	₱355,704,067	₱337,781,351

Interim quarter ended March 31, 2018 compared with quarter ended March 31, 2017

RESULTS OF OPERATION

Revenues and Loss per share

Since the Company is still exploring new business opportunities given the volatile situation of metal and oil prices in the global market, the Company has no revenues for the first quarter of 2018 and 2017.

The Company incurred losses of ₱1.1 million and ₱0.7 million for quarters ended March 31, 2018 and 2017, respectively. Loss per share for the 1st quarter of 2018 and 2017 were ₱0.0009 and ₱0.0006, respectively. In line with the plan for the next twelve months, the Board will continue to explore business opportunities to aspire for maximized potential earnings.

Costs and Expenses

Costs and expenses consisted primarily of professional fees, taxes and licenses, PSE annual maintenance fee, management fees and office rental.

Costs and expenses recorded for the 1st quarter of 2018 and 2017 were ₱775,962 and ₱634,738, respectively. Increase of ₱141,224 or 22.25% is attributed to the professional fees paid for legal counsel in relation to the Company's involvement in legal cases.

FINANCIAL CONDITION

Current Assets

Current assets consist of cash in bank, input tax and other current assets. Cash in bank carries interest at respective bank deposit rate. On July 19, 2012, the Board of Directors approved the opening of a deposit account with Banco De Oro to facilitate the collection and disbursement processes of the Company. Input tax is stated at face value less provision for impairment, if any. Allowance for unrecoverable input tax, if any, is maintained by the Company at a level considered adequate to provide potential uncollectible portion of the claims. The Company, on a continuing basis, makes a review of the status of the claims designed to identify those that may require provision for impairment losses. Balance of cash in bank as of March 31, 2018 and 2017 were ₱331,393 and ₱195,314, respectively. The Company provided full valuation on its input tax as of March 31, 2018 amounting to ₱114,954.

Available-For-Sale Financial Assets

Available-for-sale financial assets as at March 31 consist of:

	2018	2017
Unquoted shares		
Cost	₱85,711,573	₱73,211,573
Impairment loss	(20,000,000)	(9,320,935)
	65,711,573	63,890,638
Quoted shares		
Cost	7,529,480	7,529,480
Net unrealized fair value gain	12,800,124	6,525,555
	20,329,604	14,055,035
	₱86,041,177	₱77,945,673

Investment in unquoted shares of stock represents ownership of the Company in Forum Exploration, Inc. (FEI) and Taguig Lake City Development Corporation. These investments are classified as AFS financial assets as the Company does not participate in the financial and operating policy of the investee which manifests control or significant influence. These investments are stated at cost less impairment loss since there is no quoted price in an active market.

Investment in quoted shares of stock represents ownership investment in Philippine Estates Corporation (PHES), a publicly listed Company. The fair value of these shares has been determined directly by reference to published prices in the active market

The Company's AFS financial assets as at March 31, 2018 and 2017 are not held as collateral for its financial liabilities.

Related Party Transaction Account

The Company, in the normal course of business, has transactions with related parties. Such transactions are unsecured, non-interest bearing and with no definite terms of repayment period. The Company did not provide nor received any guarantee on its transaction with related parties. All outstanding balances are to be settled through cash or offsetting.

Relationships, Transactions and Account Balances

Related Parties	Relationship	Outstanding Balance	
		March 31, 2018	March 31, 2017
The Wellex Group, Inc.	Common key management	₱141,039,105	₱156,640,694
Forum Exploration, Inc.	Common key management	111,631,076	120,875,454
Forum Exploration, Ltd.	Common key management	4,329,121	4,130,606

Advances to The Wellex Group, Inc. (TWGI)

Transactions between the Company and TWGI primarily consist of non-interest bearing advances granted to finance TWGI's working capital requirements.

On December 15, 2012, TWGI issued a promissory note to the Company maturing on December 15, 2015 amounting to ₱330,495,385 without interest. On December 16, 2015, the promissory note was renewed for another three (3) years maturing on December 16, 2018. To settle the outstanding advances, the Company entered into the following contracts with TWGI, which in return, amounts incurred will be applied to the outstanding advances.

The Company subleases an office space from TWGI starting on May 2014. The lease is for a period of two (2) years but renewable thereafter upon mutual agreement of both parties. The lease contract was renewed on May 2016 for another two (2) years. Total rental and utilities expense charged to operations amounted to ₱55,500 for both periods ended March 31, 2018 and 2017.

On April 2012, the Company has entered into a consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. Total management fee charged to operations amounted to ₱120,000 for both periods ended March 31, 2018 and 2017. The contract was also renewed for another two (2) years when the contract expired last May 2016.

Total collections of advances from TWGI amounted to ₱1,408,101 and ₱971,080 for the 1st quarter of 2018 and 2017, respectively.

The carrying amount of advances to TWGI as at March 31 as follows:

	2018	2017
Advances	₱303,292,815	₱318,894,404
Allowance for impairment loss	(162,253,710)	(162,253,710)
Net carrying amount	₱141,039,105	₱156,640,694

The Company originally provides allowance for impairment amounting to ₱162,253,710 as at March 31, 2018 and 2017 on advances to TWGI prior to agreements entered to settle the outstanding advances. Allowance for impairment will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

Advances to Forum Exploration Inc. (FEI)

Advances to FEI pertain to the carrying value of exploration net assets transferred by the Company. No transaction in the account balance was recognized for the quarters ended March 31, 2018 and 2017.

FEI is a legal and beneficial owner of 100% interest in Service Contract (SC 40), an upstream oil and gas contract area in the Philippines, entered into with the Philippine Government through the Department of Energy (DOE). Annual gas production from field on SC 40 totaled 41.09 million standard cubic feet (MMSCF) and 78.66 MMSCF since the start of production in 2012.

FEI has also implemented Work Program and Budget as approved by DOE on November 17, 2014 which includes, among others, a commitment to perform land gravity survey over the Dalingding Structure starting March 2015. Since 2014, FEI has performing geological and geophysical study aimed to identify and prioritize highly prospective areas for future exploration.

The Company has outstanding advances to FEI pertaining to the value of exploration assets transferred by the Company as follows:

	2018	2017
Advances	₱171,631,076	₱171,631,076
Allowance for impairment loss	(60,000,000)	(50,755,622)
Net carrying amount	₱111,631,076	₱120,875,454

The Company is positive on FEI's success on its exploration and future development work in providing the viability of its oil properties to produce oil in commercial quantities.

Advances from Forum (FEI), Ltd.

The Company received cash advances from Forum (FEI), Ltd. The advances have no definite terms of payment. Outstanding balance as at March 31, 2018 and 2017 amounted to ₱4,329,121 and ₱4,130,606 respectively.

Remuneration to key management personnel

With the Company's tight cash position, management decided to suspend any form of compensation given to key management personnel for the periods ended March 31, 2018 and 2017. The administrative function of the Company is performed by its related party, TWGI.

Current liabilities

This is primarily consists of accounts payable and other current liabilities. Outstanding balance as at March 31, 2018 and 2017 amounted to ₱177,625 and ₱136,625, respectively. This includes payable for retainer fees of legal counsel of the Company, accrued expenses and withholding taxes payable.

The Top five (5) Key Performance Indicators are:

1. Advances to Related Parties – currently, TWGI is funding all operational expenses of the Company.
2. Current Ratios – current assets against the current liabilities of the Company. It measures the Company's ability to pay short-term obligations. Current ratio for the 1st quarter of 2018 and 2017 are 211% and 177%, respectively.
3. Cash Ratio – the most conservative liquidity ratio. It excludes all current assets except the most liquid – cash and cash equivalents. It measures the amount of cash and cash equivalents there are in the current assets to cover current liabilities. The cash ratio of the Company for the 1st quarter of 2018 and 2017 are 187% and 143%, respectively.
4. Debt ratio - it is one of the financial leverage ratios which measure the extent to which the firm is using long term debt. Formula is total debt divided by total assets. Debt ratio for the 1st quarter of 2018 and 2017 are 1.33% and 1.20%, respectively.
5. Debt-to-equity ratio - The formula is total debt divided by total equity. It indicates what proportion of equity and debt that the Company is using to finance its assets. The debt to equity ratio for the 1st quarter of 2018 and 2017 are 1.35% and 1.21%, respectively.

(i) Summary of Material Trends, Events and Uncertainties

Forum Pacific, Inc.

The shares of FPI are listed and traded in Philippine Stock Exchange (PSE). The company was registered to engage in investing, purchasing and acquiring assets of any kind and description with the secondary purpose of engaging in the exploration, development and production of petroleum and related products, as well as other mineral and chemical substances. It is presently a holding company and owning shares of stocks of an exploration company.

On July 13, 2005, the PSE suspended the trading of its shares for failure to comply with certain reporting requirements. Also on July 25, 2006, the Securities and Exchange Commission suspended the registration of the Company's securities for period of 60 days for non-filing/late filing of financial reports for 2004 and 2005.

On January 24, 2008, SEC resolved to deny the Company's request that it be allowed to pay a monetary fine in lieu of revocation of the registration of its securities. On March 27, 2008, SEC revoked the Company's registration of securities and permit to sell due to late filing of its annual financial report and other reportorial requirements. On May 5, 2008, the Company filed a petition to lift SEC's order of revocation of the registration of its securities and the permit to sell securities citing its compliance with SEC's directives to pay the assessed penalties in addition to said revocation and the fact that it has no pending case for violation of the provisions of the Securities Regulations Code and its Implementing Rules and Regulations.

On July 31, 2008, the SEC resolved to lift and set aside the revocation of the registration of the Company's securities and the permit to sell its securities.

In 2009, the Company again received an order of revocation of the registration and permits to sell the Company's securities due to late filing of the Company's 2008 audited financial statements.

On August 31, 2010, the Company received an order of revocation of the registration and the permit to sell the Company's securities due to late filing of the Company's 2009 annual reports. On September 8, 2010, the Company requested for an extension of time until September 30, 2010 for the filing of the Company's 2009 audited financial statements which was granted by SEC in a letter dated September 13, 2010. On October 5, 2010, the Company again requested the SEC an additional thirty (30) working days within which to comply with the letter from the SEC dated August 31, 2010. However, on October 7, 2010, the Company's request was denied and the SEC provided a non-extendible period of three (3) days from receipt of the letter within which to submit the 2009 annual reports.

Subsequently on February 14, 2011, the Company paid fines and penalties in the amount of ₱2.77 million in lieu of the Company's revocation of Registration of securities and Permit to sell securities.

On May 13, 2011, the Company again paid SEC in the amount of ₱760,500 as payment for its outstanding fines and penalties. On May 17, 2011, PSE lifted the Company's revocation of Registration of Securities and Permit to sell securities.

Business Plans

To address the foregoing matters that may raise doubt on the Company's ability to continue as a going concern, the shareholders of the Company have committed in principle to provide full financial support to the Company to sustain its operations, meet the working capital requirements and settle obligations as they fall due.

The management is currently evaluating potential buyers who recently expressed interest to buy out the Company's remaining capital stock investment in Forum Exploration, Inc. (FEI), a subsidiary of Pangilinan-led Forum Energy Plc and the project operator for Libertad Gas Field or Service Contract (SC40). The management is currently on talks with three (3) different companies for the negotiation of the possible sale.

On the other hand, the Company is considering investing into industry of potential renewable energy sources like solar power, biofuels, hydro, wind and geothermal energy. The management is currently conducting research and feasibility study on this project.

With the Company's experience in the participation on Department of Energy's (DOE) 4th Philippine Energy Contracting Round (PECR 4) last April 2012, evaluation of which focuses on the Company's financial and technical qualifications, the Company will prioritize the improvement of its financial position and exploring new business opportunities in order to maintain strong and healthy cash flows, and at the same time, aspiring for maximized potential earnings.

For the next twelve months, the Company will do the following:

Plan of Operation

Aside from the investment made during 2017 in Taguig Lake City Development Corporation – a newly formed corporation engaged in the real estate industry, the Company will further outline business target projects, welcome other business opportunities from different industries apart from oil and gas and mineral exploration; and improve its financial position. As mentioned above, the management is currently discussing on how they will proceed with its remaining capital stock investment in Forum exploration, Inc.: on whether to sell or enter into partnership with potential buyers.

Capital Generation and Satisfaction

The Company will evaluate outstanding receivables and advances to affiliates and design collection program to improve the Company's financial status. The Board will also evaluate calling for the remaining stock subscription as source of fund for the future projects. The Company has net advances to affiliate of ₱253M, subscription receivable of ₱600M and unsubscribed stocks of ₱1.6B as of March 31, 2018. The Officers and major stockholders of the Company have committed to provide full financial support to the Company once its projects will materialize and a definite project is in place. The Company estimates that it will satisfy its capital funding within two (2) years from the finalization of business project plan.

Project Research and Development

The Company is affiliated with group of mining companies. Research for areas and land mine with potential mineral deposits is being outsourced from the affiliate's group of researchers composed of geologists and mining engineers. As of this report, the management has yet to identify areas and plan of exploration to be presented to the Board for approval and resolution. With the current situation of the mining sector in the country, whereas Department of Environment and Natural Resources (DENR) is carefully evaluating mining activities, the Company will observe due diligence on its planned exploration once the Board approves pursuing investment in mining activities again.

Manpower and Capital Expenditures

The Company is contemplating to purchase equipment needed should the exploration results of the mine sites prove to be favorable. Additional equipment will also be acquired to enhance its operations. Other equipment needed will be provided also by its exploration partner, Forum Exploration, Inc. (FEI).

The Company's management believes that such financial support and management plan are sufficient to provide the Company the ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

Writing-Off of Investments

Express Savings Bank, Inc. (ESBI)

ESBI was 56% owned by the Company as of December 31, 2007. During 2007, the Company did not avail of its pre-emptive right to subscribe for additional shares in ESBI's increase in capitalization. This diluted the Company's interest in ESBI. In 2008, the Company eventually ceased to have control in ESBI.

On June 3, 2009, the Company executed a deed of absolute sale for its 127,415 shares in ESBI for ₱179.63 per share or equivalent to ₱22,887,556. The carrying amount of 289,806 shares in ESBI as of December 31, 2008 amounted to ₱122,592,758 or ₱423.02 per share. The difference between selling price and cost per share multiply by the number of ESBI shares as of December 31, 2008 was recognized as impairment loss in 2008.

The investment had been recorded for ₱22,887,556 in the 2008 audited financial statements but the said amount represent only 127,415 shares out of 289,806 shares or 44%. An impairment loss of ₱99,705,202 was recorded which resulted to understatement of available-for-sale financial assets and overstatement of impairment loss in 2008 amounting to ₱29,170,296.

The fair value of ESBI investment as of December 31, 2009 was based on the actual partial sale that occurred on July 13, 2010 in which 46,602 shares were sold for ₱4,660,200 at ₱100 per share.

On August 12, 2010, the Company executed a deed of absolute sale for its 115,789 shares in ESBI at ₱100 per share or equivalent to ₱11,578,900 which is equal to the carrying value as of December 31, 2009 of ₱11,578,900. The Company reclassified the corresponding unrealized fair value loss amounting to ₱9,220,278 from unrealized fair value loss on available-for-sale financial assets in equity to the statement of comprehensive income.

On July 8, 2011, the Monetary Board (MB) of the Bangko Sentral ng Pilipinas placed Express Savings Bank, Inc. under receivership of the Philippine Deposit Insurance Corporation (PDIC) by virtue of MB resolution No. 987.B. As receiver, PDIC took over the bank on July 8, 2011. The remaining book value of investment in Express Savings Bank amounting to ₱4,660,200 was recognized as impairment loss for the year 2011.

Forum Coal Cebu Holdings, Inc. (FCCHI)

The Company owns 60% of the stockholdings of FCCHI, a domestic corporation registered with the SEC on February 3, 2006. Its primary purpose is to acquire, hold and dispose of bonds, debentures, promissory notes, share of capital and the likes, without engaging as a dealer or broker of securities. Its registered office is located at 14th Flr. Pearlbank Center, 146 Valero St., Salcedo Village, Makati City.

On November 30, 2009, FCCHI was formally dissolved pursuant to a resolution duly adopted by the FCCHI's Board of Directors and stockholders representing at least two-thirds (2/3) of the outstanding capital stock dated October 9, 2009. Such dissolution was subsequently approved by the SEC on July 6, 2012.

In a special meeting held last November 21, 2011, the Company has decided to provide full valuation allowance on its investment in subsidiary. Consequently, the Company recognized impairment loss of ₱3,888,000 in 2011.

On July 19, 2012, the Board of Directors approved the write-off of the investments in subsidiary. As per Corporation Code of the Philippines, upon approval by the SEC of the amended Articles of Incorporation to shorten the corporate term, the corporation shall be deemed dissolved without any further proceedings. Hence, starting 2012, the Company did not present consolidated financial statements.

(ii) Events that will Trigger Direct of Contingent Financial Obligation

Since the Forum Pacific, Inc. are still looking a strategic partner to enhance the development of the Company specially in exploration business, the Company are have no events that will trigger direct or contingent financial obligation that is material to Forum Pacific, Inc. including any default or acceleration of an obligation.

(iii) Material Off-Balance Sheet Transactions, Arrangements, Obligations

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of Forum Pacific, Inc. with unconsolidated entities or other persons created during the reporting period.

(iv) Any Known Trends, Events of Uncertainties (Material Impact on Liquidity)

The Company is mainly exposed to liquidity risk through its maturing liabilities. The Company has a policy of regularly monitoring its cash position to ensure that maturing liabilities will be adequately met. Liquidity refers to the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The details of the maturity analysis of the Company's liabilities are as follows:

March 31, 2018	Total	On demand	Less than three months	3-12 months	1-5 years
Advances from related parties	₱4,329,121	₱–	₱–	₱–	₱4,329,121
Accounts payable and other liabilities	177,625	–	–	177,625	–
	₱4,506,746	₱–	₱–	₱177,625	₱4,329,121

March 31, 2017	Total	On demand	Less than three months	3-12 months	1-5 years
Advances from related parties	₱4,130,606	₱–	₱–	₱–	₱4,130,606
Accounts payable and other liabilities	136,625	–	–	136,625	–
	₱4,267,231	₱–	₱–	₱136,625	₱4,130,606

(v) Significant Element of Income or Loss That Did Not Arise from Continuing Operation

PFRS 9, Financial Instruments. The standard requires all recognized financial assets that are within the scope of PAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or at fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely for payments of principal and interest on the outstanding balance are generally measured at amortized cost at the end of subsequent reporting periods. All other debts investments and equity investments are measured at their fair values at the end of subsequent reporting periods. For financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income would create or increase an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. The standard is to be effective no earlier than the annual periods beginning January 1, 2018, with earlier application permitted.

The management does not anticipate significant impact on the application of PFRS 9 on the Company's financial statements as the AFS financial assets will continue to be measured at fair value with fair value changes recognize in the other comprehensive income, and advances to related parties, accounts payable and other liabilities and advances from related parties will continue to be measured at amortized cost.

(vi) Material Changes on Line Items in Financial Statements

Material changes on line items in financial statements are presented under the captions "Financial Condition" and "Results of Operation" above, and see attached Notes to Financial Statements.

(vii) Effect of Seasonal Changes in the Financial Condition or Results of Operations

The financial condition or results of operations is not affected by any seasonal change.

PART II - OTHER INFORMATION

Market Information

The principal market of Forum Pacific, Inc. common equity is the Philippine Stock Exchange, Inc. (PSE) where it was listed on December 19, 1994. The high and low sales prices by quarter for the last 3 years are as follows:

		<u>“CLASS A”</u>	
		High	Low
2018	First Quarter	0.209	0.204
2017	First Quarter	0.190	0.189
	Second Quarter	0.207	0.205
	Third Quarter	0.201	0.200
	Fourth Quarter	0.183	0.182
2016	First Quarter	0.240	0.231
	Second Quarter	0.235	0.210
	Third Quarter	0.208	0.202
	Fourth Quarter	0.190	0.180
2015	First Quarter	0.325	0.300
	Second Quarter	0.208	0.208
	Third Quarter	0.295	0.250
	Fourth Quarter	0.225	0.225

The high, low and close market price is ₱0.213, ₱0.212, and ₱0.212 per share as of May 7, 2018, respectively (the latest practicable trading date). The Corporation has only one class of registered security, “Class A – Common Shares”.

Holders

The number of shareholders of record as of March 31, 2018 was 874. Common shares issued and subscribed as of March 31, 2018 were 1,838,943,246.

List of Top 20 Stockholders as of March 31, 2018

NAME	CLASS A NO. OF SHARES	% to TOTAL
1 INTERNATIONAL POLYMER CORPORATION	496,887,494	26.501
2 PCD NOMINEE CORPORATION	415,757,574	22.174
3 THE WELLEX GROUP, INC.	376,950,000	20.104
4 E.F. DURKEE & ASSOCIATES, INC.	77,838,563	4.151
5 INTRA-INVEST SEC., INC.	48,159,000	2.568
6 METROPOLITAN MANAGEMENT CORPORATION	30,000,000	1.600
7 JUANITO C. UY	22,625,001	1.207
8 PCD NOMINEE CORP. (NON-FILIPINO)	21,450,050	1.144
9 PACRIM ENERGY N.L.	21,000,000	1.120
10 SAPPHIRE SECURITIES INC.	19,433,500	1.036
11 BENITO ONG AND/OR ZITA Y. ONG	18,000,000	0.960
12 LI CHIH-HUI	17,100,000	0.912
13 NESTOR S. MANGIO	12,500,000	0.667
14 A & A SECURITIES, INC.	11,911,320	0.635
15 MARK SECURITIES CORPORATION	10,772,800	0.575
16 GLOBALINKS SEC & STOCKS, INC. A/C #	9,400,000	0.501
17 BELSON SECURITIES, INC.	9,200,000	0.491
18 WEALTH SECURITIES, INC.	8,240,000	0.439
19 RUBEN M. GAN	7,610,000	0.406
20 DAVID GO SECURITIES CORPORATION	6,880,000	0.367

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Pasig City on MAY 11 2018.

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

Registrant: ELVIRA A. TING
Title: President
Signature: [Handwritten Signature]

Registrant: ATTY. ARSENIO A. ALFILER, JR.
Title: Corporate Secretary
Signature: [Handwritten Signature]

Registrant: KENNETH T. GATCHALIAN
Title: Treasurer
Signature: [Handwritten Signature]
Dated: _____

SUBSCRIBED AND SWORN to before me this MAY 11 2018 day of _____, in MANDALUYONG CITY affiant (s) exhibiting to me his/their Tax Identification No. as follows:

- | AFFIANTS | Tax Identification No. |
|----------------------------------|------------------------|
| 1. Elvira A. Ting | 117-922-153-000 |
| 2. Atty. Arsenio A. Alfiler, Jr. | 108-160-743-000 |
| 3. Kenneth T. Gatchalian | 167-406-526-000 |

Doc. No.: 424
Page No.: 85
Book No.: 65
Series of: 2018

[Handwritten Signature]
ATTY. JAMES K. ABUGAN
NOTARY PUBLIC
Until Dec. 31, 2018
IBP No. 021498/1-5-2018
Rizal Chapter
Roll No. 26890
MCLE No. V-0004484-10/31/2014
PTR # 3369955 - 01/05/2018
Mandaluyong City
TIN # 116-239-956
Tel. 631-40-90

FORUM PACIFIC, INC.
STATEMENTS OF FINANCIAL POSITION

		Unaudited March 31, 2018	Unaudited March 31, 2017	Audited December 31, 2017
Current Assets				
Cash	5	₱331,393	₱195,314	₱132,421
Prepayments and other current assets	6	43,366	46,932	39,298
		374,759	242,246	171,719
Non-current Assets				
Advances to related parties – net	10	252,670,181	277,516,148	254,078,282
Available-for-sale financial assets – net	7	86,041,177	77,945,673	83,531,350
		338,711,358	355,461,821	337,609,632
TOTAL ASSETS		₱339,086,117	₱355,704,067	₱337,781,351
Current Liabilities				
Accounts payable and other current liabilities	8	₱177,625	₱136,625	₱491,863
Non-current Liabilities				
Advances from related parties	10	4,329,121	4,130,606	4,139,727
TOTAL LIABILITIES		4,506,746	4,267,231	4,631,590
EQUITY				
Capital stock		1,207,543,621	1,207,543,621	1,207,543,621
Treasury shares		(36,056,750)	(36,056,750)	(36,056,750)
Unrealized fair value gain on AFS financial assets		12,800,124	6,525,555	10,290,297
Deficit		(849,707,624)	(826,575,590)	(848,627,407)
TOTAL EQUITY		334,579,371	351,436,836	333,149,761
TOTAL LIABILITIES AND EQUITY		₱339,086,117	₱355,704,067	₱337,781,351

(The accompanying notes are integral part of these financial statements)

FORUM PACIFIC, INC.
STATEMENTS OF COMPREHENSIVE INCOME

		Unaudited January – March 2018	Unaudited January – March 2017
Revenues		₱–	₱–
Costs and expenses	11	775,962	634,738
Operating loss		(775,962)	(634,738)
Other expenses		(304,255)	(85,172)
NET LOSS FOR THE PERIOD		(₱1,080,217)	(₱719,910)
LOSS PER SHARE	14	(₱0.0009)	(₱0.0006)

(The accompanying notes are integral part of these financial statements)

FORUM PACIFIC, INC.
STATEMENTS OF CHANGES IN EQUITY

	Unaudited January – March 2018	Unaudited January – March 2017	Audited December 31, 2017
Capital stock	₱1,207,543,621	₱1,207,543,621	₱1,207,543,621
Treasury shares	(36,056,750)	(36,056,750)	(36,056,750)
Unrealized fair value gain on available-for-sale financial assets	12,800,124	6,525,555	10,290,297
Deficit - beginning	(848,627,407)	(825,855,680)	(825,855,680)
Net loss for the period	(1,080,217)	(719,910)	(22,771,727)
Deficit - ending	(849,707,624)	(826,575,590)	(848,627,407)
TOTAL STOCKHOLDERS' EQUITY	₱334,579,371	₱351,436,836	₱333,149,761

(The accompanying notes are an integral part of these financial statements)

FORUM PACIFIC, INC.
STATEMENTS OF CASH FLOWS

	Unaudited Jan – Mar 2018	Unaudited Jan – Mar 2017	Audited December 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax	(₱1,080,217)	(₱719,910)	(₱22,771,727)
Adjustments for:			.
Provision for impairment of input tax – note 12	114,954	85,172	242,976
Provision for impairment on advances to related parties – note 12	-	-	9,244,378
Provision for impairment of AFS financial assets – note 12	-	-	10,679,065
Unrealized foreign exchange loss – note 12	189,394	-	9,121
Operating loss before working capital changes	(775,869)	(634,738)	(2,596,187)
Increase in prepayments and other current assets	(119,022)	(5,999)	(241,341)
Decrease in accounts payable and other liabilities	(314,238)	(577,728)	(222,491)
Net cash used in operating activities	(1,209,129)	(1,218,465)	(3,060,019)
CASH FLOWS FROM INVESTING ACTIVITY			
Collection on advances of related parties	1,408,101	885,907	15,164,568
Net cash provided by investing activity	1,408,101	885,907	15,164,568
CASH FLOW FROM FINANCING ACTIVITY			
Additions to AFS financial assets	-	-	(12,500,000)
Net cash used in financing activity	-	-	(12,500,000)
NET INCREASE (DECREASE) IN CASH	198,972	(332,558)	(395,451)
CASH			
At beginning of year	132,421	527,872	527,872
At end of year	₱331,393	₱195,314	₱132,421

(The accompanying notes are an integral part of these financial statements)

FORUM PACIFIC, INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
March 31, 2018

1. CORPORATE INFORMATION

Forum Pacific, Inc. (the “Company”), formerly known as Cophil Exploration, Inc., was incorporated in the Philippines and was registered with the Securities and Exchange Commission (SEC) on January 8, 1993 primarily to engage in investing, purchasing and acquiring assets of any kind and description with the secondary purpose of engaging in the exploration, development and production of petroleum and related products as well as other mineral and chemical substance.

The Company’s shares are listed and traded in the Philippine Stock Exchange (PSE). Its registered office address is located at 35th Floor, One Corporate Centre, Doña Julia Vargas Avenue corner Meralco Avenue, Ortigas Center, Pasig City.

2. MANAGEMENT ASSESSMENT OF THE GOING CONCERN ASSUMPTION AND BUSINESS PLANS

Management’s Assessment of the Going Concern Assumption

The nature of the Company’s operations requires it to spend significant amount of funds to support exploration programs and operating expenses for it to operate profitably in the future. The Company incurred losses amounting to ₱1,080,217 and ₱719,910, on March 31, 2018 and 2017, respectively. The Company had accumulated a deficit of ₱849,707,624 and ₱826,575,590 as at March 31, 2018 and 2017 respectively. To continue as going concern, the officers and major stockholders of the Company has committed to provide full financial support to the Company to sustain its operations, meet the working capital requirements and settle obligations as they fall due.

Business Plans

With the volatile situation of metal and oil prices in the global market, the management’s previous plan on banking on new petroleum and gas and other mining contracts is temporarily reserved. For 2018 the Company plans to undertake the following:

- Aside from the new investment in Taguig Lake City Development Corporation, the Company will further outline business target projects, welcome other business opportunities from different industries apart from oil and gas and mineral exploration.
- Continue research for areas and land mine with potential mineral deposits using affiliated Group’s geologists and engineers.
- Evaluate acquisition of equipment should the mine sites proved to be favorable
- Evaluate advances to affiliates and design collection program to improve the Company’s financial status. As at March 31, 2018 and 2017, the Company has existing contracts with TWGI to collect outstanding advances (see Note 10).
- Evaluate calling for the remaining stock subscription as source of fund for future projects. The Company has outstanding ₱667,456,379 subscription receivable (see Note 9).

The Company’s management believes that the financial support and its business plans are sufficient to provide the Company the ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENT

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments, in accordance with applicable Philippine Accounting Standards and in accordance with reporting practices applicable to the subsidiary bank.

The financial statements are presented in Philippine pesos, which is the Company’s functional currency.

The financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS), which are accounting principles generally accepted in the Philippines. These are the Company’s first PFRS financial statements where PRFS 1, “First Time Adoption of the Philippine Financial Reporting Standards”, has been applied.

The preparation of the financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. The 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 accordance with the Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the Company's available-for-sale financial assets, which are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Functional and Presentation Currency

The financial statements are presented in Philippine peso (₱), the Company's functional currency. All amounts are rounded to the nearest peso except when otherwise indicated.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial years except for the following amended PFRS that are mandatorily effective for annual periods beginning on or after January 1, 2018.

PAS 7 (Amendment), Statement of Cash Flows – Disclosure Initiative. The amendment require to provide disclosures to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The amendments have no material impact on the disclosures and amounts recognized on the Company's financial statements.

PAS 12 (Amendments), Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses. These amendments clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The amendments also clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explains in which circumstances taxable profit may include the recovery of some assets for more than their carrying amount.

The amendments have no material impact on the disclosures and amounts recognized on the Company's financial statements.

Annual Improvements to PFRSs 2014-2016 Cycle

The Annual Improvements to PFRSs 2014-2016 Cycle sets out the amendments to PFRS 1, PFRS 12 and PAS 28. The amendments to PFRS 12 are adopted by the Company for the current year. The other amendments are not yet mandatorily effective and have not been early adopted by the Company.

The annual improvements addressed the following issues:

PFRS 12 (Amendments), Disclosure of Interests in Other Entities – Clarification of the Scope of the Standard. The amendments clarify the scope of PFRS 12 by specifying that its disclosure requirements, except for those in paragraphs B10–B16, apply to an entity’s interests that are classified (or included in a disposal group that is classified) as held for sale or discontinued operations in accordance with PFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The application of the above improvements has no material impact on the disclosures and amounts recognized on the Company’s financial statements.

New accounting standards, interpretations and amendments to existing standards effective subsequent to January 1, 2017

Standards issued but not yet effective up to the date of the Company’s financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

Annual Improvements to PFRS 2014-2016 Cycle

The Annual Improvements to PFRS 2014-2016 Cycle sets out the amendments to PFRS 1, PFRS 12 and PAS 28. The amendments to PFRS 1 and PAS 28 are effective for annual periods beginning on or after January 1, 2018. The amendments to PAS 28 shall be applied retrospectively with earlier application permitted.

The annual improvements addressed the following issues:

PFRS 1 (Amendment), First-time Adoption of Philippine Financial Reporting Standards – Deletion of Short-term Exemptions for First-time Adopters. The amendment deleted some short-term exemptions for first-time adopters and the related effective date paragraphs as the reliefs provided were no longer applicable and had been available to entities only for reporting periods that had passed.

PAS 28 (Amendments), Investments in Associates and Joint Ventures – Measuring an Associate or Joint Venture at Fair Value. The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

The application of the above improvements will have no impact on the disclosures and amounts recognized on the Company’s financial statements.

PAS 40 (Amendments), Investment Property – Transfers of Investment Property. The amendments clarify that to transfer to, or from, investment properties there must be a change in use. A change in use would involve (a) an assessment of whether a property meets, or has ceased to meet, the definition of investment property; and (b) supporting evidence that a change in use has occurred. The application of the amendments provides two options for transition: (a) An entity shall apply those amendments to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments; or (b) retrospective application if, and only if, that is possible without the use of hindsight. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

The amendments will not have a material impact on the disclosures and amounts recognized on the Company’s financial statements.

PFRS 2 (Amendment), Share-based Payment – Classification and Measurement of Share-based Payment Transactions. The amendment address the: (a) accounting for modifications to the terms and conditions of share-based payments that change the classification of the transaction from cash-settled to equity-settled; (b) accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; and (c) the classification of share-based payment transactions with a net settlement feature for withholding tax obligations. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

The amendment will not have an impact on the disclosures and amounts recognized on the Company’s financial statements.

PFRS 4 (Amendments), Insurance Contracts – Applying PFRS 9 Financial Instruments and PFRS 4 Insurance Contracts. The amendments provide two options for entities that issue insurance contracts within the scope of PFRS 4: (a) an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets (the “overlay approach”); and (b) an optional temporary exemption from applying PFRS 9 for entities whose predominant activity is issuing contracts within the scope of PFRS 4 (the “deferral approach”). The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied. An entity would apply the overlay approach retrospectively to designated financial assets, when it first applies PFRS 9. An entity would apply the deferral approach for annual periods beginning on or after January 1, 2018.

The amendments will not have an impact on the disclosures and amounts recognized on the Company’s financial statements.

PFRS 9, Financial Instruments (2014). The standard requires all recognized financial assets that are within the scope of PAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or at fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely for payments of principal and interest on the outstanding balance are generally measured at amortized cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. For financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or increase an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. The standard is to be effective no earlier than the annual periods beginning January 1, 2018, with earlier application permitted.

The management does not anticipate that the application of PFRS 9 will have a significant impact on the financial statements as the Company’s AFS financial assets will continue to be measured at fair value with fair value recognize in the other comprehensive income, and financial liabilities pertains only to debt securities that will continue to be measured at amortized cost.

PFRS 15, Revenue from Contracts with Customers. This new standard establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize. The core principle in that framework is that an entity should recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognizes revenue in accordance with that core principle by applying the following steps: (a) identify the contracts with customers; (b) identify the performance obligations in the contract; (c) determine the transaction price; (d) allocate the transaction price to the performance obligations in the contract; and (e) recognize revenue when the entity satisfies a performance obligation. The standard is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

The new standard will not have an impact on the disclosures and amounts recognized on the Company’s financial statements.

PFRS 15 (Amendments), Revenue from Contracts with Customers – Clarifications to PFRS 15 Revenue from Contracts with Customers. This addresses clarifying amendments to PFRS 15 and introduced a transitional relief for entities applying the standard for the first time. The focus of these amendments is on clarifying the application of PFRS 15 when (a) identifying performance obligations by clarifying how to apply the concept of ‘distinct’, (b) determining whether an entity is acting as principal or an agent in a transaction by clarifying how to apply the control principle, and (c) assessing whether a license transfers to a customer over time or at a point in time by clarifying when a company’s activities significantly affect the intellectual property to which the customer has rights. The amendments also add two practical expedients to the transition requirements of PFRS 15 for completed contracts under the full retrospective transition approach and contract modifications at transition. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

The new standard will not have an impact on the disclosures and amounts recognized on the Company’s financial statements.

Philippine Interpretation IFRIC-22, Foreign Currency Transactions and Advance Consideration. This interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. This interpretation is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

The interpretation will have no significant impact on the Company's financial statements.

Philippine Interpretation IFRIC-23, Uncertainty over Income Tax Treatments. This interpretation addresses how to apply the recognition and measurement requirements of PAS 12 Income Taxes when there is uncertainty over income tax treatments. This interpretation is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

The interpretation will have no significant impact on the Company's financial statements.

PAS 28 (Amendment), Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures. The amendment clarify that an entity applies PFRS 9 to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The amendments are effective for annual periods beginning on or after January 1, 2019 and shall be applied retrospectively. However, early application of these amendments is permitted.

The amendment will not have a significant impact on the disclosures and amounts recognized on the Company's financial statements.

PFRS 9 (Amendment), Financial Instruments – Prepayment Features with Negative Compensation. This addresses the concerns about how PFRS 9 classifies particular pre-payable financial assets. The amendments also include clarifications to the accounting for a modification or exchange of a financial liability that does not result in derecognition. The amendments are effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

The amendment will not have a significant impact on the disclosures and amounts recognized on the Company's financial statements.

PFRS 16, Leases. This new standard introduces a single lessee accounting model to be applied to all leases, whilst substantially carries forward the lessor accounting requirements in PAS 17 Leases. Lessees recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments for all leases with a term of more than twelve (12) months, unless the underlying asset is of low value. Whereas, lessors continue to classify leases as operating leases or finance leases, and to account for those two types of leases differently. The standard is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply PFRS 15 at or before the date of initial application of PFRS 16.

The adoption of the standard will have an impact on recognition of lease expenses, noncurrent assets and liabilities.

Financial Instruments

Initial recognition, measurement and classification of financial instruments

The Company recognizes financial assets and financial liabilities in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place are recognized on the settlement date.

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments includes transaction costs, except for those financial assets and liabilities at fair value through profit or loss (FVPL) where the transaction costs are charged to expense in the period incurred.

On initial recognition, the Company classifies its financial assets in the following categories: financial assets at fair value through profit and loss (FVPL), loans and receivables, available-for-sale (AFS) financial assets and held-to-maturity (HTM) investment. The Company also classifies its financial liabilities into FVPL and other financial liabilities. The classification depends on the purpose for which the investments are acquired and whether they are quoted in an active market. Management determines the classification of its financial assets and financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at the end of each reporting period. Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

As at March 31, 2018 and 2017, the Company did not hold any financial assets at FVPL and HTM investment, and financial liabilities at FVPL.

Determination of Fair Value and Fair Value Hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as financial assets at FVPL, and for non-recurring measurement, such as investment properties.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value measurement disclosures of financial and non-financial assets are presented in Note 15 to the financial statements.

“Day 1” Difference

When the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in the statement of comprehensive income unless it qualifies for recognition as some other type of asset or liability. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference amount.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortized cost using the effective interest method less any allowance for impairment. Amortized cost is calculated, taking into account any discount or premium on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process. These financial assets are included in current assets if maturity is within twelve (12) months from the end of reporting period. Otherwise, these are classified as noncurrent assets.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Company’s loans and receivables comprise of cash and advances to related parties (see Notes 5 and 10).

Cash

The Company’s cash represents cash in bank that are not legally restricted for use, which carries interest at respective bank deposit rate.

Available-for-sale (AFS) Financial Assets

AFS financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the three other categories. The Company designates financial instruments as AFS if they are purchased and held indefinitely and may be sold in response to liquidity requirements or changes in market conditions. After initial recognition, AFS financial assets are measured at fair value with unrealized gains or losses being recognized in the statement of comprehensive income under other comprehensive income as “Net fair value gain (loss) on AFS financial assets”, net of deferred income tax effect. When fair value cannot be reliably measured, AFS financial assets are measured at cost less any impairment in value.

When the investment is disposed or determined to be impaired, the cumulative gains or losses recognized in other comprehensive income is reclassified from equity to the income statement as reclassification adjustment. The amount of the cumulative loss that is reclassified from equity to the income statement is the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on the financial assets previously recognized in the statement of comprehensive income.

Impairment loss recognized in the statement of comprehensive income for an investment in an equity instrument classified as AFS is not reversed through the statement of comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as AFS increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognized in the statement of comprehensive income.

Interest earned on the investments is reported as interest income using the effective interest method. Dividends earned on investments are recognized in the statement of comprehensive income when the right of payment has been established. These financial assets are classified as noncurrent assets unless the intention is to dispose of such assets within twelve (12) months from the end of reporting period.

The Company’s AFS financial assets include equity securities as at March 31, 2018 and 2017 (see Note 7).

Other Financial Liabilities

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Other financial liabilities are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer) while nontrade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the amortization process.

As at March 31, 2018 and 2017, included in other financial liabilities are the Company's accounts payable and other liabilities (excluding government liabilities), and advances from related parties (see Notes 8 and 10).

Accounts payable and other liabilities

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other current liabilities include non-trade payables, accrued expenses and due to government agencies.

Offsetting of Financial Instruments

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

Derecognition of Financial Assets and Liabilities

Financial assets

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

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to 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 risks and rewards of the asset, but has transferred control of the asset.

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

Financial liabilities

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

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

Impairment of Financial Assets

The Company assesses at each end of the reporting period 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 contracted parties or a group of contracted parties 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.

Financial assets carried at cost

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

Loans and receivables

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in the group of financial assets with similar credit risk and characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortized cost has been incurred, the amount of loss is measured as a difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced through the use of an allowance account. The amount of loss is recognized in the statement of comprehensive income.

If in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, and the increase or decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment losses account. If a future write-off is later recovered, the recovery is recognized in the statement of comprehensive income. Any subsequent reversal of an impairment loss is recognized in the statement of comprehensive income to the extent that the carrying value of the asset does not exceed its amortized cost at reversal date. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Company.

AFS financial assets

For AFS financial assets, the Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In case of equity investments classified as AFS financial assets, this would include a significant or prolonged decline in fair value of the investments below its cost. The determination of what is "significant" or "prolonged" requires judgment. The Company treats "significant" generally as 20% or more and "prolonged" as greater than twelve (12) months for quoted equity securities. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in other comprehensive income is removed from other comprehensive income and recognized in the statement of comprehensive income.

Impairment losses on equity investments are not reversed through the statement of comprehensive income. Increases in fair value after impairment are recognized directly in other comprehensive income. In the case of debt instruments classified as AFS financial assets, impairment is assessed based on the same criteria as financial assets carried at amortized cost.

Input Tax

The Company's input tax is stated at face value less provision for impairment, if any. Allowance for unrecoverable input tax, if any, is maintained by the Company at a level considered adequate to provide for potential uncollectible portion of the claims. The Company, on a continuing basis, makes a review of the status of the claims designed to identify those that may require provision for impairment loss.

Impairment of Non-Financial Assets

At the end of each reporting period, the Company assesses whether there is any indication that any of its assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized as income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Retirement Benefits

The Company does not provide any retirement benefits because it does not have any employee as at March 31, 2018 and 2017. The Company's administrative functions are performed by its related party, The Wellex Group, Inc. (TWGI).

Current and Deferred Income Tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income. Deferred income tax is determined using tax rates and laws, in the period the temporary difference are expected to be recovered or settled, that have been enacted or substantively enacted as at reporting period.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each reporting date the Company reassess the need to recognize previously unrecognized deferred income tax asset.

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

The Company reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax asset against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Leases

Leases which transfer to the Company substantially all risks and benefits incidental to ownership of the leased item are classified as finance leases and are recognized as assets and liabilities in the Company statement of financial position at amounts equal at the inception of the lease to the fair value of the leased property or, if lower, at the present value of minimum lease payments. Lease payments are apportioned between the finance costs and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognized in statements of comprehensive income. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases which do not transfer to the Company substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in the Company statement of comprehensive on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

The Company is a party to an operating lease as a lessee. Payments made under operating leases (less any incentives given by the lessor) are charged to statements of comprehensive income.

Related Parties and Related Party Transactions

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

Related party relationship exists when: (a) a person or a close member of that person's family has control or joint control, has significant influence or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity; and (b) when any of the following conditions apply: (i) the entity and the Company are members of the same group; (ii) one entity is an associate or joint venture of the other entity; (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party; (v) the entity is a post-employment benefit plan for the benefit of employees of the Company; (vi) the entity is controlled or jointly controlled by a person as identified in (a) above; (vii) the entity or any member of a group of which it is part, provides key management personnel services to the Company or to the parent of the Company; (viii) a person identified in (a) above has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity.

In considering each possible related party relationship, attention is directed to the substance of the relationships, and not merely the legal form.

Equity

Capital stock represents the par value of shares that have been issued at the end of the reporting period.

Additional paid-in capital includes any premium received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Subscribed capital stock represents the par value of the subscribed shares.

Subscription receivable represents par value of the shares subscribed but the Company has not yet received the payments from the subscriber.

Treasury shares represent own equity instruments reacquired, the amount of the consideration paid, including directly attributable cost, net of any tax effects, is recognized as a reduction from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized as

Additional paid-in capital. Voting rights related to treasury shares are nullified for the Company and no dividends are allocated to them respectively.

When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to Additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Unrealized fair value gain on AFS financial assets represents gains from increase in the market value of AFS financial assets.

Deficit includes all current and prior period accumulated losses as disclosed in the statements of comprehensive income.

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the entity and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable.

Cost and Expense Recognition

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

Expenses in the statements of comprehensive income are presented using the nature of expense method.

Foreign Currency Denominated Transactions and Translations

Foreign currency transactions are initially recognized by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in terms of historical cost are translated using the foreign exchange rate at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was determined. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Basic Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing the profit (loss) by the weighted average number of common shares in issue during the year, excluding common shares purchased by the Company and held as treasury shares.

Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made with the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, an increase in the provision due to the passage of time is recognized as an interest expense. When the Company expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain and its amount is estimable. The expense relating to any provision is presented in the statement of comprehensive income, net of any reimbursement.

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements, but disclosed when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

Events After the Reporting Date

Post year-end events that provide additional information about the Company's position at the reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the financial statements when material.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, AND ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments and estimates that affect amounts reported in the Company financial statements. These 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. The Company believes the following represent a summary of these significant judgments and estimate and related impact and associated risks in the Company financial statements.

Significant Accounting Judgments in Applying the Company's Accounting Policies

Impairment of available-for-sale financial assets

The Company follows the guidance of PAS 39 to determine when an AFS financial asset is impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of investment is less than its cost and the financial condition of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

As at March 31, 2018 and 2017, the Company did not recognize any impairment in its available-for-sale financial assets.

Impairment of input tax

Management believes that the recoverability of input tax is doubtful since the Company is not expecting income subject to output tax in the near future. Consequently, the Company has provided full valuation allowance of its input tax in 2018.

The Company's input tax amounted to ₱1,721,388 and ₱1,448,630 as at March 31, 2018 and 2017, respectively (see Note 6).

Operating lease commitments

The Company has entered into contract of lease for the office space it occupies. The Company has determined that all significant risks and benefits of ownership on these properties will be retained by the lessor. In determining significant risks and benefits of ownership, the Company considered, among others, the significance of the lease term as compared with the estimated useful life of the related asset. The Company accordingly accounted for these as operating leases.

Provisions and contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed below.

The Company has a legal case involvement in the "Field Investigation Office vs. Prospero Pichay, et al. For: Malversation." This case involves a complaint for Malversation, under R.A. No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act," and violation of the Manual of Regulations for Banks in relation to Section 36 and 37 of R.A. No. 7653, otherwise known as the "New Central Bank Act ," wherein the Board of Directors of the Local Water Utilities Administration (LWUA), FPI and Wellex Group, Inc. ("WGI"), among others, are charged with conspiring to (a) effect LWUA's supposed anomalous purchase in June 2009 from the Company (127,415 shares), WGI (310,036 shares) and other individual stockholders (78,767 shares) of their total 445,377 shares, representing approximately 60% of the total shares in Express Savings Bank, Inc. ("ESBI") in the total amount of ₱101,363,302.85; and (b) infuse fresh capital in ESBI amounting to a total of ₱700,000,000. The Company considers this as a contingency.

On resolution issued by Sandiganbayan Fourth Division dated November 17, 2017 hereby dismissed the case in relation to above-mentioned case.

As at March 31, 2018 and 2017, the Company has no outstanding liabilities in relation to the above-mentioned case.

Significant Accounting Estimates and Assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Deferred tax assets

The Company reviews the carrying amounts at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Due to non-operation of the Company, management expects that the Company will continue to incur losses and the related deferred tax assets will not be utilized in the near future. The Company's deferred tax assets with full valuation allowance are fully disclosed in Note 13.

The Company's deferred tax assets amounted to ₱64,066,097 and ₱63,848,905 as at March 31, 2018 and 2017, respectively.

Allowance for impairment of advances to related parties

Allowance for impairment of advances to related parties is maintained at a level considered adequate to provide for potentially uncollectible receivables. The level of allowance is based on the status of the advances to related parties, past collection experience and other factors that may affect collectibility. Advances to related parties amounted to ₱252,670,181 and ₱277,516,148, net of allowance for impairment loss of ₱222,253,710 and ₱213,009,332, as at March 31, 2018 and 2017, respectively (see Note 10).

Allowance for impairment on AFS carried at cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. Since management has assessed that the investment in AFS financial assets cannot be recovered in full and the decline in book value per share is other than temporary, the Company has provided allowance for impairment loss.

5. CASH

Cash represents cash in bank with outstanding balance of ₱331,393 and ₱195,314 as at March 31, 2018 and 2017, respectively. Interest income earned from bank deposits were ₱93 and nil for the quarters ended March 31, 2018 and 2017.

There is no restriction on the Company's cash as at March 31, 2018 and 2017.

6. PREPAYMENTS AND OTHER CURRENT ASSETS

Prepayments and other current assets as at March 31 consist of:

	2018	2017
Input tax	₱1,721,388	₱1,448,630
Other current assets	43,366	46,932
	1,764,754	1,495,562
Less: Valuation allowance on input tax	(1,721,388)	(1,448,630)
	₱43,366	₱ 46,932

Movements in the allowance on input tax are as follows:

	2018	2017
Balance at beginning of year	₱1,606,434	₱1,363,458
Provision during the period – note 12	114,954	85,172
Balance at end of period	₱1,721,388	₱1,448,630

The Company had provided full valuation allowance on its input tax since they are not expecting to generate income subject to VAT on which it can claim all its input tax against its output tax.

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS (net)

Available-for-sale financial assets as at March 31 consist of:

	2018	2017
Unquoted shares		
Balance at beginning of the year	₱85,711,573	₱73,211,573
Impairment loss	(20,000,000)	(9,320,935)
	65,711,573	63,890,638
Quoted shares		
Cost	7,529,480	7,529,480
Net unrealized fair value gain	12,800,124	6,525,555
	20,329,604	14,055,035
	₱86,041,177	₱77,945,673

Investment in unquoted shares of stock represents ownership of the Company in Forum Exploration, Inc. (FEI) and Taguig Lake City Development Corporation. These investments are classified as AFS financial assets as the Company does not participate in the financial and operating policy of the investee which manifests control or significant influence. These investments are stated at cost less impairment loss since there is no quoted price in an active market.

Investment in quoted shares of stock represents ownership investment in Philippine Estates Corporation (PHES), a publicly listed Company. The fair value of these shares has been determined directly by reference to published prices in the active market.

The movements in the net unrealized fair value gain on available-for-sale financial assets are as follows:

	2018	2017
At beginning of year	₱10,290,297	₱6,525,555
Fair value changes during the period	2,509,827	–
	₱12,800,124	₱6,525,555

The Company's AFS financial assets as at March 31, 2018 and 2017 are not held as collateral for its financial liabilities.

8. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities as at March 31 consist of:

	2018	2017
Accounts payable	₱170,000	₱129,000
Taxes payable	7,625	7,625
	₱177,625	₱136,625

Accounts payable pertains to the amount due to suppliers payable and do not bear any interest.

The Company believes that the carrying amount of accounts payable and other liabilities approximates fair value.

There were no assets of the Company that were collateralized for the above accounts payable and other liabilities.

9. CAPITAL STOCK

Details of the Company's capital stock as at March 31, 2018 and 2017 are as follows:

Capital stock	Number of Shares	Par value	Total
Authorized	3,500,000,000	₱1	₱3,500,000,000
Subscribed	1,875,000,000	₱1	₱1,875,000,000
Subscription receivable	(667,456,379)	1	(667,456,379)
Subscribed and issued	1,207,543,621	1	1,207,543,621
Treasury shares	(36,056,750)	1	(36,056,750)
Issued and outstanding	1,171,486,871	₱1	₱1,171,486,871

Track record of registration of securities

The Company was originally registered as Cophil Exploration, Inc. with the SEC on January 8, 1993. The Company was listed with the PSE on December 19, 1994 with initial registered shares of 50 billion at ₱0.01 par value per share.

On September 2, 1996, the Board of Directors and stockholders approved a resolution to amend the Company's Article of Incorporation by changing the par value per share of ₱0.01 to ₱1.00, removing the pre-emptive rights of shareholders and increasing authorized capital stock from ₱500 million divided by 50 billion shares to ₱2 billion divided into 2 billion shares. On September 27, 1996, SEC approved the amendment on the Company's capital structure.

On August 22, 1997, the Board of Directors and the stockholders approved a further increase in the Company's authorized capital stock from ₱2 billion to ₱3.5 billion divided into 3.5 billion shares with a par value of ₱1 per share. On March 11, 1998, SEC approved the Company's increased in authorized capital stock.

The Company has 1.5 billion shares listed and traded in the PSE as at March 31, 2018 and 2017.

10. RELATED PARTY TRANSACTIONS

The Company, in the normal course of business, has transactions with related parties. Such transactions are unsecured, non-interest bearing and with no definite terms of repayments period. The Company did not provide nor received any guarantee on its transaction with related parties. All outstanding balances are to be settled through cash or offsetting arrangement.

Details of related party relationships, transactions and balances as follows:

Related parties and relationships	Nature of transactions	Volume of transactions		Outstanding receivable		Terms/ Conditions
		2018	2017	2018	2017	
With common key management						
The Wellex Group, Inc. (TWGI)	Cash advance	1,232,601	795,580	₱303,292,815	₱318,894,404	(a)
	Consultancy fee	120,000	120,000			
	Rental expense	55,500	55,500			
Forum Exploration, Inc. (FEI)	Transfer of assets	–	–	171,631,076	171,631,076	(b)
				474,923,891	490,525,480	
Impairment loss		–	–	(222,253,710)	(213,009,332)	(c)
				₱252,670,181	₱277,516,148	

Related parties and relationships	Nature of transactions	Volume of transactions		Outstanding receivable		Terms/ Conditions
		2018	2017	2018	2017	
With common key management						
Forum Exploration, Ltd.(FEL)	Cash advance	189,394	–	₱4,329,121	₱4,130,606	(d)

(a) Advances to The Wellex Group, Inc. (TWGI)

On December 15, 2012, TWGI issued a promissory note to the Company maturing on December 15, 2015 amounting to ₱330,495,385 without interest. On December 16, 2015, the promissory note was renewed for another three (3) years maturing on December 16, 2018. To settle the outstanding advances, the Company entered into the following contracts with TWGI, which in return, amounts incurred will be applied to the outstanding advances:

The Company subleases an office space from TWGI on May 2014. The lease is for a period of two (2) years but renewable thereafter upon mutual agreement of both parties. The contract was renewed on May 2016 for another two (2) years.

Total rental and utilities expense charged to operations for the quarters ended March 31 as follows (see Note 11):

	2018	2017
Rent	₱37,500	₱37,500
Utilities	18,000	18,000
	₱55,500	₱55,500

On April 2012, the Company has entered into a consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. Total management fee charged to operations amounted to ₱120,000 for the quarters ended March 31, 2018 and 2017 (see Note 11).

The Company originally provides allowance for impairment on advances to TWGI prior to agreements entered to settle the outstanding advances. Allowance for impairment will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

(b) Advances to Forum Exploration, Inc. (FEI)

FEI is a legal and beneficial owner of 100% interest in Service Contract (SC) 40, an upstream oil and gas contract area in the Philippines, entered into with the Philippine Government through the Department of Energy. Annual gas production from field on SC 40 totaled 41.09 million standard cubic feet (MMSCF) and 78.66 MMSCF since the start of production in 2012.

FEI has also implemented Work Program and Budget as approved by DOE on November 17, 2014 which includes, among others, a commitment to perform land gravity survey over the Dalingding Structure starting March 2015. Since 2014, FEI has performing geological and geophysical study aimed to identify and prioritize highly prospective areas for future exploration.

The Company has outstanding advances to FEI pertaining to the value of exploration assets transferred by the Company.

The Company is positive on FEI's success on its exploration and future development work in providing the viability of its oil properties to produce oil in commercial quantities.

(c) The movement of the allowance for doubtful accounts follows:

	2018	2017
At beginning of year	₱222,253,710	₱213,009,332
Provisions during the period	–	–
At end of period	₱222,253,710	₱213,009,332

(d) Advances from Forum Exploration, Inc. Ltd. (FEL)

The Company received USD denominated cash advances from FEL, amounted to \$82,922 with no definite terms of payment.

	2018	2017
At beginning of year	₱4,139,727	₱4,130,606
Unrealized foreign exchange loss – note 12	189,394	–
At end of year	₱4,329,121	₱4,130,606

(d) Remuneration to key management personnel

With the Company's tight cash position, management decided to suspend any form of compensation given to key management personnel.

(e) Others

The Company's administrative functions are performed by its related party, TWGI.

11. COSTS AND EXPENSES

Cost and expenses for the quarters ended March 31 consists of:

	2018	2017	2016
Professional fees	₱289,080	₱173,500	₱231,000
Membership fees and dues	256,000	258,000	253,000
Management fees – note 10	120,000	120,000	3,102
Rent and utilities – note 10	55,500	55,500	55,500
Taxes and licenses	19,267	17,190	1,000
Travel and transportation	11,250	250	17,480
Representation	1,082	–	24,280
Office supplies	397	–	–
Miscellaneous	23,386	10,298	90,674
	₱775,962	₱634,738	₱676,036

12. OTHER EXPENSES - net

Other expenses for the quarters ended March 31 consists of:

	2018	2017	2016
Provision for impairment on:			
Input tax – note 6	(P114,954)	(P85,172)	P–
Unrealized foreign exchange loss – note 10	(189,394)	–	–
Interest income – note 5	93	–	105
	(P304,255)	(P85,172)	P105

13. INCOME TAXES

Current and deferred tax

On May 24, 2005, Republic Act (RA) No. 9337 changed the normal corporate income tax rate from 32% to 35% effective November 1, 2005 and from 35% to 30% effective January 1, 2009.

On December 20, 2008, Revenue Regulations No.16-2008 on the Optional Standard Deduction (OSD) was published. The regulation prescribed the rules for the OSD application by corporations in the computation of their final taxable income. For corporations, OSD shall be 40% based on gross income; “cost of goods sold” will be allowed to be deducted from gross sales.

For taxable period 2008, maximum 40% deduction shall only cover the period beginning July 6, 2008. However, July 1, 2008 shall be considered as the start of the period when the 40% OSD may be allowed.

On February 26, 2010, RR 2-2010 on the amendment of Section 6 and 7 of RR 16-2008 was published. The regulation amended the other implications of the OSD particularly on the election to claim either the OSD or the itemized deduction which must be signified in the first quarter and must be consistently applied for all the succeeding quarterly returns and in the final income tax return for the taxable year.

The Company did not avail of the OSD for purpose of income tax calculation in 2018 and 2017.

The composition of deferred tax assets is as follows:

	2018	2017
NOLCO	P 2,266,938	P2,125,374
Impairment loss on AFS Securities	6,000,000	2,796,280
Unrealized foreign exchange loss	582,438	579,702
Provision for input tax	481,930	409,038
	9,331,306	5,910,394
Valuation allowance	(9,331,306)	(5,910,394)
	P–	P–

Deferred tax assets and liabilities are determined using the income tax rates in the period the temporary differences are expected to be recovered or settled.

A corresponding full valuation allowance on deferred tax assets have been established since management believes, that it is more likely than not, that the carry-forward benefits will not be realized in the future

As at March 31, 2018, the Company has NOLCO that can be claimed as deduction from future income tax payable and taxable income, respectively, as follows:

Year Incurred	Expiration Date	Beginning Balance	Additions	Expired	Claimed	Ending Balance
2018	2020	P–	P1,080,217	P–	P–	P1,080,217
2017	2019	2,596,954	–	–	–	2,596,954
2016	2018	2,805,053	–	–	–	2,805,053
2015	2017	2,154,452	–	(2,154,452)	–	–
		P7,556,459	P1,080,217	(P2,154,452)	P–	P6,482,224

Relevant tax updates

Republic Act No. 10963 or the Tax Reform for Acceleration and Inclusion Act (TRAIN) was signed into law on December 19, 2017 and took effect January 1, 2018, making the new law enacted as of that date.

The TRAIN Law, which took effect on January 1, 2018, represents Package 1 of the comprehensive tax reform program of the current administration that aims to correct gaps in the present tax system, allowing it to be more effective and equitable.

Below are the salient points of the TRAIN Law:

- Reduction in personal income taxes
- Changes in capital income taxes
 - Final withholding tax on interest from foreign currency deposits increased to 15% (from 7.5%)
 - Capital gains tax on unlisted/untraded shares increased to 15% (from 5%/10%)
 - Stock transaction tax on listed/traded shares increased to 6/10 of 1% from (1/2 of 1%)
- Amendments to other taxes
 - VAT
 - Certain VAT zero-rated transactions to become subject to 12% VAT upon implementation of VAT refund system
 - VAT exemption threshold for sale of goods and services increased to P3.00 million (from P1.90 million)
 - Included in VAT exempt transactions, among others: Transfers of properties pursuant to a tax-free merger; association dues, membership fees, and other assessments and charges collected by homeowners associations and condominium corporations
- Increased documentary stamp taxes (DST) rates by 50% to 100%

Although most of the changes will affect individuals, the TRAIN Law also introduced changes to income tax, VAT and DST that may have an impact on the financial statements starting January 1, 2018.

14. LOSS PER SHARE

The following table presents information necessary to calculate the loss per share as of March 31:

	2018	2017	2016
Net loss for the period	(P1,080,217)	(P719,910)	(P675,928)
Weighted average number of common shares outstanding during the period	1,171,486,871	1,171,486,871	1,171,486,871
	(P0.0009)	(P0.0006)	(P0.0006)

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risk which results from both its operating and financing activities. The Company's risk management is coordinated with the Group, in close cooperation with the Board of Directors, and focuses on actively securing the short-term cash flows to finance its operation.

The Company's principal financial instruments comprise of cash, advances to related parties, AFS financial assets, accounts payable and other liabilities (excluding local and other taxes and other liabilities to government agencies) and advances from related parties. The main purpose of these financial instruments is to raise financing for the Company's operations. The Company does not actively engage in trading of financial assets for speculative purposes nor does it have options.

The most significant financial risks to which the Company is exposed to are described below:

Credit risk

Credit risk arises from cash and advances to related parties.

The maximum credit risk exposure of the financial assets is the carrying amount of the financial assets shown on the face of statement of financial position, as summarized below:

	2018	2017
Cash in bank	P331,393	P195,314
Advances to related parties – net	252,670,181	277,516,148
	P253,001,574	P277,711,462

The details of the Company's aging analysis of financial assets as at March 31, 2018 and 2017 are as follows:

March 31, 2018	Total	Neither past due nor impaired	Past due but not impaired					Impaired
			< 30 days	31-90 days	91-180 days	181-360 days	1-3 years	
Cash in bank	₱331,393	₱331,393	₱-	₱-	₱-	₱-	₱-	₱-
Advances to related parties - gross	474,923,891	-	-	-	-	-	252,670,181	222,253,710
	₱475,255,284	₱331,393	₱-	₱-	₱-	₱-	₱252,670,181	₱222,253,710

March 31, 2017	Total	Neither past due nor impaired	Past due but not impaired					Impaired
			< 30 days	31-90 days	91-180 days	181-360 days	1-3 years	
Cash in bank	₱195,314	₱195,314	₱-	₱-	₱-	₱-	₱-	₱-
Advances to related parties - gross	490,525,480	-	-	-	-	-	277,516,148	213,009,332
	₱490,720,794	₱195,314	₱-	₱-	₱-	₱-	₱277,516,148	₱213,009,332

The management continues to review receivable from related parties for any legally enforceable right to offset with liabilities with the expressed intention of the borrower to settle on a net basis.

As at March 31, 2018 and 2017, the Company has entered into an agreement with its related party to settle the advances (See Note 10).

The credit quality of financial assets is discussed below:

Cash

The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

Advances to related parties

As at March 31, 2018 and 2017, the Company classifies the credit quality of advances to related parties based on the following:

	2018	2017
Group 1	₱252,670,181	₱277,516,148
Group 2	222,253,710	213,009,332
Group 3	-	-
	₱474,923,891	₱490,525,480

- Group 1 – Past due but not impaired with expectation of collection.
- Group 2 – Past due and impaired with expectation of collection.
- Group 3 – Past due and impaired without expectation of collection.

Group 1 and 2 mainly relates to the advances to related parties which are in difficult economic situation.

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company is mainly exposed to liquidity risk through its maturing liabilities. The Company has a policy of regularly monitoring its cash position to ensure that maturing liabilities will be adequately met.

The Company manages liquidity risk by obtaining funds from related parties and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of liabilities.

The details of the maturity analysis of the Company's liabilities are as follows:

March 31, 2018	Total	On demand	Less than three month	3 to 12 months	1 to 5 years
Account payable and other liabilities*	₱170,000	₱–	₱–	₱170,000	₱–
Advances from related party	4,329,121	–	–	–	4,329,121
	₱4,499,121	₱–	₱–	₱170,000	₱4,329,121

March 31, 2017	Total	On demand	Less than three month	3 to 12 months	1 to 5 years
Account payable and other liabilities*	₱129,000	₱–	₱–	₱129,000	₱–
Advances from related party	4,130,606	–	–	–	4,130,606
	₱4,259,606	₱–	₱–	₱129,000	₱4,130,606

Price risk

The Company is exposed to price risk on the fluctuation on the price or fair value of AFS financial assets. It manages its risk arising from changes in market price by monitoring the changes in the market price of the investments. The fair value of AFS financial assets is based on published prices in the market.

Foreign currency risk

The Company is exposed to foreign exchange risk arising from currency exposures primarily with respect to the U.S. dollars. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Significant fluctuation in the exchange rates could significantly affect the Company's financial position.

The Company is mainly exposed to foreign currency risk through its advances from related party \$82,922 which amounted to ₱4,329,121 and ₱4,130,606 as at March 31, 2018 and 2017, respectively.

The sensitivity rate used on reporting foreign currency risk internally to key management personnel is 10% and it represents management's assessment of reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary assets and liabilities and adjusts their translation at the period end for a 10% in foreign exchange rates. A positive number indicates an increase in net income when the Philippine peso strengthens at 10% against the relevant currency. For 10% weakening of the Philippine peso against the relevant currency, there would be an equal and opposite impact on the net income.

Capital Risk Objective and Management

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern.

The Board of Directors have the overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Company's external environment and the risks underlying the Company's business operations and industry.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including accrued and other payables and advances from related party as shown in the statements of financial position) less cash. Total capital is calculated as Equity as shown in the statements of financial position plus Net Debt.

Gearing ratio compares some form of owner's equity to borrowed funds. It is a measure of financial leverage demonstrating the degree to which the Company's activities are funded by owner's funds versus creditors' funds.

The gearing ratios as at March 31, 2018 and 2017 were as follows:

	2018	2017
Debt	₱4,506,746	₱4,267,231
Less: Cash	331,393	195,314
Net debt	4,175,353	4,071,917
Equity	334,579,371	351,436,836
Gearing ratio	1.25%	1.16%

The Company is subject to externally imposed capital requirement amounting to ₱6,250,000 which is the minimum paid-up capital requirement of SEC for mining companies. As March 31, 2018 and 2017, the Company is in compliance with this externally imposed capital requirement.

16. SUPPLEMENTARY INFORMATION REQUIRED BY RR-15-2010 AND RR19-2011

Supplementary information required by Revenue Regulations 15-2010

On December 28, 2010, Revenue Regulation (RR) No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by Philippine Financial Reporting Standards.

a) Output value-added tax

The Company has no output VAT since it does not have any income subject to VAT for the quarters ended March 31, 2018 and 2017.

b) Input value-added tax

	2018	2017
At beginning of year	₱1,606,434	₱1,363,458
Current purchases and payments for:		
Goods other than for resale or manufacture	—	—
Domestic purchases of services	114,954	85,172
	₱1,721,388	₱1,448,630

c) Taxes on importation

The Company has no import transactions for the quarters ended March 31, 2018 and 2017.

d) Excise Tax

The Company does not have excise tax in any of the taxable years presented since it does not have any transactions which are subject to excise tax.

e) Documentary stamp tax

There are no documentary stamp tax paid by the Company for the quarters ended March 31, 2018 and 2017.

f) Taxes and licenses

Details of taxes and licenses account are broken down as follows:

	2018	2017
Business permits	₱18,087	₱16,030
Corporate community tax	680	660
BIR annual registration	500	500
	₱19,267	₱17,190

g) Withholding taxes

The details of total withholding taxes for the quarters ended March 31 are shown below:

	2018	2017
Withholding tax on compensation	₱—	₱—
Expanded withholding tax	22,875	22,875
Final withholding tax	—	—
	₱22,875	₱22,875

h) Deficiency tax assessment and tax cases

The Company does not have any deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside of the BIR in any of the taxable years.

* * *

FORUM PACIFIC, INC.
APPENDIX A – FINANCIAL SOUNDNESS

	March 31, 2018	March 31, 2017	December 31, 2017
Profitability ratios:			
Return on asset	Nil	Nil	Nil
Return on equity	Nil	Nil	Nil
Net profit margin	Nil	Nil	Nil
Solvency and liquidity ratios:			
Current ratio	2.11:1	1.77:1	0.35:1
Debt to equity ratio	0.01:1	0.01:1	0.01:1
Quick ratio	1.87:1	1.43:1	0.27:1
Cash-flow liquidity ratio	N/A	N/A	N/A
Financial leverage ratio:			
Asset to equity ratio	1.01:1	1.01:1	1.01:1
Debt to asset ratio	0.01:1	0.01:1	0.01:1
Interest rate coverage ratio	Nil	Nil	Nil