

PHILIPPINE INTERNATIONAL TRADING CORPORATION
STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2016

(With Corresponding Figures for 2015)

(In Philippine Peso)

| | Notes | 2016 | 2015 |
|--|----------|---------------------|-------------------|
| Sales | 19.1 | 12,309,149 | 9,866,997 |
| Cost of Sales | 20 | (10,096,802) | (8,205,236) |
| Gross Profit | | 2,212,347 | 1,661,761 |
| Other Operating Income | | | |
| Service Income | 19.2 | 50,944,513 | 59,657,583 |
| Commission Income | 19.3 | 764,530 | 688,809 |
| Other Operating Income | 19.4 | 113,197,140 | 45,658,060 |
| Total Other Operating Income | | 164,906,183 | 106,004,452 |
| Operating Expenses | | | |
| Selling Expenses (Schedule 1) | | 48,631,772 | 47,117,862 |
| Administrative Expenses (Schedule 1) | | 39,935,714 | 40,746,304 |
| Other Operating Expenses (Schedule 1) | | 3,396,999 | 3,920,933 |
| Total Operating Expenses | | 91,964,485 | 91,785,099 |
| Finance Cost | 21 | 25,587 | 21,309 |
| Operating Income | | 75,128,458 | 15,859,805 |
| Other Comprehensive Income(Loss) | | | |
| Unrealized gain on money market placement | | 6,022,109 | 761,290 |
| Gain on foreign exchange | | 3,750,646 | 3,056,658 |
| Loss on inventory obsolescence | | (3,934) | (185,779) |
| Gain on revaluation of investment property | | - | 3,807,954 |
| Loss on sale of disposed asset | | - | (3,481) |
| Benefit (charges) from deferred income tax | 10, 23.1 | 270,726 | (387,258) |
| NET COMPREHENSIVE INCOME | | 85,168,005 | 22,909,189 |

PHILIPPINE INTERNATIONAL TRADING CORPORATION
STATEMENT OF FINANCIAL POSITION

As of December 31, 2016

(With corresponding figures for 2015)

(In Philippine Peso)

| | NOTES | 2016 | 2015 |
|---|-------|-----------------------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 3 | 10,939,668,212 | 4,971,617,723 |
| Trade and Other Receivables - net | 4 | 23,046,047 | 15,337,080 |
| Inventories, net | 5 | 9,013 | 19,304 |
| Other Current Assets | 6 | 3,483,296 | 4,269,754 |
| Total Current Assets | | 10,966,206,568 | 4,991,243,861 |
| Non-Current Assets | | | |
| Trade and Other Receivable | 7 | 1,695,851 | 1,695,851 |
| Property and Equipment, net | 8 | 4,167,288 | 3,919,222 |
| Investment Property | 9 | 64,791,299 | 64,791,299 |
| Deferred Tax Assets | 10 | 40,199,169 | 39,931,131 |
| Other Assets | 11 | 40,742,321 | 40,745,921 |
| Total Non-Current Assets | | 151,595,928 | 151,083,424 |
| TOTAL ASSETS | | 11,117,802,496 | 5,142,327,285 |
| LIABILITIES AND EQUITY | | | |
| Current Liabilities | | | |
| Trade Payables | 12 | 5,473,571 | 5,619,558 |
| Customers Deposits Payable | 13 | 10,727,488,846 | 4,802,911,350 |
| Inter-Agency Payable | 14 | 25,533,724 | 31,265,527 |
| Other Current Liabilities | 15 | 51,876,559 | 63,945,292 |
| Total Current Liabilities | | 10,810,372,700 | 4,903,741,727 |
| Non-Current Liabilities | | | |
| Estimated Liability for Employee's Benefits | 16 | 11,935,182 | 10,862,749 |
| Other non-current liabilities | 17 | 17,045,406 | 25,061,348 |
| | | 28,980,588 | 35,924,097 |
| TOTAL LIABILITIES | | 10,839,353,288 | 4,939,665,824 |
| EQUITY | | 278,449,208 | 202,661,461 |
| TOTAL LIABILITIES AND EQUITY | | 11,117,802,496 | 5,142,327,285 |

PHILIPPINE INTERNATIONAL TRADING CORPORATION
STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2016
(With Corresponding Figures for 2015)
(In Philippine Peso)

| | Notes | 2016 | 2015 |
|--|-------|--------------------|--------------------|
| EQUITY | | | |
| SHARE CAPITAL | 18 | 300,000,000 | 300,000,000 |
| RETAINED EARNINGS (DEFICIT) | | | |
| Balance at beginning of year | | (97,338,539) | (119,193,537) |
| Net Comprehensive Income | | 85,168,005 | 22,909,189 |
| Expired Minimum Corporate Income Tax for 2012 and 2013 | 23 | (1,121,160) | (897,451) |
| Performance incentive bonus | | - | - |
| Cash Dividend Paid for 2015 and 2016 | | (8,259,098) | (156,740) |
| Balance at end of year | | (21,550,792) | (97,338,539) |
| EQUITY | | 278,449,208 | 202,661,461 |

PHILIPPINE INTERNATIONAL TRADING CORPORATION
STATEMENT OF CASH FLOWS
For the year ended December 31, 2016
(With corresponding figures for 2015)
(In Philippine Peso)

| | Notes | 2016 | 2015 |
|--|----------|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash inflows | | | |
| Fund transfer/remittances by client agencies | 22 | 7,244,483,616 | 3,013,251,066 |
| Interest income | | 121,322,859 | 44,243,200 |
| Sales and services income | | 48,173,864 | 46,852,104 |
| Performance/security bond | | 19,296,857 | 13,893,813 |
| Refund of advances and other expenses | | 2,520,772 | 3,304,451 |
| Total cash inflows | | 7,435,797,968 | 3,121,544,635 |
| Cash outflows | | | |
| Payment to suppliers for goods and services | | (1,304,306,371) | (1,380,198,971) |
| Payment for operating expenses | | (100,615,678) | (100,606,630) |
| Payment for duties and taxes | | (61,728,736) | (63,037,305) |
| Payment of terminal leave benefits | | (615,332) | - |
| Total cash outflows | | (1,467,266,117) | (1,543,842,906) |
| Net cash provided by (used in) operating activities | | 5,968,531,851 | 1,577,701,729 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Sale of land/property | 9 | - | - |
| Acquisition of office equipment | 8 | (481,362) | (29,301) |
| Net cash used in investing activities | | (481,362) | (29,301) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 5,968,050,489 | 1,577,672,428 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 3 | 4,971,617,723 | 3,393,945,295 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | 3 | 10,939,668,212 | 4,971,617,723 |

PHILIPPINE INTERNATIONAL TRADING CORPORATION
OPERATING EXPENSES
For the Year Ended December 31, 2016
(With Corresponding figures for 2015)
(In Philippine Peso)

| | SELLING | | ADMINISTRATIVE | | OTHERS | | TOTAL | |
|---|-------------------|-------------------|-----------------------|-------------------|---------------|-------------|-------------------|-------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| PERSONNEL EXPENSES | | | | | | | | |
| Salaries and Wages | 18,349,438 | 19,019,161 | 16,144,552 | 16,664,788 | - | - | 34,493,990 | 35,683,949 |
| Personnel Economic Relief Allowance | 811,110 | 841,132 | 797,799 | 837,589 | - | - | 1,608,909 | 1,678,721 |
| Representation and Transportation Allowance | 2,610,583 | 2,674,367 | 1,752,918 | 1,669,664 | - | - | 4,363,501 | 4,344,031 |
| Uniform Allowance | 170,000 | 179,444 | 168,472 | 175,000 | - | - | 338,472 | 354,444 |
| Rice Allowance | 201,209 | 220,811 | 180,723 | 187,791 | - | - | 381,932 | 408,602 |
| Directors' Allowance | - | - | 50,000 | 60,000 | - | - | 50,000 | 60,000 |
| Bonuses | 2,248,146 | 1,462,328 | 2,239,957 | 1,341,415 | - | - | 4,488,103 | 2,803,743 |
| Life/Retirement Insurance Contributions | 1,748,195 | 1,816,259 | 1,618,249 | 1,674,998 | - | - | 3,366,444 | 3,491,257 |
| Pag-ibig Fund Contribution | 245,400 | 263,055 | 212,377 | 210,372 | - | - | 457,777 | 473,427 |
| Philhealth Contributions | 141,413 | 145,613 | 131,650 | 136,950 | - | - | 273,063 | 282,563 |
| Employees' Compensation Contribution | 40,600 | 42,100 | 40,000 | 42,100 | - | - | 80,600 | 84,200 |
| Vacation and Sick Leave Benefits | 1,440,382 | 678,943 | 1,149,443 | 597,057 | - | - | 2,589,825 | 1,276,000 |
| Other Personnel Benefits | 1,298,351 | 1,746,930 | 1,859,686 | 2,322,883 | - | - | 3,158,037 | 4,069,813 |
| | 29,304,827 | 29,090,143 | 26,345,826 | 25,920,607 | - | - | 55,650,653 | 55,010,750 |
| PRODUCT/PROJECT DEVELOPMENT & MARKETING EXPENSES | | | | | | | | |
| Travel Expenses | 803,085 | 2,179,067 | 246,878 | 263,450 | - | - | 1,049,963 | 2,442,517 |
| Training and Scholarship Expenses | 128,503 | 66,755 | 192,915 | 271,903 | - | - | 321,418 | 338,658 |
| Communication Services | 960,372 | 1,125,113 | 680,758 | 716,597 | - | - | 1,641,130 | 1,841,710 |
| Membership Dues and Contribution | 371,964 | 266,700 | 47,600 | 43,100 | - | - | 419,564 | 309,800 |
| Printing Expense | - | - | 11,250 | 9,804 | - | - | 11,250 | 9,804 |
| Advertising Expense | 1,118,513 | 1,036,793 | 100,245 | 464,577 | - | - | 1,218,758 | 1,501,370 |
| Representation Expenses | 1,633,515 | 1,510,457 | 400,843 | 504,219 | - | - | 2,034,358 | 2,014,676 |
| Consultancy Expense | - | - | 854,645 | 842,180 | - | - | 854,645 | 842,180 |
| Insurance Expense | 2,246,524 | 1,216,818 | 559,502 | 598,604 | - | - | 2,806,026 | 1,815,422 |
| | 7,262,476 | 7,401,703 | 3,094,636 | 3,714,434 | - | - | 10,357,112 | 11,116,137 |

PHILIPPINE INTERNATIONAL TRADING CORPORATION
OPERATING EXPENSES
For the Year Ended December 31, 2016
(With Corresponding figures for 2015)
(In Philippine Peso)

OCCUPANCY EXPENSES

| | | | | | | | | |
|-----------------------------|------------------|------------------|------------------|------------------|---|---|-------------------|-------------------|
| Supplies and Materials | 2,113,269 | 1,831,681 | 890,743 | 973,421 | - | - | 3,004,012 | 2,805,102 |
| Fuel, Oil and Lubricants | 269,484 | 308,500 | 172,150 | 187,109 | - | - | 441,634 | 495,609 |
| Water Expense | 96,547 | 85,563 | 95,268 | 81,662 | - | - | 191,815 | 167,225 |
| Electricity Expense | 764,430 | 796,851 | 1,213,406 | 1,315,605 | - | - | 1,977,836 | 2,112,456 |
| Rent | 3,419,842 | 3,273,526 | 4,260,816 | 4,083,884 | - | - | 7,680,658 | 7,357,410 |
| General/Janitorial Services | 1,456,249 | 1,326,901 | 1,480,352 | 1,166,535 | - | - | 2,936,601 | 2,493,436 |
| Security Services | 812,643 | 770,462 | 1,095,603 | 1,044,140 | - | - | 1,908,246 | 1,814,602 |
| Repairs and Maintenance | 904,772 | 322,352 | 453,444 | 416,392 | - | - | 1,358,216 | 738,744 |
| | 9,837,236 | 8,715,836 | 9,661,782 | 9,268,748 | - | - | 19,499,018 | 17,984,584 |

OTHER EXPENSES

| | | | | | | | | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|
| Auditing Services | - | - | - | - | 3,396,999 | 3,920,933 | 3,396,999 | 3,920,933 |
| Donations | - | - | - | - | - | - | - | - |
| Legal Services | - | - | 370,000 | 420,000 | - | - | 370,000 | 420,000 |
| Brokers Fee | - | - | - | - | - | - | - | - |
| Other Professional Services | 751,000 | 775,955 | 223,214 | 40,550 | - | - | 974,214 | 816,505 |
| Extraordinary Expense | - | - | 27,000 | 20,000 | - | - | 27,000 | 20,000 |
| Taxes, Duties and Licenses | 1,080,262 | 994,416 | 40,511 | 52,935 | - | - | 1,120,773 | 1,047,351 |
| Doubtful Account Expense | - | - | - | 1,173,174 | - | - | - | 1,173,174 |
| Depreciation - Property and Equipment | 395,971 | 139,809 | 172,745 | 135,856 | - | - | 568,716 | 275,665 |
| | 2,227,233 | 1,910,180 | 833,470 | 1,842,515 | 3,396,999 | 3,920,933 | 6,457,702 | 7,673,628 |
| TOTAL | 48,631,772 | 47,117,862 | 39,935,714 | 40,746,304 | 3,396,999 | 3,920,933 | 91,964,485 | 91,785,099 |