



**March 1, 2017**

**PHILIPPINE STOCK EXCHANGE**

3<sup>rd</sup> Floor, Tower One and Exchange Plaza

Ayala Triangle, Ayala Ave., Makati City

Attention: Mr. Jose Valeriano B. Zuño III

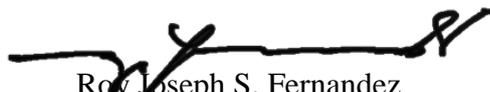
OIC – Head, Disclosure Department

Subject: Golden Haven Memorial Park Inc.: Definitive Information Statement

Gentlemen:

Please see attached SEC Form 20-IS, Definitive Information Statement filed today for the Company's Annual Stockholders' Meeting on April 1, 2017.

Thank you.



Roy Joseph S. Fernandez  
Officer-in-Charge

**COVER SHEET**

1	0	8	2	7	0				
S.E.C. Registration Number									

G	O	L	D	E	N		H	A	V	E	N		M	E	M	O	R	I	A	L			
P	A	R	K	,		I	N	C	.														

(Registrant's Full Name)

S	A	N		E	Z	E	K	I	E	L	,	C	5		E	X	T	E	N	S	I	O	N	,
L	A	S		P	I	N	A	S		C	I	T	Y											

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

Roy Joseph S. Fernandez
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Contact Person

873-2922
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Registrant Telephone Number

1	2
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*Month*      *Day*  
Calendar Year

3	1
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20-IS Definitive Information Statement
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FORM TYPE

0	4
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*Month*      *Day*  
Annual Meeting

0	1
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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles  
Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

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To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

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Cashier



March 1, 2017

**SECURITIES AND EXCHANGE COMMISSION**

Markets and Securities Regulation Department  
Secretariat Building, PICC Complex  
Roxas Boulevard, Pasay City

**Attention: Director Vicente Graciano P. Felizmenio, Jr.**

**Re: Information Statement of Golden Haven Memorial Park, Inc.**

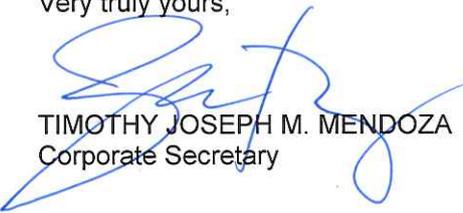
Gentlemen:

We refer to your letter dated 14 February 2017 relating to the comments of the Securities and Exchange Commission (the "Commission") on the Preliminary Information Statement filed by Golden Haven Memorial Park, Inc. (the "Company") on 14 February 2017.

In connection thereto, we submit herewith the Company's responses to the Commission's comments. For ease of reference, we have adopted the references from the matrix of the Commission's comments and have summarized our responses in the table attached herein.

We trust that you find the foregoing in order.

Very truly yours,



TIMOTHY JOSEPH M. MENDOZA  
Corporate Secretary

<b>Golden Haven Memorial Park, Inc.</b>								
Preliminary Information Statement was filed on February 14, 2017								
SEC Form 20-IS								
<b>Checklist of Requirements</b>						<b>Page No.</b>	<b>Remarks</b>	<b>HVN's Reply to SEC</b>
<b>Notice of Meeting</b>							<p>Agenda No. 7 and 8 of the ASM contradicts the ff: Section 51 of the Corporation Code <i>"The stockholders' or members' meeting shall be held at the principal office of the corporation. The by-laws cannot change that site, except in the case of non-stock corporations as provided for in Section 93 of the Code."</i></p> <p><b>SRC Rule 20.11.1</b> <i>"The annual stockholders' meeting shall be held in the city or municipality where the principal office of the corporation is located and if practicable in the principal office of the corporation.Xxx"</i></p>	<p>We note the SEC's comment. Please note that on 28 February 2017, the Board of Directors of the Company approved to further amend the venue of the Corporation's stockholders meetings (as set forth in Sections 1 and 2 of Article II of the Corporation's By-Laws), as follows: "the principal office of the Company or at any place designated by the Board of Directors in the city or municipality where the principal office of the Company is located."</p> <p>The foregoing amendments have been incorporated in the discussion attached to the Notice of Meeting of the Annual Meeting of Stockholders, specifically, Nos. 4 and 5 of the Explanation and Rationale.</p>
<b>ITEM 4. VOTING SECURITIES &amp; PRINCIPAL HOLDERS</b>								
As to each class entitled to vote, state the number of shares outstanding & the number of votes to which each class is entitled. Provide foreign and Filipino ownership							Please provide figures as of record date	Please refer to page 2 and 3 of the Definitive Information Statement ("DIS").
(1) Security Ownership of Certain Record and Beneficial Owners of more than 5%:								
	Title of Class	Name, Address of Record Owner and Relationship with issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Please provide information as of January 31, 2017 or February 28, 2017, if practicable		Please refer to page 3 of the DIS.
(2) Security Ownership of Management								
	Title of Class	Name of the Beneficial Owner	Amount and Nature of the Beneficial Ownership	Citizenship	No. of Shares Held	Please provide information as of January 31, 2017 or February 28, 2017, if practicable		Please refer to page 4 of the DIS.
<b>ITEM 5. DIRECTORS &amp; EXECUTIVE OFFICERS</b>								
If action is with respect to election of directors								
Information required by Part I(C) of "Annex C, as amended"								

	1. Brief Description of Any Material Pending Legal Proceedings to which the registrant or any of its subsidiaries or affiliates is a party		Please disclose, note that this refers to Legal Proceedings involving the registrant	Please refer to page 9 of the DIS
	2. Name of the Court or Agency in which the Proceedings are pending			
	3. Date of Institution			
	4. Principal Parties			
	5. Description of the Factual Basis Alleged to Underlie the Proceeding			
	6. Relief Sought			
	7. Similar information as to any such proceedings known to be contemplated by Governmental authorities or any other entity			
<b>A</b>	<b>(A)(1) Identify Directors, including Independent Directors and Executive Officers</b>			
	(a) List the names, ages and <b>citizenship</b> of all directors, including independent directors, executive officers and <b>all persons nominated</b> or chosen to become such where required under Section 38 of the Code and SRC Rule 38.1 adopted thereunder; also provide the names of the incorporators in the case of an investment company.		Please disclose the name/s of the person/s who nominated the candidates for independent directors and their relationship.	Please refer to page 8 of the DIS.
	Certain Relationships and Related Transactions (SEC MC No. 14, Series of 2004)		Information should be as of December 31, 2016. Please provide a brief discussion in the Information Statement.	We take note of the Commission's comments. However, please note that we are not able to attach the Audited Financial Statement ("AFS") as of and for the year ended December 31, 2016 with Management Discussion and Analysis to the DIS considering that the AFS is not yet available as of the time of the submission of the DIS.  Kindly refer to our undertaking stated on page 13 of the DIS.
	(1) In addition to the disclosures in the financial statements which are required under SFAS/IAS No. 24 on the Related Party Disclosures, registrant shall describe under this item the elements of the transactions that are necessary for an understanding of the transactions' business purpose and economic substance, their effect on the financial statements, and the special risks or contingencies arising from these transactions. The Commission consider the discussion of the following to be necessary.			
	(a) the business purpose of the arrangement;			
	(b) identification of the related parties transaction business with the registrant and nature of the relationship;			
	(c) how transaction prices were determined by parties;			
	(d) if disclosures represent that transactions have been evaluated for fairness, a description of how the evaluation was made; and			
	(e) any ongoing contractual or other commitments as a result of the arrangement.			
	(2) The disclosure shall also include information about parties that fall outside the definition "related parties" under SFAS/IAS No. 24, but with whom the registrants or its related parties have a relationship that enables the parties to negotiate terms of			

	<p>material transactions that may not be available from other, more clearly independent, parties on an arm's length basis. For example, an entity may be established and operated by individuals that were former senior management of, or have some other current or former relationship with, a registrant. The purpose of the entity may be to own assets used by the registrant or provide financing or services to the registrant. Although former management or persons with other relationships may not meet the definition of a related party pursuant to SFAS/IAS 24, the former management positions may result in negotiation of terms that are more or less favorable than those available on an arm's-length basis from clearly independent third parties that are material to the registrant's financial position or financial performance.</p>					
	<p>In some cases, investors may be unable to understand the registrant's reported results of operations without a clear explanation of these arrangements and relationships. Items of similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements</p>					
<b>ITEM 6. COMPENSATION OF DIRECTORS &amp; EXECUTIVE OFFICERS</b>						
Part IV, paragraph (B) of "Annex C", as amended						
(1) Summary Compensation Table						
Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation	<p>Please provide projected salary for 2017 and for the last two completed fiscal years</p>	<p>Please refer to page 10 of the DIS.</p>
<b>ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS</b>					<p>Please include in the discussion compliance to the two-year cooling-off period and make reference to the compliance with the 5-year rotation requirement of external auditors, (SRC Rule 68 Part 3(b)(iv)(ix).</p>	<p>Please refer to page 11 of the DIS under "Changes in and Disagreement with Accountants on Accounting and Financial Disclosure, paragraph 2."</p>
<b>ITEM 17. AMENDMENTS OF CHARTER, BY-LAWS &amp; OTHER DOCUMENTS</b>						
	Brief reason(s) for and the general effect of such amendment				<p>Please be reminded of Section 61 of the Corporation Code and SRC Rule 20 on setting the venue of stockholders' meeting</p>	<p>Please refer to our response to the Commission's comment on the Notice of the Meeting.</p> <p>We have revised the relevant provisions on page 12 of the DIS, under the section entitled "Other Proposed Actions".</p>
<b>MANAGEMENT REPORT</b>						

2	<b>Management's Discussion and Analysis (MD&amp;A) or Plan of Operation (Required by Part III(A) of "Annex C, as amended")</b>			
	2 Management's Discussion and Analysis. MD&A helps to explain financial results. A reader of the MD&A should be able to understand the financial results of the registrant's business as discussed in the "Business" section. It shall provide information with respect to liquidity capital resources and other information necessary to understand the registrant's financial condition and results of operation.		MD&A should be as of December 31, 2016. Please provide a discussion of the Registrant's Financial Condition, Changes in Financial Condition and Results of Operations for 2016 vs. 2015	Please refer to our previous response regarding the AFS as of and for the year ended December 31, 2016.  Kindly refer to our undertaking stated on page 13 of the DIS.
3	<b>EXTERNAL AUDIT FEES (SEC MC No. 14, Series of 2004</b>			
	A. Under the caption Audit and Audit-Related Fees, the aggregate fees billed for each of the last two (2) fiscal years for professional services rendered by the external auditor for:		Please provide for the last two fiscal years	Please refer to page 12 of the DIS.
5	Market Price of and Dividends required by Part V of Annex C, as amended			
1	Market Information		Please update share's closing price at the latest practicable date	Please refer to page 30 of the DIS.
2	Holders		Please provide information as of January 31, 2017 or February 28, 2017, if practicable	Please refer to page 30 of the DIS.
4	Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction		Please provide.	Not Applicable.
	(a) Date of sale and the Title and Amount of Securities Sold			
	(b) Names of the Underwriters or Identity of Persons to whom the Securities were Sold			
	(c) If sold for cash: Total Offering Price and Total Underwriting Discounts of Commissions			
	Sold otherwise for cash. State the nature of the transaction and the type and amount of consideration received.			
	(d) Exemption from Registration Claimed – Indicate section of the Code & state briefly the facts rolled upon to make the exemption available			

<b>AUDITED FINANCIAL STATEMENTS and Management Discussion &amp; Analysis (MD&amp;A) as of December 31, 2016</b>			
1	Statement of Management Responsibility on the Financial Statements (as prescribed by SRC Rule 68, As Amended)(Financial Reporting Bulletin No. 1)		
2	<b>COMPARATIVE FINANCIAL STATEMENTS</b>		
	<b>A.</b> Comparative Form. Figures for the most recently ended fiscal year presented in the right portion immediately after the accounts name, followed by the figures for the last preceding year.		
	<b>B.</b> Balance Sheet or Statement of Financial Position		
	The audited BS or Statement of Financial position shall be as of the end of each of the two (2) most recently completed fiscal years.		
	<b>C.</b> Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity		
3	<b>ADDITIONAL COMPONENTS OF FINANCIAL STATEMENTS (SRC Rule 68, as amended October 2011)</b>		
	<b>A.</b> Legal matter paragraph in the Auditor's Report on each components: (Financial Reporting Bulletin No. 1)		
	<b>B.</b> Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1.4 (c))		
	<b>C.</b> Tabular schedule of standards and interpretations as of reporting date (Part 4(J))		
	<b>D.</b> A map of the conglomerate or group of companies showing the relationships between and among the company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates (Part 4(h))		
4.	<b>ADDITIONAL REQUIREMENTS (STC Rule 68, as amended October 2011)</b>		
	A schedule showing financial soundness indicators in two comparative period as follows: 1) current/liquidity ratios; 2) solvency ratios, debt-to-equity ratio; 3) asset-to-equity ratio; 4) interest rate coverage ratio; 5) profitability ratio and 6) other relevant ratio as the Commission may prescribe.		
		1. Aside from the statement made in the IS, provide an undertaking at Definitive that hard copies of the Audited Financial Statements as of December 31, 2016 and MDA for the Interim will be made available to stockholders upon request. 2. After the Distribution and at least 5 calendar days before the meeting the company may now start to publish in a newspaper of general circulation stating that: "Unaudited Interim Financial Statements and its MD & A will be made available to its stockholders at least 5 calendar days before the Annual Stockholders Meeting and that such reports can be viewed at the company's official website 3. Submit a proof of publication: Affidavit of publication	Please refer to our previous comments regarding the AFS as of and for the year ended December 31, 2016.  Kindly refer to our undertaking stated on page 13 of the DIS.  We will comply with the conditions stated in this SEC letter, to wit: (1) we will provide a hard copy of the AFS upon the written request of any shareholder as soon as available but in no case later than March 27, 2017 (i.e., five days before the ASM), and in case the request is made at a later date, we will provide a copy the soonest possible; (2) we will post a copy of the AFS as of and for the year ended December 31, 2016 with MDA in our website no later than March 27, 2017; and (3) we will cause the publication in two newspapers of general circulation of a notice explaining the foregoing and will submit the corresponding proof of publication to your office in due course.  We have attached herewith the map of related parties of the Registrant as of December 31, 2016 after the Financial Statements as of and for the quarter ended September 30, 2016 included in this report.
		Please ensure that all of the components of the Financial Statements are complete.	



## CERTIFICATION

**Golden Haven Memorial Park, Inc.** (the “Company”) hereby certifies that none of the directors and officers of the Company named in the Information Statement for the Annual Meeting of its shareholders for the year 2017 works in the government as of the date hereof.

Issued this 10<sup>th</sup> of February 2017.

**Golden Haven Memorial Park, Inc.**

By:



**Timothy Joseph M. Mendoza**  
Corporate Secretary

## CERTIFICATION OF INDEPENDENT DIRECTORS

I, **ANA MARIE V. PAGESIBIGAN**, Filipino, of legal age and a resident of **21 Matungao Bulacan, Bulacan**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **Golden Haven Memorial Park, Inc.**
2. I am affiliated with the following companies or organizations:

Company/ Organization	Position/ Relationship	Period of Service
Primerose Properties Development, Inc.	Legal Counsel	2011 – Present
Consolidated Holdings Management of the Philippines, Inc.	Corporate Secretary	2015
Carrera Construction Corp., Inc.	Legal Counsel	2014

3. I possess all the qualification and none of the disqualification to serve as an independent director of **Golden Haven Memorial Park Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
5. I shall inform the corporate secretary of **Golden Haven Memorial Park, Inc.** of any changes in the abovementioned information within five days from its occurrence.

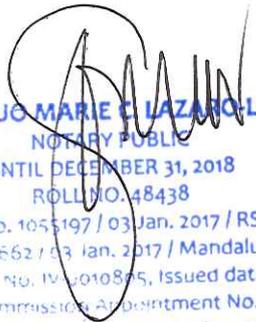
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SIGNATURE PAGE FOLLOWS.]

Done, this **FEB 13 2017** at **MANDALUYONG CITY**

  
**ANA MARIE V. PAGSIBIGAN**  
Affiant

**MANDALUYONG CITY**  
SUBSCRIBED AND SWORN to before me this **FEB 13 2017** at \_\_\_\_\_, affiant personally appeared before me and exhibited to me his TIN 130-342-324.

Doc. No. 17  
Page No. 58  
Book No. I  
Series of 2017.

  
**ATTY. JO MARIE C. LAZARO-LIM**  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2018  
ROLL NO. 48438  
IRP No. 1055197 / 03 Jan. 2017 / RSM  
OTR No. 3035662 / 03 Jan. 2017 / Mandaluyong City  
M. L. J. License No. IM-010895, Issued dated 27 Dec. 2012  
Notarial Commission Appointment No. 0254-17  
8th Fl. Corporate Center, Winner Ground Floor  
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

## CERTIFICATION OF INDEPENDENT DIRECTORS

I, **GARTH F. CASTAÑEDA**, Filipino, of legal age and a resident of **The Amaryllis Condominium 12th St. cor. E. Rodriguez Ave. New Manila, Quezon City**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **Golden Haven Memorial Park, Inc.**
2. I am affiliated with the following companies or organizations:

Company/ Organization	Position/ Relationship	Period of Service
SYMECS LAW	Partner	Oct 2010 – Present
Communication Wireless Group	Corporate Secretary / Director	2012 – Present
Phoenix Solar Philippines, Inc.	Corporate Secretary / Treasurer / Director	2015 – Present
KISH Design Hub, Inc.	Director	2011 - Present

3. I possess all the qualification and none of the disqualification to serve as an independent director of **Golden Haven Memorial Park Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
5. I shall inform the corporate secretary of **Golden Haven Memorial Park, Inc.** of any changes in the abovementioned information within five days from its occurrence.

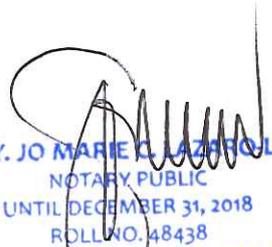
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SIGNATURE PAGE FOLLOWS.]

Done, this FEB 13 2017 at MANDALUYONG CITY.

  
**GARTH F. CASTAÑEDA**  
Affiant

MANDALUYONG CITY  
SUBSCRIBED AND SWORN to before me this FEB 13 2017 at \_\_\_\_\_, affiant personally appeared before me and exhibited to me his TIN 248-536-734.

Doc. No. 180  
Page No. 07  
Book No. I  
Series of 2017.

  
**ATTY. JO MARIE C. LAZARO-LIM**  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2018  
ROLL NO. 48438  
IBP No. 1055197 / 03 Jan. 2017 / RSM  
PTR No. 3015662 / 03 Jan. 2017 / Mandaluyong City  
MCLE Compliance No. IV-UP-10805. Issued dated 27 Dec. 2012  
Notarial Commission Appointment No. 0254-17  
Vista Corporate Center, Upper Ground Floor  
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City



## NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Notice is hereby given that the annual meeting of the stockholders of GOLDEN HAVEN MEMORIAL PARK, INC. (the "Company") for the year 2017 will be held on Saturday, April 1, 2017 at 10:00 am at the Villar Hall, Villar SIPAG, San Ezekiel, C5 Extension, Las Piñas City. The order of business thereat will be as follows:

1. Call to order
2. Proof of service of the required notice of the meeting
3. Certification of the presence of a quorum
4. Presentation of the President's Report, Management Report and Audited Financial Statements for the year 31 December 2016
5. Ratification of all acts and resolutions of the Board of Directors and Management for the year ended 31 December 2016 until 31 March 2017
6. Election of the members of the Board of Directors, including the Independent Directors, for the year 2017
7. Approval of the change of date, time and venue of the Annual Meeting of Stockholders of the Company, as set forth in Section 1 of Article II of the Company's Amended By-laws
8. Approval of the change of venue of the Special Meeting of the Stockholders of the Company, as set forth in Section 2 of Article II of the Company's Amended By-Laws
9. Appointment of External Auditors
10. Adjournment

For the purpose of the meeting, only stockholders of record at the close of business on February 24, 2017 will be entitled to vote thereat.

Please bring some form of identification, such as passport, driver's license, or company I.D. in order to facilitate registration, which will start at 9:30 A.M.



**TIMOTHY JOSEPH M. MENDOZA**  
Corporate Secretary

**EXPLANATION AND RATIONALE**

For each item on the Agenda of Golden Haven Memorial Park, Inc.'s 2017 ASM requiring the approval of the stockholders

**1. President's Report, Management Report and Audited Financial Statements for the year 2016**

The audited financial statements ("AFS") of the Company as of and for the year ended December 31, 2016, a copy of which is incorporated in the Information Statement for this meeting, will be presented for approval by the stockholders. To give context to the AFS and bring to the stockholders' attention the highlights of the said FS, the President, Mr. Jerry M. Navarrete, will deliver a report to the stockholders on the Company's performance for the year 2016 and the outlook for 2017.

The Board and Management of the Company believes that in keeping with the Company's thrust to, at all times observe, best corporate governance practices, the results of operations and financial condition of the Company be presented and explained to the stockholders. Any comments from the stockholders, and their approval or disapproval of these reports, will provide guidance to the Board and Management in running the business and affairs of the Company.

**2. Ratification of all acts and resolutions of the Board of Directors and Management for the year 2016 until 31 March 2017**

Ratification by the stockholders will be sought for all the acts and the resolutions of the Board of Directors and all the acts of Management taken or adopted for the year 2016 until March 31, 2017. A brief summary of these resolutions and actions is set forth in the Information Statement for this meeting. Copies of the minutes of the meetings of the Board of Directors are available for inspection by any stockholder at the principal office of the Company during business hours.

The Board and Management of the Company believes that in keeping with the Company's thrust to at all times observe best corporate governance practices, the ratification of their acts and resolutions be requested from the stockholders in this annual meeting. Such ratification will be a confirmation that the stockholders approve of the manner that the Board and Management have been running the business and affairs of the Company.

**3. Election of the members of the Board of Directors, including the Independent Directors, for the year 2017**

The Corporate Secretary will present the names of the persons who have been duly nominated for election as directors and independent directors of the Company in accordance with the By-Laws and Manual on Corporate Governance of the Company and applicable laws and regulations. The voting procedure is set forth in the Information Statement for this meeting.

**4. Approval of the Change of Date, Time and Venue of the Annual Meeting of the Stockholders, as set forth in Section 1 of Article II of the Company's Amended By-laws**

The Company will seek the approval of its stockholders to change the date, time and venue of the Company's annual meeting of the stockholders (as set forth in Section 1 of Article II of the Company's Amended By-laws) as follows:

- a) the date and time of the Company's annual meeting of the stockholders will be changed from "the first Saturday of April of every year, at 4 o'clock in the

afternoon” to “the 15th of July each year, if falls on Saturday, Sunday or holiday, on the following business day, at any time of the day”; and

- b) the venue of the Company’s annual meeting of the stockholders will be changed from “the principal office of the corporation” to “the principal office of the Company or at any place designated by the Board of Directors in the city or municipality where the principal office of the Company is located”.

**5. Approval of the Change of Venue of the Special Meeting of the Stockholders**

The Company will seek the approval of its stockholders to change the venue of any special meeting of the stockholders of the Company (as set forth in Section 2 of Article II of the Company’s Amended By-laws) from “the principal office of the corporation” to “the principal office of the Company or at any place designated by the Board of Directors in the city or municipality where the principal office of the Company is located”.

**6. Appointment of External Auditors**

The Audit Committee is endorsing to the stockholders the re-appointment of Punongbayan & Araullo as external auditor of the Company for the year 2017.

**PROXY**

The undersigned stockholder of **GOLDEN HAVEN MEMORIAL PARK INC.** (the "Company") hereby appoints \_\_\_\_\_ or in his absence, the Chairman of the meeting, as attorney-in-fact or proxy, with power of substitution, to represent and vote \_\_\_\_\_ shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Stockholders' Meeting of the Company to be held at Villar Hall, Villar SIPAG, San Ezekiel, C5 Extension, Las Piñas City on April 1, 2017 at 10:00 a.m. and at any of the adjournments thereof for the purpose of acting on the following matters:

- |  |  |
|--|--|
| <p>1. Approval of the Audited Financial Statements for the year 2016</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No   <input type="checkbox"/> Abstain</p>  | <p>4. Approval of the change of date, time, and venue of the Annual Meeting of the Stockholders</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No   <input type="checkbox"/> Abstain</p> |
| <p>2. Ratification of all acts and resolutions of the Board of Directors and Management for the year 2016 until 31 March 2017</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No   <input type="checkbox"/> Abstain</p> | <p>5. Approval of the change of venue of the Special Meeting of the Stockholders</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No   <input type="checkbox"/> Abstain</p>                |
| <p>3. Election of the members of the Board of Directors, including the Independent Directors, for the year 2017</p>  | <p>6. Re-appointment of Punongbayan &amp; Araullo as external auditor</p> <p><input type="checkbox"/> Yes   <input type="checkbox"/> No   <input type="checkbox"/> Abstain</p>                           |

	No. of Votes
Jerry M. Navarette	_____
Maribeth C. Tolentino	_____
Joy J. Fernandez	_____
Frances Rosalie T. Coloma	_____
Cynthia Marie S. Delfin	_____
Ana Marie V. Pagsibigan	_____
Garth F. Castañeda	_____

<b>Printed Name of the Stockholder</b>	<b>Signature of Stockholder/ Authorized Signatory</b>	<b>Date</b>
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This proxy should be received by the Corporate Secretary on or before 22 March 2017, the deadline for submission of proxies.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy will also be considered revoked if the stockholder attends the meeting in person and expresses his intention to vote in person.

Notarization of this proxy is not required.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:  
 Preliminary Information Statement  
 Definitive Information Statement
2. Name of Registrant as specified in its charter:  
**GOLDEN HAVEN MEMORIAL PARK, INC.**
3. **Philippines**  
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **108270**
5. BIR Tax Identification Code **768-991-000**
6. **San Ezekiel, C5 Extension, Las Piñas City** 1746  
Address of principal office Postal Code
7. **(632) 873-2922 / (632) 873-2543**  
Registrant's telephone number, including area code
8. Date, time and place of the meeting of security holders  
**April 1, 2017, 10:00 a.m.**  
Villar Hall, Villar SIPAG, **San Ezekiel, C5 Extension, Las Piñas City**
9. Approximate date on which the Information Statement is first to be sent or given to security holders  
**March 3, 2017**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:
- | Title of Each Class | Number of Shares of Common Stock<br>Outstanding and Amount of Debt Outstanding |
|---------------------|--|
| <b>Common Stock</b> | <b>494,117,649 Shares</b>  |
11. Are any or all of registrant's securities listed in a Stock Exchange?  
Yes  No   
The Registrant's common shares are listed on the Philippine Stock Exchange.

**WE ARE NOT ASKING YOU FOR A PROXY  
AND YOU ARE REQUESTED NOT TO SEND US A PROXY**

**PART I**

**INFORMATION STATEMENT**

**GENERAL INFORMATION**

**Date, time and place of meeting of security holders.**

Date: April 1, 2017  
Time: 10:00 P.M.  
Place: Villar Hall, Villar SIPAG, San Ezekiel, C5 Extension, Las Piñas City

The corporate mailing address of the principal office of Golden Haven Memorial Park, Inc. (the "Registrant", or the "Company") is San Ezekiel, C5 Extension, Las Piñas City.

This Information Statement shall be sent to security holders as soon as practicable after the approval hereof by the Securities and Exchange Commission, but not later than March 3, 2017.

**Dissenters' Right of Appraisal**

There are no corporate matters or action that will entitle a shareholder to exercise a right of appraisal as provided under Section 81, Title X, of the Corporation Code of the Philippines ("Corporation Code").

**Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

None of the officers or directors or any of their associates has any substantial interest, direct or indirect, in any of the matters to be acted upon in the stockholders' meeting.

No director has informed the Registrant in writing that he intends to oppose any action to be taken at the meeting.

**CONTROL AND COMPENSATION INFORMATION**

**Voting Securities and Principal Holders Thereof**

(a) Number of shares outstanding as of February 24, 2017:

Common: 494,117,649

(b) Record Date: February 24, 2017

Each common share of stock of the Registrant is entitled to one (1) vote. Pursuant to Article II, Section 7 of the Registrant's By-Laws, every holder of voting shares of stock may vote during all meetings of stockholders, including the Annual Stockholders' Meeting, either in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact.

Stockholders entitled to vote are also entitled to cumulative voting in the election of directors. Section 24 of the Corporation Code provides, in part, that: "...in stock corporations, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing, at the time fixed in the by-laws, in his own name on the stock books of the corporation, or where the by-laws are silent, at the time of the election; and said stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit..."

### Equity Ownership of Foreign and Local Shareholders

Foreign and local security ownership as of February 24, 2017:

Class	Foreign		Filipino		Total Outstanding Shares
	Shares	Percent of Class/Total Outstanding Shares	Shares	Percent of Class/Total Outstanding Shares	
Common	34,500	0.01%	494,083,149	99.99%	494,117,649

### Security Ownership of Certain Beneficial Owners and Management

Security ownership of certain record and beneficial owners of more than 5.0% of the Registrant's voting securities as of January 31, 2017:

Title of Class of Securities	Name/Address of Record Owners and Relationship with Us	Name of Beneficial Owner /Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership <sup>1</sup>
Common	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr. 6766 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Fine Properties, Inc./ Record Owner is not the beneficial owner <sup>2</sup>	Filipino	412,057,800	83.39%
Common	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr. 6766 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Record Owner is not the beneficial owner <sup>3</sup>	Filipino	74,077,647	14.99%

<sup>1</sup> Based on the Company's total issued and outstanding capital stocks as of January 31, 2017 of 494,117,649 common shares.

<sup>2</sup> Mr. Manuel B. Villar, Jr. and his spouse are the controlling shareholders of Fine Properties, Inc. The right to vote the shares held by Fine Properties, Inc. has in the past been, and in this annual meeting is expected to be exercised by either Mr. Villar or Mr. Jerry M. Navarrete.

<sup>3</sup> PCD Nominee Corporation is the registered owner of shares beneficially owned by participants in the Philippine Depository & Trust Corporation, a private company organized to implement an automated book entry system of handling securities transactions in the Philippines (PCD). Under the PCD procedures, when an issuer of a PCD-eligible issue will hold a stockholders' meeting, the PCD shall execute a pro-forma proxy in favor of its participants for the total number of shares in their respective principal securities account as well as for the total number of shares in their client securities account. For the shares held in the principal securities account, the participant concerned is appointed as proxy with full voting rights and powers as registered owner of such shares. For the shares held in the client securities account, the participant concerned is appointed as proxy, with the obligation to constitute a sub-proxy in favor of its clients with full voting and other rights for the number of shares beneficially owned by such clients. Except as indicated above, as of Record Date, the Registrant is not aware of any investor beneficially owning shares lodged with the PCD, which comprise more than five percent (5%) of the Registrant's total outstanding capital stock.

Security ownership of directors and executive officers as of January 31, 2017:

Title of class	Name of beneficial owner	Amount and nature of beneficial ownership		Citizenship	Percent of Class <sup>1</sup>
Common	Jerry M. Navarette No. 333 Sineguelasan Bacoor, Cavite	2,835,000	Indirect	Filipino	0.57%
Common	Maribeth C. Tolentino Block 1 Lot 2 Merida Subdivision BF Resort Village, Talon, Las Piñas City	2,835,000	Indirect	Filipino	0.57%
Common	Joy J. Fernandez Block 11 Lot 3 Joshua St, Camella Las Piñas Classic Pilar, Las Piñas City	2,268,000	Indirect	Filipino	0.46%
Common	Frances Rosalie T. Coloma 1-10 Granwood Villas BF Homes, Quezon City	500	Indirect	Filipino	0.00%
Common	Cynthia Marie S. Delfin 16D Goldland Tower, #10 Eisenhower St., Greenhills, San Juan City	500	Indirect	Filipino	0.00%
Common	Anna Marie V. Pagsibigan 21 Matungao Bulacan, Bulacan	1	Indirect	Filipino	0.00%
Common	Garth F. Castañeda Unit 802, The Amaryllis Condominium 12 <sup>th</sup> Street cor. E. Rodriguez Ave. Quezon City	1	Indirect	Filipino	0.00%
<b>Total</b>		<b>7,939,002</b>			<b>1.60%</b>

<sup>1</sup> Based on the Company's total outstanding and issued capital stocks of 494,117,649 common shares as of December 31, 2016

Except as indicated in the above table, the above named officers have no indirect beneficial ownership in the registrant.

Except as aforementioned, no other officers of the Registrant hold, directly or indirectly, shares in the Registrant.

### Voting Trust Holders of 5.0% or More

The Registrant is not aware of any person holding more than 5.0% of a class of shares under a voting trust or similar agreement.

### Changes in Control

The Registrant is not aware of any arrangements, which may result in a change in control of the Registrant. No change in control of the Registrant has occurred since the beginning of its last fiscal year.

### Directors and Executive Officers of the Registrant

#### *Term of Office*

Each director holds office until the subsequent annual meeting of stockholders and his successor shall have been elected and qualified, except in case of death, resignation, disqualification or removal from office. The officers of the Company shall serve for a term of one year until their successors are elected and qualified.

#### *Background Information*

The following are the names, ages and citizenship of the incumbent directors/independent directors of the Registrant:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Citizenship</u>
Jerry M. Navarrete	62	Director, Chairman of the Board and President	Filipino
Maribeth C. Tolentino	51	Director and Chief Operating Officer	Filipino
Joy J. Fernandez	51	Director and Treasurer	Filipino
Frances Rosalie T. Coloma	54	Director	Filipino
Cynthia Marie S. Delfin	55	Director	Filipino
Ana Marie V. Pagsibigan	47	Independent Director	Filipino
Garth F. Castañeda	35	Independent Director	Filipino

The following are the names, ages and citizenship of the Registrant's executive officers in addition to its executive and independent directors listed above:

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Citizenship</u>
Roy Joseph S. Fernandez	50	Chief Financial Officer and Chief Information Officer	Filipino
Timothy Joseph M. Mendoza	35	Corporate Secretary	Filipino
Mark Aurelio B. Dantes	30	Investor Relations Officer	Filipino

The following states the business experience of the incumbent directors and officers of the Registrant for the last five (5) years:

**JERRY M. NAVARRETE**, *Director, Chairman of the Board and President*. Mr. Navarrete graduated from the Lyceum of the Philippines with a Bachelor's degree in Economics and from Ateneo de Manila University with a Master's degree in Business Administration. He previously worked as research analyst with Aguilar Shipping for one year and was the General Manager of the Company from 1984 until 1987. Mr. Navarrete has been with the Villar Group of Companies for more than 35 years and currently serves as the President of Starmalls, Inc. and Fine Properties, Inc. He has been the President of the Company since January 2016.

**JOY J. FERNANDEZ**, *Director and Treasurer*. Ms. Fernandez graduated from the Central Philippine University with a Bachelor's degree in Commerce and from the Royal Melbourne Institution of Technology as a chartered accountant associate. She previously served as the Comptroller of the Company from October 2009 until June 2015. Ms. Fernandez currently serves as the Chief Operating Officer of MGS Construction, Inc. and has been the Treasurer of the Company since June 2015.

**FRANCES ROSALIE T. COLOMA**, *Director*, graduated cum laude from the University of the Philippines with a Bachelor of Science degree in Business Administration and Accountancy. She is a Certified Public Accountant. She worked as Finance Manager of Alcatel Philippines Inc. and Intel Philippines, Inc., Country Controller of Ericsson Telecommunications Philippines Inc., and Deal Finance Manager of Accenture Delivery Center, Philippines. She was also the Assistant General Manager of Maersk Global Services, Philippines, and is currently the Chief Financial Officer of the Starmalls group. Ms. Coloma has been a director of the Company since July 2016.

**MARIBETH C. TOLENTINO**, *Director and Chief Operations Officer*. Ms. Tolentino is a Certified Public Accountant and graduated from the University of the East with a Bachelor's degree in Business Administration. She previously served as the General Manager of the Company from 1999 to 2005. Ms. Tolentino currently serves as the President of Vista Residences, Inc., Camella Homes, Inc. and Household Development Corporation and as director of Vista Land & Lifescapes, Inc., Vista Residences, Inc. and Camella Homes, Inc. Ms. Tolentino was appointed Chief Operations Officer of the Company in February 2016.

**CYNTHIA MARIE S. DELFIN**, *Director*. Ms. Delfin graduated magna cum laude from the University of the Philippines Los Baños with a Bachelor's degree in Agribusiness. She holds a Master's degree in Business Management from the Asian Institute of Management. She has been with the Villar Group of Companies for 12 years and currently serves as the head of business development for Fine Properties, Inc. Ms. Delfin has been a director of the company since July 2016.

**ANA MARIE V. PAGSIBIGAN**, *Independent Director*. Atty. Pagsibigan graduated from the University of the Philippines with a Bachelor's degree in History and from San Sebastian College with a Bachelor's degree in Law. She previously served as a director and the legal counsel of Great Domestic Insurance. She is currently the legal counsel to SEDAS Security Specialists. Atty. Pagsibigan was appointed as independent director of the Company on May 2016.

**GARTH F. CASTANEDA**, *Independent Director*. Atty. Castaneda graduated from the University of Sto. Tomas with a Bachelor's degree in Accountancy and from the University of the Philippines with a Bachelor's degree in Law. He previously served as a consultant of the Privatization Management Office. He is currently a partner at SYMECS Law and serves as a director and the Corporate Secretary of each of Phoenix Solar Philippines, Inc. and Communications Wireless Group (Philippines), Inc. Atty. Castaneda was appointed as independent director of the Company on May 2016.

**ROY JOSEPH S. FERNANDEZ**, *Chief Financial Officer and Chief Information Officer*. Mr. Fernandez is a Certified Public Accountant and graduated from the De la Salle University with a Bachelor's degree in Accounting and from Asian Institute of Management with a Master's degree in Business Administration. He previously served as the General Manager of Brittany Corporation and eBusiness Services, Inc. and the Operations Director of Western Union Financial Services (HK) Ltd. He currently serves as the Head of Operations of All Home Corporation and has been the Chief Financial Officer and Chief Information Officer of the Company since March 2016.

**TIMOTHY JOSEPH M. MENDOZA**, *Corporate Secretary*. Atty. Mendoza graduated from Ateneo de Manila University with a Bachelor's degree in Political Science and from the University of the Philippines with a Bachelors of Laws degree. He is currently a partner at the Picazo Buyco Tan Fider & Santos Law Offices and serves as the Corporate Secretary of San Carlos Solar Energy, Inc. and Negros Island Solar Power, Inc. Atty. Mendoza was appointed as the Company's Corporate Secretary in February 2016.

**MARK AURELIO B. DANTES**, *Investor Relations Officer*. Mr. Dantes graduated from the University of the Philippines with a Bachelor's degree in Journalism. He holds a Master's degree in Business Administration from the National University of Singapore. Mr. Dantes was appointed as Investor Relations Officer of the Company on 1 October 2015. Prior to joining the Company, Mr. Dantes was a Brand Manager (2011-2012) and Director for Business Development (2014-2015) of Property Company of Friends, Inc. He was also an Accounts Manager at DM9 Jayme Syfu in 2011, and was an Assistant Manager at Rockwell Land Corp. from 2009-2011.

### **Board Meeting Attendance\***

	Jul	Aug	Nov
<i>Director's Name</i>	29	15	14
Jerry M. Navarette	P	P	P
Maribeth C. Tolentino	P	P	P
Joy J. Fernandez	P	P	P
Frances Rosalie T. Coloma	P	P	P
Cynthia Marie S. Delfin	P	P	P
Ana Marie V. Pagsibigan	P	P	P
Garth F. Castañeda	P	P	P

*Legend : (A) Absent, (P) Present, (-) Not applicable*

*\* Meetings of the board since the Company was listed in the Philippine Stock Exchange on June 29, 2016*

**All of the incumbent directors named above have been nominated for re-election to the Board of Directors and, if elected, shall serve as directors until the election and acceptance of their duly qualified successors.**

The By-Laws of the Registrant conforms with SRC Rule 38, as amended, with regard to the nomination of independent directors of the Registrant. Article III, Sections 2 and 9 of the Registrant's By-Laws provide as follows:

**“Section 2.** Independent Directors – There shall be at least two (2) independent directors or such number of independent directors that constitutes twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2). For this purpose, an independent director shall mean a person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having relationship with the corporation, which would interfere with the exercise of independent judgment in the fulfillment of the responsibilities of a director and as may be further defined by law or regulations from time to time.

The conduct of election of independent directors shall be in accordance with the standard election procedures for regular directors as provided in these By-Laws, subject to such rules as may be required by law or regulation from time to time.

It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors, and to ensure that independent directors are elected during the stockholders' meeting.

Specific slots for independent directors shall not be filled up by the unqualified nominees.

In case of failure of election for independent director, a separate election shall be called to fill up the vacancy. *(As amended on March 21, 2016).*

**Section 9.** Nomination Committee - The Nomination Committee of the Board shall have at least three (3) members all of whom should be directors and at least one of whom shall be an independent director. The Nomination Committee shall promulgate the guidelines for the nomination and screening of the regular and independent directors consistent with the current requirements of applicable laws or regulations.

Only a stockholder of record entitled to notice and to vote at the regular or special meeting of the stockholders for the election of directors shall be qualified to be nominated and elected as a regular or independent director of the Corporation. *(As*

*amended on March 21, 2016).*

On the other hand, SRC Rule 38, as amended, provides in part as follows:

“8. Nomination and Election of Independent Director/s

The following rules shall be applicable to all covered companies:

- A. The Nomination Committee (the "Committee") shall have at least three (3) members, one of whom is an independent director. It shall promulgate the guidelines or criteria to govern the conduct of the nomination. The same shall be properly disclosed in the Registrant's information or proxy statement or such other reports required to be submitted to the Commission.
- B. Nomination of independent director/s shall be conducted by the Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.
- C. The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director/s.
- D. After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the Registrant is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.
- E. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders'/memberships' meeting.”

The Registrant has complied with the guidelines on the nomination and election of independent directors set forth in Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code. The nominated independent directors, namely, Atty. Ana Marie V. Pagsibigan and Atty. Garth F. Castañeda duly nominated by Ms. Rosario Javier, a registered shareholder of the Registrant who is not a director, officer or substantial shareholder of the Registrant and who is not related to either of the said nominees. The Nominations Committee of the Registrant is composed of Frances Rosalie T. Coloma, Chairman, and Jerry M. Navarrete and Ana Marie V. Pagsibigan, members.

Directors elected during the annual meeting of stockholders will hold office for one year until their successors are duly elected and qualified. A director who was elected to fill any vacancy holds office only for the unexpired term of his predecessor.

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting due to disagreement with the Registrant on any matter relating to the Registrant's operations, policies or practices.

Other than its executive officers, no other employee is expected to make a significant contribution to the business of the Company.

To the best knowledge of the Company, none of its directors and executive officers, or persons nominated to such positions, is related to the others by consanguinity or affinity within the fourth civil degree.

Except as disclosed in the Annual Report of the Registrant (SEC Form 17-A) for the year ended December 31, 2016, the Registrant has not had any transaction during the last two (2) years in which any director or executive officer of the Company or any of their immediate family members had a direct or indirect interest.

None of the aforementioned directors or executive officers is or has been involved in any criminal or bankruptcy proceeding, or is or has been subject to any final judgment of a competent court barring or otherwise limiting his involvement in any type of business, or has been found to have violated any securities laws during the past five (5) years and up to the date of this Information Statement.

As of the date of this Information statement, several parcels of land forming part of the Company's Golden Haven Iloilo Park, with an aggregate land area of approximately five hectares and which were previously classified as agricultural lands, are presently subject of land use conversion proceedings initiated by the Company (or at its instance) with the DAR.

The application for land use conversion was submitted by the previous owners of the land (who remain the registered owners thereof), and covers six parcels of land with an aggregate land area of approximately five hectares, all located and forming part of the Golden Haven Iloilo Park, as follows:

Lot No.	Title No.	Area Applied for Conversion
69-D	T-18886	0.1248
4-B	T-213822	0.5482
1043-B	T-205191	0.9729
1036-B	T-205195	1.9325
1055	T-11185	0.7834
1044	T-25808	0.6382
<b>Total</b>		<b>5.0000</b>

Under prevailing law, the approval by the DAR is necessary for the reclassification or conversion of the use of lands from agricultural to non-agricultural use. Otherwise, developers of lands previously classified as agricultural lands may be made subject to sanctions imposed by the DAR and may be prevented from undertaking any non-agricultural activities on such lands.

The Company believes that the application for the land use conversion over the relevant lands forming part of the Golden Haven Iloilo Park will be approved by the DAR in due course, considering that such lands have long been re-classified and rezoned for non-agricultural purposes by the applicable legislative bodies of the relevant local government units. Further, as of the date of this Prospectus, the Company holds all the requisite permits to develop and sell such lands as memorial park lots (including the development permit from the local governments of Iloilo and the permit to sell from the HLURB).

Nevertheless, in the event that the application for the land use conversion over the relevant lands forming part of the Golden Haven Iloilo Park is denied or otherwise disapproved by the DAR, the Company may be exposed to sanctions imposed by the DAR and may be prevented from undertaking (or continuing to undertake) its development activities within the affected area of the Golden Haven Iloilo Park, either of which, in turn, may adversely affect the Company's results of operations, business and financial performance. Other than the foregoing, the Company is not involved in, or the subject of any legal proceedings which, if determined adversely against the Company, would have a material effect on its business, operations or financial standing.

## Compensation of Directors and Executive Officers

### *Executive Compensation*

The compensation for its executive officers for the years 2015, 2016 (actual), and 2017 (projected) are shown below:

Name and Principal Position	Year	Salary	Bonus	Others
Jerry M. Navarette* Chairman & President				
Maribeth C. Tolentino* Chief Operating Officer				
Roy Joseph S. Fernandez† Chief Financial Officer / Chief Information Officer				
Karlo G. Magpayo General Manager				
Miles M. Teretit* Chief Accountant				
Aggregate executive compensation for above named officers	Actual 2015	₱8.36M	₱1.48M	None
	Actual 2016	₱9.90M	₱1.75M	None
	Projected 2017	₱11.88M	₱2.10M	None
Aggregate executive compensation of all other officers and directors, unnamed	Actual 2015	₱7.60M	₱1.34M	None
	Actual 2016	₱9.90M	₱1.75M	None
	Projected 2017	₱11.88M	₱2.10M	None

\* Appointed in 2016, compensation not included in 2015

### *Standard arrangements*

Each director of the Company receives a per diem of ₱10,000 determined by the Board of Directors for attendance in a Board meeting and a ₱10,000 allowance for attendance in a committee meeting (except for independent directors).

### *Other arrangements*

Except for each of the individual Directors' participation in the Board, no Director of the Company enjoys other arrangements such as consulting contracts or similar arrangements.

### *Employment contract between the company and executive officers*

There are no special employment contracts between the Company and the named executive officers.

### *Warrants and options held by the executive officers and directors*

There are no outstanding warrants or options held by the Company's CEO, the named executive officers, and all officers and directors as a group.

### ***Significant employee***

While the Company values the contribution of each of its executive and non-executive employees, the Company believes there is no non-executive employee that the resignation or loss of whom would have a material adverse impact on the business of the Company. Other than standard employment contracts, there are no special arrangements with non-executive employees of the Company.

### **Certain relationships and related transactions**

The Company, in the ordinary course of its business, engages in transactions with related parties. The Company's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

For further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable related to parties, see Note 16 of the Company's financial statements as of September 30, 2016 included in this report.

### **Independent Public Accountants**

The auditing firm of Punongbayan & Araullo is being recommended for election as external auditor for the current year.

Representatives of the said firm are expected to be present at the annual stockholders' meeting and will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions. In 2016, the Registrant's auditors did not perform any substantial non-audit services for the Registrant.

### **Changes in and Disagreement with Accountants on Accounting and Financial Disclosure**

Since the incorporation of the Registrant in 1982, there was no instance where the Registrant's public accountants resigned or indicated that they decline to stand for re-election or were dismissed nor was there any instance where the Registrant had any disagreement with its public accountants on any accounting or financial disclosure issue.

The 2015 audit of the Registrant is in compliance with paragraph (3)(b)(iv) of SRC Rule 68, as amended, which provides that the external auditor should be rotated, or the handling partner changed, every five (5) years or earlier.

For Changes in Accounting Policies, refer to Note 2 – Adoption of New and Amended PFRS under Summary of Significant Accounting Policies discussion on the Financial Statements as of and for the quarter ended September 30, 2016 included in this report.

### **Audit Committee's Approval Policies and Procedures**

In relation to the audit of the Registrant's annual financial statements, the Registrant's Corporate Governance Manual provides that the Registrant's Audit Committee shall, among other activities, (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Registrant; (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors; and (iii) ensure the compliance of the Registrant with acceptable auditing and accounting standards and regulations. The Audit Committee of the Registrant is composed of Cynthia Delfin, Chairman, and Maribeth C. Tolentino and Garth F. Castañeda, members.

### **External Audit and Audit-Related Fees**

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by Punongbayan & Araullo.

	2015	2016
Audit and Audit-Related Fees:		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	₱ 1,250,000.00 <sup>1</sup>	₱ 450,000.00 <sup>2</sup>
All other fees	-	-
<b>Total</b>	<b>₱ 1,250,000.00</b>	<b>₱ 450,000.00</b>

<sup>1</sup>Audit fee of Punongbayan & Araullo for the restatement of prior-year financial statements

<sup>2</sup>Expected audit fee of Punongbayan & Araullo for 2016

### **Tax Fees**

Except as provided above, the Registrant did not pay any tax fees and other fees to its external auditors.

### **OTHER MATTERS**

#### **Action with Respect to Reports**

The following reports will be submitted for approval by the stockholders:

1. The President's Report; and
2. Audited Financial Statements for the year 2016.

#### **Other Proposed Actions**

1. Ratification of all acts and resolutions of the Board of Directors and Management for the year 2016 and until 28 February 2017 as set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the SEC and the PSE. These minutes cover various resolutions of the Board, including election of members of the Board of Directors, approval of the change of date, time and venue of the Annual Stockholders' Meeting, approval of change of venue of the Special Stockholders' Meeting;
2. Approval of the Change of Date, Time and Venue of the Annual Meeting of the Stockholders, as set forth in Section 1 of Article II of the Company's By-Laws;
3. Approval of the Change of Venue of the Special Meeting of the Stockholders, as set forth in Section 2 of Article II of the Company's By-Laws; and
4. Election of External Auditors.

#### **Voting Procedures**

##### *Manner of voting*

In all items for approval, except in the election of directors, each share of stock entitles its registered owner to one vote.

For the purpose of electing directors, a stockholder may vote such number of his shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them in the same principle among as many candidates as he shall see fit.

Unless required by law, or demanded by a stockholder present or represented at the meeting and entitled to vote thereat, voting need not be by ballot and will be done by show of hands.

*Voting requirements*

- (a) With respect to the election of directors, candidates who received the highest number of votes shall be declared elected.
- (b) With respect to the adoption of the Audited Financial Statements for the year ended 31 December 2016, as well as the approval or ratification of the other actions set forth under the heading “Other Proposed Actions” above, the vote of majority of the outstanding capital stock entitled to vote and represented in the meeting is required to approve such matters.

*Method of counting votes*

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at the annual meeting of the stockholders.

**UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE REGISTRANT UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF SEC FORM 17-A FREE OF CHARGE, EXCEPT FOR EXHIBITS ATTACHED THERETO WHICH SHALL BE CHARGED AT COST. ANY WRITTEN REQUEST FOR A COPY OF SEC FORM 17-A SHALL BE ADDRESSED AS FOLLOWS:**

**Golden Haven Memorial Park, Inc.  
San Ezekiel, C5 Extension  
Las Piñas City, Philippines**

**Attention: Roy Joseph S. Fernandez**

A copy of the audited financial statements (“AFS”) of the registrant as of and for the year ended December 31, 2016 with management discussion and analysis shall be posted in the website of the Registrant ([www.goldenhaven.com.ph](http://www.goldenhaven.com.ph)) on or before March 27, 2017. A hard copy of the same AFS will be provided to any requesting shareholder, as soon as said AFS becomes available but in no case later than March 27, 2017. Any request for a hard copy of the aforementioned AFS should be sent to the abovegiven address.

## PART II

### MANAGEMENT REPORT

#### I. FINANCIAL STATEMENTS

The Financial Statements of the Registrant as of and for the nine months ended September 30, 2016 are incorporated herein in the accompanying Index to Financial Statements and Supplementary Schedules.

The Audited Financial Statements (“AFS”) of the Registrant, as of and for the year ended December 31, 2016, with Management Discussion and Analysis, will be made available on or before March 27, 2017.

#### II. INFORMATION ON INDEPENDENT ACCOUNTANT

Punongbayan & Araullo, independent certified public accountants, audited the Company’s consolidated financial statements without qualification as of and for the years ended December 31, 2015, 2014, and 2013, included in this report.

Punongbayan & Araullo has acted as the Company’s external auditors since June 15, 2015. Nelson J. Dinio is the current audit partner for the Company and the other subsidiaries. The Company has not had any disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period. Punongbayan & Araullo has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. Punongbayan & Araullo will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

In relation to the audit of the Company’s annual financial statements, the Company’s Corporate Governance Manual provides that the audit committee shall, among other activities (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Company; (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors; and (iii) ensure the compliance of the Company with acceptable auditing and accounting standards and regulations.

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by Punongbayan & Araullo:

	2015	2016
Audit and Audit-Related Fees:		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	₱ 1,250,000.00 <sup>1</sup>	₱ 450,000.00 <sup>2</sup>
All other fees	-	-
<b>Total</b>	<b>₱ 1,250,000.00</b>	<b>₱ 450,000.00</b>

<sup>1</sup>Audit fee of Punongbayan & Araullo for the restatement of prior-year financial statements

<sup>2</sup>Expected audit fee of Punongbayan & Araullo for 2016

### III. MANAGEMENT'S DISCUSSION AND ANALYSIS

The management's discussion and analysis for this information statement is based on data available as of March 1, 2017. The AFS as of and for the year ended December 31, 2016 was not yet available as of this information statement's publication date.

#### REVIEW OF 9-MONTHS OF 2016 VS 9-MONTHS OF 2015

#### RESULTS OF OPERATIONS

##### Revenues

###### **Real estate sales**

The company recorded **₱ 570.24 million** in real estate sales for the 9-months of 2016, a **20%** increase from **₱ 474.96 million** from the same period in 2015. The growth was mainly attributable to the increase of sales of columbarium vaults and memorial lots.

###### **Interment income**

There was a **28%** increase in income from interment services, to **₱ 20.18 million** in 9-months of 2016 from **₱ 15.79 million** in the same period 2015. The increase was attributable to the increase in the number of services rendered in 9-months 2016, compared to 2015.

###### **Interest income on contract receivables**

Income from interest on contract receivables increased by **10%**, to **₱ 16.93 million** in 9-months of 2016 from **₱ 15.37 million** in 9-months of 2015. The increase is due to the increase in the sales or account recorded for the 9-months of 2016 compared to the same period previous year.

##### Costs and Expenses

###### **Costs of sales and services**

The **13%** increase in cost of sales and services, to **₱ 238.19 million** in 9-months of 2016 from **₱ 210.39 million** in 9-months 2015, was due to the increase of sales and services in the period.

###### **Other operating expenses**

An increase of **21%** in other operating expenses, to **₱ 189.83 million** in 9-months 2016 from **₱ 156.94 million** in 9-months of 2015 was mainly due to the following:

- Increase in salaries and wages from **₱ 31.89 million** in 9-months of 2015 to **₱ 43.46 million** in 9-months of 2016 due mostly to an increase in manpower hired by the company due to the expansion to new areas
- Increase in commission from **₱ 36.72 million** in 9-months of 2015 to **₱ 45.56 million** in 9-months of 2016 due to an increase in the number of sales in the period compared to same period previous year.
- Increase in taxes and licenses from **₱ 1.58 million** in 9-months of 2015 to **₱ 9.57 million** in 9-months of 2016 due to the taxes and registration fees related to the Company's bilateral loan.

##### Other Income – Net

Other income – net increased by **7%**, to **₱ 14.20 million** in 9-months of 2016 from **₱ 13.26 million** in 9-months of 2015. This was due to a parallel increase in sales forfeitures and other fees normally brought about by the higher sales recorded for 9-months of 2016 compared to 9-months of 2015.

### Tax Expense

The Company's tax expense increased by 27%, to **₱ 58.05 million** for 9-months of 2016 from **₱ 45.61 million** for 9-months of 2015. This was attributable to the higher taxable income base in 9-months of 2016 compared to the same period from the previous year.

### Net Income

As a result of the movements above, total net profits increased by 27%, to **₱ 135.46 million** from **₱ 106.43 million** recorded in 9-months of 2015.

For the 9-months of 2016, there were no seasonal aspects that had a material effect on the financial condition or results of the operations of the Company. Neither were there any trends, events, or uncertainties that have had or are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and the revenues.

There are no significant elements of income or loss, which arise from the Company's continuing operations.

## FINANCIAL CONDITION

### *As of September 30, 2016 vs. December 31, 2015*

At the end of 9-months of 2016, total assets totaled to **₱ 2,669.77 million**, increased by 49% from **₱ 1,787.10 million** recorded as of December 31, 2015, due to the following:

- Cash and cash equivalents increased by 332%, from **₱ 114.64 million** as of December 31, 2015 to **₱ 495.00 million** as of September 30, 2016, mainly due to the proceeds from a loan and the initial public offering done during the second quarter of 2016.
- Total contracts receivable, including non-current, increased by 18% from **₱ 1,274.10 million** as of December 31, 2015 to **₱ 1,506.55 million** as of September 30, 2016 due to higher sales on account recorded.
- Due from related parties increased by 16%, from **₱ 70.21 million** as of December 31, 2015 to **₱ 81.28 million** as of September 30, 2016 due to advances made to related parties.
- Memorial lot inventories increased by 78%, from **₱ 217.77 million** as of December 31, 2015 to **₱ 387.80 million** as of September 30, 2016 due to active opening and expansion of Company projects.
- Other current assets increased by 35%, from **₱ 14.35 million** as of December 31, 2015 to **₱ 19.34 million** as of September 30, 2016 due mostly to an increase in prepaid expenses for the development of expansion projects for the period.
- Property and equipment increased by 263%, from **₱ 24.79 million** as of December 31, 2015 to **₱ 90.09 million** as of September 30, 2016 due to property and equipment acquisitions for expansion in the period.
- Investment properties increased by 42%, from **₱ 41.34 million** as of December 31, 2015 to **₱ 58.86 million** as of September 30, 2016 due to the acquisitions of raw land for expansion in the period.

The total liabilities of the Company increased by 3%, from **₱ 1,352.44 million** as of December 31, 2015 to **₱ 1,393.12 million** as of September 30, 2016, due to the following:

- Interest-bearing loans, including non-current portion, increased by **₱ 492.21 million**, from **₱ 9.02 million** as of December 31, 2015 to **₱ 501.23 million** as of September 30, 2016 mainly due to a loan obtained from a local bank obtained within the period.
- Trade and other payables increased by 54% from **₱ 264.24 million** as of December 31, 2015 to **₱ 406.16 million** as of September 30, 2016 due to increase in trade payables as part of the expansion program.
- Customers' deposits increased by 9% from **₱ 5.93 million** as of December 31, 2015 to **₱ 6.44 million** as of September 30, 2016 due to an increase in sales over the time period.
- Dividends payable decreased by 100% from **₱ 650.00 million** as of December 31, 2015 to **nil** as of September 30, 2016 due to full payment of the cash dividends in the second quarter of 2016.
- Income tax payable decreased by 52% from **₱ 14.96 million** as of December 31, 2015 to **₱ 7.22 million** as of September 30, 2016 due to payments for the period.
- Deferred tax liabilities (net) increased by 15% from **₱ 255.98 million** as of December 31, 2015 to **₱ 294.23 million** as of September 30, 2016 due to the increase in temporary difference for the period.
- Reserve for perpetual care increased by 17% from **₱ 152.25 million** as of December 31, 2015 to **₱ 177.76 million** as of September 30, 2016 due to higher sales on account recorded for the period within which the fund for those sales are yet to be remitted to the trustee.

Total stockholder's equity increased by **₱ 841.99 million** from **₱ 434.66 million** as of December 31, 2015 to **₱ 1,276.65 million** as of September 30, 2016, due to the following:

- Increase in capital stock by **₱ 474.12 million**, from **₱ 20.00 million** as of December 31, 2015, to **₱ 494.12 million** as of September 30, 2016, due primarily to the issuance of common stock as part of the stock dividends declared and the initial public offering made during that period.
- Increase in Additional Paid-in Capital from **nil** as of December 31, 2015 to **₱ 632.42 million** as of September 30, 2016 due to the issuance of new shares above par value during the initial public offering.
- Decrease in retained earnings from **₱417.19 million** in December 31, 2015, to **₱ 152.65 million** as of September 30, 2016, due mainly to the declaration of cash and stock dividends.

Considered as the top five key performance indicators of the Company for the period as shown below:

KEY PERFORMANCE INDICATORS		30-Sep-16	2015
<b>Liquidity:</b>			
Current Ratio	Current Assets/Current Liability	3.66:1	0.95 : 1
<b>Solvency:</b>			
Debt-to-Equity Ratio	Total Debt/Total Equity	0.39:1	0.02 : 1
<b>Asset-to-equity:</b>			
Asset-to-Equity ratio	Total Assets/Total Equity	2.09:1	4.11 : 1
		30-Sep-16	30-Sep-15
<b>Interest-rate-coverage:</b>			
Interest-rate-coverage ratio	Profit Before Tax and Interest/Finance Costs	13.63 : 1	68.89 : 1
<b>Profitability:</b>			
Return-on-equity	Net Income/Equity	14.15%	34.77%

**Material Changes to the Company's Statement of Financial Position as of September 30, 2016 compared to December 31, 2015 (increase/decrease of 5% or more)**

- Cash and cash equivalents increased by 333%, from **₱ 114.64 million** as of December 31, 2015 to **₱ 496.06 million** as of September 30, 2016, mainly due to the proceeds from a loan and the initial public offering done during the period.
- Contracts receivable, including non-current, increased by 18% from **₱ 1,274.09 million** as of December 31, 2015 to **₱ 1,506.55 million** as of September 30, 2016 due to an increase in sales on account recorded.
- Due from related parties decreased by 6%, from **₱ 70.21 million** as of December 31, 2015 to **₱ 66.21 million** as of September 30, 2016 due to advances made from related parties.
- Memorial lot inventories increased by 75%, from **₱ 217.77 million** as of December 31, 2015 to **₱ 382.17 million** as of September 30, 2016 due active development and expansions in the period.
- Other current assets increased by 74%, from **₱ 14.35 million** as of December 31, 2015 to **₱ 24.95 million** as of September 30, 2016 due mostly to an increase in prepaid expenses for development and expansion of projects.
- Property and equipment increased by 263%, from **₱ 24.79 million** as of December 31, 2015 to **₱ 90.09 million** as of September 30, 2016 due to property and equipment acquisitions for the expansion projects in the period.
- Investment properties increased by 42%, from **₱ 41.34 million** as of December 31, 2015 to **₱ 58.86 million** as of September 30, 2016 due to the acquisitions for the period.
- Interest-bearing loans, including non-current portion, increased by 9852%, from **₱ 9.02 million** as of December 31, 2015 to **₱ 501.64 million** as of September 30, 2016 mainly due to a loan obtained from a local bank during the period.
- Trade and other payable increased by 75% from **₱ 264.24 million** as of December 31, 2015 to **₱ 463.29 million** as of September 30, 2016 due to increase in trade payables for the period as part of the expansion program.

- Customers' deposits increased by 9% from **₱ 5.93 million** as of December 31, 2015 to **₱ 6.44 million** as of September 30, 2016 due to higher sales for the period.
- Dividends payable decreased by 100% from **₱ 650.00 million** as of December 31, 2015 to **nil** as of September 30, 2016 due to full payment of the cash dividends in May 2016.
- Income tax payable increased by 8% from **₱ 14.96 million** as of December 31, 2015 to **₱16.17 million** as of September 30, 2016 due to payments for the period.
- Deferred tax liabilities (net) increased by 11% from **₱ 255.98 million** as of December 31, 2015 to **₱ 285.28 million** as of September 30, 2016 due to the increase in temporary difference for the period.
- Reserve for perpetual care increased by 16% from **₱ 152.25 million** as of December 31, 2015 to **₱ 177.31 million** as of September 30, 2016 due to higher sales on account recorded for the period.
- Total stockholder's equity increased by 202% from **₱ 434.66 million** as of December 31, 2015 to **₱ 1,310.58 million** as of September 30, 2016. This change was primarily due to the 2371% or **₱ 474.12 million** increase in capital stock, and the **₱ 666.35 million** increase in additional paid in capital as part of the initial public offering, with the corresponding 63% or **₱ 264.54 million** decrease in retained earnings due to dividends declared.

**Material Changes to the Company's Statement of income for the 9-months of 2016 compared to the 9-months of 2015 (increase/decrease of 5% or more)**

- Real estate sales increase by 20%, from **₱ 474.96 million** for the 9-months of 2015 to **₱ 570.24 million** for the 9-months of 2016 due to the increase of sales in memorial park lots and columbarium vaults.
- Interment income increased by 28%, from **₱ 15.79 million** for the 9-months of 2015 to **₱ 20.18 million** in 9-months of 2016 due to an increase of number of interment services rendered in 9-months 2016 compared to the same period last year
- Interest income on contract receivables increased by 10% from **₱ 15.37 million** in 9-months of 2015 to **₱ 16.93 million** in 9-months of 2016 due mostly to the growth in sales recorded in 9-months of 2016 compared to the same period previous year.
- Costs of sales and services grew by 13% from **₱ 210.39 million** in 9-months 2015 to **₱ 238.19 million** in 9-months of 2016 as a result of the higher sales recorded in 9-months of 2016 versus same period of the previous year.
- Other operating expenses for operations increased by 21%, from **₱ 156.94 million** in 9-months of 2015 to **₱ 189.83 million** in 9-months 2016. The increase was mainly due to the increase in sales resulting in an increase in commission and promotions, along with an increase in salaries and wages due to more manpower hired for expansion.
- Other Income – net increased by 7%, from **₱ 13.26 million** in 9-months of 2015 to **₱ 14.20 million** in 9-months 2016, mainly due to the increase in sales forfeited and other fees due to higher sales in that period compared to the same period previous year.
- Tax Expense increased by 27%, from **₱ 45.61 million** for 9-months of 2015 to **₱ 58.05 million** for 9-months of 2016 due to a higher taxable income in 9-months of 2016 compared to the same period from previous year.

- Overall Net Profit grew by 27%, from **₱ 106.43 million** for 9-months of 2015 to **₱ 135.46 million** for 9-months of 2016 primarily due to higher sales recorded with the opening of expansion projects.

There are no other material changes in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition on the Company.

## **REVIEW OF YEAR END 2015 VS YEAR END 2014**

### **RESULTS OF OPERATIONS**

#### ***Revenues***

##### **Real estate sales**

Real estate sales grew from **₱ 555.44 million** for the year ended December 31, 2014 to **₱ 650.80 million** for the year ended December 31, 2015, representing an increase of 17%. The growth was primarily due to the increase in the sale of memorial park lots and columbarium vault for the year.

##### **Interment income**

Interment income grew to **₱ 21.50 million** for the year ended December 31, 2015 from **₱ 19.70 million** for the year ended December 31, 2014, representing an increase of 9%. This increase in interment income was mainly attributable to an increase in the number of services for the year.

##### **Interest income on contracts receivables**

Interest income on contract receivables increased by 5% to **₱ 20.50 million** for the year ended December 31, 2015 from **₱ 19.59 million** for the year ended December 31, 2014. The increase in interest income was primarily due to higher sales on account posted for the year.

#### ***Costs and Expenses***

##### **Cost of sales and services**

Cost of sales and services increased to **₱ 293.15 million** for the year ended December 31, 2015 from **₱ 250.52 million** for the year ended December 31, 2014, representing an increase of 17%. The increase in cost of sales and services was primarily attributable to increase in sales of memorial park lots and columbarium vaults for the year.

##### **Other operating expenses**

Other operating expenses increased to **₱ 203.97 million** for the year ended December 31, 2015 from **₱ 150.57 million** for the year ended December 31, 2014, representing an increase of 35%. This was mainly due to the following:

- Increase in salaries and wages from **₱ 31.97 million** for the year ended December 31, 2014, to **₱ 44.71 million** for the year ended December 31, 2015, due to additions to the Company's manpower complement.
- Increase in commission from **₱ 38.88 million** for the year ended December 31, 2014, to **₱ 50.58 million** for the year ended December 31, 2015, due to higher sales for the year.
- Increase in promotions from **₱ 13.17 million** for the year ended December 31, 2014, to **₱ 18.78 million** for the year ended December 31, 2015, due to higher sales for the year.

### Other Income – net

Other income – net increased to **₱ 20.65 million** for the year ended December 31, 2015 from **₱ 12.85 million** for the year ended December 31, 2014, representing an increase of **61%**. The increase in other income was mainly attributable to the increase in forfeited sales for the year.

### Tax Expense

Tax expense increased to **₱ 65.22 million** for the year ended December 31, 2015 from **₱ 61.87 million** for the year ended December 31, 2014, representing an increase of **5%**. The increase in tax expense was mainly attributable to the higher tax base for the year.

### Net Income

The foregoing factors resulted in an increase in net profit to **₱ 151.12 million** for the year ended December 31, 2015 from **₱ 144.63 million** for the year ended December 31, 2014, representing an increase of **5%**.

For the year ended December 31, 2015, there were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

## FINANCIAL CONDITION

### *As of December 31, 2015 vs. December 31, 2014*

Total assets as of December 31, 2015 amounted to **₱ 1,787.10 million** compared to **₱ 1,666.56 million** as of December 31, 2014, representing a **7% increase**. This was due to the following:

- Cash and cash equivalents grew by **42%** from **₱ 80.66 million** as of December 31, 2014 to **₱ 114.64 million** as of December 31, 2015, arising from higher cash generated from operations for the year.
- Total contracts receivable, including non-current, increased by **17%** from **₱ 1,087.85 million** as of December 31, 2014 to **₱ 1,274.09 million** as of December 31, 2015, primarily due to increased sales on account of memorial park lots and columbarium niches for the year.
- Due from related parties decreased by **66%** from **₱ 206.90 million** as of December 31, 2014 to **₱ 70.21 million** as of December 31, 2015, due to collections made during the year.
- Other receivables, mostly advances to suppliers for construction and development projects, increased by **266%** from **₱ 8.17 million** as of December 31, 2014 to **₱ 29.90 million** as of December 31, 2015, due to the increase in launches of additional phases for the year.
- Memorial lot inventories – net increased by **6%** from **₱ 205.02 million** as of December 31, 2014 to **₱ 217.77 million** as of December 31, 2015, as a result of the launch of additional phases in the Company's various projects for the year.

- Other current assets increased by **76%** from **₱ 8.16 million** as of December 31, 2014 to **₱ 14.35 million** as of December 31, 2015, due primarily to the increase in the Deferred Input VAT.
- Property and equipment – net increased by **8%** from **₱ 22.87 million** as of December 31, 2014 to **₱ 24.79 million** as of December 31, 2015, attributable to acquisitions for the year.
- Investment properties decreased by **12%** from **₱ 46.92 million** as of December 31, 2014 to **₱ 41.33 million** as of December 31, 2015, as a result of reclassification to memorial lot inventory due to the change in use and intention for the asset.

Total liabilities as of December 31, 2015 amounted to **₱ 1,352.44 million** compared to **₱ 582.95 million** as of December 31, 2014, representing a **132% increase**. This was due to the following:

- Interest bearing loans, including non-current portion, amounted to **₱ 9.02 million** for the year ended December 31, 2015. The Company had no loans for the year ended December 31, 2014.
- Trade and other payables grew from **₱ 217.93 million** as of December 31, 2014 to **₱ 264.24 million** as of December 31, 2015, a **21%** increase, primarily on account of the increase in raw lands payable.
- Customers' deposits decreased from **₱ 7.13 million** as of December 31, 2014 to **₱ 5.93 million** as of December 31, 2015, a **17%** decrease, due to recognition to Revenue.
- Dividends payable amounted to **₱ 650 million** for the year ended December 31, 2015, representing cash dividends declared amounting to **₱ 800 million** net of the advances to the shareholders.
- Income tax payable increased by **252%** from **₱ 4.25 million** as of December 31, 2014 to **₱ 14.95 million** as of December 31, 2015, primarily due to the higher tax base.
- Retirement benefit obligations decreased by **69%** from **₱ 0.25 million** as of December 31, 2014 to **₱ 0.08 million** as of December 31, 2015, due to actuarial adjustment.
- Deferred tax liabilities – net increased by **17%** from **₱ 219.53 million** as of December 31, 2014 to **₱ 255.98 million** as of December 31, 2015, due to the increase in the temporary differences resulting to a potential tax liability in the future.
- Reserve for perpetual care grew by **14%** from **₱ 133.86 million** as of December 31, 2014 to **₱ 152.25 million** as of December 31, 2015, due to higher sales on account recorded for the year within which the fund for those sales are yet to be remitted to the trustee.

Total stockholder's equity decreased by **60%**, from **₱ 1,083.60 million** as of December 31, 2014 to **₱ 434.66 million** as of December 31, 2015. This was primarily attributable to the decrease in retained earnings by **61%** from **₱ 1,066.08 million** as of December 31, 2014 to **₱ 417. 19 million** as of December 31, 2015, as a result of declaration of dividends.

Considered as the top five key performance indicators of the Company for the period as shown below:

KEY PERFORMANCE INDICATORS		31-Dec-2015	31-Dec-2014
<b>Liquidity:</b>			
Current Ratio	Current Assets/Current Liability	0.95 : 1	3.93 : 1
<b>Solvency:</b>			
Debt-to-Equity Ratio	Total Liabilities/Total Equity	3.11 : 1	0.54 : 1
<b>Asset-to-equity:</b>			
Asset-to-Equity ratio	Total Assets/Total Equity	4.11 : 1	1.54 : 1
		<b>31-Dec-2015</b>	<b>31-Dec-2014</b>
<b>Interest-rate-coverage:</b>			
Interest-rate-coverage ratio	Profit Before Tax and Interest/Finance Costs	140.67 : 1	NA
<b>Profitability:</b>			
Return-on-investment	Net Income/Average Capital Stock	755.88%	723.14%

**Material Changes to the Company's Statement of Financial Position as of December 31, 2015 compared to December 31, 2014 (increase/decrease of 5% or more)**

- Cash and cash equivalents grew by 42% from **₱ 80.66 million** as of December 31, 2014 to **₱ 114.64 million** as of December 31, 2015, arising from higher cash generated from operations for the year.
- Total contracts receivable, including non-current, increased by 17% from **₱ 1,087.85 million** as of December 31, 2014 to **₱ 1,274.09 million** as of December 31, 2015, primarily due to increased sales on account of memorial park lots and columbarium niches for the year.
- Due from related parties decreased by 66% from **₱ 206.90 million** as of December 31, 2014 to **₱ 70.21 million** as of December 31, 2015, due to collections made during the year.
- Other receivables, mostly advances to suppliers for construction and development projects, increased by 266% from **₱ 8.17 million** as of December 31, 2014 to **₱ 29.90 million** as of December 31, 2015, due to the increase in launches of additional phases for the year.
- Memorial lot inventories – net increased by 6% from **₱ 205.02 million** as of December 31, 2014 to **₱ 217.77 million** as of December 31, 2015, as a result of the launch of additional phases in the Company's various projects for the year.
- Other current assets increased by 76% from **₱ 8.16 million** as of December 31, 2014 to **₱ 14.35 million** as of December 31, 2015, due primarily to the increase in the Deferred Input VAT.
- Property and equipment – net increased by 8% from **₱ 22.87 million** as of December 31, 2014 to **₱ 24.79 million** as of December 31, 2015, attributable to acquisitions for the year.
- Investment properties decreased by 12% from **₱ 46.92 million** as of December 31, 2014 to **₱ 41.33 million** as of December 31, 2015, as a result of reclassification to memorial lot inventory due to the change in use and intention for the asset.
- Interest bearing loans, including non-current portion, amounted to **₱ 9.02 million** for the year ended December 31, 2015. The Company had no loans for the year ended December 31, 2014.

- Trade and other payables grew from **₱ 217.93 million** as of December 31, 2014 to **₱ 264.24 million** as of December 31, 2015, a **21%** increase, primarily on account of the increase in raw lands payable.
- Customers' deposits decreased from **₱ 7.13 million** as of December 31, 2014 to **₱ 5.93 million** as of December 31, 2015, a **17%** decrease, due to recognition to Revenue.
- Dividends payable amounted to **₱ 650 million** for the year ended December 31, 2015, representing cash dividends declared amounting to **₱ 800 million** net of the advances to the shareholders.
- Income tax payable increased by **252%** from **₱ 4.25 million** as of December 31, 2014 to **₱ 14.95 million** as of December 31, 2015, primarily due to the higher tax base.
- Retirement benefit obligations decreased by **69%** from **₱ 0.25 million** as of December 31, 2014 to **₱ 0.08 million** as of December 31, 2015, due to actuarial adjustment.
- Deferred tax liabilities – net increased by **17%** from **₱ 219.53 million** as of December 31, 2014 to **₱ 255.98 million** as of December 31, 2015, due to the increase in the temporary differences resulting to a potential tax liability in the future.
- Reserve for perpetual care grew by **14%** from **₱ 133.86 million** as of December 31, 2014 to **₱ 152.25 million** as of December 31, 2015, due to higher sales on account recorded for the year within which the fund for those sales are yet to be remitted to the trustee.
- Total stockholder's equity decreased by **60%**, from **₱ 1,083.60 million** as of December 31, 2014 to **₱ 434.66 million** as of December 31, 2015, primarily attributable to the declaration of dividends.

**Material Changes to the Company's Statement of income for the year ending December 31, 2015 compared to the year ending December 31, 2014 (increase/decrease of 5% or more)**

- Real estate sales grew from **₱ 555.44 million** for the year ended December 31, 2014 to **₱ 650.80 million** for the year ended December 31, 2015, representing an increase of **17%**, primarily due to the increase in the sale of memorial park lots and columbarium vault for the year.
- Interment income grew to **₱ 21.50 million** for the year ended December 31, 2015 from **₱ 19.70 million** for the year ended December 31, 2014, representing an increase of **9%**, mainly attributable to an increase in the number of services for the year.
- Interest income on contract receivables increased by **5%** to **₱ 20.50 million** for the year ended December 31, 2015 from **₱ 19.59 million** for the year ended December 31, 2014, primarily due to higher sales on account posted for the year.
- Cost of sales and services increased to **₱ 293.15 million** for the year ended December 31, 2015 from **₱ 250.52 million** for the year ended December 31, 2014, representing an increase of **17%**, primarily attributable to increase in sales of memorial park lots and columbarium vaults for the year.
- Other operating expenses increased to **₱ 203.97 million** for the year ended December 31, 2015 from **₱ 150.57 million** for the year ended December 31, 2014, representing an increase of **35%**, due mainly in an increase in salaries and wages, commissions and promotions.

- Other income – net increased to **₱ 20.65 million** for the year ended December 31, 2015 from **₱ 12.85 million** for the year ended December 31, 2014, representing an increase of **61%**, mainly attributable to the increase in forfeited sales for the year.
- Tax expense increased to **₱ 65.22 million** for the year ended December 31, 2015 from **₱ 61.87 million** for the year ended December 31, 2014, representing an increase of **5%**, mainly attributable to the higher tax base for the year.

There are no other material changes in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition on the Company.

## REVIEW OF YEAR END 2014 VS YEAR END 2013

### RESULTS OF OPERATIONS

#### Revenues

##### **Real estate sales**

Real estate sales grew to **₱ 555.44 million** for the year ended December 31, 2014 from **₱ 478.41 million** for the year ended December 31, 2013, representing an increase of **₱ 77.03 million** or **16%**. The growth was primarily due to the increase in the sale of memorial lots and columbarium niches for the year.

##### **Interment income**

Interment income grew to **₱ 19.70 million** for the year ended December 31, 2014 from **₱ 17.38 million** for the year ended December 31, 2013, representing an increase of **13%**. This increase in interment income was mainly attributable to an increase in the number of services rendered for the year.

#### Costs and Expenses

##### **Cost of sales and services**

Cost of sales and services increased to **₱ 250.52 million** for the year ended December 31, 2014 from **₱ 229.94 million** for the year ended December 31, 2013, representing an increase of **9%**. The increase in cost of sales and services was primarily attributable to an increase in sales of memorial lots and columbarium niches for the year.

##### **Other operating expenses**

Operating expenses increased to **₱ 150.57 million** for the year ended December 31, 2014 from **₱ 142.80 million** for the year ended December 31, 2013, representing an increase of **5%**. This was mainly attributable to the following:

- Increase in salaries and wages from **₱ 29.19 million** for the year ended December 31, 2013, to **₱ 31.97 million** for the year ended December 31, 2014, due mostly to an increase in manpower hired by the company due to the expansion to new areas
- Increase in commission from **₱ 34.00 million** for the year ended December 31, 2013, to **₱ 38.88 million** for the year ended December 31, 2014, due to an increase in the number of sales in the period compared to same period previous year.
- Increase in promotions from **₱ 12.00 million** for the year ended December 31, 2013, to **₱ 13.17 million** for the year ended December 31, 2014, due to higher sales for the year.

### Other Income – Net

Other income – net increased to **₱ 12.85 million** for the year ended December 31, 2014 from **₱ 5.73 million** for the year ended December 31, 2013, representing an increase of **124%**. The increase in other income was mainly attributable to increase in interest on past due accounts and forfeited sales for the year.

### Tax Expense

Tax expense increased to **₱ 61.87 million** for the year ended December 31, 2014 from **₱ 44.50 million** for the year ended December 31, 2013, representing an increase of **39%**. The increase in tax expense was mainly attributable to higher tax base.

### Net Income

The foregoing factors resulted in an increase in net profit to **₱ 144.63 million** for the year ended December 31, 2014 from **₱ 104.42 million** for the year ended December 31, 2013, representing an increase of **39%**.

For the year ended December 31, 2014, there were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

## FINANCIAL CONDITION

### *As of December 31, 2014 vs. December 31, 2013*

Total assets as of December 31, 2014 amounted to **₱ 1,666.56 million** compared to **₱ 1,455.84 million** as of December 31, 2013, representing a **14%** increase. The significant movements in the asset accounts as of December 31, 2013 and 2014 are discussed below:

- Cash and cash equivalent declined by **38%** from **₱ 129.10 million** as of December 31, 2013 to **₱ 80.66 million** as of December 31, 2014, primarily attributable to disbursements made for asset acquisitions and memorial park development for the year.
- Total contracts receivable, including non-current, increased by **16%** from **₱ 941.79 million** as of December 31, 2013 to **₱ 1,087.85 million** as of December 31, 2014, primarily due to increased sales of memorial park lots and columbarium vaults.
- Memorial lot inventories – net increased by **114%** from **₱ 95.78 million** as of December 31, 2013 to **₱ 205.02 million** as of December 31, 2014, as a result of the launch of additional phases for the year.
- Other current assets increased by **12%** from **₱ 7.29 million** as of December 31, 2013 to **₱ 8.16 million** as of December 31, 2014, due to increase in prepaid expenses.
- Property and equipment – net increased by **42%** from **₱ 16.10 million** as of December 31, 2013 to **₱ 22.87 million** as of December 31, 2014, due to acquisitions for the year.

- Investment properties decreased by **11%** from **₱ 52.68 million** as of December 31, 2013 to **₱ 46.92 million** as of December 31, 2014, as a result of reclassification to memorial lot inventory due to the change in use and intention for the asset.
- Retirement benefit assets had no balance as of December 31, 2014 from **₱ 0.86 million** as of December 31, 2013 mainly as a result of adjustments due to adoption of new accounting standard.

Total liabilities as of December 31, 2014 amounted to **₱ 582.95 million** compared to **₱ 515.64 million** as of December 31, 2013, representing a **13%** increase. The significant movements in the liabilities accounts as of December 31, 2013 and 2014 are discussed below:

- Customers' deposits increased by **18%** from **₱ 6.03 million** as of December 31, 2013 to **₱ 7.13 million** as of December 31, 2014, primarily due to higher sales.
- Income tax payable increased by **95%** from **₱ 2.18 million** as of December 31, 2013 to **₱ 4.25 million** as of December 31, 2014, primarily due to the higher taxable base.
- Retirement benefit obligations amounted to **₱ 0.25 million** as of December 31, 2014 from **nil** as of December 31, 2013 due to additional actuarial adjustments for the year.
- Deferred tax liabilities increased by **28%** from **₱ 171.74 million** as of December 31, 2013 to **₱ 219.53 million** as of December 31, 2014, due to the increase in the temporary differences resulting to a potential tax liability in the future.
- Reserve for perpetual care grew by **5%** from **₱ 127.00 million** as of December 31, 2013 to **₱ 133.86 million** as of December 31, 2014, due to higher sales on account recorded for the year within which the fund for those sales are yet to be remitted to the trustee.

Total stockholder's equity increased by **15%**, from **₱ 940.20 million** for the year ended December 31, 2013 to **₱ 1,083.60 million** for the year ended December 31, 2014, due to the following:

- Increased by **98%** in revaluation reserves from **₱ 1.25 million** as of December 31, 2013 to **₱ 2.47 million** as of December 31, 2014 due to remeasurement of post-employment defined benefit plan.
- Increased by **16%** in retained earnings from **₱ 921.45 million** in December 31, 2013, to **₱ 1,066.08 million** as of December 31, 2014, due to higher net income for the year.

Considered as the top five key performance indicators of the Company for the period as shown below:

KEY PERFORMANCE INDICATORS		31-Dec-2014	31-Dec-2013
<b>Liquidity:</b>			
Current Ratio	Current Assets/Current Liability	3.93 : 1	3.65 : 1
<b>Solvency:</b>			
Debt-to-Equity Ratio	Total Liabilities/Total Equity	0.54 : 1	0.55 : 1
<b>Asset-to-equity:</b>			
Asset-to-Equity ratio	Total Assets/Total Equity	1.54 : 1	1.55 : 1
		31-Dec-2014	31-Dec-2013
<b>Interest-rate-coverage:</b>			
Interest-rate-coverage ratio	Profit Before Tax and Interest/Finance Costs	NA	NA
<b>Profitability:</b>			
Return-on-investment	Net Income/Average Capital Stock	723.14%	522.12%

**Material Changes to the Company's Statement of Financial Position as of December 31, 2014 compared to December 31, 2013 (increase/decrease of 5% or more)**

- Cash and cash equivalent declined by **38%** from **₱ 129.10 million** as of December 31, 2013 to **₱ 80.66 million** as of December 31, 2014, primarily attributable to disbursements made for asset acquisitions and memorial park development for the year.
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- Total stockholder's equity increased by **15%**, from **₱ 940.20 million** for the year ended December 31, 2013 to **₱ 1,083.60 million** for the year ended December 31, 2014, due mainly to remeasurement of post-employment defined benefit plan.

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- Operating expenses increased to **₱ 150.57 million** for the year ended December 31, 2014 from **₱ 142.80 million** for the year ended December 31, 2013, representing an increase of **5%**, due primarily to an increase in salaries and wages, commissions and promotions.
- Other income – net increased to **₱ 12.85 million** for the year ended December 31, 2014 from **₱ 5.73 million** for the year ended December 31, 2013, representing an increase of **124%**, mainly attributable to increase in interest on past due accounts and forfeited sales for the year.
- Tax expense increased to **₱ 61.87 million** for the year ended December 31, 2014 from **₱ 44.50 million** for the year ended December 31, 2013, representing an increase of **39%**, mainly attributable to higher tax base.

There are no other material changes in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition on the Company.

#### **IV. NATURE AND SCOPE OF BUSINESS**

Golden Haven Memorial Park, Inc., incorporated in November 1982, is one of Philippines' leading developers of memorial parks in the country in terms of land developed. As of the date of this Information Statement, the Company has a total of eight memorial park projects, covering a gross area of 66.7 hectares

spread across various parts of the Philippines, including Las Piñas, Bulacan, Cebu, Cagayan de Oro Iloilo, Nueva Vizcaya, Pampanga, and Zamboanga.

Aside from the development and sale of memorial parks, the Company likewise develops, constructs and operates columbarium facilities. As of the date of this Information Statement, the Company has four existing columbaries within its memorial parks in Las Piñas, Cebu, Cagayan de Oro, and Zamboanga and a 20,000-vault columbarium (the “Ezekiel Columbarium”) located beneath the Santuario de San Ezekiel Moreno, a chapel constructed by the Company along C5 Road, Pulang Lupa, Las Piñas. The company has also opened its first memorial chapel and crematorium facility in beside Santuario de San Ezekiel Moreno in Las Piñas.

The Company prides itself as a developer of ideally located, uniquely designed, and well-maintained memorial parks. The Company believes that accessibility is and remains a key factor in the selection of memorial parks, and each of the Company’s parks is strategically located within a five to 10 kilometer radius from its target communities. Eschewing standardized park designs, the Company’s planners design and develop each memorial park to have its own theme, inspired by Mediterranean, Italian, American or Asian architecture and design motifs. Regimented park maintenance practices also ensure that each memorial park and columbarium developed by the Company will remain a comfortable and calming place to visit.

These same criteria of ideal location, unique designs and strict standards of maintenance and upkeep also ground the development of the Company’s columbaries.

## V. MARKET FOR REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

### Market Information

Registrant’s common shares are listed with the Philippine Stock Exchange. The Registrant was listed on June 29, 2016.

Quarter	2016		
	High	Low	Close
1 <sup>st</sup>	-	-	-
2 <sup>nd</sup>	20.30	15.74	20.30
3 <sup>rd</sup>	19.20	13.68	13.98
4 <sup>th</sup>	17.00	12.52	17.00

The market capitalization of HVN as of December 31, 2016 based on the closing price of ₱17.00/share on December 29, 2016, the last trading date for the fourth quarter of 2016, was approximately ₱8.4 billion.

As of February 28, 2017, HVN’s market capitalization is approximately ₱8.3 billion based on the ₱16.70/share closing price.

### *Common*

There are approximately 14 holders of common equity security of the Company as of January 31, 2017 (based on the number of accounts registered with the Stock Transfer Agent). The following are the holders of the common securities of the Company:

	Name	No. of Shares	Percentage <sup>1</sup>
1	FINE PROPERTIES, INC. <sup>1</sup>	412,057,800	83.39%
2	PCD NOMINEE CORPORATION (FILIPINO )	74,077,647	14.99%
3	JERRY M. NAVARETTE <sup>1</sup>	2,835,000	0.57%
4	MARIBETH C. TOLENTINO <sup>1</sup>	2,835,000	0.57%
5	JOY J. FERNANDEZ <sup>1</sup>	2,268,000	0.46%

6	PCD NOMINEE CORPORATION (NON-FILIPINO)	34,500	0.01%
7	MYRA P. VILLANUEVA	4,300	0.00%
8	MYRNA P. VILLANUEVA	2,300	0.00%
9	MA. CRISTINA S. CUSTODIO	2,000	0.00%
10	CYNTHIA MARIE S. DELFIN <sup>1</sup>	500	0.00%
11	FRANCES ROSALIE T. COLOMA <sup>1</sup>	500	0.00%
12	JOSELITO C. HERRERA	100	0.00%
13	ANA MARIE V. PAGESIBIGAN <sup>1</sup>	1	0.00%
14	GARTH F. CASTAÑEDA <sup>1</sup>	1	0.00%
	Total	494,117,649	100.00%
	<b>TOTAL OUTSTANDING ISSUED AND SUBSCRIBED (COMMON)</b>	<b>494,117,649</b>	<b>100.00%</b>

<sup>1</sup> lodged under PCD Nominee Corp. (Filipino)

### **Dividend Policy**

Under the Corporation Code, the Company's shareholders are entitled to receive a proportionate share in cash dividends that may be declared by the Board out of the surplus profits derived from operations. The same right exists with respect to a stock dividend declaration, the declaration of which is subject to the approval of shareholders representing at least two-thirds of the outstanding capital stock entitled to vote.

The amount of dividends to be declared will depend on the profits, investment requirements and capital expenditures at that time.

As of December 31, 2016, the Company has not defined a minimum percentage of net earnings to be distributed to its common shareholders. Dividends may be declared only from the Company's unrestricted retained earnings, except when, among others: (i) justified by definite corporate expansion, or (ii) when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured, or (iii) when it can be clearly shown that the retention of earnings is necessary under special circumstances obtaining in the Company, its assets and operations, such as when there is a need for special reserves for probable contingencies.

### ***Record Date***

Pursuant to existing Philippine SEC rules, cash dividends declared by a company must have a record date not less than 10 nor more than 30 days from the date the cash dividends are declared. With respect to stock dividends, the record date is to be not less than 10 or more than 30 days from the date of shareholder approval, provided however, that the set record date is not to be less than 10 trading days from receipt by the PSE of the notice of declaration of stock dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the Philippine SEC.

### ***Dividends***

On 29 December 2015, the Board declared cash dividends in the amount of ₱800 million. On 8 March 2016, the Board, with the approval of the Company's shareholders representing two-thirds of its outstanding capital stock in a special meeting duly called for the purpose and held on the same date, declared stock dividends in the amount of ₱400 million.

Other than the foregoing, the Company has not declared dividends in any form since the time of its incorporation.

## Stock Options

None

## **VI. COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE**

The Company's Board has adopted a Manual on Corporate Governance on May 26, 2016. The Company's Manual on Corporate Governance describes the terms and conditions by which the Company intends to conduct sound corporate governance practices that are consistent with the relevant laws and regulations of the Republic of the Philippines, and which seek to enhance business transparency and build shareholder value.

Ultimate responsibility and oversight of the Company's adherence to superior corporate governance practices rests with the Board of Directors. As a policy matter, the Board will hold monthly meetings, at which any number of relevant corporate governance issues may be raised for discussion.

Practical oversight of the Company's corporate governance standards is exercised through the Board's three standing committees:

- The Audit Committee is charged with internal audit oversight over all of the Company's business transactions and the effective management of risk.
- The Nomination Committee is charged with ensuring that potential candidates for the Board are fully qualified as well as ensuring that the Board maintains adequate independent membership.
- The Compensation and Remuneration Committee is charged with ensuring that fair and competitive compensation policies are maintained.

The Company is committed to building a solid reputation for sound corporate governance practices, including a clear understanding by its Directors of the Company's strategic objectives, structures to ensure that such objectives are realized, systems to ensure the effective management of risks and the systems to ensure the Company's obligations are identified and discharged in all aspects of its business. Each January, the Company will issue a certification to the Philippines Securities and Exchange Commission and the Philippine Stock Exchange that it has fulfilled its corporate governance obligations.

As of December 31, 2016, there are no known material deviations from the Company's Manual of Corporate governance.

The Company is taking further steps to enhance adherence to principles and practices of good corporate governance.

**PART III**

**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on behalf by the undersigned hereunto duly authorized.

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 the City of Las Piñas on the 1<sup>st</sup> day of March 2017.

**GOLDEN HAVEN MEMORIAL PARK, INC.**  
Registrant

By:



**ROY JOSEPH S, FERNANDEZ**  
Chief Financial Officer / Chief Information Officer

Date: **March 01, 2017**



November 14, 2016

**PHILIPPINE STOCK EXCHANGE**

3<sup>rd</sup> Floor, Tower One and Exchange Plaza

Ayala Triangle, Ayala Ave., Makati City

Attention: Mr. Jose Valeriano B. Zuño III

OIC – Head, Disclosure Department

Subject: Golden Haven Memorial Park, Inc.: SEC 17Q – September 30, 2016

Gentlemen:

Please find SEC Form 17Q for the nine months ended September 30, 2016 filed with the Securities and Exchange Commission today.

Very truly yours,



Roy Joseph S. Fernandez  
Officer-in-Charge

# COVER SHEET

1	0	8	2	7	0				
S.E.C. Registration Number									

G	O	L	D	E	N	H	A	V	E	N	M	E	M	O	R	I	A	L	
P	A	R	K	,		I	N	C	.										

(Company's Full Name)

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L	A	S	P	I	Ñ	A	S	C	I	T	Y												

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

<b>Roy Joseph S. Fernandez</b>
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Contract Person

<b>873-2922</b>
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Company Telephone Number

1	2	3	1
Month		Day	
Calendar Year			

<b>17-Q</b>
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FORM TYPE

0	4		
Month		Day	
Annual Meeting			

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Secondary License Type, If Applicable

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Dept. Requiring this Disc.

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Amended Articles Number, Section

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Total No. of Stockholders

Total Amount of Borrowings	
Domestic	Foreign

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To be accomplished by SEC Personnel concerned

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File Number

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE  
SECURITIES REGULATION CODE AND SRC RULE 17(2)(B) THEREUNDER

1. For the quarter ended **September 30, 2016**

2. SEC Identification Number **108270**

3. BIR Tax Identification No. **768-991-000**

4. **Golden Haven Memorial Park, Inc.**  
Exact name of the registrant as specified in its charter

5. **Philippines**  
Province, country or other jurisdiction of incorporation

6. Industry Classification Code  (SEC Use Only)

7. **San Ezekiel, C5 Extension, Las Piñas City, Philippines** **1746**  
Address of Principal Office Postal Code

8. **(632) 873-2922 / (632) 873-2543**  
Registrant's telephone number, including area code

9. **N/A**  
Former name, former address and former fiscal year, if change since last report.

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

Title of each Class	Number of Shares of Common Stock Outstanding
Common stock	494,117,649

11. Are any of the registrant's securities listed on the Philippine Stock Exchange?

Yes  No

12. Check whether the registrant:

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

Yes  No

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

Yes  No

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- Consolidated Statements of Financial Position as of September 30, 2016 and December 31, 2015
- Consolidated Statements of Income for the nine months ended September 30, 2016 and 2015
- Consolidated Statements of Comprehensive Income for the nine months ended September 30, 2016 and 2015
- Consolidated Statement of Changes in Equity for the nine months ended September 30, 2016 and 2015
- Consolidated Statements of Cash Flows for the nine months ended September 30, 2016 and 2015
- Notes to Consolidated Financial Statements

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

- 9 months of 2016 vs. 9 months of 2015
- Top Five (5) Key Performance Indicators
- Material Changes (5% or more)- Statement of Financial Position
- Material Changes (5% or more)- Statement of Comprehensive Income
- Commitments and Contingencies

### PART II-OTHER INFORMATION

#### Item 3. Nine (9) months of 2016 Developments

#### Item 4. Other Notes to 9 months of 2016 Operating and Financial Results



Golden Haven Memorial Park, Inc.  
Statement of Financial Position  
As of September 30, 2016 and December 31, 2015  
(Amount In Thousands)

	Notes	UNAUDITED 09/30/2016	AUDITED 12/31/2015
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on-hand and in-banks	4	494,997	114,644
Contracts receivable	5	527,294	445,147
Due from related parties	16	81,283	70,212
Other receivables	5	30,849	29,903
Memorial lot inventories – net	6	387,797	217,770
Other current assets	9	19,339	14,351
<b>Total Current Assets</b>		<b>1,541,559</b>	<b>892,027</b>
<b>NON-CURRENT ASSETS</b>			
Contracts receivable	5	979,260	828,946
Property and equipment – net	7	90,088	24,791
Investment properties	8	58,862	41,335
<b>Total Non-current Assets</b>		<b>1,128,210</b>	<b>895,072</b>
		<b>2,669,769</b>	<b>1,787,099</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Interest-bearing loans	10	1,229	5,972
Trade and other payables	11	406,162	264,237
Customers' deposits		6,438	5,929
Dividends payable	17	–	650,000
Income tax payable		7,219	14,955
<b>Total Current Liabilities</b>		<b>421,048</b>	<b>941,093</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing loans	10	500,000	3,047
Retirement benefit obligation		76	76
Deferred tax liabilities – net	15	294,233	255,975
Reserve for perpetual care	12	177,764	152,252
<b>Total Non-current Liabilities</b>		<b>972,073</b>	<b>411,350</b>
		<b>1,393,121</b>	<b>1,353,443</b>
<b>EQUITY</b>			
	17		
Capital stock		494,118	20,000
Additional paid-in capital		632,415	-
Revaluation reserves		(2,536)	(2,536)
Retained earnings		152,651	417,192
<b>Total Equity</b>		<b>1,276,648</b>	<b>434,656</b>
		<b>2,669,769</b>	<b>1,787,099</b>



Golden Haven Memorial Park, Inc.  
Statement of Comprehensive Income  
For the nine months ended September 30, 2016 and 2015  
(Amount In Thousands)

	Notes	UNAUDITED JUL - SEP Q3-2016	UNAUDITED JAN-SEP 2016	UNAUDITED JUL - SEP Q3-2015	UNAUDITED JAN-SEP 2015
REVENUES	2				
Real estate sales		176,969	570,235	173,088	474,956
Interment income		6,262	20,178	5,641	15,789
Interest income on contract receivables	5	5,253	16,925	5,615	15,370
		188,484	607,338	184,344	506,115
COSTS AND EXPENSES	13				
Costs of sales and services		73,922	238,192	81,900	210,389
Other operating expenses		45,474	189,834	54,841	156,944
		119,396	428,026	136,741	367,333
OPERATING PROFIT		69,088	179,312	47,603	138,782
OTHER INCOME – Net	14	4,415	14,202	7,059	13,256
PROFIT BEFORE TAX		73,503	193,514	54,662	152,038
TAX EXPENSE	15	(22,051)	(58,054)	(16,399)	(45,611)
NET PROFIT		51,452	135,460	38,263	106,427
TOTAL COMPREHENSIVE INCOME		51,452	135,460	38,263	106,427
Basic and Diluted Earnings Per Share	18	0.11	0.41	191.315	532.135



**GOLDEN HAVEN**

Golden Haven Memorial Park, Inc.  
Statements of Changes in Equity  
For the nine months ended September 30, 2016 and 2015  
(Amount In Thousands)

	Notes	Capital		Additional Paid-in Capital	Revaluation		Retained Earnings		Total Equity
		Stock	Reserves		Appropriated	Unappropriated			
Balance at January 1, 2016		20,000	-	-	(2,536)	400,000	17,192	434,656	
Stock dividends	17	400,000	-	-	-	(400,000)	-	-	
Issuance of new shares		74,118	632,415	-	-	-	-	706,533	
Total comprehensive income for the period	15	-	-	-	-	-	135,459	135,459	
Balance at September 30, 2016	17	494,118	632,415	-	(2,536)	-	152,651	1,276,648	
Balance at January 1, 2015		20,000	-	-	(2,473)	1,060,000	6,077	1,083,604	
Total comprehensive income for the year	15	-	-	-	-	-	106,427	106,427	
Balance at September 30, 2015	17	20,000	-	-	(2,473)	1,060,000	112,504	1,190,031	



Golden Haven Memorial Park, Inc.  
 Statements of Cash Flows  
 For the nine months ended September 30, 2016 and 2015  
 (Amount In Thousands )

	UNAUDITED JUL - SEP Q3-2016	UNAUDITED JAN-SEP 2016	UNAUDITED JUL - SEP Q2-2015	UNAUDITED JAN-SEP 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax	73,504	193,514	54,662	152,038
Adjustments for:				
Interest income	(5,639)	(18,057)	(6,051)	(15,807)
Depreciation and amortization	2,061	6,371	1,569	4,536
Interest expense	141	9,261	148	2,233
Operating profit before working capital changes	70,067	191,089	50,328	143,000
Decrease (increase) in:				
Contracts receivable	(71,599)	(232,460)	(53,198)	(147,397)
Due from related parties	(15,075)	(11,071)	(1,289)	(8,560)
Other receivables	30,665	(946)	(6,390)	(5,915)
Memorial lot inventories	(193,509)	(170,027)	(15,444)	(20,345)
Other current assets	1,172	(4,988)	(980)	(8,332)
Increase (decrease) in:				
Trade and other payables	(80,494)	141,927	33,057	32,979
Customers' deposits	78	509	981	936
Other liabilities	12,715	25,511	6,735	16,283
Cash generated from (used in) operations	(245,980)	(60,456)	13,800	2,649
Interest received	5,639	18,057	6,051	15,807
Interest paid	(141)	(9,261)	(148)	(2,233)
Cash paid for income taxes	(6,824)	(27,532)	(4,097)	(9,593)
Net Cash Provided From (Used In) Operating Activities	(247,306)	(79,192)	15,606	6,630
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisitions of property and equipment	(65,204)	(71,668)	2,648	(843)
Additions to investment properties	—	(17,527)	(7,303)	(7,307)
Cash Used in Investing Activities	(65,204)	(89,195)	(4,655)	(8,150)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net advancements (payments) of interest-bearing loans	(4,814)	492,208	(1,062)	5,040
Payment of Dividends	—	(650,000)	—	—
Proceeds from issuance of new shares - net	(65,243)	706,532	—	—
Net cash provided by (used in) financing activities	(70,057)	548,740	(1,062)	5,040
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(382,567)	380,353	9,889	3,520
CASH AND CASH EQUIVALENTS, BEG	877,564	114,644	74,290	80,659
CASH AND CASH EQUIVALENTS, END	494,997	494,997	84,179	84,179

**GOLDEN HAVEN MEMORIAL PARK, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. CORPORATE INFORMATION**

Golden Haven Memorial Park, Inc. (“GHMPI” or the “Company”) was incorporated in the Republic of the Philippines and registered with the Securities and Exchange Commission (SEC) in November 16, 1982. The Company is presently engaged in the development and sale of memorial lots. Presently, the Company has only one dominant segment. Accordingly, no segment information or disclosure is presented in the financial statements.

The registered office of the Company, which is also its principal place of business, is located at San Ezekiel, C5 Extension, Las Piñas City. Previously, the company’s registered office address was at No. 40 Real St. Zapote, Las Piñas City. On March 8, 2016, the Company’s Board of Directors (BOD) and stockholders approved the change of the Company’s registered office from No. 40 Real St. Zapote, Las Piñas City to San Ezekiel, C5 Extension, Las Piñas City. On March 17, 2016, such change in address was approved by the Securities and Exchange Commission (SEC).

**2. 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. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of Preparation of Financial Statements**

*(a) Statement of Compliance with Philippine Financial Reporting Standards*

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies in the succeeding pages.

*(b) Presentation of Financial Statements*

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income and expenses and other comprehensive income or loss in a single statement of comprehensive income.

These financial statements were prepared in compliance of the requirements of Securities Regulation Code (SRC) Rule 68, as amended, for statutory filing and in relation to the Company’s planned application for listing of its common shares on the Philippine Stock Exchange (PSE). The Company presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period.

(c) *Functional and Presentation Currency*

These financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

## 2.2 *Adoption of New and Amended PFRS*

(a) *Effective in 2015 that are Relevant to the Company*

The Company adopted for the first time the following amendment and annual improvements to PFRS, which are mandatorily effective for annual periods beginning on or after July 1, 2014, for its annual reporting period beginning January 1, 2015:

PAS 19 (Amendment)	:	Employee Benefits – Defined Benefit Plans – Employee Contributions
Annual Improvements	:	Annual Improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle)

Discussed below and in the succeeding pages are the relevant information about these amendment and improvements.

- (i) PAS 19 (Amendment), *Employee Benefits– Defined Benefit Plans – Employee Contributions*. The amendment clarifies that if the amount of the contributions to defined benefit plans from employees or third parties is dependent on the number of years of service, an entity shall attribute the contributions to periods of service using the same attribution method (i.e., either using the plan's contribution formula or on a straight-line basis) for the gross benefit. The amendment did not have a significant impact on the Company's financial statements since the Company's defined benefit plan does not require employees or third parties to contribute to the benefit plan.
- (ii) Annual Improvements to PFRS. Annual improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle) made minor amendments to a number of PFRS. Among those improvements, the following amendments are relevant to the Company but had no material impact on the Company's financial statements as these amendments merely clarify the existing requirements:

*Annual Improvements to PFRS (2010-2012 Cycle)*

- PAS 16 (Amendment), *Property, Plant and Equipment* and PAS 38 (Amendment), *Intangible Assets*. The amendments clarify that when an item of property, plant and equipment and intangible assets is revalued, the gross carrying amount is adjusted in a manner that is consistent with a revaluation of the carrying amount of the asset.
- PAS 24 (Amendment), *Related Party Disclosures*. The amendment clarifies that an entity providing key management services to a reporting entity is deemed to be a related party of the latter. It also clarifies that the information required to be

disclosed in the financial statements are the amounts incurred by the reporting entity for key management personnel services that are provided by a separate management entity and not the amounts of compensation paid or payable by the management entity to its employees or directors.

*Annual Improvements to PFRS (2011-2013 Cycle)*

- PFRS 13 (Amendment), *Fair Value Measurement*. The amendment clarifies that the scope of the exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis (the portfolio exception) applies to all contracts within the scope of and accounted for in accordance with PAS 39, *Financial Instruments: Recognition and Measurement*, or PFRS 9, *Financial Instruments*, regardless of whether they meet the definition of financial assets or financial liabilities as defined in PAS 32, *Financial Instruments: Presentation*.
- PAS 40 (Amendment), *Investment Property*. The amendment clarifies the interrelationship of PFRS 3, *Business Combinations*, and PAS 40 in determining the classification of property as an investment property or owner-occupied property, and explicitly requires an entity to use judgment in determining whether the acquisition of an investment property is an acquisition of an asset or a group of asset in accordance with PAS 40 or a business combination in accordance with PFRS 3.

*(b) Effective in 2015 that are not Relevant to the Company*

The following annual improvements to PFRS are mandatory for accounting periods beginning on or after July 1, 2014 but are not relevant to the Company's financial statements:

PFRS (2010-2012 Cycle)

- PFRS 2 (Amendment) : Share-based Payment –  
Definition of Vesting  
Condition
- PFRS 3 (Amendment) : Business Combinations –  
Accounting for Contingent  
Consideration in a  
Business Combination
- PFRS 8 (Amendments) : Operating Segments –  
Aggregation of Operating  
Segments, and Reconciliation of  
the 'Total of the Reportable  
Segments' Assets to the Entity's Assets

PFRS (2011-2013 Cycle)

- PFRS 3 (Amendment) : Business Combinations – Scope  
Exceptions for Joint Ventures

*(c) Effective Subsequent to 2015 but not Adopted Early*

There are new PFRS, amendments and annual improvements to existing standards effective for annual periods subsequent to 2015 which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Company's financial statements:

- (i) PAS 1 (Amendment), *Presentation of Financial Statements—Disclosure Initiative* (effective from January 1, 2016). The amendment encourages entities to apply professional judgment in presenting and disclosing information in the financial statements. Accordingly, it clarifies that materiality applies to the whole financial statements and an entity shall not reduce the understandability of the financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. It further clarifies that in determining the order of presenting the notes and disclosures, an entity shall consider the understandability and comparability of the financial statements.
- (ii) PAS 16 (Amendment), *Property, Plant and Equipment*, and PAS 38 (Amendment), *Intangible Assets— Clarification of Acceptable Methods of Depreciation and Amortization* (effective from January 1, 2016). The amendment in PAS 16 clarifies that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. In addition, amendment to PAS 38 introduces a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is not appropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of an intangible asset are highly correlated. The amendment also provides guidance that the expected future reductions in the selling price of an item that was produced using the asset could indicate an expectation of technological or commercial obsolescence of an asset, which may reflect a reduction of the future economic benefits embodied in the asset.
- (iii) PAS 16 (Amendment), *Property, Plant and Equipment*, and PAS 41 (Amendment), *Agriculture— Bearer Plants* (effective from January 1, 2016). The amendment defines a bearer plant as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. On this basis, bearer plant is now included within the scope of PAS 16 rather than PAS 41, allowing such assets to be accounted for as property, plant and equipment and to be measured after initial recognition at cost or revaluation basis in accordance with PAS 16. The amendment further clarifies that produce growing on bearer plants remains within the scope of PAS 41.
- (iv) PFRS 9 (2014), *Financial Instruments* (effective from January 1, 2018). This new standard on financial instruments will eventually replace PAS 39 and PFRS 9 (2009, 2010 and 2013 versions). This standard contains, among others, the following:
- three principal classification categories for financial assets based on the business model on how an entity is managing its financial instruments;
  - an expected loss model in determining impairment of all financial assets that are not measured at fair value through profit or loss (FVTPL), which generally depends on whether there has been a significant increase in credit risk since initial recognition of a financial asset; and,
  - a new model on hedge accounting that provides significant improvements principally by aligning hedge accounting more closely with the risk management activities undertaken by entities when hedging their financial and non-financial risk exposures.

In accordance with the financial asset classification principle of PFRS 9 (2014), a financial asset is classified and measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in

order to collect the contractual cash flows that represent solely payments of principal and interest (SPPI) on the principal outstanding. Moreover, a financial asset is classified and subsequently measured at fair value through other comprehensive income if it meets the SPPI criterion and is held in a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. All other financial assets are measured at FVTPL.

In addition, PFRS 9 (2014) allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.

The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangements, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The amendment also requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

Management is currently assessing the impact of PFRS 9 on the financial statements of the Company and it will conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

(v) Annual Improvements to PFRS (2012-2014 Cycle) (effective from January 1, 2016). Among the improvements, the following amendments are relevant to the Company but management does not expect these to have material impact on the Company's financial statements:

- PFRS 7 (Amendment), *Financial Instruments – Disclosures*. The amendment provides additional guidance to help entities identify the circumstances under which a contract to “service” financial assets is considered to be a continuing involvement in those assets for the purposes of applying the disclosure requirements of PFRS 7. Such circumstances commonly arise when, for example, the servicing is dependent on the amount or timing of cash flows collected from the transferred asset or when a fixed fee is not paid in full due to non-performance of that asset.
- PAS 19 (Amendment), *Employee Benefits*. The amendment clarifies that the currency and term of the high quality corporate bonds which were used to determine the discount rate for post-employment benefit obligations shall be made consistent with the currency and estimated term of the post-employment benefit obligations.

### **2.3 Financial Assets**

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories: financial assets at FVTPL, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and transaction costs related to it are recognized in profit or loss.

The Company's financial assets categorized as loans and receivables are presented as Cash and Cash Equivalents, Contracts Receivable, Due from Related Parties, Other Receivables and Security deposits (under Other Current Assets) in the statement of financial position. Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments with original maturities of three months or less, readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

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

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment losses, if any. Impairment loss is provided when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the assets' 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 or current effective interest rate determined under the contract if the loan has a variable interest rate.

The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in profit or loss.

All income and expenses, including impairment losses, relating to financial assets that are recognized in profit or loss are presented as part of Finance Costs or Finance Income under Other Income – Net in the statement of comprehensive income.

Non-compounding interest and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred

financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

#### **2.4 Memorial Lot Inventories**

Memorial lot inventories are valued at the lower of cost and net realizable value. The cost of memorial lot inventories includes the acquisition cost of the land (including incidental acquisition costs), construction and development costs and other necessary expenses incurred in bringing the memorial lots ready for sale. The construction and development costs were mainly contracted by the Company from various contractors.

Reacquired memorial lots arising from forfeited or back-out sales are recorded at cost.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### **2.5 Other Current Assets**

Other current assets pertain to other resources controlled by the Company as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period or in the normal operating cycle of the business, if longer, are classified as non-current assets.

#### **2.6 Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation, amortization and any impairment in value.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation and amortization is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Service vehicle	5 years
Service equipment	5 years
Park maintenance tools and equipment	5 years
Office furniture, fixtures and equipment	3-5 years
System development cost	3-5 years

Leasehold improvements are amortized over their expected useful lives of five years (determined by reference to comparable assets owned) or the term of lease, whichever is shorter.

Fully depreciated and fully amortized assets are retained in the accounts until these are no longer in use and no further charge for depreciation and amortization is made in respect of those assets.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.13).

The residual values, estimated useful lives and method of depreciation of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property and equipment, including the related accumulated depreciation, amortization and impairment losses, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

## ***2.7 Investment Properties***

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less any impairment in value (see Note 2.13).

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the disposal of investment property is recognized in profit or loss in the period of disposal.

## ***2.8 Financial Liabilities***

Financial liabilities, which include trade and other payables [except output value-added tax (VAT) and other tax-related payables], and reserve for perpetual care, are recognized when the Company becomes a party to the contractual terms of the instrument.

All interest-related charges incurred on a financial liability are recognized as an expense in profit or loss under the Other Income– Net in the statement of comprehensive income.

Reserve for perpetual care is recognized upon sale of memorial lots to customers. It represents a portion of the contract price, as indicated in the price list, which depends upon the type of lot and location.

Trade and other payables, and reserve for perpetual care are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for those with maturities beyond one year, less settlement payments.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

## ***2.9 Offsetting Financial Instruments***

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when the Company currently has legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default.

and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

### **2.10 Provisions and Contingencies**

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

### **2.11 Revenue and Expense Recognition**

Revenue comprises revenue from the real estate sales and the rendering of services measured by reference to the fair value of consideration received or receivable by the Company for real estate sold and services rendered, excluding VAT and discounts.

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that future economic benefits will flow to the Company; and, the costs incurred or to be incurred can be measured reliably. In addition, the following specific recognition criteria must also be met before revenue is recognized:

- (a) *Sale of memorial lots* – For financial reporting purposes, the Company recognizes income from sales of memorial lots, which are generally completed and ready for use, using the full accrual method. If the criteria under the full accrual method are not met, the deposit method is applied. Under this method, the cash received from the buyers are shown as Customers' Deposits in the statement of financial position. Revenue and cost related to forfeited or cancelled sales are reversed in the current year as they occur.

For tax reporting purposes, revenue on sale of memorial lots is recognized in full when 25% or more of the contract price is collected within the initial year of sale. Otherwise, revenue is recognized based on the percentage of collection or installment method.

- (b) *Rendering of services (presented as Interment Income)* – Revenue is recognized when the performance of contractually-agreed tasks have been substantially rendered.
- (c) *Interest Income* – This is recognized as the interest accrues taking into account the effective yield on the asset.

Cost and expenses are recognized in profit or loss upon receipt of goods or utilization of services or at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs which is included as part of the cost of the related qualifying assets (see Note 2.15)

### ***2.12 Leases – Company as Lessee***

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 (net of any incentive received from the lessor) are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as repairs and maintenance and insurance, are expensed as incurred.

The Company determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

### ***2.13 Impairment of Non-financial Assets***

The Company's property and equipment, investment properties and other non-financial assets are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

### ***2.14 Employee Benefits***

The Company provides post-employment benefits to employees through a defined benefit plan, defined contribution plan and other employee benefits which are recognized as follows:

#### ***(a) Post-employment Defined Benefit Plan***

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Company, even if plan assets for funding the defined benefit plan have been acquired. The Company's defined benefit post-employment plan covers all regular full-time employees.

The liability (asset) recognized in the statement of financial position for a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows for expected benefit payments using a discount rate derived from the interest rates of zero-coupon government bonds as published by Philippine Dealing & Exchange Corp., that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the losses on the return on plan assets are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they arise. Net interest is calculated by applying the discount rate at the beginning of the period, taking account of any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest is reported as part of Finance income or Finance costs under Other Income – Net in the statement of comprehensive income.

Past-service costs are recognized immediately in profit or loss in the period of a plan amendment or curtailment.

(b) *Post-employment Defined Contribution Plan*

A defined contribution plan is a pension plan under which the Company pays fixed contributions into an independent entity (e.g. Social Security System). The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities or assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

(c) *Compensated Absences*

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of each reporting period. They are included in Trade and Other Payables account in the statement of financial position at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

### **2.15 Borrowing Costs**

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

## ***2.16 Income Taxes***

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

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method, on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

## ***2.17 Equity***

Capital stock represents the nominal value of shares that have been issued.

Revaluation reserves comprise gains and losses arising from remeasurements of post-employment defined benefit plan.

Retained earnings represent all current and prior period results of operations as reported in the profit or loss section of the statement of comprehensive income, reduced by the amount of dividends declared.

## ***2.18 Related Party Relationships and Transactions***

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual; and, (d) the Company's funded retirement plan.

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

## ***2.19 Earnings Per Share***

Basic earnings per share (EPS) is determined by dividing the net profit for the period attributable to common shareholders by the weighted average number of common shares issued and outstanding during the period (see Note 18).

Diluted EPS is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of potential dilutive shares.

## ***2.20 Events After the End of the Reporting Period***

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

### **3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

#### ***3.1 Critical Management Judgments in Applying Accounting Policies***

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

##### ***(a) Distinction Between Investment Properties and Owner-managed Properties***

The Company classifies its acquired properties as Property and Equipment if used in operations, and as Investment Property if the Company intends to hold the properties for capital appreciation.

*(b) Distinction Between Operating and Finance Leases*

The Company has entered into various lease agreements. Critical judgment was exercised by management to distinguish the lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreement. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

Management has assessed that its existing lease agreements at the end of each reporting period qualifies under operating lease.

*(c) Recognition of Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.10 and relevant disclosures are presented in Note 19.

**3.2 Key Sources of Estimation Uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

*(a) Recognition of Revenue from Sale of Memorial Lots*

The Company uses certain percentage benchmark based on collection in determining whether to recognize any revenue from the sale of memorial lots under full accrual method. Management believes that the revenue recognition criteria is appropriate based on the Company's collection history from its customers. Buyer's interest in the property is considered to have been vested when the payment threshold for each type of inventory lot has been received from the buyer and the Company has ascertained the buyer's commitment to complete the payment of the total contract price over the remaining collection period.

*(b) Impairment of Contracts and Other Receivables*

Adequate amount of allowance for impairment is provided for specific and groups of accounts, where objective evidence of impairment exists. The Company evaluates the amount of allowance for impairment based on available facts and circumstances affecting the collectibility of the accounts, including, but not limited to, the length of the Company's relationship with the counterparties (including related party), the counterparties current credit status, average age of accounts, collection experience and historical loss experience. The methodology and assumptions used in estimating future cash flows are reviewed regularly by the Company to reduce any difference between loss estimate and actual loss experience.

The carrying values of contracts receivable and other receivables are shown in Note 5. Based on management's assessment, there were no impairment losses required to be recognized on contracts receivable and other receivables in period ended September 30, 2016 and 2015.

*(c) Determination of Net Realizable Value of Memorial Lot Inventories*

In determining the net realizable value of memorial lot inventories, management takes into account the most reliable evidence available at the time the estimates are made. Future realization of the carrying amounts of memorial lots, which is affected by future price

changes, is considered a source of estimation uncertainty and may cause significant adjustments to the carrying amounts of the Company's memorial lots within the next reporting period. The carrying amounts of the existing memorial lot inventories classified per park creation are disclosed in Note 6.

*(d) Estimation of Useful Lives of Property and Equipment*

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property and equipment are analyzed in Note 7. Based on management's assessment, as at September 30, 2016 and December 31, 2015, there is no change in the estimated useful lives of those assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

*(e) Fair Value Measurement of Investment Properties*

The Company's investment properties composed of land are carried at cost at the end of the reporting period. In addition, the accounting standards require the disclosure of the fair value of the investment properties. In determining the fair value of these assets, the Company engages the services of professional and independent appraiser applying the relevant valuation methodologies.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

A significant change in the beginning inputs and sources of information of the fair value disclosed for those assets may result in adjustment in the carrying amount of the assets reported in the financial statements if the fair value will indicate improvement.

*(f) Determination of Realizable Amount of Deferred Tax Assets*

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets (offset against deferred tax liabilities) recognized as at September 30, 2016 and December 31, 2015, will be fully utilized in the coming years.

*(g) Impairment of Non-financial Assets*

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.13). Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

In the period ended September 30, 2016 and 2015, no impairment losses were recognized on property and equipment, investment properties and other non-financial assets (see Notes 7, 8 and 9, respectively).

*(b) Valuation of Post-employment Defined Benefit Obligation*

The determination of the Company's obligation and cost of post-employment defined benefit plan is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary increase rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

#### 4. CASH ON-HAND AND IN-BANKS

Cash on-hand and in-bank amounted to P494,997 thousand as of September 30, 2016. Cash in banks generally earn interest based on daily bank deposit rates. The total interest income earned amounted to P1,132 thousand and P449 thousand on September 30, 2016 and 2015, respectively, and is presented as part of Finance income under Other Income – Net in the statements of comprehensive income (see Note 14.1).

#### 5. CONTRACTS AND OTHER RECEIVABLES

##### *5.1 Contracts Receivable*

This account is composed of the following:

	<i>(in thousands)</i>
Current	P527,294
Non-current	979,260
	<u>P1,506,554</u>

Contract receivable with maximum term of five years have an annual effective interest rate of 6% to 15%. Interest income related to this account of P16,925 thousand and P15,370 thousand on September 30, 2016 and 2015, respectively, are reported under Revenues in the statements of comprehensive income.

All of the Company's contracts receivable have been reviewed for indicators of impairment. However, no receivables were found to be impaired.

The Company's contracts receivable are effectively collateralized by the memorial lots sold to the buyers considering that the title over the right in the memorial lots will only be transferred upon full payment.

##### *5.2 Other Receivables*

Other receivable amounted to P30,849 thousand and P29,903 thousand as of September 30, 2016 and December 31, 2015, respectively. These comprise mostly advances to suppliers of construction and development projects and short-term non-interest bearing advances to employees, which are collected either through salary deduction or cash. All of the Company's other receivables have been reviewed for indicators of impairment. However, no receivables were found to be impaired as of September 30, 2016 and December 31, 2015.

## 6. MEMORIAL LOT INVENTORIES

Memorial lots inventories consist of acquisition costs of the land, construction and development costs other necessary costs incurred in bringing the memorial lots ready for sale.

### 6.1 Memorial Lots

The breakdown of the Company's memorial lot inventories per branch are shown below.

	<i>(in thousands)</i>
San Ezekiel	P222,193
Cebu	120,018
Bulacan	57,943
Zamboanga	52,665
Iloilo	35,127
Las Piñas	33,110
Cagayan de Oro	24,996
Lots for sale and development	546,052
Reserve for land development cost	(158,254)
	<u>P387,797</u>

Which are composed of:

	<i>(in thousands)</i>
Cost of land	P67,893
Construction and development cost	319,905
	<u>P387,797</u>

As at September 30, 2016 the Company opened additional lots and vaults amounting to P121 million in San Ezekiel, Cebu, Iloilo, Cagayan de Oro, Zamboanga and Bulacan. As at December 31, 2015, the Company opened additional lots inventory amounting to P60 million in Zamboanga.

On December 31, 2015, certain parcels of land previously classified as investment properties which amounted P8 million were reclassified to Memorial Lot Inventories due to change in use and intention for the asset (see Note 8).

Reserve for land development cost pertains to estimated costs of developing the memorial lots.

### 6.2 Cost of Memorial Lots Sold

The details of cost of memorial lots sold are shown below.

	<i>(in thousands)</i>
Memorial lot inventories at beginning of year – net	P217,770
Additions and lot improvements	398,771
Memorial lots inventories at end of September- net	<u>(387,797)</u>
	<u>P228,744</u>

## 7. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the end of September 30, 2016 are shown in the succeeding page.

	<u>Leasehold Improvements</u>	<u>Service Vehicle</u>	<u>Service Equipment</u>	<u>Park Maintenance Tools and Equipment</u>	<u>Office Furniture, Fixtures and Equipment</u>	<u>System Development Cost</u>	<u>Construction in Progress</u>	<u>Total</u>
September 30, 2016								
Cost	₱6,167	₱80,536	₱8,092	₱16,560	₱22,277	₱3,890	₱66,312	₱151,834
Accumulated depreciation and amortization	1,201	72,043	7,178	(13,589)	(3,897)	(3,488)	-	(93,996)
Net Carrying Amount	<u>₱4,966</u>	<u>₱8,493</u>	<u>₱9,914</u>	<u>₱2,971</u>	<u>₱18,380</u>	<u>₱402</u>	<u>₱66,312</u>	<u>₱90,088</u>

Depreciation and amortization expense is included as part of Other Operating Expenses account in the statements of comprehensive income (see Note 13.2).

Certain fully depreciated assets with acquisition costs of P13.3 million as of September 30, 2016 and December 31, 2015 are still being used in operations.

## 8. INVESTMENT PROPERTIES

The changes to the carrying amounts of investment properties as presented in the statements of financial position are as follows:

	<i>(in thousands)</i>
Balance at beginning of year	₱41,335
Additions	<u>17,527</u>
Balance at end of period	<u>₱58,862</u>

The Company's investment properties consist mainly of land. Certain investment properties totaling P8 million in 2015 was reclassified to Memorial Lot Inventories due to change in management intention for the said properties (see Note 6.1). There are no reclassification to memorial lot inventories for the period ended September 30, 2016. Management no longer intends to hold the properties for capital appreciation but rather as memorial lots for development and for sale. No gain or losses were recognized during the transfer since the investment properties are measured at cost.

Management has assessed that there were no significant circumstances during the reporting periods that may indicate impairment loss on the Company's investment properties.

## 9. OTHER CURRENT ASSETS

This account consists of the following as of September 30, 2016:

	<i>(in thousands)</i>
Prepaid expenses	₱7,531
Deferred input VAT	4,919
Security deposits	1,493
Other assets	<u>5,396</u>
	<u>₱19,339</u>

Prepaid expenses pertain to advances to contractors and suppliers.

Deferred input VAT pertains to the unamortized portion of input VAT from purchase of capital goods, which are subject to amortization.

## 10. INTEREST-BEARING LOANS

On March 2016, the Company obtained interest-bearing loan amounting to P500 million from a local commercial bank for working capital requirements. The loan is payable within 180 days subject to extension and are subject to average annual effective interest rates of 4.5%.

In 2015, the Company obtained interest-bearing bank loans amounting to P14.9 million from a local commercial bank for working capital requirements. The loans are payable within one to three years and are subject to average annual effective interest rates of 8.00%. The outstanding balance of these loans as of September 30, 2016 and December 31, 2015 amounted to P1.2 million and P9.0 million, respectively, and are presented as current and non-current Interest-bearing Loans account in the September 30, 2016 and December 31, 2015 statement of financial position. Interest expense and bank charges pertaining to these loans amounted to P9.3 million, and are shown as part of finance costs under Other Income – Net account in the September 30, 2016 statement of comprehensive income (see Note 14.1). There are no outstanding interest payable as of September 30, 2016 related to these loans.

## 11. TRADE AND OTHER PAYABLES

This account consists of:

	Note	(in thousands)
Accounts payable		₱119,167
Deferred output tax		152,006
Raw lands payable		39,406
Due to affiliates	16.2	85,000
Retention payable		1,673
VAT payable		3,295
Withholding taxes payable		4,024
Other payables		1,591
		<u>₱406,162</u>

Deferred output tax is the portion of VAT attributable to outstanding contract receivables. This is reversed upon payment of monthly amortization from customers.

## 12. RESERVE FOR PERPETUAL CARE

Under the terms of the contract between the Company and the purchasers of memorial lots, a portion of the amount paid by the purchasers is set aside as Perpetual Care Fund (Trust Fund). The balance of the reserve for perpetual care for memorial lots as of September 30, 2016 and December 31, 2015 amounting to P177,764 thousand and P152,252 thousand, respectively, represents the total amount of perpetual care from all outstanding sales contracts, net of amount already remitted for fully collected memorial lots into the Trust Fund amounting to P137,930 thousand and P128,785 thousand as of September 30, 2016 and December 31, 2015, respectively.

As an industry practice, the amount turned over to the Trust Fund is only for fully collected contracts in as much as the outstanding contracts may still be forfeited and/or rescinded. The income earned from the Trust Fund will be used in the perpetual care and maintenance of the memorial lots. Once placed in the Trust Fund, the assets, liabilities, income and expense of the Trust Fund are considered distinct and separate from the assets and liabilities of the Company, and thus, do not form part of the accounts of the Company.

The details of the Trust Fund as of September 30, 2016 are shown below.

Assets:	<i>(in thousands)</i>
Cash	P0
Financial Assets at Fair Value through Profit or Loss	3,011
Available for Sale (AFS) financial assets	4,038
Investment in Mutual Funds	130,888
Other Assets	22
Liability – Accrued trust fees and other expenses	(29)
	<u>P137,930</u>

### 13. COSTS AND EXPENSES

#### *13.1 Costs of Sale and Services*

Presented below are the details of costs of sale and services.

	<i>(in thousands)</i>
Cost of land	P48,651
Construction and development cost	180,093
Cost of memorial lot sold	228,744
Cost of interment	9,448
	<u>P238,192</u>

#### *13.2 Other Operating Expenses*

The details of other operating expenses are shown below.

	<i>(in thousands)</i>
Commission	P45,559
Salaries and wages	43,457
Prompt payment Discount	14,599
Promotions	13,355
Outside services	9,834
Taxes and licenses	9,569
Depreciation and amortization	6,371
Professional fees	5,789
Utilities	4,697
Collection fees	4,134
Representation	3,586
Transportation and travel	3,570
Insurance	3,028
Rentals	2,717
Management fees	1,650
Office supplies	1,601
Repairs and maintenance	1,513
Trainings and seminars	1,368
Advertising	310
Meetings and Conferences	67
Miscellaneous	13,060
	<u>P189,834</u>

Miscellaneous mainly consist of subscription dues and other fees such as registration, transfer and mortgage fees.

14. **OTHER INCOME – Net**

**14.1 Other Income (Charges)**

Presented below are the details of other income (charges).

	<i>(in thousands)</i>
Other revenues	P22,331
Finance income	1,132
Finance costs	(9,261)
	<u>P14,202</u>

**14.2 Other Revenues**

This account consists of (see Note 14.1):

	<i>(in thousands)</i>
Forfeited sales	P11,845
Transfer fees	6,135
Interest on past due accounts	3,043
Service tent rentals	423
Others	885
	<u>P22,331</u>

Others include penalties from customers with lapsed payments, restructured accounts, and other fees collected for transactions incidental to the Company's operations such as payment for passbooks, memorial garden construction fee, among others.

15. **CURRENT AND DEFERRED TAXES**

Provision for income tax consists of:

	<i>(in thousands)</i>
Current (RCIT)	P19,796
Deferred	38,258
	<u>P58,054</u>

The Company is subject to the minimum corporate income tax (MCIT), which is computed at 2% of gross income, as defined under the tax regulations, or RCIT, whichever is higher. The Company reported RCIT in September 30, 2016 and 2015, as the RCIT is higher than MCIT in such periods.

In September 30, 2016 and 2015, the Company claimed itemized deductions in computing for its income tax due.

16. **RELATED PARTY TRANSACTIONS**

**16.1 Due from Related Parties**

The Company grants unsecured, noninterest-bearing advances to parent company and related parties under common ownership, which are payable in cash on demand.

In 2015, the BOD approved the assignment of the remaining balance of the Company's outstanding due from related parties under common ownership to the parent company. Also in 2015, due from the parent company amounting to P150,000 thousand were offset against the Company's cash dividends payable to the parent company (see Note 17.3).

The outstanding advances arising from these transactions amounting to P81,283 thousand and P70,212 thousand as at September 30, 2016 and December 31, 2015, respectively, is presented as Due from Related Parties in the statements of financial position.

The changes in the Due from Related Parties account are shown below.

	<i>(in thousands)</i>
Balance at beginning of period	P70,212
Net Additions	11,071
Balance at end of period	<u>P81,283</u>

### 16.2 Due to Affiliates

On February 22, 2016, the Company acquired a property from its Parent, Fine Properties, Inc. amounting to P11.9 million, and in 2015, the Company obtained short-term unsecured, noninterest-bearing advances from related parties for working capital requirements payable on demand. The details of Due to affiliates presented as part of Trade and Other Payables account as at September 30, 2016 is as follows:

	<i>(in thousands)</i>
Balance at beginning of period	P18,377
Net Additions	66,623
Balance at end of period	<u>P85,000</u>

## 17. EQUITY

### 17.1 Capital Stock

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
<b><u>Common</u></b>		
Authorized	996,000,000	200,000
Par value per share	P 1.00	P 100.00
Issued shares	494,117,649	200,000
Value of shares issued	P 494,117,649.00	P 20,000,000.00
<b><u>Preferred</u></b>		
Authorized	400,000,000	-
Par value per share	P 0.01	-
Issued shares	-	-
Value of shares issued	-	-

#### *Common Shares*

On March 21, 2016, the board of the Company approved of the following:

- (a) Registration of up to 494,117,647 common shares of the Company representing 420,000,000 issued and outstanding common shares and 74,117,647 unissued common shares to be issued and offered and sold in connection with the initial public offering of the Company with the Securities and Exchange Commission (SEC) and the listing of the 494,117,647 common shares on the main board of the Philippine Stock Exchange (PSE), subject to the registration requirements of the SEC and the listing requirements of the PSE
- (b) Increase in the numbers of the Board of Directors of the Company from five to seven, two of whom must be independent directors as required under the Securities Regulation Code and the amendment of the Company's articles of incorporation and by-laws to reflect such change.

- (c) Approval and adoption of the lock-up provisions prescribed under the prevailing rules and regulations of the PSE and the amendment of the Company's articles of incorporation to reflect the said lock-up provisions
- (d) Creation of the audit, nomination and compensation and remuneration committees in the Board of Directors of the Company and the amendment of the Corporation's by-laws to reflect the creation of the board committees.
- (e) The following amendments to the by-laws of the Company:
  - Amendment of the closing date of the stock and transfer book of the Company and validation period of proxies, in each case, in accordance with the provisions of the Securities Regulation Code;
  - Incorporation of a provision on the transfer procedures for uncertified shares
  - Amendments on the notice procedure for stockholders' meetings;
  - Incorporation of a provision on the voting requirement for matters presented to the board for approval;
  - Incorporation of a provision allowing the holding of board meetings through videoconference or teleconference; and
  - Amendment of the section on dividends to be consistent with the provisions of the Corporation Code.

On March 17, 2016, the SEC approved the increase in the authorized capital stock of the company from P20,000,000 divided into 200,000 common shares with par value of P100.00 per share, or an aggregate par value of P20,000,000, to P1,000,000,000 divided into: (i) 996,000,000 common shares with par value of P1.00 per share, or an aggregate par value of P996,000,000; and (ii) 400,000,000 preferred shares with par value of P0.01 per share, or an aggregate par value of P4,000,000.

On March 8, 2016, the Company declared stock dividends in the aggregate amount of P400 million, payable out of the unrestricted retained earnings of the Company as of December 31, 2015. The shares were issued on March 17, 2016.

On June 9, 2016, PSE approved the initial listing of up to 494,117,649 common shares under the Main Board of the Exchange, with the following details:

- a) 420,000,000 common shares, representing the total number of issued and outstanding shares of the Company prior to the Initial Public Offering (IPO) of the Company's shares
- b) Up to 74,117,647 common shares, representing the total number of shares to be offered to the public on a primary basis with an Offer Price of up to P10.62 per Offer Share.

Based on the Company's IPO pricing, it was determined that the Offer Price will be at P10.50.

On June 14, 2016, the SEC issued the Order of Registration and Certificate of Permit to Offer Securities for the registration and offer for sale to the public of up to 494,117,649 common shares. The sale of up to 74,117,647 common shares shall be offered and sold by way of a primary offering at an offer price of up to P 10.50.

On June 29, 2016, the Company was officially listed in the Main Board of the Philippine Stock Exchange under the ticker "HVN". The offer shares of 74,117,647 were priced at P10.50/share at the initial public offering.

#### *Preferred Shares*

The preferred shares of the company are voting, non-cumulative, non-participating, non-convertible, and non-redeemable.

## **17.2 Revaluation Reserves**

As of September 30, 2016 and December 31, 2015, the Company has accumulated actuarial losses, net of tax, due to remeasurement of post-employment defined benefit plan amounting to P2.5 million.

## **17.3 Retained Earnings**

On January 29, 2016, the BOD approved the reversal of the appropriated retained earnings of P400,000 thousand to unappropriated retained earnings to be made available for stock dividend declaration. The stock dividend of P400 million was declared on March 8, 2016 and was distributed following the SEC approval of the capital increase on March 17, 2016 (See Note 17.1).

On December 29, 2015, the BOD approved the declaration of cash dividends of P4,000 per common share or a total of P800.0 million, payable to stockholders of record as of the date of declaration. The balance of dividends payable amounting to P650.0 million, net of advances set-off amounting to P150.0 million (see Note 16.1), was presented as Dividends Payable in the statement of financial position as at December 31, 2015. The dividends payable was fully paid on May 19, 2016. There was no similar transaction in 2014 and 2013.

The BOD approved an appropriation of retained earnings of P940,000 thousand and P40,000 thousand in 2014 and 2013, respectively, for additional capital expansion, which will be completed within the next three years. In 2015, the BOD approved the reversal of a portion of appropriated retained earnings amounting to P660,000 thousand.

## **18. EARNINGS PER SHARE**

The basic and diluted earnings per share were computed as follows:

Net profit (in thousands)	P135,460
Divided by the weighted number of outstanding common shares (in thousands)	<u>332,428</u>
Basic and diluted earnings per share	<u>P0.41</u>

The Company has no dilutive potential common shares as at September 30, 2016; hence, diluted earnings per share equals the basic earnings per share.

## **19. COMMITMENTS AND CONTINGENCIES**

### **19.1 Operating Lease Commitments**

The Company is a lessee under non-cancellable operating lease agreements for its office spaces. The leases have terms ranging from three to five years with renewal options upon mutual written agreement between the parties, and include annual escalation in rental rates.

The total rentals from this operating lease amounted to P2,717 thousand and P1,692 thousand on September 30, 2016 and 2015, respectively, of which the major portion is shown as Rentals under Other Operating Expenses in the statements of comprehensive income (see Note 13.2).

### **19.2 Others**

There are other commitments and contingent liabilities that arise in the normal course of the Company's operations, which are not reflected in the financial statements. Management is of the

opinion that losses, if any, from these events and conditions will not have material effects on the Company's financial statements.

## 20. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not engage in the trading of financial assets for speculative purposes nor does it write options. The significant financial risks, unless otherwise stated, to which the Company is exposed to are described below and in the succeeding pages.

### 20.1 Interest Rate Risk

Currently, the Company has no material financial assets and financial liabilities with floating interest rates.

### 20.2 Credit Risk

The Company operates under sound credit-granting criteria wherein credit policies are in place. These policies include a thorough understanding of the customer or counter-party as well as the purpose and structure of credit and its source of repayment. Credit limits are set and monitored to avoid significant concentrations to credit risk. The Company also employs credit administration activities to ensure that all facets of credit are properly maintained.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The position and credit limits are established appropriate to the type, nature and volume of business undertaken and the financial status of the counterparty and reviewed on a regular basis. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the statements of financial position are summarized below.

	Notes	(in thousands)
Cash on-hand and in-banks	4	₱494,997
Contracts receivable	5	1,506,554
Due from related parties	16.1	81,283
Security deposits	9	1,493
		<u>₱2,084,327</u>

September 30, 2016	Not Past Due	Past Due but not impaired				Total Past due accounts
		not more than 3 months	More than 3mos but not more than 6 mos.	More than 6mos but not more than 1 year	More than 1 year	
Contracts receivable	₱834,551	₱160,418	₱127,240	₱152,030	₱231,414	₱672,002
Due from affiliates	81,283	-	-	-	-	-
Other receivables	3,0849	-	-	-	-	-

Cash in banks are insured by the Philippine Deposit Insurance Commission up to a maximum coverage of P500,000 for every depositor per banking institution. Also, the Company's contracts receivable are effectively collateralized by memorial lots. Other financial assets are not secured by any collateral or other credit enhancements.

All contracts receivable are subject to credit risk exposure. However, the Company does not identify specific concentrations of credit risk with regard to contracts receivable as the amounts recognized resemble a large number of receivables from various customers and is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The due from related parties are considered negligible since the counterparties are in good financial condition.

### 20.3 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 6-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in time deposits or short-term placements.

## 21. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

### 21.1 Carrying Amounts and Fair Values by Category

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

	<u>Notes</u>	Carrying Values	Fair Values
<i>Financial Assets</i>			
<i>(in thousands)</i>			
Cash on-hand and in-banks	4	P494,997	P494,997
Contracts	5	1,506,554	1,506,554
Due from related parties	16.1	81,283	81,283
Security Deposits	9	1,493	1,493
		P2,084,327	P2,084,327
	Notes	Carrying Values	Fair Values
<i>(in thousands)</i>			
<i>Financial Liabilities</i>			
At amortized cost:			
Interest-bearing loans	10	P501,229	P501,229
Trade and other payables	11	406,162	406,162
Reserve for perpetual car	12	177,764	177,764
		P1,085,155	P1,085,155

See Notes 2.3 and 2.8 for a description of the accounting policies for each category of financial instrument. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 20.

## ***21.2 Offsetting of Financial Assets and Financial Liabilities***

Except as more fully described in Notes 16 and 17, the Company has not set-off financial instruments on September 30, 2016 and 2015 and does not have relevant offsetting arrangements. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Company's outstanding receivables from and payables to the same related parties as presented in Note 16 can be potentially offset to the extent of their corresponding outstanding balances.

## **22. FAIR VALUE MEASUREMENT AND DISCLOSURES**

### ***22.1 Fair Value Hierarchy***

In accordance with PFRS 13, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

As of September 30, 2016 and December 31, 2015, the Company has no financial assets or financial liabilities that are measured at fair value.

### ***22.2 Fair Value Measurement for Non-financial Assets***

The Company's investment properties amounting to P58,862 thousand and P41,335 thousand are categorized under level 3 hierarchy of non-financial assets measured at cost as of September 30, 2016 and December 31, 2015, respectively.

## 23. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position. Capital for the reporting periods under review is summarized as follows:

Total interest-bearing loans (in millions)	501,229
Total adjusted equity (in millions)	<u>1,276,648</u>
Debt-to-equity ratio	<u>0.39 : 1.00</u>

### *Financial Soundness Indicator*

Below are the financial ratios that are relevant to the Company for the period ended September 30, 2016 and 2015.

		<u>30-Sep-16</u>	<u>2015</u>
<b>Liquidity:</b>			
Current Ratio	Current Assets/Current Liability	3.66:1	0.95 : 1
<b>Solvency:</b>			
Debt-to-Equity Ratio	Total Debt/Total Equity	0.39:1	0.02 : 1
<b>Asset-to-equity:</b>			
Asset-to-Equity ratio	Total Assets/Total Equity	2.09:1	4.11 : 1
		<u>30-Sep-16</u>	<u>30-Sep-15</u>
<b>Interest-rate-coverage:</b>			
Interest-rate-coverage ratio	Profit Before Tax and Interest/Finance Costs	13.63 : 1	68.89 : 1
<b>Profitability:</b>			
Return-on-equity	Net Income/Equity Stock	14.15%	34.77%

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### RESULTS OF OPERATIONS COVERING 9-MONTHS OF 2016 VS. 9-MONTHS OF 2015

#### Revenues

##### Real estate sales

The Company recorded ₦ 570,235 thousand in real estate sales for the 9-months of 2016, a 20% increase from ₦ 474,956 thousand from the same period in 2015. The growth was mainly attributable to the increase of sales of columbarium vaults and memorial lots.

##### Interment income

There was a 28% increase in income from interment services, to ₦ 20,178 thousand in 9-months of 2016 from ₦ 15,789 thousand in the same period 2015. The increase was attributable to the increase in the number of services rendered in 9-months 2016, compared to 2015.

##### Interest income on contract receivables

Income from interest on contract receivables increased by 10%, to ₦ 16,925 thousand in 9-months of 2016 from ₦ 15,370 thousand in 9-months of 2015. The increase is due to the increase in the sales or account recorded for the 9-months of 2016 compared to the same period previous year.

#### Costs and Expenses

##### Costs of sales and services

The 13% increase in cost of sales and services to ₦ 238,193 thousand in 9-months of 2016 from ₦210,389 thousand in 9-months 2015, was due to the increase of sales and services for the period.

##### Other operating expenses

An increase of 21% in other operating expenses to ₦ 189,834 thousand in 9-months 2016 from ₦156,944 thousand in 9-months of 2015 was mainly due to the following:

- Increase in salaries and wages from ₦ 31,890 thousand in 9-months of 2015 to ₦ 43,457 thousand in 9-months of 2016 due mostly to an increase in manpower hired by the company due to the expansion to new areas
- Increase in commission from ₦ 36,720 thousand in 9-months of 2015 to ₦ 45,559 thousand in 9-months of 2016 due to an increase in sales for the period compared to same period previous year.
- Increase in taxes and licenses from ₦ 1,581 thousand in 9-months of 2015 to ₦ 9,569 thousand in 9-months of 2016 due to the taxes and registration fees related to the Company's bilateral loan.

#### Other Income-net

Other income-net increased by 7% to ₦ 14,202 thousand in 9-months of 2016 from ₦ 13,256 thousand in 9-months of 2015. This was due to a parallel increase in sales forfeitures and other fees normally brought about by the higher sales recorded for 9-months of 2016 compared to 9-months of 2015.

### Tax Expense

The Company's tax expense increased by 27%, to ₦ 58,054 thousand for 9-months of 2016 from ₦ 45,611 thousand for 9-months of 2015. This was attributable to the higher taxable income base in 9-months of 2016 compared to the same period from the previous year.

### Net Income

As a result of the movements above, total net profits increased by 27%, to ₦ 135,460 thousand from ₦ 106,427 thousand recorded in 9-months of 2015.

For the 9-months of 2016, there were no seasonal aspects that had a material effect on the financial condition or results of the operations of the Company. Neither were there any trends, events, or uncertainties that have had or are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and the revenues.

There are no significant elements of income or loss, which arise from the Company's continuing operations.

### **FINANCIAL CONDITION AS OF SEPTEMBER 30, 2016 VS. DECEMBER 31, 2015**

At the end of 9-months of 2016, total assets totaled to ₦ 2,669,769 thousand, increased by 49% from ₦ 1,787,099 thousand recorded as of December 31, 2015, due to the following:

- Cash and cash equivalents increased by 332% from ₦ 114,644 thousand as of December 31, 2015 to ₦ 494,997 thousand as of September 30, 2016, mainly due to the proceeds from a loan and the initial public offering done during the second quarter of 2016.
- Total contracts receivable, including non-current, increased by 18% from ₦ 1,274,093 thousand as of December 31, 2015 to ₦ 1,506,554 thousand as of September 30, 2016 due to higher sales on account recorded.
- Due from related parties increased by 16% from ₦ 70,212 thousand as of December 31, 2015 to ₦ 81,283 thousand as of September 30, 2016 due to advances made to related parties.
- Memorial lot inventories increased by 78% from ₦ 217,770 thousand as of December 31, 2015 to ₦ 387,797 thousand as of September 30, 2016 due to active opening and expansion of Company projects.
- Other current assets increased by 35% from ₦ 14,351 thousand as of December 31, 2015 to ₦ 19,339 thousand as of September 30, 2016 due mostly to an increase in prepaid expenses for the development of expansion projects for the period.
- Property and equipment increased by 263% from ₦ 24,791 thousand as of December 31, 2015 to ₦ 90,088 thousand as of September 30, 2016 due to acquisitions for the period of property and equipment as part of expansion and for the use memorial chapel.
- Investment properties increased by 42%, from ₦ 41,335 thousand as of December 31, 2015 to ₦ 58,862 thousand as of September 30, 2016 due to the acquisitions of rawland for expansion in the period.

The total liabilities of the Company increased by 3% from ₱ 1,352,443 thousand as of December 31, 2015 to ₱ 1,393,121 thousand as of September 30, 2016, due to the following:

- Interest-bearing loans, including non-current portion, increased by ₱ 492,210 thousand, from ₱ 9,019 thousand as of December 31, 2015 to ₱ 501,229 thousand as of September 30, 2016 mainly due to a loan obtained from a local bank obtained within the period.
- Trade and other payables increased by 54% from ₱ 264,237 thousand as of December 31, 2015 to ₱ 406,162 thousand as of September 30, 2016 due to increase in trade payables as part of the expansion program.
- Customers' deposits increased by 9% from ₱ 5,929 thousand as of December 31, 2015 to ₱ 6,438 thousand as of September 30, 2016 due to an increase in sales over the time period.
- Dividends payable decreased by 100% from ₱ 650,000 thousand as of December 31, 2015 to nil as of September 30, 2016 due to full payment of the cash dividends in the second quarter of 2016.
- Income tax payable decreased by 52% from ₱ 14,955 million as of December 31, 2015 to ₱ 7,219 thousand as of September 30, 2016 due to payments for the period.
- Deferred tax liabilities (net) increased by 15% from ₱ 255,975 thousand as of December 31, 2015 to ₱ 294,233 thousand as of September 30, 2016 due to the increase in temporary difference for the period.
- Reserve for perpetual care increased by 17% from ₱ 152,252 thousand as of December 31, 2015 to ₱ 177,764 thousand as of September 30, 2016 due to higher sales on account recorded for the period within which the fund for those sales are yet to be remitted to the trustee.

Total stockholder's equity increased by ₱ 841,992 thousand from ₱ 434,656 thousand as of December 31, 2015 to ₱ 1,276,648 thousand as of September 30, 2016, due to the following:

- Increase in capital stock by ₱ 474,118 thousand from ₱ 20,000 thousand as of December 31, 2015, to ₱ 494,118 thousand as of September 30, 2016, due primarily to the issuance of common stock as part of the stock dividends declared and the initial public offering made during that period.
- Increase in Additional Paid-in Capital from nil as of December 31, 2015 to ₱ 632,415 thousand as of September 30, 2016 due to the issuance of new shares above par value during the initial public offering.
- Decrease in retained earnings from ₱ 417,192 thousand in December 31, 2015, to ₱ 152,651 thousand as of September 30, 2016, due mainly to the declaration of cash and stock dividends.

#### **MATERIAL CHANGES TO THE COMPANY'S STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2016 COMPARED TO DECEMBER 31, 2015 (INCREASE/DECREASE OF 5% OR MORE)**

- Cash and cash equivalents increased by 332% from ₱ 114,644 thousand as of December 31, 2015 to ₱ 494,997 thousand as of September 30, 2016, mainly due to the proceeds from a loan and the initial public offering done during the period.

- Total contracts receivable, including non-current, increased by 18% from ₦ 1,274,093 thousand as of December 31, 2015 to ₦ 1,506,554 thousand as of September 30, 2016 due to an increase in sales on account recorded.
- Due from related parties decreased by 16% from ₦ 70,212 thousand as of December 31, 2015 to ₦ 81,283 thousand as of September 30, 2016 due to advances made to related parties.
- Memorial lot inventories increased by 78% from ₦ 217,770 thousand as of December 31, 2015 to ₦ 387,797 thousand as of September 30, 2016 due active development and expansions in the period.
- Property and equipment increased by 263% from ₦ 24,791 thousand as of December 31, 2015 to ₦ 90,088 thousand as of September 30, 2016 due to acquisitions for the period of property and equipment as part of expansion and for the use of memorial chapel.
- Property and equipment increased by 263% from ₦ 24,791 thousand as of December 31, 2015 to ₦ 90,088 thousand as of September 30, 2016 due to property and equipment acquisitions for expansion projects in the period.
- Investment properties increased by 42% from ₦ 41,335 thousand as of December 31, 2015 to ₦ 58,862 thousand as of September 30, 2016 due to the acquisitions for the period.
- Interest-bearing loans, including non-current portion, increased by 5457%, from ₦ 9,019 thousand as of December 31, 2015 to ₦ 501,229 thousand as of September 30, 2016 mainly due to a loan obtained from a local bank during the period.
- Trade and other payable increased by 54% from ₦ 264,237 thousand as of December 31, 2015 to ₦ 406,162 thousand as of September 30, 2016 due to increase in trade payables for the period as part of the expansion program.
- Customers' deposits increased by 9% from ₦ 5,929 thousand as of December 31, 2015 to ₦ 6,438 thousand as of September 30, 2016 due to higher sales for the period.
- Dividends payable decreased by 100% from ₦ 650,000 thousand as of December 31, 2015 to nil as of September 30, 2016 due to full payment of the cash dividends in May 2016.
- Income tax payable decreased by 52% from ₦ 14,955 thousand as of December 31, 2015 to ₦ 7,219 thousand as of September 30, 2016 due to payments for the period.
- Deferred tax liabilities (net) increased by 15% from ₦ 255,975 thousand as of December 31, 2015 to ₦ 294,233 thousand as of September 30, 2016 due to the increase in temporary difference for the period.
- Reserve for perpetual care increased by 17% from ₦ 152,252 thousand as of December 31, 2015 to ₦ 177,764 thousand as of September 30, 2016 due to higher sales on account recorded for the period within which the fund for those sales are yet to be remitted to the trustee.
- Total stockholder's equity increased by 194% from ₦ 434,657 thousand as of December 31, 2015 to ₦ 1,276,648 thousand as of September 30, 2016. This change was primarily due to the 2371% or ₦ 474,118 thousand increase in capital stock, and the ₦ 666,350 thousand increase in additional paid in capital as part of the initial public offering, with the corresponding 63% or ₦ 264,541 thousand decrease in retained earnings due to dividends declared.

**MATERIAL CHANGES TO THE COMPANY'S STATEMENT OF INCOME FOR THE 9-MONTHS OF 2016 COMPARED TO THE 9-MONTHS OF 2015 (INCREASE/DECREASE OF 5% OR MORE)**

- Real estate sales increased by 20%, from ₪ 474,956 thousand for the 9-months of 2015 to ₪ 570,235 thousand for the 9-months of 2016 due to the increase of sales in memorial park lots and columbarium vaults.
- Interment income increased by 28%, from ₪ 15,789 thousand for the 9-months of 2015 to ₪ 20,178 thousand in 9-months of 2016 due to an increase of number of interment services rendered in 9-months 2016 compared to the same period last year
- Interest income on contract receivables increased by 10% from ₪ 15,370 thousand in 9-months of 2015 to ₪ 16,925 thousand in 9-months of 2016 due mostly to the growth in sales recorded in 9-months of 2016 compared to the same period previous year.
- Costs of sales and services grew by 13% from ₪ 210,389 thousand in 9-months 2015 to ₪ 238,192 thousand in 9-months of 2016 as a result of the increase in sales and services rendered in the 9-months of 2016 versus same period of the previous year.
- Other operating expenses for operations increased by 21%, from ₪ 156,944 thousand in 9-months of 2015 to ₪ 189,834 thousand in 9-months 2016. The increase was mainly due to development and expansion efforts resulting in an increase in commissions, taxes and licenses, and salaries and wages.
- Other Income increased by 7%, from ₪ 13,256 thousand in 9-months of 2015 to ₪ 14,202 thousand in 9-months 2016, mainly due to the increase in sales forfeited and other fees due to higher sales in that period compared to the same period previous year.
- Tax Expense increased by 27%, from ₪ 45,611 thousand for 9-months of 2015 to ₪ 58,054 thousand for 9-months of 2016 due to a higher taxable income in 9-months of 2016 compared to the same period from previous year.
- Overall Net Profit grew by 27%, from ₪ 106,427 thousand for 9-months of 2015 to ₪ 135,459 thousand for 9-months of 2016 primarily due to higher sales recorded with the opening of expansion projects.

There are no other material changes on the Company's financial position and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition on the Company.

**COMMITMENTS AND CONTINGENCIES**

The Company is a lessee under non-cancellable operating lease agreements for its office spaces. The leases have terms ranging from three to five years with renewal options upon mutual written agreement between the parties, and include annual escalation in rental rates.

There are other commitments and contingent liabilities that arise in the normal course of the Company's operations, which are not reflected in the financial statements. Management is of the opinion that losses, if any, from these events and conditions will not have material effects on the Company's financial statements.

## PART II – OTHER INFORMATION

### Item 3. 9-months of 2016 Developments

#### A. New Projects of Investments in another line of business or corporation

*None.*

#### B. Composition of the Board of Directors

<u>Name</u>	<u>Position</u>
Jerry M. Navarrete	Director, Chairman of the Board and President
Joy J. Fernandez	Director and Treasurer
Maribeth C. Tolentino	Director and Chief Operating Officer
Cynthia S. Delfin <sup>1</sup>	Director
Frances Rosalie T. Coloma <sup>1</sup>	Director
Ana Marie V. Pagsibigan	Independent Director
Garth E. Castaneda	Independent Director

*<sup>1</sup>Elected July 29, 2016 replacing Rosario H. Javier and Michael G. Regino*

#### C. Performance of the corporation or result/progress of operations

*Please see unaudited Financial Statements and Management Discussion and Analysis.*

#### D. Declaration of Dividends

P 4,000.00 per share Special Cash Dividend  
Declaration Date: December 29, 2015  
Full Payment Date: May 19, 2016

2,000 shares for every 1 share Stock Dividend  
Declaration Date: March 8, 2016  
Issuance Date: March 17, 2016

#### E. Contracts of merger, consolidation, or joint venture; contract of management, licensing, marketing, distributorship, technical assistance, or similar agreements.

*None.*

#### F. Offering of rights, granting of Stock Options and corresponding plans thereof.

*None.*

#### G. Acquisition of additional mining claims or other capital assets or patents, formula, real estate

*Not applicable.*

#### H. Other information, material events or happenings that may have affected or may affect the market price of security.

*None.*

#### I. Transferring of assets, except in normal course of business.

*None.*

Item 4. Other Notes as of 9-months of 2016 Operations and Financials.

- J. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size, or incidents.

*None.*

- K. Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period.

*There are no changes in estimates of amounts reported in prior interim period or prior financial years that have a material effect in the current interim period.*

- L. New financing through loans/ issuances, repurchases and repayments of debt and equity securities.

*See notes to Financial Statements and Management Discussion and Analysis.*

- M. Material events subsequent to the end of interim period that have not been reflected in the financial statements for the interim period.

*See notes to Financial Statements and Management Discussion and Analysis.*

- N. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings, and discontinuing operations.

*None.*

- O. Changes in contingent liabilities or contingent assets since the last annual statement of financial position date.

*None.*

- P. Existence of material contingencies and other material events or transactions during the interim period.

*None.*

- Q. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

*None.*

- R. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

*None.*

**S. Material commitment for capital expenditures, general purpose and expected sources of funds.**

*The movement of capital expenditures being contracted arose from the regular land development and construction requirements which are well within the regular cash flow budget coming from internally generated funds and borrowings.*

**T. Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/income from continuing operations.**

*As of September 30, 2016, no known trends, events, or uncertainties that are reasonably expected to have impact on sales/revenues/income from continuing operations except for those being disclosed in the 9-months of 2016 financial statements.*

**U. Significant elements of income or loss that did not arise from continuing operations.**

*None.*

**V. Causes for any material change/s from period to period in one or more line items of the financial statements.**

*None.*

**W. Seasonal aspects that had material effects on the financial condition or results of operations.**

*None.*

**X. Disclosures not made under SEC Form 17-C.**

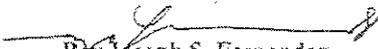
*None.*

**SIGNATURES**

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

**Golden Haven Memorial Park, Inc.**  
Issuer

By:

  
**Roy Joseph S. Fernandez**  
Chief Financial Officer

Date: November 14, 2016

Golden Haven Memorial Park, Inc.  
Map of Related Parties  
December 31, 2016

