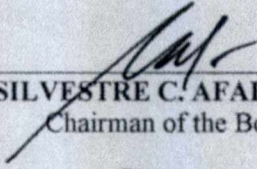


**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

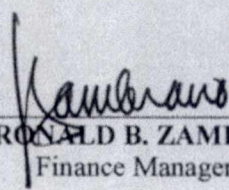
The Management of the JOHN HAY MANAGEMENT CORPORATION is responsible for the preparation of the financial statements as at 31 December, 2018, including the additional components attached thereto in accordance with the prescribed financial reporting framework indicated therein. The responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements before such statements are issued to the regulators, creditors and other users.


The Commission on Audit has audited the financial statements of the JOHN HAY MANAGEMENT CORPORATION in accordance with the Philippine Public Sector Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors.


SILVESTRE C. AFABLE JR.
Chairman of the Board

FEB 28 2019
Date Signed


RONALD B. ZAMBRANO
Finance Manager

FEB 28 2019
Date Signed


ALLAN R. GARCIA
President and CEO

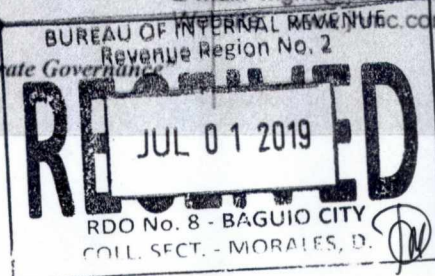
FEB 28 2019
Date Signed

John Hay Special Economic Zone
P.O. Box 1088, Baguio City 2600
Philippines

A member of The **BCDA** Group
Regional Development Authority

"Catalyst for National Development through Good Corporate Governance"

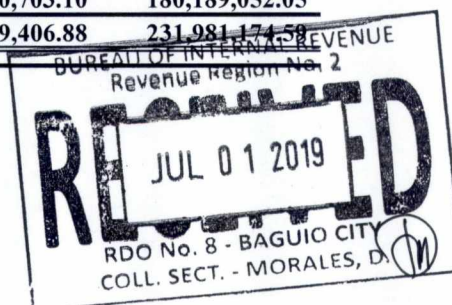
Telefax: (+6374)444-5823
E-Mail: mgmt@jhmc.com.ph
www.jhmc.com.ph



JOHN HAY MANAGEMENT CORPORATION
(A Wholly-Owned Subsidiary of the Bases Conversion and Development Authority)
CONDENSED STATEMENT OF FINANCIAL POSITION
As of December 31, 2018

	NOTE	CY 2018	CY 2017
ASSETS			
Current Assets			
Cash and Cash Equivalents	6	105,140,963.56	82,455,140.66
Other Investments	7	58,713,452.43	57,645,726.37
Receivables	8	46,124,457.12	33,536,828.47
Inventories	9	6,781,358.94	6,566,653.60
Other Current Assets	14	4,187,710.61	13,185,063.84
Total Current Assets		220,947,942.66	193,389,412.94
Non-Current Assets			
Financial Assets	10	5,500,000.00	
Other Investments	7	132,000.00	132,000.00
Receivables	8	847,180.76	958,786.55
Investment Property	11	17,489,590.78	18,939,353.71
Property, Plant and Equipment	12	10,673,247.16	10,819,352.23
Intangible Assets	13	567,315.24	860,138.88
Other Non-Current Assets	14	6,882,130.28	6,882,130.28
Total Non-Current Assets		42,091,464.22	38,591,761.65
TOTAL ASSETS		263,039,406.88	231,981,174.59
LIABILITIES			
Current Liabilities			
Financial Liabilities	15	46,068,408.75	30,446,792.01
Inter-Agency Payables	16	22,584,276.50	4,130,388.86
Intra-Agency Payables	17	2,724,160.97	14,158,836.02
Trust Liabilities	18	2,726,182.81	2,733,606.50
Deferred Credits/Unearned Income	19	103,806.05	155,128.06
Other Payables	20	401,868.70	167,371.09
Total Current Liabilities		74,608,703.78	51,792,122.54
Total Liabilities		74,608,703.78	51,792,122.54
DEPOSIT FROM PROSPECTIVE INVESTORS			
Balance at beginning of year			
Additional equity/Adjustment			
Balance at year-end			-
EQUITY			
Equity			
Retained Earnings/(Deficit)		(195,383,375.87)	(203,625,026.92)
Stockholders' Equity		383,814,078.97	383,814,078.97
Total Equity		188,430,703.10	180,189,052.05
TOTAL LIABILITIES AND EQUITY		263,039,406.88	231,981,174.59

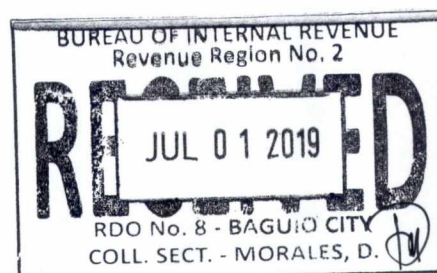
The notes on pages 22 to 35 form part of these statements.



JOHN HAY MANAGEMENT CORPORATION
(A Wholly-Owned Subsidiary of the Bases Conversion and Development Authority)
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2018

	NOTE	CY2018	CY2017
Income			
Service and Business Income	21	109,877,571.96	84,703,387.77
Gains	25	890,959.03	14,602.81
Other Non-Operating Income	25	175,073.00	7,602.22
Total Income		110,943,603.99	84,725,592.80
Expenses			
Personnel Services	22	(55,707,367.63)	(29,518,131.06)
Maintenance & Other Operating Expenses	23	(33,891,018.16)	(31,319,212.78)
Non-Cash Expenses	24	(3,778,335.59)	(3,014,951.28)
Total Expenses		(93,376,721.38)	(63,852,295.12)
Profit/(Loss) Before Tax		17,566,882.61	20,873,297.68
Income Tax Expense/(Benefit)		(7,054,663.33)	(5,619,810.38)
PROFIT/(LOSS) AFTER TAX		10,512,219.28	15,253,487.30
Assistance and Subsidy		-	-
Other Comprehensive Income/(Loss) for the Period		-	-
COMPREHESIVE INCOME/(LOSS)		10,512,219.28	15,253,487.30

The notes on pages 36 to 41 form part of these statements.



JOHN HAY MANAGEMENT CORPORATION
(A Wholly-Owned Subsidiary of the Bases Conversion and Development Authority)
CONDENSED STATEMENT OF CASH FLOWS
For the year ended December 31, 2018

	NOTE	CY2018	CY2017
CASH FLOWS FROM OPERATING ACTIVITIES	26.1		
Cash Inflows	26.1.1		
Collection of Income/Revenue		114,027,770.21	82,219,641.82
Collection of Receivables		664,779.57	281,197.21
Receipt of Inter-Agency Fund Transfers		104,300,258.55	103,019,132.44
Trust Receipts		284,039.30	99,800.00
Other Receipts		976,375.68	1,652,454.02
Total Cash Inflows		220,253,223.31	187,272,225.49
Adjustments		39,629,957.44	15,215,236.30
Adjusted Cash Inflows		259,883,180.75	202,487,461.79
Cash Outflows	26.1.2		
Payment of Expenses		(74,991,246.26)	(55,207,820.73)
Purchase of Inventories		(813,787.03)	(1,968,692.72)
Grant of Cash Advances		(2,553,812.36)	(2,953,905.75)
Prepayments		(993,358.81)	(242,206.08)
Payment of Accounts Payable		(4,723,290.12)	-
Remittance of Personnel Benefit Contributions and Mandatory Deductions		(17,257,150.26)	(8,313,787.84)
Release of Inter-Agency Fund Transfers		(116,430,374.43)	(98,472,209.62)
Other Disbursements		(95,083.91)	(18,756,198.74)
Total Cash Outflows		(217,858,103.18)	(185,914,821.48)
Adjustments		(19,195,486.46)	(10,845,043.25)
Adjusted Cash Outflows		(237,053,589.64)	(196,759,864.73)
Net Cash Provided By/(Used In) Operating Activities		22,829,591.11	5,727,597.06
CASH FLOWS FROM INVESTING ACTIVITIES	26.2		
Cash Inflows	26.2.1		
Proceeds from Sale/Disposal of Property, Plant and Equipment		641,721.75	
Collection of COB for Capital Outlay		1,847,500.00	1,605,000.00
Total Cash Inflows		2,489,221.75	1,605,000.00
Cash Outflows	26.2.2		
Purchase/Construction of Property, Plant and Equipment		(1,532,654.70)	(1,213,040.00)
Purchase of Intangible Assets		(1,100,555.54)	(37,500.00)
Total Cash Outflows		(2,633,210.24)	(1,250,540.00)
Net Cash Provided By/(Used In) Investing Activities		(143,988.49)	354,460.00
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		22,685,602.62	6,082,057.06
Effects of Exchange Rate Changes on Cash and Cash Equivalents		220.28	(1.51)
CASH AND CASH EQUIVALENTS, JANUARY 1		82,455,140.66	76,373,085.11
CASH AND CASH EQUIVALENTS, DECEMBER 31		105,140,963.56	82,455,140.66

The notes on pages 42 to 47 form part of these statements.

JOHN HAY MANAGEMENT CORPORATION
(A Wholly-Owned Subsidiary of the Bases Conversion and Development Authority)
STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2018

	NOTE	Retained Earnings/ (Deficit)	Share Capital	Share Premium	TOTAL
BALANCE AT 01 JANUARY, 2017		(225,331,302.49)	383,814,000.00	78.97	158,482,776.48
CHANGES IN EQUITY FOR 2017					
Add/(Deduct):					
Issuance of Share Capital					-
Comprehensive Income for the					
Year		15,253,487.30			15,253,487.30
Other Adjustments		6,452,788.27			6,452,788.27
BALANCE AT 31 DECEMBER, 2017		(203,625,026.92)	383,814,000.00	78.97	180,189,052.05
CHANGES IN EQUITY FOR 2017					
Add/(Deduct):					
Issuance of Share Capital			-		-
Comprehensive Income for the					
Year		10,512,219.28			10,512,219.28
Other Adjustments	5	(2,270,568.23)			(2,270,568.23)
BALANCE AT 31 DECEMBER, 2018		(195,383,375.87)	383,814,000.00	78.97	188,430,703.10

The notes on pages 21 to 22 form part of these statements.