SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20 - IS
INFORMATION STATEMENT PURSUANT SECTION 20
OF THE REVISED SECURITIES ACT

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
JUL 29 2015
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BY: [signature] TIME: 5:06

1. Check the appropriate box:
   [X] Preliminary Information Statement
   [ ] Definitive Information Statement

2. Name of the Company as specified in its charter
   FEDERAL RESOURCES INVESTMENT GROUP, INC.

3. Province, Country or other jurisdiction of incorporation or organization
   Quezon City, Philippines

4. SEC Identification Number **AS093-005277**

5. BIR Tax Identification No. **002-648-099-000**

6. Address of principal office — Postal Code
   No. 35 San Antonio Street, San Francisco Del Monte, Quezon City — **1115**

7. Company's telephone number, including area code **(632) 364-5731/364-4733**

8. Date, time and place of the meeting of the Security Holders

   Date and Time – 4 September 2015 at 2 P.M.
   Venue – Crowne Plaza Manila Galleria, Ortigas corner Asian Development Bank Avenues, Quezon City, 1100 Metro Manila

9. Approximate date on which the Information Statement is first to be sent or given to the Security Holders **12 August 2015**

10. Securities registered pursuant to Sections 8 & 12 of the Code or Sections 4 & 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class Outstanding & Amount of Debt Outstanding	Number of Shares of Common Stock
Common Shares	**100,000,000 common shares**

11. Are any or all of the Company's securities listed on a Stock Exchange?
    Yes ✓ No __

    If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

    Philippine Stock Exchange — **Common Shares**

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

G R E E T I N G S:

Please take notice that the Annual Meeting of Stockholders of Federal Resources Investment Group, Inc. will be held on **4 September 2015** at **2 P.M.** at a venue to be announced on a later date, to discuss the following:

A G E N D A

1. Call to Order
2. Proof of Service of Notice
3. Certification of Presence of Quorum
4. Approval of the Minutes of the Annual Stockholders' Meeting held on 9 June 2014
5. Ratification of all acts of the Board of Directors and Officers since the 2014 Annual Stockholders' Meeting adopted in the ordinary course of business
6. Approval of the Annual Report and Financial Statements of the Company for the year ended 31 December 2014
7. Report of Management
8. Election of the Members of the Board of Directors including the Independent Directors for the Ensuing Year
9. Approval on Acquisition of Shares of LBC Express, Inc.
10. Amendment of Articles of Incorporation and By-Laws
11. Approval of Increase in Authorized Capital Stock
12. Issuance and listing of shares to be issued out of the increase in authorized capital stock
13. Approval of Change in Fiscal Year
14. Delegation of Authority to Appoint the Company's Auditors for Fiscal Year 2015 to the Board of Directors
15. Other matters

For purposes of the meeting, only stockholders of record as of **31 July 2015** are entitled to attend and vote in the said meeting.

For your convenience in registering your attendance, please have some form of identification such as a passport, driver's license or voter's I.D.

The Company is not soliciting proxies. However, should you be unable to attend the meeting personally, you may nevertheless be represented and vote at this annual meeting by submitting a PROXY to the office of the Corporate Secretary at the office address at Penthouse, Liberty Center, 104 H. V. Dela Costa Street, Salcedo Village, Makati City on or before August 25, 2015.

KRISTINA JOYCE CARO-GAÑGAN
Corporate Secretary

INFORMATION STATEMENT

We are not asking for a proxy and you are not requested to send us a proxy.

A. GENERAL INFORMATION

Date, time and place of meeting of Security Holders

Date	4 September 2015
Time	2 P.M.
Place	Crowne Plaza Manila Galleria, Ortigas corner Asian Development Bank Avenues, Quezon City, 1100 Metro Manila
Registrant's Mailing Address	No. 35 San Antonio Street, San Francisco Del Monte, Quezon City 1115
Approximate date on which the Information Statement is first sent out to Security Holders	12 August 2015

Dissenter's Right of Appraisal

There are no corporate matters or actions that will entitle dissenting stockholders to exercise their right of appraisal as provided in Title X of the Corporation Code.

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

Other than the election to office to include the nomination and election of directors and independent directors, there are no matters to be acted upon in which any director or executive officer is involved or had a direct, indirect or substantial interest. Furthermore, no director has informed the registrant, in writing or otherwise, that he/she intends to oppose any action to be taken by the registrant at the Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders thereof

As of 22 July 2015, the number of shares outstanding of Federal Resources Investment Group, Inc. ("Federal" or the "Company") is 100,000,000 shares with par value of One Peso (P1.00) per share.

All stockholders of record at the close of business hours on 31 July 2015 ("Record Date") are entitled to notice and to vote at the Annual Stockholders' Meeting.

A common stockholder entitled to vote at the Meeting shall have the right to vote in person or by proxy the number of shares registered in his name in the stock and transfer book of the Company as of the Record Date. With respect to the election of directors, said stockholder may vote such number of 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, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

Security Ownership of Certain Record and Beneficial Owners as of 30 June 2015

The Company has no knowledge of any person who, as of 30 June 2015, was directly or indirectly the beneficial owner of more than five percent (5%) of the Company's outstanding shares of common stock or who has voting power of investment with respect to shares comprising more than five percent (5%) of the Company's outstanding shares of common stock except as stated:

Title of Class	Name	Address	No. of Shares Held	Name of Beneficial Owner	Citizenship	%
Common Shares	PCD Nominee Corp.*	37/F The Enterprise Center, Ayala Avenue, Makati City	39,699,097	PSE Members Brokers	Filipino	39.70%
Common Shares	LBC Development Corporation	LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City	59,101,000	Not applicable	Filipino	59.10%
		TOTAL	**98,800,097**			

The PCD Nominee Corporation is a wholly-owned subsidiary of the Philippine Depository and Trust Corporation ("PDTC") (formerly, the Philippine Central Depository, Inc. or PCD) and is the registered owner of the shares in the books of the Company's transfer agent.

The participants of PDTC are the beneficial owners of such shares. PDTC holds the shares on their behalf or in behalf of their clients.

Security Ownership of Directors and Management as of 30 June 2015

The following table shows the shareholdings beneficially held by the directors and executive officers of the Company as of 30 June 2015.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	%
		Direct	Indirect		
Common	Santiago G. Araneta	1	N/A	Filipino	0.0000

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	%
		Direct	Indirect		
Common	Fernando G. Araneta	1	N/A	Filipino	0.0000
Common	Miguel Angel A. Camahort	1	N/A	Filipino	0.0000
Common	Mark Werner J. Rosal	1,000	N/A	Filipino	0.0024
Common	Manuel S. Delfin, Jr.	989	N/A	Filipino	0.0024
Common	Solita V. Delantar	1	N/A	Filipino	0.0000
Common	Luis N. Yu, Jr.	1	N/A	Filipino	0.0000
	TOTAL	**1,994**			**0.0048**

Voting Trust Holder of 5% or More

The Company is not aware of any voting trust or similar agreements involving the securities of the Company or of any person who holds more than five percent (5%) of a class of securities under a voting trust or similar agreements.

Change in Control

There was a change in control of the Company on 22 July 2015.

On 23 April 2015, the Board of Directors of the Company approved the issuance of fifty nine million one hundred one thousand (59,101,000) common shares, at One Peso (Php1.00) per share, out of the unissued portion of the Company's authorized capital stock to LBC Development Corporation, subject to acceptable documentation being arrived at, as well as the fulfillment of such conditions agreed upon by the parties, including a mandatory tender offer, where required under relevant laws and regulations.

The Company needed to raise additional capital through the issuance of new shares out of the unissued portion of the Company's authorized capital stock for general corporate purposes. Further, such infusion is preparatory to a potential additional investment of LBC Development Corporation and/or LBC Express, Inc. (the "LBC Group") into the Company as a result of the ongoing due diligence on the Company.

On 18 May 2015, the Company and LBC Development Corporation entered into a Deed of Subscription, whereby LBC Development Corporation, subject to the completion of the mandatory tender offer, subscribed to Fifty Nine Million One Hundred One Thousand (59,101,000) common shares out of the unissued authorized capital stock of the Company or approximately Fifty Nine and One Tenth Percent (59.10%) of the authorized capital stock of the Company (the "Subscribed Shares"). The consideration for the Subscribed Shares was in the amount of Fifty Nine Million One Hundred One Thousand Pesos (Php59,101,000.00) or One Peso (Php1.00) per share.

On 22 May 2015, LBC Development Corporation filed with the SEC its mandatory tender offer report for all the outstanding shares of the Company for a tender offer price of One Peso (Php1.00) per share. The mandatory tender offer period commenced on 08 June 2015 and ended on 7 July 2015. On 14 July 2015, LBC Development Corporation filed with the SEC its final tender offer report.

On 22 July 2015, the Company issued the stock certificates covering the Subscribed Shares to LBC Development Corporation.

Directors and Executive Officers

The following served as Directors and Officers of the Company for the year 2014:

TOMMY KIN HING TIA, Chairman of the Board
Age: 50
Citizenship: Chinese
Director since 2007

Mr. Tommy Kin Hing Tia is also the Chairman of Omico Corporation, a publicly listed company engaged in mining and property development. He has vast experience in equity market by serving as Managing Director of Angping & Associates Securities, Inc. until 1999. He was responsible for setting up the branch's network of Angping & Associates Securities, Inc. Mr. Tia graduated from the De La Salle University-Manila with a BS degree in Computer Science.

ANNA MEI NGA TIA, President/CEO
Age: 50
Citizenship: Filipino
Director since 2007

Ms. Anna Mei Nga Tia is also the President/CEO of Omico Corporation. She is also the President of Hingson Food Products since 1994 and Chairman and President of Mcdolbee Commercial Corporation. She was formerly the Managing Director of Success Remittance (HK) Limited Inc. and General Manager of Hi Tech Appliances Center. Ms. Tia graduated from the Philippine School of Business Administration with a degree in Commerce major in Marketing.

EMILIO S. TENG, Corporate Secretary
Age: 51
Citizenship: Filipino
Director since 2011

Atty. Emilio S. Teng is a partner of Teng and Cruz Law Office, Corporate Information Officer of Omico Corporation, Director of Blue Cross Insurance Inc., Corporate Secretary of Vishay Philippines, Inc. and Director/Treasurer of Blue Properties Worldwide Inc. He graduated from Ateneo De Manila University with a degree of Bachelor of Arts, Major in Political Science and Bachelor of Laws.

ALBERT Y. YUNG, Independent Director
Age: 49
Citizenship: Filipino
Independent Director since June 10, 2013

Mr. Albert Y. Yung is the Branch Manager of Cocolife, Manila, NCR since August 2005 and Chairman of Yakap Pinoy Consumer Cooperative, Quezon City, NCR since September 2009. He is also an Independent Director of Omico Corporation. He graduated from the Mapua Institute of Technology with a degree of Bachelor of Architecture.

JOHN EDWIN N. CO, Independent Director
Age: 34
Citizenship: Filipino
Independent Director since July 30, 2012

Mr. John Edwin N. Co has been the overall Project Head of H.E.O. Corporation, an architectural design firm, from 2002 to present. He is also an Independent Director of Omico Corporation. Mr. Co graduated from the University of Santo Tomas with a degree in Bachelor of Science, major in Architecture.

JUANA LOURDES M. BUYSON, Treasurer
Age: 60
Citizenship: Filipino
Director since 2011

Ms. Juana Lourdes M. Buyson is the SVP - Treasurer of Omico Corporation. She was formerly connected with Angping and Associates Securities, inc. as Treasury Head from 1995 to December 2000. She graduated from the University of Santo Tomas with a degree of Bachelor of Science in Commerce, Major in Accounting. She is a Certified Public Accountant.

MARIA ELENA F. ALQUEZA, Director
Age: 44
Citizenship: Filipino
Director since July 30, 2012

Ms. Maria Elena F. Alqueza is the Corporate Secretary of Omico Corporation. She graduated from the Polytechnic University of the Philippines with a degree of Bachelor of Science in Commerce, major in Accountancy.

At the special meetings of the Board of Directors of the Company held on 20 April 2015 and 18 May 2015, representatives of LBC Development Corporation were elected to the following positions in the Board of Directors and Management of the Company:

Position	New Director/Officer	Replacing
Chairman	Santiago G. Araneta	Tommy Kin Hing Tia
President	Miguel Angel A. Camahort	Anna Mei Nga Tia
Treasurer	Oscar A. Torres	Juana Lourdes M. Buyson
Corporate Secretary	Kristina Joyce Caro-Gañgan	Emilio S. Teng
Directors	Santiago G. Araneta Fernando G. Araneta Miguel Angel A. Camahort Mark Werner J. Rosal Manuel S. Delfin, Jr.	Tommy Kin Hing Tia Anna Mei Nga Tia Emilio S. Teng Juana Lourdes M. Buyson Maria Elena F. Alqueza
Independent Directors	Solita V. Delantar Luis N. Yu, Jr.	Albert Y. Yung John Edwin N. Co

Position	New Director/Officer	Replacing
Compliance Officer	Kristina Joyce Caro-Gañgan	Juana Lourdes M. Buyson
Corporate Information Officer	Kristina Joyce Caro-Gañgan	
Alternate Corporate Information Officer	Maria Eloisa Imelda S. Singzon	

The incumbent executive officers of the Company are the following:

Name	Position
Santiago G. Araneta	Chairman of the Board and Chief Executive Officer
Miguel Angel A. Camahort	President
Oscar A. Torres	Chief Financial Officer and Treasurer
Kristina Joyce Caro-Gañgan	Corporate Secretary / Compliance Officer/ Corporate Information Officer
Maria Eloisa Imelda S. Singzon	Alternate Corporate Information Officer

The following committees were also constituted at the special meeting of the Board of Directors held on 29 July 2015:

Audit Committee

Oscar A. Torres
Solita V. Delantar

Compensation and Remuneration Committee

Miguel Angel A. Camahort
Solita V. Delantar

Nominations Committee

Santiago G. Araneta
Solita V. Delantar

Set forth below is a summary of the business experience of, and other positions held by, each of the newly elected directors and officers:

SANTIAGO G. ARANETA, Director, Chairman of the Board and Chief Executive Officer
Age: 42
Citizenship: Filipino
Director since 2015

Mr. Santiago G. Araneta is the Chairman of the Board and the Chief Executive Officer of the Company. He is also the Chairman of the Board of LBC Express, Inc., LBC Mabuhay Hawaii Corporation, LBC Mabuhay Saipan Inc. and LBC Holdings USA Corporation, Director and President of Rudy Project Philippines, Director and Treasurer of LBC Properties Inc., Director of

Advanced Global Systems Limited and LBC Mundial Inc. and the Executive Vice President of LBC Development Corporation. Mr. Santiago Araneta is also a trustee of the LBC Hari ng Padala Foundation, Inc., which is LBC Express, Inc.'s arm for its corporate social responsibility initiatives aimed at encouraging volunteering and good corporate citizenship, and the Chairman of the United Football League (the Philippines' premier professional football league). Since 2003, Mr. Santiago Araneta has been an active member of the Philippine chapter of the Entrepreneur Organization. In 2013, Mr. Santiago Araneta was nominated as a finalist for Ernst and Young's Entrepreneur of the Year, Philippines award. Mr. Santiago Araneta holds a Bachelor of Arts degree in Management from De La Salle University, Manila.

FERNANDO G. ARANETA, Director
Age: 38
Citizenship: Filipino
Director since 2015

Mr. Fernando G. Araneta is a Director of the Company. He was President of LBC Express, Inc. from 2009 to January 2014. Prior to serving as President, he was LBC Express, Inc.'s Regional Director for the Philippines from 2005 to 2009 and was responsible for the expansion of its corporate service portfolio, particularly with respect to developing SCS, setting up LBC Express Solutions, Inc. and increasing the LBC Express, Inc.'s worldwide branch network from 400 to over 1,000 branches. Mr. Fernando Araneta concurrently serves as the Chairman of the Board of Lovable Commerce, Inc., which is an end-to-end technology and e-commerce solutions company founded in 2013. Since 1998, he has also been a Director and the Vice President of the Logistics Division of LBC Development Corporation. Mr. Fernando Araneta has served as a Director of various affiliates of the Company and also established the LBC Hari ng Padala Foundation, Inc., currently serving as trustee. He also founded the Ronda Pilipinas in 2012, the most-participated and longest cycling race in the Philippines. In 2013, he was among the finalists for the Asia CEO Awards' Global Filipino Executive of the Year. Mr. Fernando Araneta holds a Bachelor of Arts degree in Management from De La Salle University, Manila. He also recently graduated from the Owner/President Management Program, a program of Harvard Business School.

MIGUEL ANGEL A. CAMAHORT, Director and President
Age: 51
Citizenship: Filipino
Director since 2015

Mr. Miguel Angel A. Camahort is a Director and President of the Company. He is also the President of LBC Express Corporate Solutions, Inc., the subsidiary operating the "Print and Mail" business of LBC Express, Inc. Mr. Camahort concurrently serves on the Board of Directors of the United Football League. Prior to joining the LBC Group, Mr. Camahort was a Senior Vice President and the Chief Operating Officer of Aboitiz One, Inc. from 2007 to 2009 and Aboitiz Transport System Corporation (ATSC) Solutions Division from 2004 to 2007. He also served as a Senior Vice President and the Chief Operating Officer of Aboitiz Transport System Corp. (formerly, William, Gothong & Aboitiz, Inc.) in the Freight Division from 1999 to 2003, prior to which he was the President of Davao Integrated Stevedoring Services Corporation (DIPSCCOR) from 1999 to 2003. Mr. Camahort holds a Bachelor of Science degree in Business

Administration and Economics from Notre Dame de Namur University (formerly, the College of Notre Dame) in California, U.S.A.

MARK WERNER J. ROSAL, Director
Age: 40
Citizenship: Filipino
Director since 2015

Atty. Rosal became a director of the Company on 28 April 2015. Born in Cebu City, Atty. Rosal, prior to taking up law, has a Bachelor's Degree in Physical Therapy from Cebu Velez College and is a licensed Physical Therapist. Atty. Rosal graduated in the top 5% of his law school batch at the University of San Carlos, Cebu City, in 2002 and was admitted to the Philippine Bar in 2003. He spent his early years in the practice of law at Balgos and Perez Law Offices and Angara Cruz Concepcion Regala and Abello (ACCRALAW). Currently, he is the Managing Partner of Rosal Diaz Bacalla and Fortuna Law Offices, a Cebu-based law firm. As part of his law practice as retained counsel of private corporations, he is a director (holding nominal shares) of Cebu Agaru Motors Inc., Wide Gain Property Holdings, Inc., and Sem-Ros Food Corp. (a non-operational corporation).

MANUEL S. DELFIN, JR., Director
Age: 54
Citizenship: Filipino
Director since 2015

Dr. Manuel S. Delfin, Jr. is currently a partner in Allied Ophthalmic Consultants. He is also a consultant and the Vice-Chairman of the Department of Ophthalmology in Manila Doctors Hospital. He is also a consultant in Patients First Medical Center. Apart from his medical affiliations, he is also currently serving the following positions: (i) Corporate Secretary of UP Medical Foundation; (ii) President of Lakan Bakor Foundation; (iii) Treasurer of Philippine Glaucoma Society; (iv) Assistant Secretary of Philippine Glaucoma Foundation; (v) Director of Happy Wells Management & Corp.; and (vi) Director of 77 Avenida Corp. Dr. Delfin graduated with a bachelor's degree in Zoology from the University of the Philippines Diliman, cum laude, in 1982. He obtained his medical degree from the University of the Philippines College of Medicine in 1986. He also obtained his residency from the same university in 1990. He obtained his fellowship in Glaucoma from California Pacific Medical Center, USA, under Dr. Dr. Robert L. Stamper, MD and Dr. Marc F. Lieberman, MD.

SOLITA V. DELANTAR, Independent Director
Age: 68
Citizenship: Filipino
Director since 2015

Ms. Solita V. Delantar concurrently serves as Independent Director on the Board of Directors at LBC Express, Inc., Anchor Land Holdings, Inc., Executive Director at PMAP Human Resources Management Foundation (since July 2013) and Vice President at PONTICELLI, Inc. (since 2006). Previously, Ms. Delantar served as Vice-President, Human Resources Management & Development Administration (November 1999 – September 2003), Consultant (July 1997 – July 1998), Vice-President, Finance & Administration (May 1988 - June 1996) and various other positions at Honda Philippines, Inc. Ms. Delantar is a Certified Public Accountant, Fellow in Personal Management and professional business mediator. From September 1998 to March 2007, she served as a Member of the Professional Board of Accountancy, which administers licensure examinations for CPAs. Ms. Delantar received her Bachelor of Science degree in Commerce with a major in Accounting from Far Eastern University and participated in a Bachelor of Laws program at Ateneo de Manila University.

LUIS N. YU, JR., Independent Director
Age: 59
Citizenship: Filipino
Director since 2015

Mr. Luis Yu, Jr. is the Founder and Chairman Emeritus of the 8990 Holdings, Inc. Mr. Yu is also the Chairman Emeritus of IHoldings, Inc. (2012 to present). He is also the Chairman of 8990 Cebu Housing Development Corporation, 8990 Visayas Housing Development Corporation, 8990 Davao Housing Development Corporation, 8990 Mindanao Housing Development Corporation, 8990 Iloilo Housing Development Corporation and 8990 Luzon Housing Development Corporation (2009 to present), 8990 Housing Development Corporation (2006 to present), Ceres Homes, Inc. (2002 to present), N&S Homes, Inc. (1998 to present), L&D Realty Holdings, Inc. (1998 to present), and Fog Horn (1994 to present). Mr. Yu is currently the President of DECA Housing Corporation (1995 to present). Mr. Yu holds a Master in Business Management degree from the Asian Institute of Management. Mr. Yu has more than 30 years of experience managing and heading companies engaged in Mass Housing subdivision development.

OSCAR A. TORRES
Age: 52
Citizenship: Filipino
Chief Financial Officer and Treasurer since 2015

Mr. Oscar A. Torres is the Chief Financial Officer of the Company. Concurrently, he also serves as a Director and Executive Vice President – Corporate Finance and Chief Finance Officer of the LBC Express, Inc. Prior to joining the LBC Group, Mr. Torres was the Senior Vice President and Chief Finance Officer of Filinvest Development Corporation from 2012 to 2013, a Director and the Vice President and Regional Controller for Asia Pacific at the Interpublic Group (IPG) Asia Pacific, Hong Kong from 2006 to 2011, the Senior Vice President and Regional Controller for Asia Pacific at McCann WorldGroup from 2005 to 2006, an audit and business advisory Partner at Deloitte Philippines from 2003 to 2005 and an audit and business advisory Partner at PricewaterhouseCoopers Philippines from 1996 to 2002. Mr. Torres has participated in management development programs in the Philippines and the United Kingdom. He holds a Master in Business Administration degree from the University of Chicago, Booth School of Business in Illinois, Chicago, USA.

KRISTINA JOYCE CARO-GAÑGAN
Age: 33
Citizenship: Filipino
Corporate Secretary, Compliance Officer, Corporate Information Officer since 2015

Atty. Caro-Gañgan assumed the position of Corporate Secretary, Compliance Officer and Corporate Information Officer of the Company in April 2015. Born on 18 March 1982, Atty. Gañgan graduated cum laude with the degree of Bachelor of Arts, Major in Political Science, from the University of the Philippines in 2002, and with the degree of Bachelor of Laws also from the University of the Philippines in 2006. She is currently a Senior Associate at Picazo Buyco Tan Fider & Santos Law Offices. Atty. Caro-Gangan was the Assistant Corporate Secretary of 8990 Holdings, Inc. from September 2012 to July 2015.

MARIA ELOISA IMELDA S. SINGZON
Age: 28
Citizenship: Filipino
Alternate Corporate Information Officer since 2015

Atty. Singzon assumed the position of Alternate Corporate Information Officer of the Company in April 2015. Born on 18 September 1986, Atty. Singzon graduated cum laude with the degree of Bachelor of Science, Business Economics, from the University of the Philippines in 2008, and with the degree of Juris Doctor from Ateneo de Manila School of Law in 2012. She is currently a Junior Associate at Picazo Buyco Tan Fider & Santos Law Offices.

Independent Directors

As approved by the Board of Directors, the procedure for the nomination of independent directors shall be as follows:

The nomination of independent directors shall be conducted by the Nominations Committee prior to the Annual Stockholders Meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the nominees for election.

The Nominations 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 directors.

After the nomination, the Nominations Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for the independent directors, as required by existing and applicable rules, which list, shall be made available to the Commission and all stockholders through the filing and distribution of the information statement, or in such other reports the Company is required to submit the Commission. The name of the person or group of persons who recommend the nomination of the independent director shall be identified in such report including any relation with the nominee.

Only nominees whose name appears on the final list of candidates shall be eligible for election as independent directors. No other nominations shall be entertained after the final list of candidates has been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

Solita V. Delantar and Luis N. Yu, Jr. are independent directors and are neither officers nor employees of the Company nor any of its affiliates, and do not have any relationship with the

Company which would interfere with the exercise of independent judgment in carrying out responsibilities of a director.

In approving the nominations for Independent Directors, the Nominations Committee took into consideration the guidelines on the nominations of Independent Directors prescribed in SEC Memorandum Circular No. 16, Series of 2002.

Certifications of Independent Directors are attached hereto as "Annexes A" and "A-1".

Directorship in other Reporting Companies

The following are directorships held by the Directors in other reporting companies during the last five years:

Name of Director	Name of Reporting Company	Position Held
Luis N. Yu, Jr.	8990 Holdings, Inc.	Director
Solita V. Delantar	Anchor Land Holdings, Inc.	Independent Director

Term of Office

The term of office of the incumbent Directors and Executive Officers is one (1) year from their election as such until their successors are duly elected and qualified or as what has been stated in the By-laws of the Company.

In the Annual Meeting of the Stockholders, the stockholders will be electing the members of the Board of Directors for the year 2015 to 2016. The nominees are:

1. Santiago G. Araneta
2. Fernando G. Araneta
3. Miguel Angel A. Camahort
4. Mark Werner J. Rosal
5. Manuel S. Delfin, Jr.
6. Solita V. Delantar (Independent)
7. Luis N. Yu, Jr. (Independent)

Luis N. Yu, Jr. and Solita V. Delantar were nominated as independent directors by Klarence Tan Dy. Klarence Tan Dy is not related to any of the foregoing nominees for independent director. Luis N. Yu, Jr. and Solita V. Delantar, having possessed the qualifications and none of the disqualifications of an independent director, were nominated in accordance with the guidelines for the nomination and election of independent directors pursuant to Rule 38 of the Securities Regulation Code (SRC). On 16 November 2009, the Board approved the amendment of the Company's By-Laws to incorporate the provisions of SRC Rule 38 entitled "Requirements on Nomination and Election of Independent Directors." The said amendment of the Company's By-Laws was approved by the stockholders' at the Annual Meeting held on December 11, 2009 and by the SEC as per Certificate of Filing of Amended By-laws dated May 25, 2011.

Involvement in Certain Legal Proceedings

Aside from Mr. Tommy Kin Hing Tia, the former chairman of the Board, Ms. Juana Lourdes M. Buyson, a former director, Mr. Santiago G. Araneta, Chairman of the Board and Chief Executive Office, and Mr. Fernando G. Araneta, Director, no other member of the Board of Directors or any other executive officer of the Corporation was involved during the past five (5) years and as of the date of filing of this report in any criminal, bankruptcy or insolvency investigations or proceedings against them.

1. Violation of P.D. 1829

On 26 July 2012, an Information for Obstruction of Justice under P.D. 1829 with Criminal Case No. 468440-41-CR was filed against Mr. Tommy Kin Hing Tia and Ms. Juana Lourdes M. Buyson, Chairman and SVP-Treasurer, respectively, of Omico Corporation ("Omico") in the Branch 1 of the Metropolitan Trial Court ("MTC") of Manila in connection with their official functions as officers of Omico.

On 17 September 2012, Omico, through Omico's legal counsel, received the Order dated 28 August 2012 from the MTC, Branch 1, Manila on Criminal Case No. 468440-41-CR dismissing the complaint for Obstruction of Justice under P.D. 1829 filed against Mr. Tommy King Hing Tia and Ms. Juana Lourdes M. Buyson in connection with their official functions as officers of Omico. A Motion for Reconsideration of the Order dismissing the complaint was likewise denied by the Court in its Resolution dated 19 November 2012. On 24 February 2013, an Order to submit comments from the Regional Trial Court ("RTC") of Manila, NCR, Branch 19 dated 22 February 2013 was received relative to the filing of a Petition for Certiorari with the said RTC. The RTC, in its Decision dated 8 July 2013, granted the Petition and ordered the reinstatement in the docket of the respondent court. Omico's legal counsel then filed a Motion for Reconsideration on 2 August 2013. On 2 December 2013 Omico received the Resolution from the RTC Branch 19, Manila denying the motion for reconsideration and reiterating its Order for the reinstatement of Criminal Case No. 468440-41 in the docket of the MTC, Branch 1, Manila.

2. Estafa Case

Last 15 May 2015, the Department of Justice issued subpoenas to Messrs. Santiago G. Araneta and Fernando G. Araneta directing them to submit their counter-affidavits in connection with the conduct of a preliminary investigation over a complaint filed by the Philippine Deposit and Insurance Corporation ("PDIC") against Ma. Eliza G. Berenguer, Juan Carlos G. Araneta, Santiago G. Araneta, Fernando G. Araneta, Monica G. Araneta, Ofelia F. Cuevas, Arlan T. Jurado and Jennifer E. Cerrada.

The preliminary investigation is an inquiry to determine whether there is sufficient ground that the offenses alleged have been committed, and that trial should be held. The offenses alleged to have been committed are Estafa under Article 315 of the Revised Penal Code, Violations of Sections 21(f) and (g) of R.A. No. 3591, as amended, and Falsification of Commercial/Official Documents under Article 172 of the Revised Penal Code. To date, no case has yet been filed before any court.

The complaint against Messrs. Araneta were filed in their capacity as stockholders of LBC Development Bank, Inc.

No director or executive officer was involved during the past five (5) years and as of the date of filing of this report in any conviction by final judgment in any criminal proceeding, any order, judgment or decree of any court of competent jurisdiction permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, or in any proceeding involving violation of securities or commodities laws or regulations.

Relationships and Related Transactions

The Company's transactions with related parties, as discussed in Note 18 *Related Party Transactions* of the Notes to the Financial Statements, are stated below:

a) In previous years, the Company grants noninterest-bearing loans to its former President and Vice Chairman of its Board of Directors, related company owned by the Vice Chairman of the Board of Directors and other company officers. These loans have no fixed term of repayment. The balance of such loans as of 31 December 2014 and 2013, which is shown as part of Trade and Other Receivables amounted to Php2,702,436.

b) The Company also has advances to Fedchem Manufacturing and Distribution, Inc. ("FMDI") amounting to Php1,371,127 and is classified under receivables in the 2014 and 2013 statements of financial position. The same arose from the Company's purchasing and selling activities in prior years. FMDI is a related company, which is also controlled by the Company's previous officers. An allowance for impairment losses on these advances amounted to Php1,371,127 and Php240,000 as of 31 December 2014 and 2013. An assessment on the allowance provided is undertaken each financial year by examining the financial position of the related party and the markets in which the related party operates.

c) Since the Company does not have current commercial operation, cash requirement to cover operating expenses are provided by a certain officer. The cash advances are not subject to interest and have no fixed repayment period. As of 31 December 2014 and 2013, advances from officer amounted to Php1.9 million and Php1.2 million, respectively.

d) On 25 April 2012, the Board of Directors approved the conversion of the Company's liabilities into equity amounting to Php3,391,000 through additional issuance of 3,391,000 shares of stock from the Company's unissued share capital at the conversion price of Php1.00 per share based on the Company's par value of Php1.00 per share, subject for approval by the SEC and PSE. The same was approved by the SEC on 9 August 2012.

e) There were no key management personnel compensation in 2014 and 2013.

Legal Proceedings

For the past five (5) years and as of the date of filing of this report, there are no material threatened or pending litigation or proceedings to which the Company or any of its directors and officer and or which any of their property is the subject before any judicial, quasi-judicial or administrative tribunal, except the following:

a) In *"Carlos Araneta, LBC Development Corporation and LBC Express, Inc. vs. The Professional Group"*, Case No. R-PSY-08-03897-CV pending before Branch III of the Pasay Regional Trial Court, Carlos Araneta, LBC Development Corporation and LBC Express, Inc. filed a Petition for Accounting against The Professional Group ("TPG"). The complaint alleged the need for an accounting considering TPG's position that LBC Development Corporation and LBC Express, Inc. had unremitted collections to TPG in the amount of Php68,154,390.25 while LBC Development Corporation and LBC Express, Inc. incurred expenses in the amount of Php63,001,497.55 (exclusive of interest). The petition was filed for the purpose of seeking a final adjudication on the amount of the parties' obligation in favor of one another under the collecting agent contract between the LBC and TPG. Currently, the case is at the preliminary conference stage with the next hearing.

Significant Employees

None.

Family Relationships amongst Directors and Officers

Mr. Tommy Kin Hing Tia, the former chairman of the Company, is the spouse of Ms. Anna Mei Nga Tia, the former President and Chief Executive Officer of the Company.

Meanwhile, the related parties from the newly elected Directors and Officers are as follows:

1. Mr. Santiago Araneta and Mr. Fernando Araneta are siblings.

Disagreements with a Director

Since the Company's last Annual Meeting of Stockholders held on 9 June 2014, no director has resigned or declined to stand for re-election because of disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Compensation of Directors and Officers

Information as to the aggregate compensation during the last two (2) fiscal years and the projected annual compensation to be paid for the current fiscal year to the Company's executive officers and all other directors and officers as a group are as follows:

Name	Position	Annual	Compensation	
		2015 (Est.)	2014	2013

Name	Position	Annual		Compensation			
		Salaries	Bonus and Other Comp.	Salaries	Bonus and Other Comp.	Salaries	Bonus and Other Comp.
Tommy Kin Hing Tia	Chairman	N/A	N/A	N/A	N/A	N/A	N/A
Anna Mei Nga Tia	President/ CEO	N/A	N/A	N/A	N/A	N/A	N/A
Emilio S. Teng	Corporate Secretary	N/A	N/A	N/A	N/A	N/A	N/A
Juana Lourdes Buyson	Treasurer	N/A	N/A	N/A	N/A	N/A	N/A
Maria Elena F. Alqueza	Asst. Corporate Secretary	N/A	N/A	N/A	N/A	N/A	N/A
Total		-	-	-	-	-	-
All other officers & directors as a group unnamed		None	None	N/A	N/A	N/A	N/A
Note: The Directors of the Company did not receive any compensation from the Company for the last two (2) fiscal years.							

Due to minimal operations relative to the change in the Company's primary purpose to that of a holding company and the winding up of the Company's manufacturing and trading operations, there are no compensation/salaries for the years 2014 and 2013 as the directors/officers have voluntarily declined their compensation/salaries. Likewise, there are no projected compensation/salaries for the year 2015.

The Board and Management shall appoint additional executive officers if and when necessary for the Company's operations.

The Company has no other arrangement with regard to the remuneration of its existing directors and officers.

There were no bonuses, profit sharing and other type of compensation given to directors and officers during the last two (2) fiscal years.

The Company has not granted any warrant or options to any of its directors or officers.

The following are the members of the Company's Compensation and Remuneration Committee for the year 2014:

a) Tommy Kin Hing Tia - Chairman
b) Albert Y. Yung - Member
c) Juana Lourdes M. Buyson - Member

Independent Public Accountants

The accounting firm of R. R. Tan & Associates, CPAs with business address at U-1705 Antel Global Corporate Center, Julia Vargas Avenue, Ortigas Center, Pasig City has been the Company's independent public accountant since 2009. During the two most recent fiscal years 2014 and 2013, the said independent accountant has not resigned or has declined to stand for re-election or was dismissed or otherwise ceased performing services. The Company has no disagreement with R. R. Tan & Associates, CPAs on any matter relating to accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

R. R. Tan & Associates, CPAs was re-elected as the Company's external auditor during the Annual Stockholders' Meeting held on 9 June 2014.

Representatives of R. R. Tan & Associates are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions that may be raised during the meeting.

The power to appoint the independent public accountant for the next fiscal year is being recommended to be delegated to the Board of Directors of the Company.

Pursuant to the General Requirements of SRC Rule 68, Section 3.b.iv (Qualifications of Independent Auditors), the external auditors shall be rotated every after five (5) years of engagement. In case of a firm, the signing partner shall be rotated every after said period. The Company is in compliance with SRC Rule 68, Section 3.b.iv.

External Audit Fees (for the last two (2) fiscal years):

a) Audit and Audit-Related Fees	**2014**	**2013**
1) For the audit of the Company's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years	Php130,000.00	Php125,000.00
2) For other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements.	Php0.00	Php0.00
b) Tax Fees		
For services for tax	Php0.00	Php0.00

accounting compliance, advice, planning and any other form of tax services.		
c) All other Fees		
For special audit relative to the conversion into equity of the Company's advances/liabilities as of 31 December 2011.	Php.00	Php.00

d) The Audit Committee evaluates the performance of the external auditor and keeps under review the fees billed for the audit of the Company's financial statements.

Members of the Audit Committee for the Year ended 31 December 2014

The following are the members of the Company's Audit Committee:

a) John Edwin N. Co - Chairman
b) Albert Y. Yung - Member
c) Maria Elena F. Alqueza - Member

Compensation Plans

During the Annual Stockholders' Meeting held on 13 August 2007, the stockholders owning or representing at least two thirds (2/3) of the outstanding capital stock approved the stock option for the Company's deserving employees, officers and board members to be derived from the Company's unissued authorized capital stock up to the extent of ten percent (10%) of the outstanding capital stock of the Company, subject for approval by the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).

The terms and conditions governing the stock option plan still have to be determined and approved by the Board of Directors. The application for said stock option plan has not been filed yet with the SEC and PSE.

There are no stock warrants or options outstanding.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Authorization or Issuance of Securities Other Than for Exchange

a) Title and Amount of Securities to be Issued

Ratification shall be sought with respect to increase of the authorized capital stock of the Company from ONE HUNDRED MILLION PESOS (Php100,000,000.00) divided into ONE HUNDRED MILLION (100,000,000) shares with par value of ONE PESOS (Php1.00) per share to an amount of up to THREE BILLION PESOS (Php3,000,000,000.00) divided into such number of shares with par value of ONE PESO (Php1.00) per share, subject to such amount as may finally be determined by, and under such terms and conditions as may be decided by, the management of the Company.

b) Information Required by Part II(B) of Annex C, as amended (Description of the Corporation's Securities)

(i) Common Stock

The securities to be issued in connection with said increase in the Company's authorized capital stock common, voting shares with a par value of One Peso (Php1.00) per share.

c) Brief Description of Transaction in which Securities are to be Issued

With respect to the increase in the Company's authorized capital stock from ONE HUNDRED MILLION PESOS (Php100,000,000.00) divided into ONE HUNDRED MILLION (100,000,000) shares with par value of ONE PESOS (Php1.00) per share to an amount of up to THREE BILLION PESOS (Php3,000,000,000.00) divided into such number of shares with par value of ONE PESO (Php1.00) per share, LBC Development Corporation will subscribe to up to 25% of such increase in authorized capital stock.

d) Background and Rational for the Increase in Authorized Capital Stock

The Company needs to raise additional capital in preparation for the purchase of up to 1,041,180,493 issued and outstanding shares of stock of LBC Express, Inc.

e) General Effect Upon Rights of Existing Stockholders

	BEFORE		**AFTER**	
	No. of Shares	%	No. of Shares	%
Principal Stockholder	59,101,000	59.10%	Up to 534,101,000 to 784,101,000	92.89%

The effect on the capital structure:

Issued Common Shares	Up to 534,101,000 to 784,101,000
Outstanding Shares	Up to 534,101,000 to 784,101,000
Treasury Shares	None
Listed Shares	40,899,000

<u>Modification or Exchange of Securities</u>

No action will be taken which will involve any modification or exchange of securities.

Since the Company's existing shares are presently listed in the PSE, the Company intends to apply with the PSE for the listing of the shares to be issued from the increase in authorized capital stock as well the shares to be issued to LBC Development Corporation.

Financial and Other Information

1. Management's Discussion and Analysis of Financial Condition and Results of Operations are attached hereto as **Annex "B"**.

2. The Audited Financial Statements for the year ended 31 December 2014 are attached hereto as **Annex "C"**.

3. The Quarterly Report for the Quarterly Period ended 31 March 2015 is attached hereto as **Annex "D"**.

Mergers, Consolidations, Acquisitions and Similar Matters

At the meeting of the Board of Directors held on 29 July 2015, the Board approved the acquisition of up to 1,041,180,493 issued and outstanding shares of stock of LBC Express, Inc., with a par value of One Peso (Php1.00) per share.

D. OTHER MATTERS

Action with Respect to Reports

The following reports and minutes shall be submitted to the stockholders for approval/ratification:

- Ratification and approval of the Minutes of Annual Stockholders' Meeting held on 9 June 2014 as follows:
    - Certification of Notice and Quorum
    - Reading and approval of the Minutes of the Annual Stockholders' Meeting held on 10 June 2013
    - President's Annual Report
    - Election of Directors including Independent Directors
    - Election of External Auditor

- Approval of the Annual Report and Audited Financial Statements for the fiscal year ended 31 December 2014; and

- Ratification of all the acts and proceedings of the incumbent Board of Directors and Management from the date following the last annual stockholders' meeting which are covered by resolutions duly adopted in the normal course of trade or business such as:.
    - Approval of the minutes of previous meetings
    - Approval of the audited financial statements
    - Approval of the schedule, venue and agenda of the Annual Stockholders' Meeting

Amendment of Charter, By-Laws or Other Documents

At the meeting of the Board of Directors held on 29 July 2015, the Board approved the following amendments to the Company's Amended Articles of Incorporation and By-Laws:

(a) Amendment of the Title and First Article of the Amended Articles of Incorporation of the Company from "FEDERAL RESOURCES INVESTMENT GROUP, INC." to "LBC EXPRESS HOLDINGS, INC.";

(b) Amendment of the Secondary Purposes of the Company stated in the Second Article of its Amended Articles of Incorporation by deleting the first three paragraphs thereof and including the following statements:

"To reorganize, establish, maintain and operate, under the laws of the Republic of the Philippines or any other state, territory, nation, colony, province or government, one or more corporations, subsidiaries, affiliates, associations, firms, or entities, branches, representative or liaison offices, agencies or outlets for the purpose of accomplishing any or all of the objects for which the Corporation is organized;

"To assume or undertake or guarantee or secure, whether as solidary obligor, surety or guarantor or in any other capacity and either on its general credit or on the mortgage or pledge of any of its property, the whole or any part of the liabilities and obligations of any of its stockholders, subsidiaries or affiliates or any person, firm, association or corporation, whether domestic or foreign and whether a going concern or not, engaging in or previously engaged in a business which the Corporation is or may become authorized to carry on or which may be appropriate or suitable for the purposes of the Corporation;

"To guarantee, for and in behalf of the Corporation obligations of other corporations or entities in which it has lawful interest;

"To carry out all or any part of its purposes as principal, agent, factor, license, lessee, concessionaire, contractor or otherwise, either alone or in joint venture or association or conjunction with any other person, firm, association, corporation, entity, whether government or private;

"To place any or all excess or idle funds or assets of the Corporation in short-term marketable securities and investments;

"To enter into any lawful arrangement for sharing profits, union of interest, unitization or farmout agreement, reciprocal concession or cooperation, with any corporation, association, partnership, syndicate, entity, person or governmental, municipal or public authority, domestic or foreign, in the carrying on of any business or transaction deemed necessary, convenient or incidental to carrying out any of the purposes of the Corporation;

"To acquire or obtain from any government or authority, national, provincial, municipal or otherwise, or any corporation, company or partnership or person, such charter, contracts, franchise, privileges, exemption, licenses and concessions as may be conducive to any of the objects of the Corporation;

"To establish and operate one or more branch offices or agencies and to carry on any or all of its operations and business without any restrictions as to place or amount including the right to hold, purchase or otherwise acquire, lease, mortgage, pledge and convey or otherwise deal in and with real and personal property anywhere within the Philippines; and

"To conduct and transact any and all lawful business, and to do or cause to be done any one or more of the acts and things herein set forth as its purposes, within or without the Philippines, and in any and all foreign countries, and to do everything necessary, desirable or incidental to the accomplishment of the purposes or the exercise of any one or more of the powers herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of the Corporation."

(c) Amendment of the Third Article of the Amended Articles of Incorporation and the Second Article of the By-Laws of the Company to transfer the principal office address of the Company to LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City, Metro Manila, Philippines;

(d) Amendment of the Sixth Article of the Amended Articles of Incorporation as well as Article II, Section 1 and Article VII, Section 5 of the Amended By-Laws of the Company to increase the number of directors of the Company from seven (7) to nine (9);

(e) Amendment of the Seventh Article of the Amended Articles of Incorporation to increase the authorized capital stock of the Company from ONE HUNDRED MILLION PESOS (Php100,000,000.00) divided into ONE HUNDRED MILLION (100,000,000) shares with par value of ONE PESOS (Php1.00) per share to an amount of up to THREE BILLION PESOS (Php3,000,000,000.00) divided into such number of shares with par value of ONE PESO (Php1.00) per share, subject to such amount as may finally be determined by, and under such terms and conditions as may be decided by, the management of the Company;

(f) Amendment of Article VI, Section 1 of the Amended By-Laws of the Company to change the Company's fiscal year from calendar year to "first day of December of each year to last day of November of the succeeding year".

(g) Amendment of Article VI, Section 2 of the Amended By-Laws of the Company to read as follows:

> "Dividends – Dividends may be declared from the unrestricted retained earnings of the company at such time and in such percentage as the Board of Directors may deem

> proper. No dividend shall be declared if it will impair the capital of the company. Stock dividends shall be declared in accordance with law."

Other Proposed Actions

a) Election of the Members of the Board of Directors including Independent Directors for the ensuing year
b) Approval on Acquisition of Shares of LBC Express, Inc.
c) Issuance and listing of shares to be issued out of the increase in authorized capital stock
d) Delegation of Authority to Appoint the Company's Auditors for Fiscal Year 2015 to the Board of Directors

Voting Procedures

a) Vote required:

   The ratification of the amendment to the Seventh Article of the Articles of Incorporation shall require the vote of stockholders representing at least two-thirds (2/3) of the Company's outstanding capital stock.

   Election of the Members of the Board of Directors - nominees garnering the highest number of votes will be elected. Cumulative voting will apply.

   All others - by a majority of the vote cast of the total common stock outstanding.

b) Method:

   Need not be by ballot except when requested by a stockholder present and entitled to vote, in which case the votes shall be counted under the supervision and control of the Corporate Secretary.

UNDERTAKING

UPON WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. SUCH WRITTEN REQUEST SHOULD BE ADDRESSED TO:

THE OFFICE OF THE CORPORATE SECRETARY
Penthouse, Liberty Center,
104 H.V. dela Costa Street,
Salcedo Village, Makati CIty

UNDERTAKING

WE UNDERTAKE TO FURNISH THE STOCKHOLDERS DURING THE ANNUAL STOCKHOLDERS' MEETING ON 4 SEPTEMBER 2015 A COPY OF THE COMPANY'S QUARTERLY REPORT ON SEC FORM 17-Q FOR THE QUARTER ENDED JUNE 30, 2015.

SIGNATURES

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 Quezon City on JUL 29 2015.

FEDERAL RESOURCES INVESTMENT GROUP INC.
Issuer

By: SANTIAGO G. ARANETA
[Position] Chairman and Chief Executive Officer

ANNEX "A" and "A-1"

Certifications of Independent Directors

Annex "A"

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **LUIS N. YU, JR.**, Filipino, of legal age, and a resident of 2nd Floor, PGMC Building, 76 Calbayog Street, Mandaluyong City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am an Independent Director of Federal Resources Investment Group Inc. ("**FED**").

2. I am affiliated with the following companies or organizations:

Name of Company/Organization	Position/Relationship	Period of Service
8990 Holdings, Inc.	Chairman Emeritus and Director	2 years and 10 months
IHoldings, Inc.	Shareholder	3 years
8990 Cebu Housing Development Corporation	Board Member	6 years
8990 Visayas Housing Development Corporation	Board Member	6 years
8990 Davao Housing Development Corporation	Board Member	6 years
8990 Mindanao Housing Development Corporation	Board Member	6 years
8990 Iloilo Housing Development Corporation	Board Member	6 years
8990 Luzon Housing Development Corporation	Board Member	6 years
8990 Housing Development Corporation	Board Member	9 years
Ceres Homes, Inc.	Chairman and Director	13 years
Fog Horn	Board Member	21 years

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of FED, 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 Regulations Code.

5. I shall inform the Corporate Secretary of FED of any changes in the abovementioned information within five days from its occurrence.

Done this 27 MAY 2015 at Makati City.

LUIS N. YU, JR.
Affiant

REPUBLIC OF THE PHILIPPINES)
CITY OF ____________________) S.S.

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **SOLITA V. DELANTAR,** Filipino, of legal age and a resident of 7818 Beachwood Street, Gemblock, Phase 2, Marcelo Green Village, Parañaque City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of **FEDERAL RESOURCES INVESTMENT GROUP, INC.** ("FED").

2. I am affiliated with the following companies or organizations:

Name of Company/Organization	Position/Relationship	Period of Service
LBC Express, Inc.	Director	March 2014 to present
Anchor Land Holdings, Inc.	Independent Director	2007-2015
PMAP Council of Past Presidents	Member	2013-2016
Ponticelli, Inc.	Vice President	2006-Present
Girls Scout Of the Philippines	Treasurer	2013-Present
PICPA- Integrity Initiative Advocacy Committee	Member	July 2015

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of FED, 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 FED of any changes in the abovementioned information within five (5) days from its occurrence.

IN WITNESS WHEREOF, this certification has been signed this 2 9 JUL 2015, in Makati City.

SOLITA V. DELANTAR
Independent Director

SUBSCRIBED AND SWORN TO BEFORE ME, this 2 9 JUL 2015, in Makati City, affiant exhibiting to me her Professional Regulation Commission I.D. No. 0009023 issued in Manila and valid until 21 September 2015.

MA. CHRISTINE FEL P. DE VERA
Appointment No. M-521
Notary Public for Makati City
Until December 31, 2015
Penthouse, Liberty Center
104 H.V. dela Costa Street, Makati City
Roll of Attorneys No. 62659
PTR No. 4754659 / Makati City / 01-06-2015
IBP No. 479423 / Laguna / 01-05-2015

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Page No. 100;
Book No. V;
Series of 2015.

ANNEX "B"

BRIEF DESCRIPTION OF THE GENERAL NATURE AND SCOPE OF BUSINESS

Federal Resources Investment Group Inc. (the "Company" or "FED"), formerly known as Federal Chemicals, Inc., is a corporation organized under Philippine Laws with business address at No. 35 San Antonio Street, San Francisco Del Monte, Quezon City. It has been a publicly-listed company since 21 December 2001, and is traded under the ticker symbol FED on the Philippine Stock Exchange ("PSE").

FED was incorporated on 12 July 1993 as Federal Chemicals, Inc. and started commercial operations on October 1993. Its primary purpose then was the manufacture of various adhesives and sealants and other chemicals for hardware, construction, do-it-yourself and industrial applications.

In early 1994, the Company introduced Fedseal Elastomeric Sealant which is mainly used for the repair of galvanized iron roofing. As the years passed, other applications for this type of sealant evolved making it as an all-around sealant known in the market. Since the introduction of Fedseal Sealant and subsequent success in the local hardware and construction market, the Company also launched other brands such as Surebond and Bondy contact adhesives for use in the construction and leather goods industries. In the succeeding years, FED also introduced other contact adhesives brands such as Zebra, Ultra and Eltibond which are used for different applications catering to different market and industries; various solvent-based and water-based adhesives; elastomeric coatings; adhesives, sealants, coatings and conventional paints for use specifically in the marine industry and other specialty products.

Through the years, FED also became the exclusive distributor in the Philippines of quality products from foreign companies such as Devcon USA, TOA Group of Companies, and Akzo Nobel.

On 28 September 2007, the change in corporate name of the Company from Federal Chemicals, Inc. to Federal Resources Investment Group, Inc. was approved by the Securities and Exchange Commission ("SEC"). Also on that date, the change in the primary purpose of the Company to that of a holding company was approved by the SEC. The Company's new primary activities are to invest in, purchase, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, association and associations, domestic or foreign.

The Company's management deemed it necessary to change its primary purpose in order to tap potential business opportunities and allow for greater flexibility in its investment options. FED's PVC resins, sealants, coatings and adhesives operations were discontinued effective 1 January 2009.

On 29 July 2015, the Board of Directors of the Company approved the acquisition by the Company of up to 1,041,180,493 issued and outstanding shares of stock of LBC Express, Inc.

MARKET PRICE AND DIVIDENDS ON REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The Company's common equity is traded in the PSE. As of 30 June 2015, the total number of shares owned by the public is 28,027,008 or 28.03% of the total issued and outstanding shares of the Company of 100,000,000 shares.

Stock price as of 8 April 2015 was at Php23.00 per share.

The high and low sale prices for the first quarter 2015 and for each quarter for fiscal years 2014 and 2013 are as follows:

Quarter	High	Low
2015		
1ST	27.55	15.00
2014		
4TH	17.98	11.58
3RD	19.00	10.84
2ND	12.50	10.00
1ST	15.00	8.09
2013		
4TH	15.90	7.76
3RD	10.00	6.00
2ND	11.00	5.30
1ST	13.98	8.88

Stockholders

The approximate number of holders of each class of common security as of 30 June 2015 is 482.

The number of foreign-owned shares as of 30 June 2015 is 590,100 which is equivalent to 0.59% of the total number of issued and outstanding common shares of 100,000,000.

As of 30 June 2015, the top twenty (20) shareholders are the following:

Rank	Name of Stockholder	Citizenship	Number of Shares	Percentage
1	LBC Development Corporation	Filipino	59,101,000	59.101
2	PCD Nominee Corporation (Fil.)	Filipino	39,699,097	39.6991
3	PCD Nominee Corp. (NF)	Non-Filipino	580,100	0.5801
4	Tan, Joseph T.	Filipino	75,000	0.075

Rank	Name of Stockholder	Citizenship	Number of Shares	Percentage
5	Ko Mei Nga	Filipino	10,000	0.01
6	Santos, Ferdinand S.	Filipino	10,000	0.01
7	Tia, Tommy Kin Hing	Chinese	10,000	0.01
8	Lantin, Andy	Filipino	5,000	0.005
9	Leong, Jennifer H.	Filipino	3,000	0.003
10	Cabual, Alfonso B.	Filipino	3,000	0.003
11	Llamado, Beatriz M.	Filipino	2,000	0.002
12	Molina, Almar S.	Filipino	2,000	0.002
13	Bordios, Norman S.	Filipino	2,000	0.002
14	Demetillo, Rodolfo D.	Filipino	2,000	0.002
15	Obiso, Graspe L.	Filipino	2,000	0.002
16	Simbajon, Gliceria	Filipino	2,000	0.002
17	Abapo, Wilfredo M.	Filipino	2,000	0.002
18	Solis, Edward A.	Filipino	2,000	0.002
19	Sequena, Marvin O.	Filipino	2,000	0.002
20	Rollenas, Licel P.	Filipino	2,000	0.002

Dividends

Declaration of dividends is subject to approval by the Board of Directors and/or its shareholders. There were no dividends declared during the last two fiscal years 2014 and 2013 and during the first quarter of year 2015.

Recent Sales of Unregistered Securities or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

Prior to the conversion of the Company’s advances/liabilities into equity as of 31 December 2011, the Company had 37,508,000 issued and outstanding common shares. On 9 August 2012, the SEC approved the Company’s application on the conversion of the Company’s advances/liabilities into equity amounting to Php3,391,000.00 as of 31 December 2011 and the additional issuance of 3,391,000 common shares from the Company’s unissued capital stock for the implementation of said conversion of advances/liabilities into equity at the conversion price of Php1.00 per share based on the Company’s par value of Php1.00 per share. The advances/liabilities of Php3,391,000.00 represent an accumulation of cash provided by the incumbent Chairman of the Board of Directors, Mr. Tommy Kin Hing Tia, over a period of approximately four (4) years to cover the Company’s operating expenses. The cash advances are not subject to interest and have no fixed repayment period. With the additional issuance of 3,391,000 common shares, the Company now has 40,899,000 issued and outstanding common shares. The additional 3,391,000 shares were approved for listing by the PSE on 6 March 2013.

The aforementioned conversion of the Company’s advances/liabilities into equity was approved by the Board of Directors on 25 April 2012 and by the stockholders on 11 June 2012.

On 23 April 2015, the Board of Directors of the Company approved the issuance of fifty nine million one hundred one thousand (59,101,000) common shares, at One Peso (Php1.00) per share, out of the unissued portion of the Company’s authorized capital stock to LBC

Development Corporation, subject to acceptable documentation being arrived at, as well as the fulfillment of such conditions agreed upon by the parties, including a mandatory tender offer, where required under relevant laws and regulations.

The Company needed to raise additional capital through the issuance of new shares out of the unissued portion of the Company's authorized capital stock for general corporate purposes. Further, such infusion is preparatory to a potential additional investment of LBC Development Corporation and/or LBC Express, Inc. (the "LBC Group") into the Company as a result of the ongoing due diligence on the Company.

On 18 May 2015, the Company and LBC Development Corporation entered into a Deed of Subscription, whereby LBC Development Corporation, subject to the completion of the mandatory tender offer, subscribed to Fifty Nine Million One Hundred One Thousand (59,101,000) common shares out of the unissued authorized capital stock of the Company or approximately Fifty Nine and One Tenth Percent (59.10%) of the authorized capital stock of the Company (the "Subscribed Shares"). The consideration for the Subscribed Shares shall be in the amount of Fifty Nine Million One Hundred One Thousand Pesos (Php59,101,000.00) or One Peso (Php1.00) per share.

On 22 May 2015, LBC Development Corporation filed with the SEC its mandatory tender offer report for all the outstanding shares of the Company for a tender offer price of One Peso (Php1.00) per share. The mandatory tender offer period commenced on 08 June 2015 and ended on 7 July 2015. On 14 July 2015, LBC Development Corporation filed with the SEC its final tender offer report.

On 22 July 2015, the Company issued the stock certificates covering the Subscribed Shares to LBC Development Corporation.

Discussion on Compliance with the Leading Practices on Corporate Governance

Compliance with SEC Memorandum Circular No. 2 Series 2002, Code of Corporate Governance, dated 5 April 2002 as well as relevant circulars on Corporate Governance had been monitored. The Company's Manual on Corporate Governance was revised and amended on 8 April 2010 pursuant to SEC Memorandum Circular No. 6 Series of 2009, Revised Code of Corporate Governance.

The Company generally complied with the leading practices and principles on good corporate governance. The Company's Manual on Corporate Governance had been substantially complied with and there were no deviations from the same.

Pursuant to the SEC Memorandum Circular No. 4, Series of 2012 ("Guidelines for the Assessment of the Performance of Audit Committees of Companies Listed on the Exchange"), the Corporation's Audit Committee Charter was approved by the Board of Directors on 27 September 2012 and the prescribed self-assessment for the year 2013 was conducted by the Audit Committee on 19 March 2014.

On 20 March 2014, the Company submitted to the Exchange the Compliance Report on Corporate Governance for the year 2013.

In compliance with the SEC Memorandum Circular No. 5 Series of 2013, the Company submitted its Annual Corporate Governance Report on 10 April 2015.

The Board of Directors continues to review and evaluate the Company's Manual of Corporate Governance and makes necessary changes in response to changes in the Company's business. The Company plans to adopt whatever new principles and practices applicable to the Company that may evolve to improve its corporate governance.

Audit Committee Report for 2014

The Audit Committee Charter, which was approved by the Board on 27 September 2012, sets out the mandate, significance, membership, operations and functions of the Audit Committee of the Company and provides the guidelines which shall govern the performance of its duties and responsibilities.

The Audit Committee has generally complied with the provisions of the Audit Committee Charter. The Audit Committee, in fulfillment of its oversight responsibilities under the Code, has assisted the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process and monitoring of compliance with applicable laws, rules and regulations.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Review of Current Year 2014 Operations

The Company's total assets decreased by 84.177% from Php17.694 million as of 31 December 2013 to Php2.8 million as of 31 December 2014 due mainly to the Company's recognition of allowance for impairment losses as a result of the Company's assessment that some assets are impaired. Total liabilities increased by 34.673% from Php1.429 million to Php1.924 million due mainly to the increase in due to related parties. Stockholders' Equity decreased by 94.616% from Hp16.265 million as of 31 December 2013 to Php0.876 million as of 31 December 2014 due to the net loss for the year of Php15.390 million.

Revenues for the year 2014 amounted to Php148,533 as compared to Php17 in 2013 while total expenses amounted to Php15.538 million and Php4.237 million for the years 2014 and 2013, respectively. Net loss amounted to Php15.390 million for the year 2014 as compared to a net loss of Php4.237 million for the year 2013.

The top five (5) key performance ratios/indicators of the Company for the years ended 31 December 2014 and 2013 are as follows:

Ratios	Formula	12.31.14	12.31.13
Current Ratio		1.455:1	3.640:1
	Current Assets/	2,799,653	5,200,716
	Current Liabilities	1,924,000	1,428,643

Ratios	Formula	12.31.14	12.31.13
Debt to Equity Ratio		2.197:1	0.088:1
	Total Liabilities/	1,924,000	1,428,643
	Stockholders' Equity	875,659	16,265,332
Debt to Total Assets Ratio		0.687:1	0.081:1
	Total Liabilities/	1,924,000	1,428,643
	Total Assets	2,799,659	17,693,975
Book Value Per Share		Php0.21	Php0.398
	Stockholders' Equity/	875,659	16,265,332
	Total No. Shares	40,899,000	40,899,000
Earnings/(Loss)Per Share		(Php0.376)	(Php0.104)
	Net Income/(Loss)	(15,389,673)	(4,237,054)
	Total No. Shares	40,899,000	40,899,000

(i) Known Trends, Events or Uncertainties Affecting Liquidity

Aside from the Company's planned follow-on offering, there are no known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in a material way.

The Company does not anticipate any cash flow or liquidity problems.

The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring payments.

(ii) Events That Will Trigger Direct or Contingent Financial Obligation

The Company does not expect any event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

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

The Company has no 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.

(iv) Capital Expenditures

As of date, there is no material commitment for capital expenditures.

(v) Known Trends, Events or Uncertainties Affecting Sales

Aside from the intended acquisition of up to 1,041,180,493 issued and outstanding shares of stock of LBC Express, Inc., the Company does not expect any trends, events or uncertainties that may have material favorable or unfavorable impact on sales or income.

(vi) Significant Elements of Income or Loss

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

(vii) Causes for Material Changes in the Financial Statements

Accounts	2014	2013	% Increase / (Decrease)
Cash	23,120	35,488	(34.850%)
Receivables – Net	2,208,000	3,833,563	(42.403%)
Prepayments and other current assets	568,539	1,331,665	(57.306%)
Property and equipment	0	12,493,259	(100.00%)
Due to related parties	1,924,000	1,238,000	34.673%
Retained earnings (deficit)	(111,104,531)	(95,714,858)	16.079%

The net decrease in Cash is mainly due to the disbursements for expenses, offset in part by the cash provided by a Company officer. The decrease in Receivables, Other Current Assets and Property and Equipment is mainly due to the recognition of allowance for impairment losses on assets considered as impaired. Due to Related parties increased due to the additional advances from a Company officer. The increase in Deficit is due to the net loss for the year.

(viii) Seasonal Aspects

There are no seasonal aspects that will have material effect on the Company's financial condition or results of operations.

Review of Previous Year 2013 Operations

The Company's total assets decreased by 17.027% from Php21.325 million as of 31 December 2012 to Php17.694 million as of 31 December 2013 due mainly to the decrease in inventories while total liabilities increased by 73.657% from Php0.823 million to Php1.429 million due mainly to the increase in due to related parties. Stockholders' Equity decreased by 20.666% from Php20.502 million as of 31 December 2012 to Php16.265 million as of 31 December 2013 due to the net loss for the year of Php4.237 million.

Revenues for the year 2013 amounted to Php17 as compared to Php130 in 2012 while total expenses amounted to Php4.237Million and Php3.069Million for the year 2013 and 2012, respectively. Net loss amounted to Php4.237 million for the year 2013 as compared to a net loss of Php3.069 million for the year 2012.

The top five (5) key performance ratios/indicators of the Company for the years ended 31 December 2013 and 2012 are as follows:

Ratios	Formula	12.31.13	12.31.12
Current Ratio		3.640:1	9.770:1
	Current Assets/	5,200,716	8,037,674
	Current Liabilities	1,428,643	822,682
Debt to Equity Ratio		0.088:1	0.040:1
	Total Liabilities/	1,428,643	822,682
	Stockholders' Equity	16,265,332	20,502,384
Debt to Total Assets Ratio		0.081:1	0.039:1
	Total Liabilities/	1,428,643	822,682
	Total Assets	17,693,975	21,325,066
Asset to Equity Ratio		1.088:1	1.040:1
	Total Assets/	17,693,975	21,325,066
	Stockholders' Equity	16,265,332	20,502,384
Interest Coverage Ratio	EBIT*/Interest Expense	Not Applicable	Not Applicable
Book Value Per Share		Php0.398	Php0.501
	Stockholders' Equity/	16,265,332	20,502,384
	Total No. Shares	40,899,000	40,899,000
Earnings/(Loss)Per Share		(Php0.104)	(Php0.075)
	Net Income/(Loss)	(4,237,054)	(3,068,694)
	Total No. Shares	40,899,000	40,899,000

**Earnings before interest and taxes (EBIT)*

(i) Known Trends, Events or Uncertainties Affecting Liquidity

Aside from the Company's planned stock rights offering, there are no known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in a material way.

The Company does not anticipate any cash flow or liquidity problems.

The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring payments.

(ii) Events That Will Trigger Direct or Contingent Financial Obligation

The Company does not expect any event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

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

The Company has no 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.

(iv) Capital Expenditures

The Company has no planned capital expenditures.

(v) Known Trends, Events or Uncertainties Affecting Sales

The Company does not expect any trends, events or uncertainties that may have material favorable or unfavorable impact on sales or income.

(vi) Significant Elements of Income or Loss

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

(vii) Causes for Material Changes in the Financial Statements

Accounts	2013	2012	%Increase / (Decrease)
Cash	35,488	59,631	(40.488%)
Inventories	0	2,868,645	(100.000%)
Prepayments and other current assets	1,331,665	1,275,835	4.376%
Property and equipment	12,493,259	13,287,392	(5.977%)
Due to related parties	1,238,000	640,000	93.4375%
Retained earnings (deficit)	(95,714,858)	(91,477,806)	4.632%

The net decrease in Cash is mainly due to the disbursements for expenses, offset in part by the cash provided by a Company officer. The decrease in Inventories is due to the write-down of inventories to net realizable value which amounted toPhp2.867Million in 2013. The increase in Prepayment and Other Current Assets is due to the increase in input vat which arose from domestic purchases of goods and services. Property and Equipment decreased due mainly to the provision for depreciation for the year. Due to Related parties increased due to the additional advances from a Company officer. The increase in Deficit is due to the net loss for the year.

(viii) Seasonal Aspects

There are no seasonal aspects that will have material effect on the Company's financial condition or results of operations.

Review of Previous Year 2012 Operations

The Company's total assets decreased by 10.171% from Php23.740Million as of 31 December 2011 to Php21.325Million as of 31 December 2012 due mainly to the decrease in inventories while total liabilities decreased by 76.888% from Php3.560Million to Php0.823Million due mainly to the conversion of the Company's advances/liabilities as of 31 December 2011 amounting to Php3.391Million into equity. The net increase in Stockholders' Equity of 1.597% from Php20.180Million as of 31 December 2011 to Php20.502Million as of 31 December 2012 is due to the aforementioned conversion of the Company's advances/liabilities into equity amounting to Php3.391 million and the net loss for the year of Php3.069Million.

Revenues for the year 2012 amounted to Php130 as compared to Php280 in 2011 while total expenses amounted to Php3.069 million and Php2.579 million for the year 2012 and 2011, respectively. Net loss amounted to Php3.069 million for the year 2012 as compared to a net loss of Php2.579 million for the year 2011.

The top five (5) key performance ratios/indicators of the Company for the years ended 31 December 2012 and 2011 are as follows:

Ratios	Formula	12.31.12	12.31.11
Current Ratio		9.770:1	2.713:1
	Current Assets/	8,037,674	9,656,679
	Current Liabilities	822,682	3,559,593
Debt to Equity Ratio		0.040:1	0.176:1
	Total Liabilities/	822,682	3,559,593
	Stockholders' Equity	20,502,384	20,180,078
Debt to Total Assets Ratio		0.039:1	0.150:1
	Total Liabilities/	822,682	3,559,593
	Total Assets	21,325,066	23,739,671
Asset to Equity Ratio		1.040:1	1.176:1
	Total Assets/	21,325,066	23,739,671
	Stockholders' Equity	20,502,384	20,180,078
Interest Coverage Ratio	EBIT*/Interest Expense	Not Applicable	Not Applicable
Book Value Per Share		Php0.501	Php0.538
	Stockholders' Equity/	20,502,384	20,180,078
	Total No. Shares	40,899,000	37,508,000
Earnings/(Loss)Per Share		(Php0.075)	(Php0.069)
	Net Income/(Loss)	(3,068,694)	(2,579,166)
	Total No. Shares	40,899,000	37,508,000

**Earnings before interest and taxes (EBIT)*

Causes for Material Changes in the Financial Statements

Accounts	2012	2011	%Increase / (Decrease)
Cash	59,631	339,729	(82.447%)
Inventories	2,868,645	4,261,168	(32.679%)
Prepayments and other current assets	1,275,835	1,217,219	4.816%
Property and equipment	13,287,392	14,082,992	(5.649%)
Due to related parties	640,000	3,391,000	(81.126)%
Share capital	40,899,000	37,508,000	9.041%
Retained earnings (deficit)	(91,477,806)	(88,409,112)	3.471%

The net decrease in Cash is mainly due to the disbursements for expenses, offset in part by the cash provided by a Company officer. The decrease in Inventories is due to the additional provision for impairment loss of Php1.392Million. The increase in Prepayment and Other Current Assets is due to the increase in input vat which arose from domestic purchases of goods and services. Property and Equipment decreased due mainly to the provision for depreciation for the year. Due to Related parties decreased while Share Capital increased due to mainly to the conversion of the Company's advances/liabilities as of December 3, 2011 amounting to Php3.391Million into equity. The increase in Deficit is due to the net loss for the year.

Status and Plan of Operations

On 29 July 2015, the Company's Board approved the increase in the Company's authorized capital stock from ONE HUNDRED MILLION PESOS (Php100,000,000.00) divided into ONE HUNDRED MILLION (100,000,000) shares with par value of ONE PESOS (Php1.00) per share to an amount of up to THREE BILLION PESOS (Php3,000,000,000.00) divided into such number of shares with par value of ONE PESO (Php1.00) per share, LBC Development Corporation will subscribe to up to 25% of such increase in authorized capital stock. The Company needs to raise additional capital in preparation for the purchase of up to 1,041,180,493 issued and outstanding shares of stock of LBC Express, Inc. On 29 July 2015, the Board of Directors of the Company approved the acquisition of up to 1,041,180,493 issued and outstanding shares of stock of LBC Express, Inc. After the Company acquires the shares in LBC Express, Inc., the Company plans to conduct capital raising activities to fund and support future plans for expansion of operations of LBC Express, Inc., investment in other enterprises, research and development, and investment in technology, among others. Further, the Company will incur expenses in moving its office to Pasay City. Likewise, the Company will hire employees in the next twelve (12) months to support its intended expansion in operations or investment activity.

ANNEX "C"

Audited Financial Statements for the year ended 31 December 2014

ANNEX "D"

Quarterly Report for the Quarterly Period ended 31 March 2015

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A S 0 9 3 0 0 5 2 7 7

Company Name

FEDERAL RESOURCES INVESTMENT GROUP INC.

FORMERLY:

FEDERAL CHEMICALS, INC.

Principal Office (No./Street/Barangay/City/Town)Province)

NO. 35 SAN ANTONIO ST. SAN FRANCISCO DEL MONTE QUEZON CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CGFD	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
jeannieb@omico.com.ph	6 3 7 6 9 2 3	917 8 1 9 5 1 4 2

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
470 As of March 31, 2015	Second Monday of June	31-Dec

CONTACT PERSON INFORMATION

The designated contact person *MUST* be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Juana Lourdes M. Buyson	jeannieb@omico.com.ph	6376923	9178195142

Contact Person's Address

Suite 1109 East tower, PSE Centre, Exchange Road, Oritgas Center, Pasig City

Note: In case of death, resgination or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

FEDERAL RESOURCES INVESTMENT GROUP INC.

FINANCIAL STATEMENTS

December 31, 2014, 2013 and 2012

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of FEDERAL RESOURCES INVESTMENT GROUP INC. is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2014 and 2013, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This 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 the financial statements before such statements are approved and submitted to the stockholders of the Company.

R. R. Tan & Associates, CPAs, the independent auditors appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

Signed under oath by the following:

Tommy Kin Hing Tia
Chairman, Board of Directors

Anna Mei Nga Tia
President/CEO

Juana Lourdes M. Buyson
Treasurer

MAR 1 9 2015

SUBSCRIBED AND SWORN to before me this __________day of ________ affiants exhibited to me their Community Tax Certificate No. as follows:

	Res. Cert. No.	Date / Placed Issued
Tommy Kin Hing Tia	23511373	02.11.15/Manila
Anna Mei Nga Tia	10755784	01.13.15/Manila
Juana Lourdes M. Buyson	34628449	02.26.15/Pasig City

all known to me and to me known to be the same persons who executed the foregoing Statement of Management's Responsibility for Financial Statements.

IN WITNESS WHEREOF, I have hereunto affixed my notary seal at the date and place first above written.

Doc. No. 215
Page No. 10
Book No. 24
Series of 2015.

08 APR 2015
ATTY RICHARD ANOLIN

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
Pasig City, Philippines 1605
Tel.: (632) 638-3430 to 32; Fax: (632) 638-3430
e-mail .: info@rrtan.net

PRC-BOA Reg. No. 0132, valid until December 31, 2015
SEC Accreditation No.0220-FR-1, valid until March 25, 2017
BIR Accreditation No. 07-000125-1-2013, valid until October 3, 2016

Report of Independent Public Accountants

The Board of Directors and Stockholders
FEDERAL RESOURCES INVESTMENT GROUP INC.
No. 35 San Antonio Street,
San Francisco Del Monte, Quezon City

Report on Financial Statements

We have audited the accompanying financial statements of **FEDERAL RESOURCES INVESTMENT GROUP INC.** which comprise the statements of financial position as at December 31, 2014 and 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014, 2013 and 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

08 APR 2015

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of **FEDERAL RESOURCES INVESTMENT GROUP INC.** as at December 31, 2014 and 2013, and its financial performance and of its cash flows for the years ended December 31, 2014, 2013 and 2012 in accordance with Philippine Financial Reporting Standards.

Emphasis of Matter
As discussed in Note 1 to the financial statements, the Company changed its primary purpose from manufacturing and marketing of adhesive products to that of a holding company to allow for greater flexibility in its investment options. Currently, the increase in authorized capital stock and offering of stock rights are tapped to secure funding to any business opportunities deemed profitable.

The outcome of its capital build-up program and the eventual success of its investment options cannot be determined at this time.

Report on the Supplementary Information Required Under Revenue Regulations (RR) 15-2010 and 19-2011 of the Bureau of Internal Revenue
Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information disclosed in Note 19 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R. R. TAN AND ASSOCIATES, CPAs

By: DOMINGO A. DAZA, JR.
Partner
CPA Certificate No. 0109993
Tax Identification No. 203-917-449
PTR No. 0409887, January 17, 2015, Pasig City
SEC Accreditation No. 1088-AR-1, valid until March 25, 2017
BIR Accreditation No. 07-000124-1-2013, valid until
October 3, 2016

March 19, 2015
Pasig City

08 APR 2015

FEDERAL RESOURCES INVESTMENT GROUP INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

	Notes		**2014**		2013
ASSETS					
Current Assets					
Cash		P	**23,120**	P	35,488
Receivables - net	8,18		**2,208,000**		3,833,563
Inventories - net	9		**-**		-
Other current assets - net	10		**568,539**		1,331,665
Total Current Assets			**2,799,659**		5,200,716
Non-current Assets					
Property and equipment - net	11		**-**		12,493,259
TOTAL ASSETS		P	**2,799,659**	P	17,693,975
LIABILITIES AND EQUITY					
Current Liabilities					
Trade and other payables	12	P	**-**	P	190,643
Due to related parties	18		**1,924,000**		1,238,000
Total Current Liabilities			**1,924,000**		1,428,643
Equity					
Share capital	13		**40,899,000**		40,899,000
Share premium			**71,081,190**		71,081,190
Deficit - December 31			**(111,104,531)**		(95,714,858)
			875,659		16,265,332
TOTAL LIABILITIES AND EQUITY		P	**2,799,659**	P	17,693,975

See accompanying Notes to Financial Statements.

FEDERAL RESOURCES INVESTMENT GROUP INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

	Notes		2014		2013		2012
REVENUES							
Interest income		P	**12**	P	17	P	130
Other income			**148,521**		-		-
			148,533		17		130
EXPENSES							
Impairment losses	15		**14,123,458**		2,868,645		1,392,524
Administrative expenses	14		**1,411,778**		1,368,426		1,676,300
			15,535,236		4,237,071		3,068,824
LOSS BEFORE TAX			**(15,386,703)**		(4,237,054)		(3,068,694)
INCOME TAX EXPENSE	16		**2,970**		-		-
LOSS FOR THE PERIOD			**(15,389,673)**		(4,237,054)		(3,068,694)
OTHER COMPREHENSIVE INCOME			-		-		-
TOTAL COMPREHENSIVE INCOME		P	**(15,389,673)**	P	(4,237,054)	P	(3,068,694)
Loss Per Share	17	P	**(0.376)**	P	(0.104)	P	(0.077)

See accompanying Notes to Financial Statements.

FEDERAL RESOURCES INVESTMENT GROUP INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

	Notes		**2014**		2013		2012
SHARE CAPITAL - P1 par value	*13*						
Balance, January 1		**P**	**40,899,000**	P	40,899,000	P	37,508,000
Issuance during the year			**-**		-		3,391,000
Balance, December 31			**40,899,000**		40,899,000		40,899,000
SHARE PREMIUM			**71,081,190**		71,081,190		71,081,190
DEFICIT							
Balance, January 1			**(95,714,858)**		(91,477,806)		(88,409,112)
Loss for the period			**(15,389,673)**		(4,237,054)		(3,068,694)
Balance, December 31			**(111,104,531)**		(95,714,858)		(91,477,806)
TOTAL EQUITY		**P**	**875,659**	P	16,265,332	P	20,502,384

See accompanying Notes to Financial Statements.

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FEDERAL RESOURCES INVESTMENT GROUP INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

	Notes		2014		2013		2012
CASH FLOWS FROM OPERATING ACTIVITIES							
Loss before tax		P	**(15,386,703)**	P	(4,237,054)	P	(3,068,694)
Adjustments for:							
Depreciation	11		**794,133**		794,133		795,600
Impairment loss on:							
Receivables	15		**1,625,563**		-		-
Inventories	15		**-**		2,868,645		1,392,524
Property, plant and equipment	15		**11,699,126**		-		-
Other current assets	15		**798,769**		-		-
Loss before working capital changes			**(469,112)**		(574,276)		(880,570)
Changes in assets and liabilities:							
Decrease (increase) in:							
Receivables			**-**		-		5,000
Other current assets			**(38,613)**		(55,830)		(58,618)
Increase (decrease) in:							
Trade and other payables			**(190,643)**		7,963		14,090
Net cash used in operations			**(698,368)**		(622,143)		(920,098)
CASH FLOWS FROM FINANCING ACTIVITIES							
Advances from stockholder			**686,000**		598,000		640,000
NET DECREASE IN CASH			**(12,368)**		(24,143)		(280,098)
CASH AT BEGINNING OF YEAR			**35,488**		59,631		339,729
CASH AT END OF YEAR		P	**23,120**	P	35,488	P	59,631

See accompanying Notes to Financial Statements.

FEDERAL RESOURCES INVESTMENT GROUP INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

1. Corporate Information and Status of Operation

Corporate Information

Federal Resources Investment GroupInc. (the "Company"), formerly Federal Chemicals, Incorporated, was registered with the Philippine Securities and Exchange Commission on July 12, 1993. Prior to its change in primary purpose as discussed below, the Company was engaged in the manufacture, marketing and distribution of various adhesives and sealants and other chemicals to cater to various hardware, construction, do-it-yourself and other applications.

The Company undertook an Initial Public Offering and on December 21, 2001 the Company's shares were listed on the second board of the Philippine Stock Exchange ("PSE").

In order to tap potential business opportunities, the Company deemed it necessary to broaden the scope of the Company's primary purpose by changing it to that of a holding company to allow for greater flexibility in its investment options.

On September 28, 2007, the change in corporate name of the Company from Federal Chemicals, Incorporated to Federal Resources Investment Group Inc. was approved by the Securities and Exchange Commission ("SEC"). Also on that date, the change in the primary purpose of the Company to that of a holding company was approved by the SEC. The Company's new primary activities are to invest in, purchase, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, association and associations, domestic or foreign.

Status of Operation

A change of primary purpose alone will not suffice to meet the reason behind the shift to a holding company in view of the Company's relatively small authorized capital stock of One Hundred Million Pesos (P100,000.000.00). For the Company to effectively pursue potential investments in the future, it needs to have a greater capitalization. Hence, the Company's Board found it imperative as well to increase the present authorized capital stock to One Billion Pesos (P1,000,000,000.00) and approved said increase in authorized capital stock on July 06, 2007.

During the Annual Stockholders' Meeting held on August 13, 2007, the stockholders owning or representing at least two thirds (2/3) of the outstanding capital stock approved the increase in the Company's authorized capital stock from One Hundred Million Pesos (P100,000,000.00) divided into One Hundred Million (100,000,000) shares, with a par value of One Peso (P1.00) per share to One Billion Pesos (P1,000,000,000.00) divided into One Billion (1,000,000,000) shares, with a par value of One Peso (P1.00) per share.

With respect to the increase in the Company's authorized capital stock from One Hundred Million Pesos (P100,000,000.00) to One Billion Pesos (P1,000,000,000.00), the Company shall undertake a 6:1stock rights offering at an offer price at par value of One Peso (P1.00) per share to comply with the requirements of the SEC for the minimum amount of capital to be subscribed and paid up by the Company's shareholders in connection with the aforementioned increase in the Company's authorized capital stock.

The said increase in authorized capital and stock rights offer shall be submitted for approval by the SEC and the PSE. Since the Company's existing shares are presently listed in the PSE, the Company intends to apply with the PSE for the listing of the shares to be issued from the stock rights offering.

In line with the Company's shift to a holding company, the stock rights offering shall be undertaken as and when specific investment opportunities are available that would make the Company adapt to the changing business environment.

At present, the Company is still in the process of winding up its manufacturing and trading operations and selling its remaining inventories. Management is continually studying and evaluating other lines of business related to the Company's new primary activities which are to invest in, purchase, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, association and associations, domestic or foreign. Accordingly, the accompanying financial statements were prepared under the going concern concept.

The Company's registered office, which is also its principal place of business, is located at No. 35 San Antonio Street, San Francisco Del Monte, Quezon City.

Approval of financial Statements
The financial statements of the Company for the years ended December 31, 2014, were approved and authorized for issue by the Board of Directors on March 19, 2015.

2. Basis of Preparation and Presentation

Statement of Compliance
The accompanying financial statements have been prepared in accordance with generally accepted accounting principles as set forth in Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and interpretations thereof. PFRS are adopted standards by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB).

Basis of Financial Statement Preparation and Presentation
The financial statements have been prepared on a historical cost basis.

The financial statements are presented in Philippine Peso and all values represent absolute amount except as indicated.

3. Summary of Significant Accounting Policies and Disclosures

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

Cash
Cash includes cash on hand and in banks.

Financial Instruments
Date of recognition
Financial assets and financial liabilities are recognized in the statements of financial position of the Company when it becomes a party to the contractual provisions of the instrument.

Initial recognition
All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of financial instruments includes transaction costs.

Determination of fair value
The fair value for instruments traded in active market at the reporting date is based on their quoted market price. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable prices exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Company recognizes the difference between the transaction price and fair value in the statements of income unless it qualifies for recognition as some other type of asset.

Classification and subsequent recognition of financial instruments
The Company classifies financial assets into the following categories, (i) At fair value through profit or loss (FVPL), (ii) Available-for-sale, (iii) Held-to-maturity and (iv) Loans and receivable. The Company classifies its financial liabilities into (i) Financial liabilities at FVPL and (ii) Other financial liabilities. The classification depends on the purpose for which the investments were acquired or liabilities incurred and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

(i) Financial Assets and Financial Liabilities at FVPL

Financial assets and financial liabilities at FVPL include financial assets and financial liabilities held for trading and financial assets and financial liabilities designated upon initial recognition as at FVPL. After initial recognition, financial assets and financial liabilities at FVPL are carried at fair value.

A financial assets and financial liabilities are classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future; or
- It is part of an identified portfolio of financial instruments that the Company manages together and has recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistently that would otherwise arise; or
- The financial asset forms part of a group of financial assets which is managed and its performance is evaluated on a fair value basis.
- It forms part of a contract containing one or more embedded derivatives.

Financial assets at FVPL are stated at fair value, with any resulting gain or loss is recognized in the profit or loss.

As of December 31, 2014 and 2013, the Company has no financial assets and financial liabilities under this category.

(ii) Available-for-sale (AFS)

AFS are non-derivative financial assets that are either designated on this category or not classified in any of the other categories. Subsequent to initial recognition, AFS assets are carried at fair value in the statements of financial position. Changes in the fair value are recognized directly in equity account as “Fair value gain or loss on available-for-sale financial assets”. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in equity is included in statements of comprehensive income for the period.

As of December 31, 2014 and 2013, the Company has no financial assets and financial liabilities under this category.

(iii) Held-to-maturity (HTM)

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturities wherein the Company has the positive intention and ability to hold to maturity. After initial measurement, HTM assets are carried at amortized cost using the effective interest method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate. Any changes to the carrying amount of the investment are recognized in statements of comprehensive income.

As of December 31, 2014 and 2013, the Company has no financial assets and financial liabilities under this category.

(iv) Loans and receivables

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. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate. “Receivables” in the statements of financial position is classified under this category.

Loans and receivables are included in current assets if maturity is within 12 months from the reporting date, otherwise these are classified as noncurrent assets.

Other financial liabilities
Issued financial instruments or their components, which are not designated as at FVPL are classified as other financial liabilities where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral parts of the effective interest rate. Any effects of restatement of foreign currency-denominated liabilities are recognized in the statement of comprehensive income.

This accounting policy applies primarily to the Company’s trade and other payables and due to related parties and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable and pension liabilities).

Reclassification of financial assets
A financial asset is reclassified out of the FVPL category when the following conditions are met (i) the financial asset is no longer held for the purpose of selling or repurchasing it in the near term; and (ii) there is a rare situation.

A financial asset that is reclassified out of the FVPL category is reclassified at its fair value on the date of reclassification. Any gain or loss already recognized in the statement of comprehensive income is not reversed. The fair value of the financial asset on the date of reclassification becomes its new cost or amortized cost, as applicable.

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

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party.
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither

transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

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

Financial liability
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of income.

Impairment of financial assets
At the end of each reporting period, the Company assesses whether a financial asset or group of financial asset is impaired.

A financial asset or group of financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset of the group of financial asset that can be reliably estimated. Objective evidence that a financial asset may have been impaired includes:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becomes probable that the borrower will enter bankruptcy or financial re-organization

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced by the impairment loss and loss is recorded in the profit and loss.

If in 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, the previously recognized impairment loss is reversed through profit and loss to the extent that the carrying amount of investment at the date the impairment is reversed, does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Inventories
Inventories are valued at the lower of cost and net realizable value.Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials – purchase cost on a first-in, first-out basis;
- Finished goods – cost of direct materials and labor and a proportion of manufacturing overhead based on normal operating capacity, excluding borrowing 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.

When the net realizable value of the inventories is lower than the cost, the Company provides for an allowance for inventory obsolescence and recognizes the write-down as an expense in the statement of comprehensive income.

Prepaid Expenses
Prepaid expenses are measured at amounts paid and subsequently recognized as expense over which the prepayments apply.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation, amortization and 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. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

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

Machinery and factory equipment	10 – 30 years
Building improvements	10 years
Office equipment	5 years
Transportation equipment	5 years

The assets are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount 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, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro rata to the other assets in the cash-generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

The residual values and estimated useful life of property and equipment are reviewed, and adjusted if appropriate, at each reporting date.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statements of comprehensive income in the year the item is derecognized.

Equity
Share capital is determined using the par value of shares that have been issued.

Share premium includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Deficit includes all current and prior period results of operation as disclosed in the statement of comprehensive income.

Revenue and Cost Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

> Sale of Goods – Revenue is recognized when the risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.
>
> Interest – Revenue is recognized as the interest accrues (taking into account the effective yield on the asset).

Cost and expenses are recognized in the statement of comprehensive income upon utilization of the service or at the date they are incurred.

Functional and Presentation Currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Philippine peso, which is the Company’s functional currency.

The accounting records of the company are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of comprehensive income.

If there is any indication at end of the reporting period that an impairment loss recognized for an asset in prior years may no longer exist or may have decreased, the Company estimates the recoverable amount of that asset and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

Income Taxes
Current income 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 reporting date. They are calculated according to 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 the statement of comprehensive income.

Deferred tax is provided using the balance sheet liability method on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet 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 carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the statements of comprehensive income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

Impairment of Non-financial Assets
The carrying values of inventories, property and equipment and other current assets are reviewed for impairment when events or changes in circumstances indicate that their carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of inventories, property and equipment and other current assets, is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statements of comprehensive income.

If there is any indication at end of the reporting period that an impairment loss recognized for an asset in prior years may no longer exist or may have decreased, the Company estimates the recoverable amount of that asset and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

Related Party Transactions
Parties are considered 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. The related party transactions are recognized based on transfer of resources or obligations between related parties, regardless whether a price is charged.

Earnings (Loss) Per Share
Earnings (loss) per share is determined by dividing net income (loss) by the weighted average number of common shares subscribed and issued during the year, after retroactive adjustment for any dividend declared in the current year. The diluted earnings (loss) per share is not computed since the Company has no potential dilutive common shares.

Provisions
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 reporting date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provision. 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. In addition, long-term provisions are discounted to their present values, where time value of money is material.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources 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.

Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

Events after the End of Reporting Period
Events that provide evidence of conditions that existed after reporting date (adjusting events) are recognized in the financial statements, while those that are indicative of conditions that existed after reporting date (non-adjusting events) are disclosed in the notes to financial statements when material.

4. Changes in Accounting Standards

New Accounting Standards and Amendments to Existing Standards Effective as of January 1, 2014
The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to PFRS effective beginning January 1, 2014. The adoption however did not result to any material changes in the financial statements.

PAS 32, Financial Instruments: Presentation - Offsetting of Financial Assets and Financial Liabilities
These amendments to PAS 32 clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. While the amendment does not have any impact on the net assets of the Company, any changes in offsetting is expected to impact leverage ratios and regulatory capital requirements. The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014. The amendment does not have any material impact on the Company's financial position and performance.

Amendments to PAS 36, Impairment of Assets
The amendment requires the following disclosure if the recoverable amount is fair value less costs of disposal:

- the level of the fair value hierarchy (from PFRS 13 *Fair Value Measurement*) within which the fair value measurement is categorized;
- the valuation techniques used to measure fair value less costs of disposal and
- the key assumptions used in the measurement of fair value measurements categorized within 'Level 2' and 'Level 3' of the fair value hierarchy if recoverable amount is fair value less costs of disposal.

The amendments to PAS 36 are effective for annual periods beginning on or after January 1, 2014. The adoption of the standardaffects disclosures only and does not affect the financial position and performance of the Company.

Amendments to PFRS 10, PFRS 12 and PAS 27, *Investment Entities*(effective for annual periods beginning on or after January 1, 2014)
These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. The amendments do not have material financial impact in the financial statements.

Philippine Interpretation IFRIC 21, *Levies* (effective for annual periods beginning on or after January 1, 2014)
IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that trigger payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The interpretation does not have material financial impact in theCompany's financial statements.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to December 31, 2014
Standards issued but not yet effective up to date of issuance of the Company's financial statements are listed below. The listing consists of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective. The Company does not expect the adoption of these new

and amended PFRS and Philippine Interpretations to have significant impact on its financial statements.

Effective 2015

PAS 19, "Defined Benefit Plans: Employee Contributions (*Amendments to PAS 19 Employee Benefits)*

The amendment clarifies that the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contribution, can, but are not required, to be recognized as a reduction in the service cost in the period in which the related service is rendered. These amendments are effective for annual periods beginning on or after 1 July 2014. The amendment will not have any significant impact on the Company's financial position or performance.

Annual Improvements to PFRS

The Annual Improvements to PFRS (2010 to 2012 cycle and 2011 to 2013) contain non-urgent but necessary amendments to PFRS. These amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. Earlier application is permitted.

Annual Improvements to PFRS (2010 to 2012 cycle)

PFRS 2, "Share-based Payments"

The amendment clarifies the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition'). The amendment does not apply to the Company.

PFRS 3, "Business Combinations"

The amendment clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date. The amendment does not apply to the Company.

PFRS 8, "Operating Segments"

The amendment requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments. It also clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. The adoption of the standard will affect disclosures only and will not affect the financial position and performance of the Company.

PFRS 13, "Fair Value Measurement"

The amendment clarifies that issuing PFRS 13 and amending PFRS 9 and PAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial. The amendment will not have any significant impact on the Company's financial position or performance.

PAS 16, "Property, Plant and Equipment"

The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. The Company is currently assessing impact of the amendments to PAS 16.

PAS 24, "Related Party Disclosures"

The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. The amendment will not have any significant impact on the Company's financial position or performance.

PAS 38, "Intangible Assets"

The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. The amendment will not have any significant impact on the Company's financial position or performance.

Annual Improvements to PFRS (2011 to 2013 cycle)
PFRS 1, "First-time Adoption of Philippine Financial Reporting Standards"
The amendment clarifies that an entity, in its first PFRS financial statements, has the choice between applying an existing and currently effective PFRS or applying early a new or revised PFRS that is not yet mandatorily effective, provided that the new or revised PFRS permits early application. An entity is required to apply the same version of the PFRS throughout the periods covered by those first PFRS financial statements. The amendment does not apply to the Company as it is not a first time adopter of PFRS.

PFRS 3, "Business Combinations"
The amendment clarifies that PFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendment will not have any significant impact on the Company's financial position or performance.

PFRS 13, "Fair Value Measurement"
The amendment clarifies that the scope of the portfolio exception defined in paragraph 52 of PFRS 13 includes all contracts accounted for within the scope of 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 PAS32 *Financial Instruments: Presentation*. The amendments will affect disclosures only and will have no impact on the Company's financial position or performance.

PAS 40, "Investment Property"
The amendment clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in PFRS 3 *Business Combinations* and investment property as defined in PAS 40 *Investment Property* requires the separate application of both standards independently of each other. The amendment will not have any significant impact on the Company's financial position or performance.

Effective 2016
PAS 1, "Presentation of Financial Statements" – Disclosure Initiative
The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports.They are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted.The amendment will not have any significant impact on the Company's financial position or performance.

PAS 16, "Property, Plant and Equipment" and PAS 38, "Intangible Assets" – Clarification of Acceptable Methods of Depreciation and Amortization
The amendments provide additional guidance on how the depreciation and amortization of property, plant and equipment and intangible assets should be calculated. They are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted.The amendment will not have any significant impact on the Company's financial position or performance.

PAS 28, "Investment in Associates and Joint Ventures" and PFRS 10, "Consolidated Financial Statements" – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments address a conflict between the requirements of PAS 28 and PFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. They are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted.The amendment will not have any significant impact on the Company's financial position or performance.

PAS 27, "Separate Financial Statements" – Equity Method in Separate Financial Statements
The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted.The amendment will not have any significant impact on the Company's financial position or performance.

PAS 41, “Agriculture” – Agriculture: Bearer Plants
The amendments bring bearer plants, which are used solely to grow produce, into the scope of PAS 16 so that they are accounted for in the same way as property, plant and equipment. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted.The amendment will not have any impact on the Company’s financial position or performance.

PFRS 10, “Consolidated Financial Statements”; PFRS 12, “Disclosure of Interest in Other Entities” and PAS 28, “Investment in Associates and Joint Ventures” – Investment Entities: Applying the Consolidation Exception
The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities. They are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted.The amendment will not have any significant impact on the Company’s financial position or performance.

PFRS 11, “Joint Arrangements” – Accounting for Acquisitions of Interests in Joint Operations
The amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business. The amendments are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted.The amendment will not have any significant impact on the Company’s financial position or performance.

PFRS 14, “Regulatory Deferral Accounts”
This Standard is intended to allow entities that are first-time adopters of PFRS, and that currently recognize regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to PFRS. The Standard is intended to be a short-term, interim solution while the longer term rate-regulated activities project is undertaken by the IASB. The IASB has stated that by publishing this Standard, they are not anticipating the outcome of the comprehensive rate-regulated activities project which is in its early stages.The Standardis effective for annual periods beginning on or after January 1, 2016. The Standard will not have any significant impact on the Company’s financial position or performance.

Annual Improvements to PFRS
The Annual Improvements to PFRS (2012 to 2014 cycle) contain non-urgent but necessary amendments to PFRS. These amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.

PFRS 5, “Non-current Assets Held for Sale and Discontinued Operations”
The amendment adds specific guidance in PFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued. The Company does not expect the amendments will have any significant impact on its financial position or performance.

PFRS 7, “Financial Instruments: Disclosures” (with consequential amendments to PFRS 1)
The amendment adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required. The amendment also clarifies the applicability of the amendments to PFRS 7 on off-setting disclosures to condensed interim financial statements. The amendments will affect disclosures only and will have no impact on the Company’s financial position or performance.

PAS 19, “Employee Benefits”
The amendment clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level).The amendment will not have any significant impact on the Company’s financial position or performance.

PAS 34, “Interim Financial Reporting”
The amendment clarifies the meaning of 'elsewhere in the interim report' and requires a cross-reference. The amendments will affect disclosures only and will have no impact on the Company’s financial position or performance.

Effective 2017
PFRS 15, "Revenue from Contracts with Customers"
PFRS 15 specifies how and when a PFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes PAS 18 'Revenue', PAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all PFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. This Standard is effective for financial statements for periods beginning on or after January 1, 2017. The Standard will not have any significant impact on the Company's financial position or performance.

Effective 2018
PFRS 9, "Financial Instruments"
This version of PFRS 9 'Financial Instruments' brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace PAS 39 'Financial Instruments: Recognition and Measurement'. This version also adds a new expected loss impairment model and limited amendments to classification and measurement for financial assets. The Standard supersedes all previous versions of IFRS 9 and is effective for periods beginning on or after January 1,2018.The Company will assess the impact of this standard to its financial position and performance.

5. Summary of Significant Accounting Judgments and Estimates

The preparation of financial statements in conformity with PFRS requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of financial statements, and revenue and expenses during the period reported.

The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances of the Company's financial statements. Actual results could differ from those estimates. The following are the relevant estimates performed by management on its December 31, 2014, 2013and 2012financial statements.

Inventories
Valuation of inventories is estimated based on the marketability (commercial obsolescence) of the items and the related cost to be incurred on the disposal of the assets. Due to the cessation of the operations and the current marketable status of the items on hand, the Company expects that it will not be able to recover in full the cost of its stock on hand in the near future. An allowance was provided based on the deterioration, damage, breakage, age and technological changes determined using specific identification at the time of physical count.

Full allowance for inventory obsolescence was provided as of December 31, 2014 and 2013.

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. In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase recorded operating expenses and decrease non-current assets.

Property and equipment net of accumulated depreciation and accumulated impairmentloss amounted to nil and P12.5 million as of December 31, 2014 and 2013, respectively (see Note 11).

Allowance for Impairment of Receivables
Allowance is made for specific and groups of accounts, where objective evidence of impairment exists. The Company evaluates these accounts based on available facts and circumstances,

including, but not limited to, the length of the Company's relationship with the customers, the customers' current credit status based on third party credit reports and known market forces, average age of accounts, collection experience and historical loss experience.

Allowance for probable losses on receivables amounted to P1,890,261 and P264,698 in 2014 and 2013 (see Note 8).

Realizability of Deferred Tax Assets
The Company reviews its deferred tax assets at each reporting date 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.

As of December 31, 2014 and 2013, no deferred tax was recognized since the Company does not expect to benefit thereon.

Impairment of Non-financial Assets
Except for intangible assets with indefinite useful lives, PFRS requires that an impairment review be performed when certain impairment indicators are present. The Company's policy on estimating the impairment of non-financial assets is discussed in detail in Note 3. 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.

Allowance for impairment loss on non-financial assets as of December 31, 2014 and 2013 is broken down as follows:

	2014	2013
Property and equipment	**P 11,699,126**	P -
Inventories	**7,145,935**	7,145,935
Other current assets	**798,769**	-
	P 19,643,830	P 7,145,935

Provisions
The Company provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provisions is based on known information at end of the reporting period, net of any estimated amount that may be reimbursed to the Company. The amount of provision is being re-assessed at least on an annual basis to consider new relevant information.

6. Risk Management Objectives and Policies

The Company's financial assets consist of cash, receivable and accounts payable. The Company's financial risk management is coordinated with the Board of Directors and focuses on actively securing the Company's short-to medium-term cash flows by minimizing the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below.

Liquidity Risk
While the operation of the Company are suspended, cash requirement are temporarily provided by a certain officer. In the near future, the Company does not foresee any cash requirement in excess of its current operating needs.

Credit Risk
Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statements of financial position (or in the detailed

analysis provided in the notes to the financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The carrying value of receivables exposed to credit risk amounted to P4.1 million. These receivable pertains to advances to certain officer and related party in prior years. Management believes that the amount is recoverable either thru cash, or other forms of dealings.

Foreign Currency Risk
The Company has no exposure to foreign currency risks as all transactions are denominated in Philippine peso, its functional currency.

Interest Rate Risk
The Company has no exposure to interest rate. Advances from certain officer are not subject to interest and have no fixed repayment period.

7. Segment Information

Prior to the Company's change in primary purpose, operating segments are classified into manufacturing and sale of (i) PVC Resins and (ii) Sealants, Coatings and adhesives.

The company's operation has been discontinued effective January 1, 2009 in relation to the Company's change of primary purpose to that of a holding company. Hence no segment information is available for 2014, 2013 and 2012.

8. Receivables

This account as at December 31, 2014 and 2013 consists of:

		2014		2013
Due from officers and stockholders	**P**	**2,702,436**	P	2,702,436
Advances to a related party		**1,371,127**		1,371,127
Other receivables		**24,698**		24,698
		4,098,261		4,098,261
Less: Allowance for probable losses		**1,890,261**		264,698
	P	**2,208,000**	P	3,833,563

Movements in allowance for probable losses as at December 31, 2014 and 2013 are as follows:

		2014		2013
Balance, January 1	**P**	**264,698**	P	264,698
Provision for probable losses		**1,625,563**		-
Balance, December 31	**P**	**1,890,261**	P	264,698

Where collectability is uncertain, allowance for impairment losses are provided based on age and historical experience of the account.

The net carrying amount of these receivables is a reasonable approximation of their fair value.

9. Inventories

The major components of this account as of December 31, 2014 and 2013 are as follows:

Packaging materials	P	3,395,889
Raw materials		2,147,267
Finished goods		1,279,861
Others		322,918
		7,145,935
Less: Allowance for inventory obsolescence		7,145,935
	P	-

Movements of allowance for inventory obsolescence follow:

		2014		2013
Balance, Jan. 1	**P**	**7,145,937**	P	4,277,292
Provision		**-**		2,868,645
Balance, Dec. 31	**P**	**7,145,937**	P	7,145,937

Provision for inventory obsolescenceamounted to P2,868,645 in 2013.

10. Other Current Assets

This account consists of:

		2014		2013
Creditable income tax	**P**	**568,539**	P	571,509
Input VAT		**798,769**		760,156
		1,367,308		1,331,665
Less: Allowance for impairment losses		**798,769**		-
	P	**568,539**	P	1,331,665

Creditable income tax may be offset against any future taxable income. Input tax arose from domestic purchases of goods and services and may be offset against output tax.When recoverability is doubtful, management recognizes allowance for impairment losses.

11. Property and Equipment

The breakdown of this account is as follows:

	As of December 31, 2014			
	Machinery and Factory Equipment	Building Improvements	Transportation and Office Equipment	Total
Cost	**P 25,039,479**	**P 1,600,000**	**P 883,290**	**P 27,522,769**
Accumulated depreciation and impairment losses:				
Balance, January 1	**12,546,220**	**1,600,000**	**883,290**	**15,029,510**
Provision for:				
Depreciation	**794,133**	**-**	**-**	**794,133**
Impairment	**11,699,126**	**-**	**-**	**11,699,126**
Balance, December 31	**25,039,479**	**1,600,000**	**883,290**	**27,522,769**
Net book value	**P -**	**P -**	**P -**	**P -**

	As of December 31, 2013			
	Machinery and Factory Equipment	Building Improvements	Transportation and Office Equipment	Total
Cost	P 25,039,479	P 1,600,000	P 883,290	P 27,522,769
Accumulated depreciation:				
Balance, January 1	11,752,087	1,600,000	883,290	14,235,377
Provisions	794,133	-	-	794,133
Balance, December 31	12,546,220	1,600,000	883,290	15,029,510
Net book value	P 12,493,259	P -	P -	P 12,493,259

Depreciation expense charged to profit and loss amounted toP794,133 in 2014 and 2013. An impairment loss on property and equipment amounting to P11,699,126 was recognized in 2014.

12. Trade and Other Payables

As of December 31, 2013, this account consists of:

Trade payables	P 186,143
Others	4,500
	P 190,643

Due to their short duration, the carrying amounts of trade and other payables represent a reasonable approximate of their fair values.

13. Share Capital

The Company's capital structure as of December 31, 2014 and 2013is as follows:

	Shares	Amount
Authorized - P1 par value	100,000,000	P 100,000,000
Issued and outstanding	40,899,000	40,899,000

14. Administrative Expenses

This account consists of:

	2014	2013	2012
Depreciation	**P 794,133**	P 794,133	P 795,600
Professional fees	**310,100**	265,800	558,078
Taxes and licenses	**256,710**	263,413	289,355
Miscellaneous	**50,835**	45,080	33,267
	P 1,411,778	P 1,368,426	P 1,676,300

15. Impairment Losses

Impairment losses comprise the following:

	2014	2013	2012
Receivables	**P 1,625,563**	P -	P -
Inventories	**-**	2,868,645	1,392,524
Property and equipment	**11,699,126**	-	-
Other current assets	**798,769**	-	-
	P 14,123,458	P 2,868,645	P 1,392,524

16. Taxes

The reconciliation of the income tax on pretax income computed at the statutory rate to income tax expense attributable to operations is as follows:

	2014	2013	2012
Tax on pretax loss	**P (4,616,011)**	P (1,271,116)	P (920,608)
Add (deduct) tax effects of:			
Non-taxable income	**(4)**	(5)	(39)
Unrecognized deferred tax asset	**4,237,037**	860,594	417,757
MCIT	**2,970**	-	-
Income/expenses subject to regular tax rate	**378,977**	410,528	502,890
Reported income tax expense	**P 2,970**	P -	P -

The Company did not recognize any deferred tax assets as of December 31, 2014, 2013 and 2012 since it does not expect to have sufficient profit against which the deferred tax assets can be utilized.

Details of the unrecognized deferred tax assets are as follows:

	2014	2013
NOLCO	**P 1,233,854**	P 1,506,892
Impairment losses on:		
Inventories	**2,143,781**	2,143,781
Property and equipment	**3,509,738**	371,057
Accounts receivable	**567,078**	79,409
Other current assets	**239,631**	-
	P 7,694,082	P 4,101,139

Carry forward benefits of NOLCO are as follows:

Inception	Incurred	Utilized	Expired	Unexpired	Expiry
2014	P 1,263,257	P -	P -	P 1,263,257	2017
2013	1,368,426	-	-	1,368,426	2016
2012	1,676,300	-	-	1,481,163	2015
2011	1,481,163	-	1,481,163	-	2014
	P 5,789,146	P -	P 1,481,163	P 4,112,846	

17. Loss Per Share

The computation of loss per share is as follows:

	2014	2013	2012
Loss	**P (15,389,673)**	P (4,237,054)	P (3,068,694)
Divided by weighted average number of shares	**40,899,000**	40,899,000	39,768,667
	P (0.376)	P (0.104)	P (0.077)

Dilutive earnings per share are not determined since the Company does not have dilutive shares as of December 31, 2014, 2013 and 2012.

18. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

Transactions with related parties are made at normal market prices. There have been no guarantees provided or received for any related party receivables or payables.

The following tables provide the total amount of transactions that have been entered into with related parties and the outstanding balances as of December 31, 2014 and 2013:

2014	**Amount of transaction**	**Amounts owed by related party**	**Amounts owed to related party**
Fedchem Manufacturing and Distribution, Inc.	**P -**	**P 1,371,127**	**P -**
Key management personnel	**686,000**	**2,702,436**	**1,924,000**
	P 686,000	**P 4,073,563**	**P 1,924,000**

2013	Amount of transaction	Amounts owed by related party	Amounts owed to related party
Fedchem Manufacturing and Distribution, Inc.	P -	P 1,371,127	P -
Key management personnel	598,000	2,702,436	1,238,000
	P 598,000	P 4,073,563	P 1,238,000

In previous years, the Company grants noninterest-bearing loans to its President and Vice Chairman of its BOD, related company owned by the Vice Chairman of the BOD and other Company officers. These loans have no fixed term of repayment. The balance of such loans as of December 31, 2014 and 2013, which is shown as part of Trade and Other Receivables amounted to P2,702,436.

The Company also has advances to Fedchem Manufacturing and Distribution, Inc. (FMDI) amounting to P1,371,127 and is classified under receivables in the 2014 and 2013 statements of financial position. The same arose from the Company's purchasing and selling activities in prior years. FMDI is a related company, which is also controlled by the Company's officers. Allowance for impairment losses on these advances amounted to P 1,371,127 and P240,000 as of December 31, 2014 and 2013, respectively.

An assessment on the allowance provided is undertaken each financial year by examining the financial position of the related party and the markets in which the related party operates.

Since the Company does not have current commercial operation, cash requirement to cover operating expenses are provided by a certain officer. The cash advances are not subject to interest and have no fixed repayment period. As of December 31, 2014 and 2013, advances from officer amounted to P1.9 million and P1.2 million, respectively.

On April 25, 2012, the Board of Directors approved the conversion of the Company's liabilities into equity amounting to P3,391,000 through additional issuance of 3,391,000 shares of stock from the Company's unissued share capital at the conversion price of P1.00 per share based on the Company's par value of P1.00 per share, subject for approval by the SEC and PSE. The same was approved by the SEC on August 9,2012.

There were no key management personnel compensation in 2014 and 2013.

19. Supplementary InformationRequired by the Bureau of Internal Revenue

The Bureau of Internal Revenue (BIR) issued Revenue Regulations 15-2010 and 19-2011 which require additional tax information to be disclosed in the Notes to Financial Statements. The following information covering the calendar year ended December 31, 2014 is presented in compliance thereto.

(i)Supplementary information under RR 15-2010

- Output tax declared for the year ended December 31, 2014 amounted to P17,822 pertaining to output tax on other income.
- Input tax from domestic purchases of goods and services as of December 31, 2014 follows:

Beginning of the year	P	760,156
Domestic purchases of goods and services		56,435
Less: Claims for tax credit		(17,822)
Balance at the end of year	P	798,769

- As of December 31, 2014 the Company has no pending tax case within and outside the administration of the BIR.

(ii) Supplementary information under RR 19-2011

- There is no sales and cost of sales for tax purposes during 2014.
- The Company's non-operating and taxable other income amounted to P148,521.

- Details of the Company's itemized deductions for the year are as follows:

Depreciation	P	794,133
Professional fees		310,100
Taxes and licenses		256,710
Miscellaneous		50,835
	P	1,411,778

- Taxes and licenses presented as part of Administrative Expenses in the Company's statement of comprehensive income is broken down as follows:

Annual listing	P	250,000
Local business tax		1,000
Others		5,710
	P	256,710

R. R. TAN & ASSOCIATES, CPAs

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Tel.: (632) 638-3430 to 32; Fax: (632) 638-3430
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PRC-BOA Reg. No. 0132, valid until December 31, 2015
SEC Accreditation No.0220-FR-1, valid until March 25, 2017
BIR Accreditation No. 07-000125-1-2013, valid until October 3, 2016

Independent Auditors' Report on Supplementary Schedules

The Board of Directors and Stockholders
FEDERAL RESOURCES INVESTMENT GROUP INC.
No. 35 San Antonio Street,
San Francisco Del Monte, Quezon City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **FEDERAL RESOURCES INVESTMENT GROUP INC.** as at December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, 2013 and 2012 included in this Form 17-A, and have issued our report thereon dated March 19, 2015. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011) and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

R. R. TAN AND ASSOCIATES, CPAs

By: **DOMINGO A. DAZA, JR.**
Partner
CPA Certificate No. 0109993
Tax Identification No. 203-917-449
PTR No. 0409887, January 17, 2015, Pasig City
SEC Accreditation No. 1088-AR-1, valid until March 25, 2017
BIR Accreditation No. 07-000124-1-2013, valid until
October 3, 2016

March 19, 2015
Pasig City

Federal Resources Investment Group Inc.
Index to Supplementary Schedules
Under SEC Rule 68, As Amended (2011)
December 31, 2014

Table of Contents

Federal Resources Investment Group Inc.
Schedule I - Tabular Schedule of All Effective Standards and Interpretations Pursuant to SRC Rule 68, as Amended
December 31, 2014

PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not adopted	Not applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		x		
PFRS's Practice Statement Management Commentary		x		
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First time adoption of Philippine Financial Reporting Standards	x		
	Amendments to PFRS 1 and PAS 27: Cost of an investment in a Subsidiary; Jointly Controlled entity or Associate			x
	Amendments to PFRS 1: Additional exemptions for First Time Adopters			x
	Amendments to PFRS 1: Limited exemptions from Comparative PFRS 7 Disclosures for First Time Adopters			x
	Amendments to PFRS 1: Severe Hyperinflation and removal of Fixed Date for First Time Adopters			x
	Amendments to PFRS 1: Government Loans			x
PFRS 2	Share - Based Payment			x
	Amendments to PFRS 2: Vesting Conditions and Cancellations			x
	Amendments to PFRS 2: Group Cash - settled Share - Based payment Transactions			x
PFRS 3 (Revised)	Business Combinations			x
PFRS 4	Insurance Contracts			x
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			x
PFRS 5	Non-current assets held for sale and discontinued operations			x
PFRS 6	Exploration for and Evaluation of Mineral Resources			x
PFRS 7	Financial Instruments: Disclosures	x		
	Amendments to PFRS 7: Transition	x		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	x		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	x		
	Amendments to PFRS 7: Improving Disclosures about financial instruments	x		
	Amendments to PFRS 7: Disclosures - Transfers of Financial assets	x		
	Amendments to PFRS 7: Disclosures - Offsetting financial assets and financial liabilities	x		
	Amendments to PFRS 7: mandatory effective date of PFRS 9 and transition disclosures	Not early adopted		
PFRS 8	Operating segments	x		
PFRS 9	Financial Instruments	x		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	Not early adopted		
	Amendments to PFRS 9: Financial Intruments	Not early adopted		
PFRS 10	Consolidated Financial statements			x
	Amendments to PFRS 10, PFRS 12 and PAS 27: Investment Entities			x
	Amendments to PFRS 10, PFRS 12 and PAS 28: Investment Entiites - Applying the Consolidation Exception	Not early adopted		
PFRS 11	Joint Arrangements			x
	Amoendments to PFRS 11: Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations	Not early adopted		
PFRS 12	Disclosure of Interest in Other Entities			x
PFRS 13	Fair Value Measurement	x		
PFRS 14	Regulatory Deferral Accounts	Not early adopted		
PFRS 15	Revenue from Contracts with Customers	Not early adopted		

PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not adopted	Not applicable
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	x		
	Amendment to PAS 1: Capital Disclosures	x		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			x
	Amendments to PAS 32 and PAS 1: Presentation of items of Other Comprehensive Income	x		
	Amendments to PAS 1: Presentation of Financial Statements - Disclosure Initiative	Not early adopted		
PAS 2	Inventories	x		
PAS 7	Statement of Cash flows	x		
PAS 8	Accounting Policies, Changes in Accounting estimates and errors	x		
PAS 10	Events after the Balance Sheet Date	x		
PAS 11	Construction Contracts			x
PAS 12	Income Taxes	x		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	x		
PAS 16	Property, Plant and Equipment	x		
	Amendments to PAS 16: Property, Plant and Equipment and PAS 38: Intangible Assets	Not early adopted		
PAS 17	Leases	x		
PAS 18	Revenue	x		
PAS 19	Employee benefits	x		
	Amendments to PAS 19: Actuarial Gains and Losses; Group plans and disclosures	x		
PAS 19 (Amended)	Employee benefits	x		
	Employee benefits: Employee Contributions	Not early adopted		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			x
PAS 21	The effects of changes in Foreign Exchange rates			x
	Amendment: Net investment in a Foreign Operation			x
PAS 23 (Revised)	Borrowing Costs			x
PAS 24 (Revised)	Related Party disclosures	x		
PAS 26	Accounting and Reporting by Retirement benefit plans			x
PAS 27 (Revised)	Separate Financial Statements	x		
	Amendments to PAS 27: Separate Financial Statements - Equity Method in Separate Financial Statements	Not early adopted		
PAS 28	Investment in Associates			x
PAS 28 (Amended)	Investment in Associates and Joint Ventures			x
	Amendments to PAS 28: Investment in Associates and Joint Ventures and PFRS 10: Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not early adopted		
PAS 29	Financial Reporting in Hyperinflationary Economies			x
PAS 31	Interest in Joint Ventures			x
PAS 32	Financial Instruments: Disclosure and Presentation	x		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			x
	Amendment to PAS 32: Classification of Rights issues			x
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	x		
PAS 33	Earnings per share	x		
PAS 34	Interim Financial Reporting	x		
PAS 36	Impairment of Assets	x		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	x		
PAS 38	Intangible Assets			x

PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not adopted	Not applicable
PAS 39	Financial Instruments: Recognition and Measurement	x		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	x		
	AmendmentS TO pas 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			x
	Amendments to PAS 39: The Fair Value Option	x		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			x
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	x		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	x		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			x
	Amendment to PAS 39: Eligible Hedged Items			x
PAS 40	Investment Property			x
PAS 41	Agriculture			x
	Amendments to PAS 41: Agriculture - Bearer Plants	Not early adopted		
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			x
IFRIC 2	Member's share in Co-operative entities and Similar Instruments			x
IFRIC 4	Determining whether an Arrangement contains a Lease	x		
IFRIC 5	Rights to Interests Arising from Decommisioning, Restoration and Environmental Rehabilitation Funds			x
IFRIC 6	Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Component			x
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting under Hyperinflationary Economies			x
IFRIC 8	Scope of PFRS 2			x
IFRIC 9	Reassessment of Embedded Derivatives			x
	Amendments to Philippine Interpretations IFRIC-9 and PAS 39: Embedded Derivatives			x
IFRIC 10	Interim Financial Reporting and Impairment	x		
IFRIC 11	PFRS 2-Group and Treasury share transactions			x
IFRIC 12	Service Concession Arrangements			x
IFRIC 13	Customer Loyalty Programmes			x
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirement and Their Interaction			x
	Amendments to Philippine Interpretations IFRIC-14, Prepayments of a Minimum Funding Requirement			x
IFRIC 15	Agreements for Construction of Real Estate	Not early adopted		
IFRIC 16	Hedges of a Net Investment in Foreign Operation			x
IFRIC 17	Distribution of Non Cash Assets to Owners			x
IFRIC 18	Transfers of Assets from Customers			x
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			x
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			x
IFRIC 21	Levies			x
SIC - 7	Introduction of the Euro			x
SIC - 10	Government Assistance - No specific relation to Operating Activities			x
SIC - 12	Consolidation - Special purpose entities			x
	Amendment to SIC - 12: Scope of SIC - 12			x
SIC - 13	Jointly Controlled Entities - Non Monetary Contributions by Venturers			x

PHILIPPINE FINANCIAL REPORTING AND STANDARDS AND INTERPRETATIONS **Effective as of December 31, 2014**		Adopted	Not adopted	Not applicable
SIC - 15	Operating Leases - Incentives			x
SIC - 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets	x		
SIC - 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	x		
SIC - 27	Evaluating the Substance of Transactions Involving the Legal form of a Lease	x		
SIC - 29	Service Concession Arrangements - Disclosures			x
SIC - 31	Revenue - Barter Transactions Involving Advertising Services			x
SIC - 32	Intangible Assets - Web Site Costs			x

Federal Resources Investment Group Inc.
Schedule II - Financial Soundness
Pursuant to SRC Rule 68, As Amended
December 31, 2014 and 2013

		2014	2013
A.	Current/liquidity ratios		
	Current ratio	**1.46**	3.64
	Quick ratio	**1.46**	3.64
	Cash ratio	**0.01**	0.02
B.	Solvency ratio/Debt-to-equity ratio		
	Solvency ratio	**(7.59)**	(2.41)
	Debt-to-Equity ratio	**2.20**	0.09
C.	Asset-to-Equity ratios	**3.20**	1.09
D.	Profitability ratios		
	Net profit margin analysis	**-10359%**	-24923847.06%
	Return on assets	**-150.19%**	-21.72%
	Return on equity	**-179.57%**	-23.05%
	Return on capital employed	**-150.19%**	-21.72%

Federal Resources Investment Group Inc.
Schedule III - Company Retained Earnings Available for Dividend Declaration
DECEMBER 31, 2014

Deficit as at December 31, 2013, as adjusted to available for dividend distribution, beginning			P	(95,714,858)
Add: Net income actually earned/realized during the period				
Net loss during the period closed to deficit		(15,389,673)		
Less:	Non-actual/unrealized income net of tax	-		
	Equity in net income of associate/joint venture	-		
	Unrealized foreign exchage gain - net (except those attributable to cash and cash equivalents)	-		
	Unrealized actuarial gain	-		
	Fair value adjustment (mark-to-market gains)	-		
	Fair value adjustment of investment property resulting to gain	-		
	Recognized deferred tax asset that increased the net income	-		
	Adjustment due to deviation from PFRS/GAAP - gain	-		
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-		
Subtotal				
Add:	Non-actual losses			
	Depreciation on revaluation increment (after tax)	-		
	Unrealized acturial loss	-		
	Fair value adjustment (mark-to-market losses)	-		
	Adjustment due to deviation from PFRS/GAAP - loss	-		
	Loss on fair value adjustment of investment property (after tax)	-		
Subtotal		-		
Net income actually earned during the period				(15,389,673)
Add(less):				
	Dividend declarations during the period	-		
	Appropriations of retained earnings during the year	-		
	Reversals of appropriations	-		
	Deemed cost adjustment on investment property	-		
	Treasury shares	-		
Subtotal				-
Deficit as at December 31, 2014			P	(111,104,531)

Federal Resources Investment Group Inc.
Schedule IV - A map showing the relationship between and among the Company and its ultimate Parent Company, subsidiaries and associates
Pursuant to Rule 68 as Amended
December 31, 2014

Not Applicable

Note: The Company has no parent company nor subsidiaries and associates.

Federal Resources Investment Group Inc.
Schedule B - Amount Receivable from Directors, Officers, Employees, Related parties and Principal Stockholders (Other than Related Parties)
December 31, 2014

Name and Designation of Debtor		Balance at beginning of period	Additions	Offset during the year	Current	Not Current	Balance at end of period
Federal Manufacturing and Distribution Inc.	Related Company	P 1,371,127	-	-	P 1,371,127	-	P 1,371,127
Solomon T. Teh	Former General Manager	863,608	-	-	863,608	-	863,608
Wilfredo T. Co	Former Vice Chairman of the Board	863,608	-	-	863,608	-	863,608
Charles Y. Kwa	Former Director	975,220	-	-	975,220	-	975,220
		4,073,563	-	-	4,073,563	-	4,073,563
Less: allowance for impairment losses		240,000	-	-	1,865,563	-	1,865,563
		P 3,833,563	-	-	P 2,208,000	-	P 2,208,000

Federal Resources Investment Group Inc.
Schedule H - Share capital
December 31, 2014

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares reserved for options, warrants, convertion and other rights	Number of shares held by related parties	Directors officers and employees	others
Common shares - P1 par value	100,000,000	40,899,000	-	-	8,581,300	32,317,700

COVER SHEET

A S 0 9 3 0 0 5 2 7 7

S.E.C. Registration Number

F E D E R A L R E S O U R C E S I N V E S T M E N T

G R O U P I N C .

(Company's Full Name)

N O . 3 5 S A N A N T O N I O S T. , S A N

F R A N C I S C O D E L M O N T E Q U E Z O N C I T Y

JUANA LOURDES M. BUYSON

Contact Person

6 3 7 6 9 2 3

Company Telephone Number

1 2 3 1

Month *Day*

Fiscal Year

March 31, 2015

1 7 - Q

FORM TYPE

Second Monday of June

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

M S R D

Dept. Requiring this Doc.

Amended Articles Number/Section

4 7 0 as of March 31, 2015

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. Use black ink for scanning purposes

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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 quarterly period ended … March 31, 2015

2. Commission Identification Number **AS093-005277** 3. BIR TIN No. **002-648-099-000**

FEDERAL RESOURCES INVESTMENT GROUP INC.

4. Exact name of issuer as specified in its charter

Metro Manila, Philippines

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

No. 35 San Antonio St., San Francisco Del Monte, Quezon City

7. Address of issuer's principal office Postal Code

(632)6376923 **1105**

8. Issuer's telephone number, including area code

N/A

9. Former name, former address and former fiscal year, if changed since last report

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 Outstanding
Common Stock	**40,899,000 shares**

11. Are any of these securities listed on the Philippine Stock Exchange? Yes (/) No ( )

12. Indicate by check mark whether 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 Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)
Yes (/) No ( )

b) has been subject to such filing requirements for the past ninety (90) days.
Yes ( ) No (/)

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements

The Unaudited Interim Financial Statements of the Company for the period ending March 31, 2015 and Notes to Financial Statements are hereto attached.

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

Results of Operation

For the period ended March 31, 2015, the Company has no revenues except for interest income on bank deposit as the Company has no commercial operations since year 2007 up to present.

Expenses for the period ended March 31, 2015 amounted to PhP479,030.00 as compared to last year's PhP503,263.00 comprising mainly of PSE annual listing fee and professional fees for both three-month periods.

Net loss for the period ended March 31, 2015 amounted to PhP479,024.00 as compared to a net loss of PhP503,260.00 for the same period in 2014.

Relative to the Company's change in primary purpose to that of a holding company, Management is continually studying and evaluating other lines of business related to the Company's new primary activities which are to invest in, purchase, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, association and associations, domestic or foreign.

Financial Condition

The Company's total assets decreased by 76.839% from PhP2.800Million as of December 31, 2014 to PhP648,438.00 as of March 31, 2015. Cash and Cash Equivalents increased by 36.271% from PhP23,120.00 as of December 31, 2014 to PhP31,506.00 as of March 31, 2015 due mainly to the collection on trade receivables which was offset in part by the payment of cash advances provided by a Company officer and the Company's disbursements for administrative expenses. The Company's outstanding Trade Receivables as of December 31, 2014 amounting to PhP2.208Million was fully collected during the period. Prepayment and Other Current Assets increased by 8.512% mainly due to the increase in Input Vat for the period. Total liabilities decreased by 86.913% from PhP1.924Million to PhP251,803.00 due mainly to the payment of cash advances provided by a Company officer resulting to the decrease in Due to Related Parties. Stockholders' Equity decreased to PhP396,635.00 as of March 31, 2015 from PhP875,659.00 as of December 31, 2014 due to the net loss of PhP479,024.00 for the period ended March 31, 2015.

The top five (5) key performance ratios/indicators of the Company for the quarter ended March 31, 2015 and for the year ended December 31, 2014 are as follows:

Financial Ratios:

Ratios	Formula	03.31.15	12.31.14
Current Ratio		2.575:1	1.455:1
	Current Assets/	648,438	2,799,659
	Current Liabilities	251,803	1,924,000
Debt to Equity Ratio		0.635:1	2.197:1
	Total Liabilities/	251,803	1,924,000
	Stockholders' Equity	396,635	875,659
Debt to Total Assets Ratio		0.388:1	0.687:1
	Total Liabilities/	251,803	1,924,000
	Total Assets	648,438	2,799,659
Book Value Per Share		PhP0.010	PhP0.021
	Stockholders' Equity/	396,635	875,659
	Total No. Shares	40,899,000	40,899,000
Earnings/(Loss)Per Share		(PhP0.012)	(PhP0.376)
	Net Income/(Loss)	(479,024)	(15,389,673)
	Total No. Shares	40,899,000	40,899,000

The Company's interim financial report is in compliance with the Philippine Financial Reporting Standards (PFRS), which are accounting principles generally accepted in the Philippines, and has followed the same accounting policies and methods as compared with the most recent annual financial statements.

Known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in a material way.

> At the meeting of the Board of Directors of the Company held on 23 April 2015, the Board of Directors approved the issuance of fifty nine million one hundred one thousand (59,101,000) common shares, at One Peso (Php1.00) per share, out of the unissued portion of the Corporation's authorized capital stock to LBC Development Corporation, subject to acceptable documentation being arrived at, as well as the fulfillment of such conditions agreed upon by the parties, including a mandatory tender offer, where required under relevant laws and regulations. The Company needed to raise additional capital through the issuance of new shares out of the unissued portion of the Company's authorized capital stock for general corporate purposes. Further, such infusion is preparatory to a potential additional investment of LBC Development Corporation/LBC Express, Inc. into the Company as a result of the ongoing due diligence on the Company.

The company does not anticipate any cash flow or liquidity problems.

The company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring payments.

The Company does not expect any event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

The Company has no 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.

There are no material commitments for capital expenditures for the next twelve months.

The Company does not expect any trends, events or uncertainties that may have material favorable or unfavorable impact on sales or revenues.

The Company has no significant seasonality or cyclicality of interim operations that would have a material effect on the financial condition or results of operations.

There were no significant elements of income or loss that did not arise from the Company’s operations.

There are no seasonal aspects that will have material effect on the Company’s financial condition or results of operations.

PART II – OTHER INFORMATION (None)

SIGNATURES

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

Issuer: **FEDERAL RESOURCES INVESTMENT GROUP INC.**

ANNA MEI NGA TIA - President/CEO

Signature and Title ....

Date: May 13, 2015

KLARENCE TAN DY - Treasurer

Signature and Title ....

Date: May 13, 2015

FEDERAL RESOURCES INVESTMENT GROUP INC.
STATEMENT OF FINANCIAL POSITION

		March 31 2015 (Unaudited)		December 31 2014 (Audited)
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents	P	31,506	P	23,120
Trade receivables - Net allowance for doubtful accounts		-		2,208,000
Inventories		-		-
Prepayments and other current assets		616,932		568,539
Total Current Assets		648,438		2,799,659
NON-CURRENT ASSETS				
Property and equipment - net		-		-
Total Non-current Assets		-		-
TOTAL ASSETS		648,438		2,799,659
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Due to related parties		240,957		1,924,000
Trade and other payables		10,846		-
Total Current Liabilities		251,803		1,924,000
EQUITY				
Capital stock				
Authorized - 100,000,000 shares				
Issued and outstanding - 40,899,000 shares		40,899,000		40,899,000
Additional Paid in Capital		71,081,190		71,081,190
Retained earnings		(111,583,555)		(111,104,531)
Total Equity		396,635		875,659
TOTAL LIABILITIES AND EQUITY	P	648,438	P	2,799,659

FEDERAL RESOURCES INVESTMENT GROUP INC.
STATEMENT OF COMPREHENSIVE INCOME

	For the Three Months Ending March 31			
		2015		2014
REVENUES				
Interest Income	P	6	P	3
		6		3
COSTS AND EXPENSES				
Taxes and licenses		277,800		251,000
Depreciation and amortization		-		198,533
Legal and other professional fees		175,000		45,000
Office supplies used		15,729		8,690
Other operating expenses		10,500		40
		479,030		503,263
NET INCOME (LOSS)	P	(479,024)	P	(503,260)
TOTAL NO. OF SHARES OUTSTANDING		40,899,000		40,899,000
BASIC EARNINGS (LOSS) PER SHARE		(0.01171)		(0.01230)

FEDERAL RESOURCES INVESTMENT GROUP INC.
STATEMENT OF CHANGES IN EQUITY

	For the Three Months Ending March 31			
		2015		**2014**
CAPITAL STOCK				
Authorized - 100,000,000 shares P1 par value				
Issued and outstanding - 40,899,000 shares	P	40,899,000	P	40,899,000
	P	40,899,000	P	40,899,000
ADDITIONAL PAID IN CAPITAL		71,081,190		71,081,190
RETAINED EARNINGS				
Balance, beginning of period		(111,104,531)		(95,714,859)
Net income (loss)		(479,024)		(503,260)
Balance, end of period		(111,583,555)		(96,218,119)
TOTAL EQUITY	P	396,635	P	15,762,071

FEDERAL RESOURCES INVESTMENT GROUP INC.

STATEMENT OF CASH FLOWS

		For the Three Months Ending March 31		
		2015		2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	P	(479,024)	P	(503,260)
Adjustments for:				
Depreciation and amortization		-		198,533
Operating income before working capital changes		(479,024)		(304,727)
Decrease (increase) in				
Trade receivables		2,208,000		-
Inventories		-		-
Prepayments and other current assets		(48,393)		(32,759)
Increase (decrease) in current liabilities		(1,672,197)		325,200
Cash used in operations		8,386		(12,286)
Income taxes refunded (paid)				
Provision for income tax		-		-
Net Cash Used in Operating Activities		8,386		(12,286)
CASH FLOWS FROM INVESTING ACTIVITIES				
		-		-
NET INCREASE (DECREASE) IN CASH		8,386		(12,286)
CASH AT BEGINNING OF YEAR		23,120		35,488
CASH AT END OF PERIOD	P	31,505	P	23,201

NOTES TO FINANCIAL STATEMENTS

First Quarter 2015

1. Corporate Information

Federal Resources Investment Group Inc. (the “Company” or “FED”), formerly known as Federal Chemicals, Inc., is a corporation organized under Philippine Laws with business address at No. 35 San Antonio St., San Francisco Del Monte, Quezon City. It has been a publicly-listed company since December 21, 2001, and is traded under the ticker symbol FED on the Philippine Stock Exchange (“PSE”).

FED was incorporated on July 12, 1993 as Federal Chemicals, Inc. and started commercial operations on October 1993. Its primary purpose then was the manufacture of various adhesives and sealants and other chemicals for hardware, construction, do-it-yourself and industrial applications.

In early 1994, the Company introduced Fedseal Elastomeric Sealant which is mainly used for the repair of galvanized iron roofing. As the years passed, other applications for this type of sealant evolved making it as an all-around sealant known in the market. Since the introduction of Fedseal Sealant and subsequent success in the local hardware and construction market, the Company also launched other brands such as Surebond and Bondy contact adhesives for use in the construction and leather goods industries. In the succeeding years, FED also introduced other contact adhesives brands such as Zebra, Ultra and Eltibond which are used for different applications catering to different market and industries; various solvent-based and water-based adhesives; elastomeric coatings; adhesives, sealants, coatings and conventional paints for use specifically in the marine industry and other specialty products.

Through the years, FED also became the exclusive distributor in the Philippines of quality products from foreign companies such as Devcon USA, TOA Group of Companies, and Akzo Nobel.

On September 28, 2007, the change in corporate name of the Company from Federal Chemicals, Inc. to Federal Resources Investment Group, Inc. was approved by the Securities and Exchange Commission (“SEC”). Also on that date, the change in the primary purpose of the Company to that of a holding company was approved by the SEC. The Company’s new primary activities are to invest in, purchase, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, association and associations, domestic or foreign.

The Company’s management deemed it necessary to change its primary purpose in order to tap potential business opportunities and allow for greater flexibility in its investment options.

FED's PVC resins, sealants, coatings and adhesives operations were discontinued effective January 01, 2009. Since then and up to present, the Company has no commercial operations.

Effective on June 15, 2014, the principal office address of the company was changed to No. 35 San Antonio St., San Francisco Del Monte, Quezon City from No. 5 Eleven Road, Grace Village, Balintawak, Quezon City.

2. Status and Plan of Operations

A change of primary purpose alone will not suffice to meet the reason behind the shift to a holding company in view of the Company's relatively small authorized capital stock of One Hundred Million Pesos (PhP100,000.000.00). For the Company to effectively pursue potential investments in the future, it needs to have a greater capitalization. Hence, the Company's Board found it imperative as well to increase the present authorized capital stock to One Billion Pesos (PhP1,000,000,000.00) and approved said increase in authorized capital stock on July 06, 2007.

During the Annual Stockholders' Meeting held on August 13, 2007, the stockholders owning or representing at least two thirds (2/3) of the outstanding capital stock approved the increase in the Company's authorized capital stock from One Hundred Million Pesos (PhP100,000,000.00) divided into One Hundred Million (100,000,000) shares, with a par value of One Peso (PhP1.00) per share to One Billion Pesos (PhP1,000,000,000.00) divided into One Billion (1,000,000,000) shares, with a par value of One Peso (PhP1.00) per share.

With respect to the increase in the Company's authorized capital stock from One Hundred Million Pesos (PhP100,000,000.00) to One Billion Pesos (PhP1,000,000,000.00), the Company shall undertake a 6:1stock rights offering at an offer price at par value of One Peso (PhP1.00) per share, subject to the approval of the SEC and the PSE, for the implementation of the increase in its capitalization.

The increase in authorized capital and stock rights offer shall be submitted for approval by the SEC and the PSE. Since the Company's existing shares are presently listed in the PSE, the Company intends to apply with the PSE for the listing of the shares to be issued from the stock rights offering.

In line with the Company's shift to a holding company, the stock rights offering shall be undertaken as and when specific investment opportunities are available that would make the Company adapt to the changing business environment.

Management is continually studying and evaluating other lines of business related to the Company's new primary activities which are to invest in, purchase, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, association and associations, domestic or foreign.

3. Summary of Significant Accounting Policies

Basis of Financial Statement Preparation and Presentation
The financial statements have been prepared on a historical cost basis.

The financial statements are presented in Philippine Peso and all values represent absolute amount except as indicated.

Statement of Compliance
The financial statements have been prepared in accordance with generally accepted accounting principles as set forth in Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and interpretations thereof.

Summary of Significant Accounting Policies and Disclosures
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all year/period presented, unless otherwise stated.

Cash
Cash includes cash on hand and in banks.

Financial Assets
Financial assets consist mainly of Cash and Trade and Other Receivables. 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.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment losses. Any change in their value is recognized in profit or loss.

Loans and receivables are presented as Trade and Other Receivables in the statement of financial position.

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 cash flows.

De-recognition of financial assets occurs when the right to receive cash flows from the financial instruments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

Inventories
Inventories are valued at the lower of cost and net realizable value.

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

When the net realizable value of the inventories is lower than the cost, the Company provides for an allowance for the price decline of the inventory and recognizes the write-down as an expense in the statement of comprehensive income.

Prepaid Expenses
Prepaid expenses are measured at amounts paid and subsequently recognized as expense over which the prepayments apply.

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. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

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

Machinery and factory equipment	10 – 30 years
Building improvements	10 years
Office equipment	5 years
Transportation equipment	5 years

The assets are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount 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, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro rata to the other assets in the cash-generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

The residual values and estimated useful life of property and equipment are reviewed, and adjusted if appropriate, at each reporting date.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statements of comprehensive income in the year the item is derecognized.

Financial Liabilities
Financial liabilities include Trade and Other Payables and Due to Related Parties.

Financial liabilities are recognized when the Company becomes a party to the contractual agreements of the instrument. All interest related charges are recognized as an expense in the statement of income under the caption Finance Costs.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration.

Provisions
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 reporting date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provision. 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. In addition, long-term provisions are discounted to their present values, where time value of money is material.

Provisions are reviewed at each reporting date 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.

Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

Equity
Share capital is determined using the par value of shares that have been issued.

Share premium includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

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

Revenue and Cost Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Cost and expenses are recognized in the statement of comprehensive income upon utilization of the service or at the date they are incurred.

Functional and Presentation Currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Philippine peso, which is the Company's functional currency.

The accounting records of the company are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of comprehensive income.

Related Party Transactions
Parties are considered 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. The related party transactions are recognized based on transfer of resources or obligations between related parties, regardless whether a price is charged or not.

Earnings (Loss) Per Share
Earnings (loss) per share is determined by dividing net income (loss) by the weighted average number of common shares subscribed and issued during the year, after retroactive adjustment for any dividend declared in the current year. The diluted earnings (loss) per share is not computed since the Company has no potential dilutive common shares.

Subsequent Events

Events that provide evidence of conditions that existed after reporting date (adjusting events) are recognized in the financial statements, while those that are indicative of conditions that existed after reporting date (non-adjusting events) are disclosed in the notes to financial statements when material.

4. Summary of Significant Accounting Judgments and Estimates

The preparation of financial statements in conformity with PFRS requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of financial statements, and revenue and expenses during the period reported.

The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances of the Company's financial statements. Actual results could differ from those estimates.

5. Segment Information

Prior to the Company's change in primary purpose, operating segments are classified into manufacturing and sale of PVC resins and sealants, coatings and adhesives.

Relative to the Company's change of primary purpose to that of a holding company both its segment operations, PVC resins and sealants, coatings and adhesives, effective January 01, 2009 have been discontinued.

6. Financial Risk Management Objectives and Policies

The Company's financial assets consist of cash, receivable and accounts payable. The Company's financial risk management is coordinated with the Board of Directors and focuses on actively securing the Company's short-term to medium-term cash flows by minimizing the exposure to financial markets.

The Company does not actively engage in trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below:

Liquidity Risk
The ability of the Company to finance increases in assets and meet obligations as they become due is extremely important to the Company's operations. Cash requirements for the Company's current operating needs are temporarily provided by a Company officer.

Credit Risk
Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statement of financial position. Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The carrying value of receivables exposed to credit risk amounted to PhP3.8 million. These receivables pertain to advances to certain officer and related party in prior years. Management believes that the amount is recoverable either thru cash, or other forms of dealings.

Foreign Currency Risk
The Company has no exposure to foreign currency risks as all transactions are denominated in Philippine peso, its functional currency.

Interest Rate Risk
The Company has no exposure to interest rate. Advances from certain officer are not subject to interest and have no fixed repayment period.

7. Other Significant Matters

Issuance of Shares

At the meeting of the Board of Directors of the Company held on April 23, 2015, the Board of Directors approved the issuance of fifty nine million one hundred one thousand (59,101,000) common shares, at One Peso (Php1.00) per share, out of the unissued portion of the Corporation's authorized capital stock to LBC Development Corporation, subject to acceptable documentation being arrived at, as well as the fulfillment of such conditions agreed upon by the parties, including a mandatory tender offer, where required under relevant laws and regulations.

The Company needed to raise additional capital through the issuance of new shares out of the unissued portion of the Company's authorized capital stock for general corporate purposes. Further, such infusion is preparatory to a potential additional investment of LBC Development Corporation/LBC Express, Inc. into the Company as a result of the ongoing due diligence on the Company. LBC Development Corporation is the parent of LBC Express, Inc.

8. Financial Soundness Indicators

The financial soundness indicators of the Company for the comparative periods ended March 31, 2015 and 2014 are as follows:

Ratios	Formula	03.31.15	03.31.14
Current Ratio		2.575:1	2.977:1
	Current Assets/	648,438	5,221,188
	Current Liabilities	251,803	1,753,843
Debt to Equity Ratio		0.635:1	0.111:1
	Total Liabilities/	251,803	1,753,843
	Stockholders' Equity	396,635	15,762,071
Debt to Total Assets Ratio		0.388:1	0.100:1
	Total Liabilities/	251,803	1,753,843
	Total Assets	648,438	17,515,914
Asset to Equity Ratio		1.635:1	1.111:1
	Total Assets/	648,438	17,515,914
	Stockholders' Equity	396,635	15,762,071
Interest Coverage Ratio	EBIT*/Interest Expense	Not Applicable	Not Applicable
Book Value Per Share		PhP0.010	PhP0.385
	Stockholders' Equity/	396,635	15,762,071
	Total No. Shares	40,899,000	40,899,000
Earnings/(Loss)Per Share		(PhP0.012)	(PhP0.012)
	Net Income/(Loss)	(479,024)	(503,260)
	Total No. Shares	40,899,000	40,899,000

**Earnings before interest and taxes (EBIT)*