

COVER SHEET

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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 .
 F O R M E R L Y :
 F E D E R A L C H E M I C A L S , 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

Annual Report for 2014

1 7 - A
 FORM TYPE

Second Monday of June
 Month Day
 Annual Meeting

Secondary License Type, If Applicable

C G F 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



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

- 1. For the fiscal year ended December 31, 2014
2. SEC Identification Number AS093-005277 3. BIR Tax ID No. 002-648-099-000
4. Exact Name of issuer as specified in its charter: FEDERAL RESOURCES INVESTMENT GROUP INC.
5. PHILIPPINES Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use only) Industry classification Code:
7. No. 35 San Antonio St., San Francisco Del Monte, Quezon City Address of principal office
8. (02)637-6923 to 25 Issuer's telephone number, including area code
9. No. 5 Eleven Road, Grace Village, Balintawak, Quezon City Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA
Title of Each Class Number of Shares of Common Stock Outstanding
Common Stock, PhP1par value 40,899,000 as at December 31, 2014
11. Are any or all of these securities listed on a Stock Exchange? Yes (x) No ()
If yes, state the name of such stock exchange and the classes of securities listed therein: Philippine Stock Exchange - Common Stock
12. Check whether the issuer:
a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 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 (x) No ()
b) has been subject to such filing requirements for the past ninety (90) days. Yes() No (x)
13. Aggregate market value of voting stock held by non-affiliates is PHP536,473,820.00.

PART 1 - BUSINESS AND GENERAL INFORMATION

Item 1. BUSINESS

a) Description of Business

1) Business Development

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 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 purpose as a holding company.

The Company has no bankruptcy, receivership or any similar proceedings.

No material reclassification, merger, consolidation, or purchase of a significant amount of assets not in the ordinary course of business occurred during the year 2014.

2) Business of Issuer

Principal products, markets and revenue contribution

Prior to its change in primary purpose, the Company was previously engaged in the manufacture, marketing and distribution of various adhesives and sealants; contact cement, wood glues, epoxies, coating, and other specialty products; and other chemicals for hardware, construction, do-it-yourself and other applications. The Company's PVC resins, sealants, coatings and adhesives operations were discontinued effective January 01, 2009.

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 as a holding company.

Percentage of revenues and net income contributed by foreign markets

There were no revenues and net income contributed by foreign markets for each of the last three (3) years.

Marketing

The Company until, March 24, 2009, has an existing marketing and distributorship agreement with Fedchem Marketing Co., Inc. (FMCI) for its manufactured products.

Relative to the change in the Company's primary purpose, the marketing and distributorship agreement with FMCI has been terminated on March 24, 2009.

Status of publicly announced products

There's no publicly announced new product or service by the Company.

Competition

The Company competed mainly in the sealant-adhesive industry and more particularly in the hardware-DIY and leather goods market. The Company had adopted a strategy of pricing its products lower than that of the market leader and initiated brand building efforts to steadily gain market share on its products.

Transaction with and/or dependence on related parties

In the normal course of business, the Company has non-interest bearing advances from a Company officer for working capital requirements.

Effect of existing or probable governmental regulations on the business

The Company even before it has offered its shares to the public has already obtained clearances from regulating government bodies be it national or local and it was also able to obtain its Environmental Clearance Certificate and a permit to

operate air pollution devices by DENR. There were no costs or effects in compliance with environmental laws since the company did not produce any pollutants in the course of its operation.

Total Number of Employees

Relative to the shift in the Company's primary purpose to that of a holding company and the winding up of its manufacturing and trading operations, the number of employees has trimmed down to four (4) as of December 31, 2014 as shown below.

Officers	4
Professional/Technical Staff	0
Rank and file	0

The Company expects to maintain the same number of employees in the next twelve (12) months.

Major risk/s involved in each of the businesses of the company and subsidiaries

The major business risks are operational, regulatory and financial risks. The Board of Directors, the Audit Committee and Management of the Company meet regularly to identify key risk areas and performance indicators and monitor these factors with due diligence and to assess and manage risks involved in the businesses of the Company.

b) *Additional requirements as to certain issues or issuer*

- 1) Debt Issues
Not applicable
- 2) Investment Company Securities
Not applicable

Item 2. PROPERTIES

The Company's main office is located at No. 35 San Antonio St., San Francisco Del Monte, Quezon City. The place is made available to the Company with no lease payments due on such occupancy at present.

The Company has no lease commitments.

Item 3. 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 legal proceedings to which the Company is a party or of which any of the Company's properties is the subject before any judicial, quasi-judicial or administrative tribunal.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Except for the matters taken up during the Annual Stockholders' Meeting held on June 09, 2014, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL OPERATION

Item 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market information

The Company's common equity is traded in the PSE. As of March 31, 2015, the total number of shares owned by the public is 28,006,702 or 68.48% of the total issued and outstanding shares of the Company of 40,899,000 shares.

The approximate number of holders of each class of common security as of March 31, 2015 is 470.

Stock price as of April 08, 2015 was at Php23.00 per share.

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

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

There are no restrictions on the payment of dividends, however, there were no stock or cash dividends declared in recent years.

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 December 31, 2011, the Company had 37,508,000 issued and outstanding common shares. On August 9, 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 December 31, 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 March 06, 2013.

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

Holders

As of December 31, 2014, the Company has 486 shareholders. The top twenty (20) shareholders are the following:

Rank	Name of Stockholder	Citizenship	Number of Shares	Percentage
1	PCD Nominee Corp.	Filipino	24,635,297	60.2345%
2	PCD Nominee Corp.	Non-Filipino	10,523,400	25.7302%
3	Wang, Guanghua	Chinese	590,000	1.4426%
4	Li, Renfa	Chinese	410,000	1.0025%
5	Liu, Diangun	Chinese	379,000	0.9267%
6	Xu Xianshun	Chinese	370,000	0.9047%
7	Xu Liancheng	Chinese	340,000	0.8313%
8	Cai Rongyao	Chinese	326,200	0.7976%
9	Wang Qui Yan	Chinese	319,000	0.7800%
10	Hong Tianci	Chinese	297,000	0.7262%
11	Li Zhimeng	Chinese	276,000	0.6748%
12	Zhang Jin De	Chinese	274,000	0.6699%
13	Su Yu Shuang	Chinese	262,000	0.6406%
14	Cai Xiudan	Chinese	255,000	0.6235%
15	Chen Congqun	Chinese	245,800	0.6010%
16	Wu Changlie	Chinese	239,800	0.5863%
17	Hong Hai Ting	Chinese	184,000	0.4499%
18	Wang Qingzan	Chinese	184,000	0.4499%
19	Wu Xuan Qiang	Chinese	168,700	0.4125%
20	Tan, Joseph T.	Filipino	75,000	0.1834%

Item 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

For the Last two (2) Fiscal Years

The Company's total assets decreased by 84.177% from PhP17.694Million as of December 31, 2013 to PhP2.800Million as of December 31, 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 PhP1.429Million to PhP1.924Million due mainly to the increase in due to related parties. Stockholders' Equity decreased by 94.616% from PhP16.265Million as of December 31, 2013 to PhP0.876Million as of December 31, 2014 due to the net loss for the year of PhP15.390Million.

Revenues for the year 2014 amounted to PhP148,533 as compared to PhP17 in 2013 while total expenses amounted to PhP15.538Million and PhP4.237Million for the year 2014 and

2013, respectively. Net loss amounted to PhP15.390Million for the year 2014 as compared to a net loss of PhP4.237Million for the year 2013.

The top five (5) key performance ratios/indicators of the Company for the years ended December 31, 2014 and 2012 are as follows:

Financial Ratios:

Ratios	Formula	12.31.14	12.31.13
Current Ratio		1.455:1	3.640:1
	Current Assets/	<u>2,799,659</u>	<u>5,200,716</u>
	Current Liabilities	1,924,000	1,428,643
Debt to Equity Ratio		2.197:1	0.088:1
	Total Liabilities/	<u>1,924,000</u>	<u>1,428,643</u>
	Stockholders' Equity	875,659	16,265,332
Debt to Total Assets Ratio		0.687:1	0.081:1
	Total Liabilities/	<u>1,924,000</u>	<u>1,428,643</u>
	Total Assets	2,799,659	17,693,975
Book Value Per Share		PhP0.021	PhP0.398
	Stockholders' Equity/	<u>875,659</u>	<u>16,265,332</u>
	Total No. Shares	40,899,000	40,899,000
Earnings/(Loss)Per Share		(PhP0.376)	(PhP0.104)
	Net Income/(Loss)	<u>(15,389,673)</u>	<u>(4,237,054)</u>
	Total No. Shares	40,899,000	40,899,000

(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	2014	2013	% Increase/(Decrease)
Cash	23,120	35,488	(34.850%)
Receivables - Net	2,208,000	3,833,563	(42.403%)
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.

STATUS AND PLAN 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 (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 6:1 stock rights offering at an offer price at par value of One Peso (PhP1.00) per share 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.

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.

Item 7. FINANCIAL STATEMENTS

Please refer to the attached audited financial statements and schedules listed in the accompanying Index to Supplementary Schedules (under SEC Rule 68, as amended 2011).

Item 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

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 June 09, 2014.

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.

INFORMATION ON EXTERNAL AUDITOR

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	PhP125,000
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.	-0-	-0-
b) Tax Fees	-0-	-0-
For services for tax accounting compliance, advice, planning and any other form of tax services.		
c) All other Fees	-0-	-0-
For products and services rendered by the external auditor, other than the services reported under items (a) & (b) above.		

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

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 |

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. DIRECTORS AND EXECUTIVE OFFICERS

Directors

The Company's By-Laws and Articles of Incorporation provide for the election of seven (7) directors. The Board of Directors is responsible for the direction and control of the business affairs, and management of the company, and the preservation of its assets and properties. No person can be elected as a director of the company unless he is pre-screened and is a registered owner of at least one (1) voting share of the capital of the Company.

The Company's Nomination Committee is composed of Ms. Anna Mei Nga Tia, Chairperson, and Mr. John Edwin N. Co and Atty. Emilio S. Teng as members.

The following are the incumbent directors of the Company and their business experience for the past five (5) years:

Name	Citizenship	Position
Tommy Kin Hing Tia	Chinese	Chairman
Anna Mei Nga Tia	Filipino	President/CEO
Emilio S. Teng	Filipino	Director/Corporate Secretary
Albert Y. Yung	Filipino	Independent Director
John Edwin N. Co	Filipino	Independent Director
Juana Lourdes M. Buyson	Filipino	Director/Treasurer
Maria Elena F. Alqueza	Filipino	Director/Asst. Corporate Secretary

Tommy Kin Hing Tia - Chairman of the Board

Age: 51

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

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

Age: 52

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

Age: 50

Independent Director

Director since June 10, 2013

Mr. Albert Y. Yung is the Managing Director of Airbooks Corporation since June 2014 and the Branch Manager of Cocolife, Manila, NCR since August 2005. He is an

Independent Director of Omico Corporation. Mr. Yung graduated from the Mapua Institute of Technology with a degree of Bachelor of Architecture.

John Edwin N. Co

Age: 35

Independent Director

Director since July 30, 2012

Mr. John Edwin N. Co is the Managing Director of C+G Design Group, an architectural design firm, since June 2014. He is 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

Age: 61

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

Age: 45

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.

Executive Officers

Officers are appointed or elected annually by the Board of Directors during its organizational meeting following the Annual Meeting of Stockholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified.

The incumbent executive officers of the Company are the following:

Tommy Kin Hing Tia, Chinese	- Chairman
Anna Mei Nga Tia, Filipino	- President/CEO
Emilio S. Teng, Filipino	- Corporate Secretary/ Corporate Information Officer
Juana Lourdes M. Buyson, Filipino	- Treasurer/Compliance Officer
Maria Elena F. Alqueza, Filipino	- Asst. Corporate Secretary

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.

Involvement in Certain Legal Proceedings

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, nor in any proceeding involving violation of securities or commodities laws or regulations.

IDENTIFY SIGNIFICANT EMPLOYEES

None

FAMILY RELATIONSHIPS

Mr. Tommy Kin Hing Tia, Chairman, is the spouse of Ms. Anna Mei Nga Tia, President/CEO. Except for said relationship, there are no other family relationships known to the Company.

PARENT COMPANY

The Company has no parent company.

Item 10. EXECUTIVE COMPENSATION

Information as to the aggregate compensation during the last two (2) fiscal years paid to the Company's four (4) most highly compensated executive officers and all other officers as group are as follows:

Name	Position	Annual		Compensation			
		2015 (Est.)		2014		2013	
		Salaries	Bonus and Other Comp.	Salaries	Bonus and Other Comp.	Salaries	Bonus and Other Comp.
Tommy Kin Hing Tia	Chairman						
Anna Mei Nga Tia	President/CEO						
Emilio S. Teng	Corporate Secretary						
Juana Lourdes Buyson	Treasurer						
Total		-0-	-0-	-0-	-0-	-0-	-0-
All other officers & directors as a group unnamed		-0-	-0-	-0-	-0-	-0-	-0-

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 is no compensation for the years 2014 and 2013 as the officers have voluntarily declined their salaries. Likewise, there is no projected compensation for the year 2015.

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

The Company has not granted any warrant or options to any of its Directors or Executive Officers.

There were no bonuses, profit sharing, and other compensation given to directors and executive officers during the last two fiscal years.

There are no special employment contracts, termination of employment or change-in-control arrangement.

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 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 SEC and the PSE. The terms and conditions governing the stock option plan still have to be determined and approved by the Board of Directors.

Item 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners

The Company has no knowledge of any person who, as of December 31, 2014, 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 and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common	PCD Nominee Corporation 37/F, Tower One Enterprise Center, 6766 Ayala Avenue, Makati City	PCD Nominee Corp. is the record owner and the participants of PCD are the beneficial owners of such shares.	Filipino & Non-Filipino	35,158,697	85.96%
	(No relationship with Issuer)	The PCD participants who beneficially own more than 5% are the following:			
	(No relationship with Issuer)	Bernad Securities, Inc. 3/F, M. H. Del Pilar St., Ermita, Manila	Filipino & Non-Filipino	12,172,300	29.76%
	((No relationship with Issuer)	Alpha Securities Corp. Unit 3003, One	Filipino	5,110,998	12.50%

		Corporate Centre, Julia Vargas St. corner Meralco Avenue, Ortigas Center, Pasig City			
	(No relationship with Issuer)	Coherco Securities, Inc. 240 Banawe St., Quezon City	Filipino & Non- Filipino	3,075,200	7.52%
	(No relationship with Issuer)	SB Equities Inc. 18/F Security Bank Centre 6776 Ayala Ave. Makati City	Filipino	2,239,500	5.48%
		The following is the beneficial owner with more than 5% shareholdings in Bernad Securities, Inc. (Bernad): Tommy Kin Hing Tia (Mr. Tia, the Chairman of the Company, has no relationship with Bernad) The Company is not aware of any beneficial owner with more than 5% shareholdings in Alpha Securities Corp., Coherco Securities, Inc, and SB Equities, Inc.	Chinese	8,559,000	20.93%

Notes:

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.

There are no non-Filipino holders/participants to PCD Nominee Corp. that hold more than 5% of the company's outstanding shares.

Security Ownership of Management

The following table shows the shareholdings beneficially held by the directors and executive officers of the Company as of December 31, 2014:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Tommy Kin Hing Tia	8,569,000 Direct	Chinese	20.9516%
Common	Anna Mei Nga Tia	10,000 Direct	Filipino	0.0244%
Common	Emilio S. Teng	1,000 Direct	Filipino	0.0024%
Common	Albert Y. Yung	100 Direct	Filipino	0.0002%
Common	John Edwin N. Co	100 Direct	Filipino	0.0002%
Common	Juana Lourdes M. Buyson	1,000 Direct	Filipino	0.0024%
Common	Maria Elena F. Alqueza	100 Direct	Filipino	0.0002%
	All Directors and Officers as a Group	8,581,300		20.9817

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/entity that holds more than five percent (5%) of a class of securities under a voting trust or similar agreements.

Change in Control

There is no change in control of registrant and no change in control has occurred since the beginning of the last fiscal year.

Item 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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 PhP2,702,436.

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 officers. Allowance for impairment losses on these advances amounted to PhP1,371,127 and PhP240,000 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 PhP1.9 million and PhP1.2 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 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 August 9, 2012.

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

PART IV - CORPORATE GOVERNANCE

Item 13. CORPORATE GOVERNANCE

Please refer to the attached ACGR.

PART V - EXHIBITS AND SCHEDULES

Item 14. REPORTS ON SEC FORM 17-C

1. January 14, 2014 – Change in the Company's Email and Website Address
2. January 30, 2014 – Advisement Letter - Update in the ACGR on the Attendance of Members of Board of Directors for Year 2013
3. March 20, 2014 – Results of Audit Committee's Self-Assessment on Performance for Year 2013
4. April 03, 2014 – Certificate of Attendance of Directors/Officers in Corporate Governance Seminar for 2014
5. April 24, 2014 – Change in the Company's principal office address
6. April 24, 2014 – Notice of Annual Stockholders' Meeting on June 09, 2014 with record date of May 12, 2014
7. April 24, 2014 – Amendment to Articles of Incorporation to change the Company's principal office address
8. June 09, 2014 – Results of Annual Stockholders' Meeting and Organizational Meeting of Board of Directors
9. June 09, 2014 – Stockholders' approval on the amendment of the Company's Articles of Incorporation
10. June 11, 2014 – Certifications on qualifications of independent directors
11. July 31, 2014 – Revised Manual on Corporate Governance
12. October 17, 2014 – SEC approval on the amendment of the Company's Articles of Incorporation
13. November 27, 2014 – Certificate of Attendance of Directors in the SEC-PSE Corporate Governance Forum held on October 21, 2014
14. December 22, 2014 – Advisement Letter - Update in the ACGR on the Attendance of Members of Board of Directors for Year 2014

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned thereunto duly authorized, in the City of _____ on _____, 2015.

FEDERAL RESOURCES INVESTMENT GROUP INC.

By:



ANNA MEI NGA TIA
President and CEO
(Principal Executive/Operating Officer)

EMILIO S. TENG
Corporate Secretary



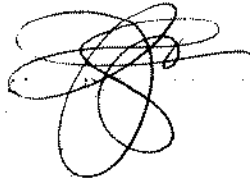
JUANA LOURDES M. BUYSON
Treasurer
(Principal Financial Officer/Acting Comptroller)

APR 08 2015

SUBSCRIBED AND SWORN to before me this _____ affiants exhibiting to me their Community Tax Certificates (CTC) as follows:

NAME	CTC NUMBER	DATE	ISSUED AT
ANNA MEI NGA TIA	10755784	01-13-15	Manila
EMILIO S. TENG	02415023	01-17-15	Makati City
JUANA LOURDES M. BUYSON	34628449	02-26-15	Pasig City

Doc. No. 313
Page No. 63
Book No. 37
Series of 2015.



COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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Company Name

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
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G	R	O	U	P	I	N	C	.																
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F	O	R	M	E	R	L	Y	:																
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F	E	D	E	R	A	L	C	H	E	M	I	C	A	L	S	,	I	N	C	.				
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Principal Office (No./Street/Barangay/City/Town)Province)

N	O	.	3	5	S	A	N	A	N	T	O	N	I	O	S	T.	S	A	N					
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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
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Form Type

A	A	F	S
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Department requiring the report

C	G	F	D
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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address

jeannieb@omico.com.ph
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Company's Telephone Number/s

6	3	7	6	9	2	3
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Mobile Number

9	1	7	8	1	9	5	1	4	2
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No. of Stockholders

470

AS OF March 31, 2015

Annual Meeting
Month/Day

Second Monday of June

Fiscal Year
Month/Day

31-Dec

CONTACT PERSON INFORMATION

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

Name of Contact Person

Juana Lourdes M. Buyson

Email Address

jeannieb@omico.com.ph
--

Telephone Number/s

6376923

Mobile Number

9178195142

Contact Person's Address

Suite 1109 East tower, PSE Centre, Exchange Road, Oritgas Center, Pasig City
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Note: In case of death, resignation 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**

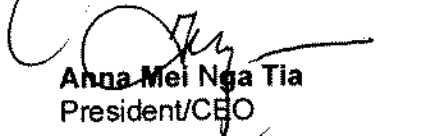
The Management of FEDERAL RESOURCES INVESTMENT GROUP INC. is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2014 and 2013, including the additional components attached therein, in accordance with the prescribed financial reporting framework 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.

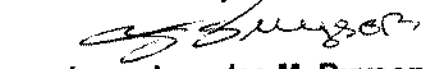
The Board of Directors reviews the financial statements before such statements are approved and submitted to the stockholders of the Company.

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 19 2015

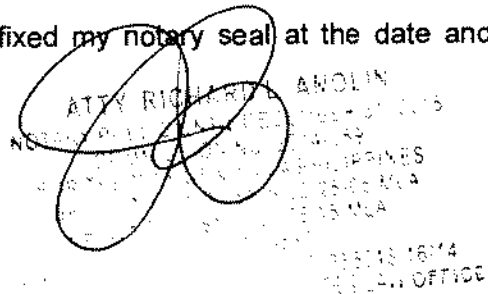
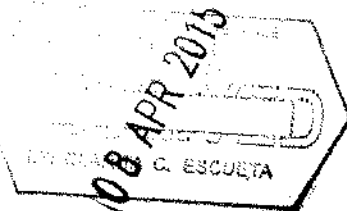
SUBSCRIBED AND SWORN to before me this _____ day of _____ affiants exhibited to me their Community Tax Certificate No. as follows:

	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.



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

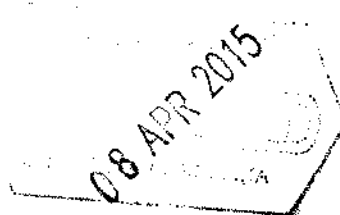
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material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



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

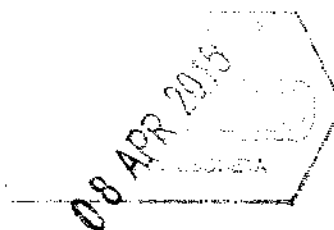
Tax Identification No. 203-917-449

PTR No. 0409887, January 17, 2015, Pasig City

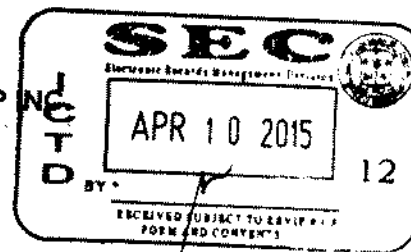
SEC Accreditation No. 1088-AR-1, valid until March 25, 2017

BIR Accreditation No. 07-000124-1-2013, valid until
October 3, 2016

March 19, 2015
Pasig City

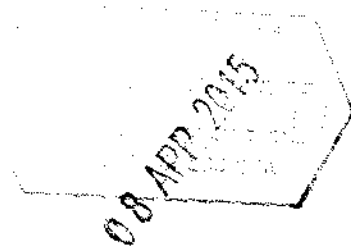


FEDERAL RESOURCES INVESTMENT GROUP
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2014 AND 2013



	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	1,331,865
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**

	<i>Notes</i>	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	(0.376) P	(0.104) P	(0.077)

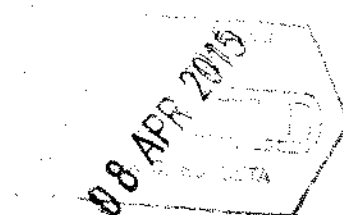
See accompanying Notes to Financial Statements.

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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.



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

	<i>Notes</i>	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	11,699,128	-	-
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		(190,843)	7,963	14,090
Net cash used in operations		(898,368)	(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 Group Inc. (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 6:1 stock 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 standard affects 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 the Company'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 PAS 32 *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 Standard is 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, 2013 and 2012 financial 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 impairment loss 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
		<u>7,145,935</u>
Less: Allowance for inventory obsolescence		<u>7,145,935</u>
	P	<u>-</u>

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	<u>P 7,145,937</u>	<u>P 7,145,937</u>

Provision for inventory obsolescence amounted 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
	<u>1,367,308</u>	<u>1,331,665</u>
Less: Allowance for impairment losses	798,769	-
	<u>P 568,539</u>	<u>P 1,331,665</u>

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 to P794,133 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 2013 is 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
	<u>P 5,789,146</u>	<u>P -</u>	<u>P 1,481,163</u>	<u>P 4,112,846</u>	

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 Information Required 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)
<u>Balance at the end of year</u>	<u>P</u>	<u>798,769</u>

- 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

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

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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		Adopted	Not adopted	Not applicable
Effective as of December 31, 2014				
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	First time adoption of Philippine Financial Reporting Standards	x		
(Revised)	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 Instruments	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 Entities - Applying the Consolidation Exception	Not early adopted		
PFRS 11	Joint Arrangements			x
	Amendments 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 Decommissioning, 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
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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		Adopted	Not adopted	Not applicable
Effective as of December 31, 2014				
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	<u>(15,389,673)</u>
Less: Non-actual/unrealized income net of tax	-
Equity in net income of associate/joint venture	-
Unrealized foreign exchange 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	<u>-</u>
Add: Non-actual losses	
Depreciation on revaluation increment (after tax)	-
Unrealized actuarial 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	<u>-</u>
Net income actually earned during the period	<u>(15,389,673)</u>
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	<u>-</u>
Deficit as at December 31, 2014	<u><u>P (111,104,531)</u></u>

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, conversion 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 .
 F O R M E R L Y :
 F E D E R A L C H E M I C A L S , 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
Month
Fiscal Year
3 1
Day

As of December 31, 2014

A C G R
FORM TYPE

Second Monday of June

Month Day
Annual Meeting

Secondary License Type, If Applicable

C G F 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

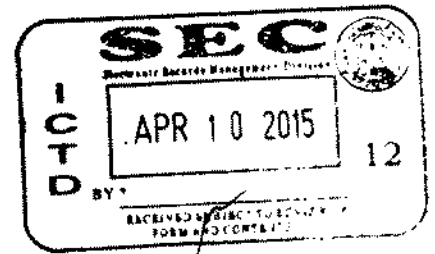
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SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is filed for the Year: **As of December 31, 2014**
2. Exact Name of Registrant as Specified in its Charter: **FEDERAL RESOURCES INVESTMENT GROUP INC.**
3. **No. 35 San Antonio St.,
San Francisco Del Monte, Quezon City**
Address of Principal Office **1105**
Postal Code
4. SEC Identification Number: **AS093-00S277**
5. Industry Classification Code: (SEC Use Only)
6. BIR Tax Identification Number: **002-648-099-000**
7. **(02)637-6923 to 25**
Issuer's Telephone number, including area code
8. **Federal Chemicals, Inc./No. 5 Eleven Road, Grace Village, Balintawak, Quezon City**
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	Seven (7)
---	-----------

Actual number of Directors for the year	Seven (7)
---	-----------

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual/Special Meeting)	No. of years served as director As of <u>2014.12.31</u>
Tommy Kin Hing Tia	ED/Chairman	N/A	Juana Lourdes M. Buyson	08.13.07	06.09.14	Annual	7 years
Anna Mei Nga Tia	ED/President & CEO	N/A	Juana Lourdes M. Buyson	08.13.07	06.09.14	Annual	7 years
Emilio S. Teng	ED/Corporate Secretary	N/A	Tommy Kin Hing Tia	06.13.11	06.09.14	Annual	3 years
Albert Y. Yung	ID	N/A	Maria Elena F. Alqueza/No Relationship	06.10.13	06.09.14	Annual	1 year
John Edwin N. Co	ID	N/A	Maria Elena F. Alqueza/No Relationship	07.30.12	06.09.14	Annual	2 years
Juana Lourdes M. Buyson	ED/Treasurer	N/A	Tommy Kin Hing Tia	06.13.11	06.09.14	Annual	3 years
Maria Elena F. Alqueza	NED	N/A	Tommy Kin Hing Tia	07.30.12	06.09.14	Annual	2 years

- (b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Company's Board of Directors has adopted all the provisions of the Revised Code of Corporate Governance (*SEC Memorandum Circular No. 6, Series of 2009*) which are embodied in the Company's Revised Manual on Corporate Governance (RMCG) submitted to the Securities and Exchange Commission (SEC) on April 08, 2010. The Board of Directors is primarily responsible for the governance of the company.

As provided for in the Company's RMCG, it is the duty of the Board to promote the rights of stockholders. The Board shall respect the rights of the stockholders as provided for in the Corporation Code and ensure the equitable treatment of all stockholders, including minority and foreign stockholders. On disclosure duties, all essential and material information about the Company shall be publicly and timely disclosed through the appropriate Philippine Stock Exchange (PSE) mechanisms and submissions to the SEC. The Board's responsibilities, duties and functions are defined in the Company's RMCG. It is the Board's responsibility to foster the long-term success of the Company, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders.

- (c) How often does the Board review and approve the vision and mission?

Annually

(d) Directorship in Other Companies

(i) Directorship in the Company's Group¹

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
N/A	N/A	N/A

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Tommy Kin Hing Tia	Omico Corporation	Executive/Chairman
Anna Mei Nga Tia	-do-	Executive/President & CEO
Albert Y. Yung	-do-	Independent Director
John Edwin N. Co	-do-	Independent Director

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Anna Mei Nga Tia	Tommy Kin Hing Tia	Ms. Anna Mei Nga Tia, President & CEO, is the spouse of Mr. Tommy Kin Hing Tia, Chairman of the Board of Directors.

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

Yes, the limit of five (5) board seats in other publicly listed companies is being imposed and observed. The other guidelines are as follows:

	Guidelines	Maximum Number of Directorships in other companies
Executive Director Non-Executive Director CEO	The CEO and other Executive Directors are covered by a lower indicative limit for membership in other boards. A similar limit applies to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations.	The Nomination Committee has considered several guidelines on the number of directorships that board members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.

¹ The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Tommy Kin Hing Tia	8,569,000	n/a	20.951613%
Anna Mei Nga Tia	10,000	n/a	0.024450%
Emilio S. Teng	1,000	n/a	0.002445%
Albert Y. Yung	100	n/a	0.000245%
John Edwin N. Co	100	n/a	0.000245%
Juana Lourdes M. Buyson	1,000	n/a	0.002445%
Ma. Elena F. Alqueza	100	n/a	0.000245%
TOTAL	8,581,300		20.981687%

2) Chairman and CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes No

Identify the Chair and CEO:

Chairman of the Board	Tommy Kin Hing Tia
CEO/President	Anna Mei Nga Tia

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role Accountabilities Deliverables	<p>The Chairman shall preside at the meetings of the directors and the stockholders. He shall also exercise such powers and perform such duties as the Board of Directors may assign to him;</p> <p>He shall ensure that the meetings of the Board are held in accordance with the by-laws or as he may deem necessary;</p> <p>He shall supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and</p> <p>He shall maintain qualitative and timely lines of communication and information between the Board and Management.</p>	<p>The President shall be the Chief Executive Officer of the Company and shall also have the administration and direction of the long-term as well as the day-to-day business affairs of the Company. The President/CEO shall exercise the following functions:</p> <p>To preside at the meetings of the Board of Directors and of the stockholders in the absence of the Chairman;</p> <p>To initiate and develop corporate objectives and policies and formulate long range strategies, projects, plans and programs for the approval of the Board;</p> <p>To have general supervision and management of the business affairs and property of the Company;</p> <p>To prepare such statements and reports of the Company as may be required by law and make reports to the Board and stockholders; and</p> <p>To perform such other duties as delegated or entrusted to him/her by the Board of Directors.</p>

- 3) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions?

Selection and planning for the succession of the CEO/President and the top key management positions are among the most important responsibilities of the Company's Board of Directors. The Company's succession process will be managed by the incumbent CEO, with the Nomination Committee overseeing the process, reviewing the candidates and providing advice throughout. The Board shall review succession planning with the incumbent CEO on a regular basis.

- 4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

Yes, the Company has a policy of ensuring the diversity of experience and background of directors in the board. As provided for in the Company's RMCG, the Nomination Committee shall review and evaluate the qualifications of all persons nominated to the Board in accordance with the Company's RMCG, the Corporation Code, Securities Regulation Code and other relevant laws. The executive, non-executive and independent directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Yes, as provided for in the Company's RMCG, one of the qualifications of a director is membership in good standing in relevant industry, business or professional organizations. Also, as provided for in the Company's Audit Committee Charter, each member of the Committee shall have adequate understanding at least or competence at most, of the Company's financial management systems and environment, as well as the Company's business and the industry in which it operates.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	The role of the CEO and other executive directors is to design, develop and implement strategic plans for the Company in a cost-effective and time-efficient manner. The CEO is responsible for the day-to-day operation of the Company, is accountable to the Chairman of the Board and reports to the Board on a regular basis. The CEO and executive directors lead the Company and develop the Company's organizational culture.	The primary function of non-executive directors is to promote the success of the Company. The key responsibility of the non-executive directors is to provide general guidance and a different perspective on matters of concern. The role of non-executive directors in strategy formation is to provide a creative and informed contribution to the Board by giving objective criticism and advice on the Company objectives and plans.	The role of an independent director includes improving governance standards. An independent director plays an active role in various corporate governance committees created by the Board such as the Audit Committee, Nomination Committee and Compensation and Remuneration Committee to ensure good governance.
Accountabilities			
Deliverables			

Provide the company's definition of "independence" and describe the company's compliance to the definition.

The Company's definition of director's independence follows the definition of an independent director as stated in the Securities Regulation Code (SRC) Rule 38 (Requirements on Nomination and Election of Independent Directors). As per SRC Rule 38, an Independent Director is defined as a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

Messrs. Albert Y. Yung and John Edwin N. Co, the incumbent independent directors of the Company, 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 SRC Rule 38.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

Yes, the Company shall abide by the provisions of the SEC Rule (as per SEC Memorandum Circular No. 9, Series of 2011) on term limits for Independent Directors. As stated in part in said SEC Rule, independent directors can serve as such for five (5) consecutive years. Upon completion of the five-year service period, an independent director shall be eligible for election as such in the same company unless the independent director has undergone a “cooling off” period of two (2) years. An independent director re-elected as such in the same company after the “cooling off” period can serve for another five (5) consecutive years. After serving as independent director for ten (10) years, the independent director shall be perpetually barred from being elected as such in the same company.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

There are no changes in the composition of the Board of Directors that happened during the period.

Name	Position	Date of Cessation	Reason
N/A	N/A	N/A	N/A

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
Executive Directors Non-Executive Directors Independent Directors	The Board shall be composed of seven (7) directors who shall be elected at the Annual Stockholders’ Meeting to hold office until the next annual meeting and until their respective successors have been elected and qualified. The Company shall have at least two (2) independent directors or such number of independent directors that constitutes twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2). The Nomination Committee is responsible for reviewing and evaluating the qualifications of all persons nominated to the Board and other appointments that require Board approval in accordance with the qualifications and disqualifications provided under the Corporation Code, Securities Regulation Code, other relevant laws and the Company’s RMCG.	In addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Company’s RMCG provides for additional qualifications which include, among others, the following: <ul style="list-style-type: none"> • Practical understanding of the business of the Corporation; • Membership in good standing in relevant industry, business or professional organizations; • Previous business experience; • Proven to possess integrity and probity; and • Assiduous. A director should not be an active member of more than five (5) publicly listed companies and members of the Audit Committee should not serve on more than three (3) publicly listed company audit committees. The nomination and election of independent directors shall be governed by the provisions of SRC Rule 38.

b. Re-appointment		
Executive Directors Non-Executive Directors Independent Directors	The Nomination Committee shall review the continued appropriateness of Board membership and shall make recommendations to the Board on the re-appointment of directors, in consultation with the Chairman of the Board.	The director's continuing service on the Board is in the best interests of the Company.
c. Permanent Disqualification		
Executive Directors Non-Executive Directors Independent Directors	The Nomination Committee shall determine and inform the Board if there is any ground for the permanent disqualification of a director and shall make recommendations for appropriate action.	The grounds for the permanent disqualification of a director are stated in the Company's RMCG.
d. Temporary Disqualification		
Executive Directors Non-Executive Directors Independent Directors	The Nomination Committee shall determine and inform the Board if there is any reason for the temporary disqualification of a director and shall make recommendations for appropriate action. A temporarily disqualified director shall within sixty (60) business days from such disqualification take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.	The reasons for the temporary disqualification of a director are stated in the Company's RMCG.
e. Removal		
Executive Directors Non-Executive Directors Independent Directors	On the removal of a director, the Company shall follow the Corporation Code Sec. 28 <i>Removal of Directors or Trustees</i> .	Permanent disqualification or temporary disqualification if not remedied or corrected.
f. Re-instatement		
Executive Directors Non-Executive Directors Independent Directors	The Nomination Committee shall determine the appropriateness of the re-instatement of a director.	The director's re-instatement to the Board is in the best interests of the Company.
g. Suspension		
Executive Directors Non-Executive Directors Independent Directors	The Nomination Committee shall determine and make recommendations to the Board relating to the continuance in office of a director including the suspension and termination subject to the law.	The reasons for the temporary disqualification of a director are stated in the Company's RMCG.

Voting Result of the last Annual General Meeting (June 09, 2014)

Name of Director	Votes Received
Tommy Kin Hing Tia	There was no need for a vote as the election was uncontested.
Anna Mei Nga Tia	-do-
Emilo S. Teng	-do-
Albert Y. Yung	-do-
John Edwin N. Co	-do-
Juana Lourdes M. Buyson	-do-
Ma. Elena F. Alqueza	-do-

6) Orientation and Education Program

- (a) Disclose details of the company's orientation program for new directors, if any.

The Company's orientation program is generally conducted in one or more sessions within six months of the annual meeting at which new directors are elected or the date on which new directors are appointed, as applicable. The orientation program aims to acquaint the new directors with the Company's business. The program will include presentations by senior management to familiarize new directors with the Company's strategic plans, its compliance programs, and significant financial and risk management issues.

- (b) State any in-house training and external courses attended by Directors and Senior Management² for the past three (3) years and continuing education programs for directors: programs and seminars and roundtables attended during the year:

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Tommy Kin Hing Tia	March 28, 2014	Corporate Governance Seminar	ROAM, Inc.
Anna Mei Nga Tia	March 28, 2014	Corporate Governance Seminar	ROAM, Inc.
Emilio S. Teng	March 28, 2014 March 01, 2013 February 20, 2013	Corporate Governance Seminar MCLE Compliance No. IV	ROAM, Inc. Asian Center for Legal Excellence
Albert Y. Yung	October 21, 2014 May 17, 2013	SEC-PSE Corporate Governance Forum Ethics & Good Governance	SEC-CGFD PICPA
John Edwin N. Co	March 28, 2014 May 17, 2013	Corporate Governance Seminar Ethics & Good Governance	ROAM, Inc. PICPA
Juana Lourdes M. Buyson	November 26, 2014 October 21, 2014 September 23, 2014 March 28, 2014 November 29, 2013 November 29, 2012	Annual Listing & Disclosure Rules Seminar SEC-PSE Corporate Governance Forum PSE EDGE Training Corporate Governance Seminar PSE EDGE Training Annual Listing & Disclosure Rules Seminar	PSE SEC-CGFD PSE ROAM, Inc. PSE PSE
Maria Elena F. Alqueza	November 26, 2014 September 23, 2014 March 28, 2014 November 29, 2013 May 17, 2013 November 29, 2012	Annual Listing & Disclosure Rules Seminar PSE EDGE Training Corporate Governance Seminar PSE EDGE Training Ethics & Good Governance Annual Listing & Disclosure Rules Seminar	PSE PSE ROAM, Inc. PSE PICPA PSE

² Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

B. CODE OF BUSINESS CONDUCT & ETHICS

- 1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	<p>The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If, an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the corporation, or stands to acquire or gain financial advantage at the expense of the corporation.</p>	<p>Similar to the Company policies for directors.</p>	<p>No employee may engage in any business or undertaking that is directly or indirectly in competition with that of the Company or engage directly or indirectly in any undertaking or activity prejudicial to the interest of the Company, its customers, and to the performance of his job or work assignment</p>
(b) Conduct of Business and Fair Dealings	<p>A director shall not: compete with the Company by providing service to a competitor as employee, officer or director or in a similar capacity; profit, or assist others to profit, from confidential information or business opportunities that are available because of service to the Company; improperly influence or attempt to influence any business transaction between the Company and another entity in which a director has a direct or indirect financial interest or acts as an employee, officer or director in a similar capacity; or take unfair advantage of any customer, supplier, competitor or other person through manipulation, concealment, misrepresentation of material facts or other unfair-dealing practice.</p>	<p>Similar to the Company policies for directors.</p>	<p>Similar to the Company policies for directors.</p>

(c) Receipt of gifts from third parties	A director shall not solicit nor accept gifts, payments, loans, services or any form of compensation from suppliers, customers, competitors or others seeking to do business with the Company.	Similar to the Company policies for directors.	Similar to the Company policies for directors.
(d) Compliance with Laws & Regulations	It is the Company's policy to comply fully with all laws governing its operations and to conduct its affairs in keeping with moral, legal and ethical standards. Each director shall comply with all applicable laws, rules and regulations and the provisions of the Company's RMCG. Under the Company's Audit Committee Charter, the Audit Committee shall ascertain whether the Company has an effective process for determining risks and exposure from litigation and claims from non-compliance with laws and regulations. The Board shall appoint a Compliance Officer who shall monitor compliance by the Company with the RMCG and all relevant laws, rules and regulations, as well as regulatory requirements.	All members of senior management shall comply with all applicable laws, rules and regulations and the provisions of the Company's RMCG.	All employees shall comply with all applicable laws, rules and regulations and the provisions of the Company's RMCG.
(e) Respect for Trade Secrets/Use of Non-public Information	A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.	A senior executive should keep secure and confidential all non-public information he may acquire or learn by reason of his position as such. He should not reveal confidential information to unauthorized persons without the authority of the Board.	All employees are expected to keep in strict confidence all information and data, records and documents pertaining to the Company business and/or affairs and no unauthorized disclosure or reproduction of the same shall be made by the employee during or after employment with the Company.
(f) Use of Company Funds, Assets and Information	A director shall protect the Company's funds, assets and information and shall not use the Company funds, assets or information to pursue personal opportunities or gain. A director shall ensure the efficient use of Company assets and that no Company funds, assets or information shall be used for any unlawful purpose.	Similar to the Company policies for directors.	Similar to the Company policies for directors.
(g) Employment & Labor Laws & Policies	The Compensation and Remuneration Committee shall ensure the implementation of	Senior management shall support the implementation and enforcement of applicable employment and	It is the policy of the Company to select and hire only individuals who possess the best qualifications for the job

	applicable employment and labor laws and policies. The Company shall recognize the unique position of employees as individuals with a vital stake in their work and at the same time with inherent obligations to themselves and their own families.	labor laws and policies.	and has potential to grow and move up in the Company. Management believes that the continued progress and success of the Company depend to a great extent on its human resources.
(h) Disciplinary action	Directors and Senior Executives are subject to disciplinary action for violations of business conduct and ethics. Subject to and in accordance with the Company's RMCG, the Board of directors shall determine the appropriate disciplinary action.		Every employee is expected to observe and comply with Company rules and regulations. When rules and regulations are violated or when an employee disregards or fails to comply with rules and regulations, the Company will have no alternative but to take corrective and disciplinary measures.
(i) Whistle Blower	Directors and Senior executives are encouraged to promptly contact the Chairman of the Board or the Compliance Officer if any director or senior executive believes that he has observed illegal or unethical behavior by any employee, officer or director or by anyone purporting to be acting on the Company's behalf. Any such reports may be made anonymously. Confidentiality will be maintained, to the extent permitted by law.		The employees are encouraged to freely communicate their concerns about illegal or unethical practices to the Board and their rights should not be compromised for doing so. Any such report may be made anonymously. Confidentiality will be maintained, to the extent permitted by law.
(j) Conflict Resolution	The Board of Directors shall establish an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.	Senior Management must have the appropriate people management skills and competency in managing conflict such as in: dealing with issues, use of official processes, participative approach, monitoring team relationships and acting as a role model.	All employee complaints and grievances should be discussed with the Company's Human Resources department.

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

Yes, the Company has disseminated to all directors, senior management and employees the Company's Code of Business Conduct and Ethics.

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

The Compliance Officer will be designated to monitor compliance with the code of conduct and ethics.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company (2) Joint Ventures (3) Subsidiaries (4) Entities Under common Control (5) Substantial Stockholders (6) Officers including spouse/children/siblings/parents (7) Directors including spouse/children/siblings/parents (8) Interlocking director relationship of Board of directors	The Board through the Audit Committee shall review significant related party transactions (RPTs) and recommend approval or ratification. The Company will be transparent and consistent in reporting RPTs and a summary of such transactions shall be included in the Company's Annual Report. The Company shall promptly disclose to shareholders all material transactions with affiliates of the controlling shareholders, directors or management.

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

There is no actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	N/A
Name of Officer/s	N/A
Name of Significant Shareholders	N/A

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	Directors, officers and significant shareholders shall fully disclose their active private or other business interests promptly and any other personal matters which may lead to potential or actual conflicts of interest with the Company. Their dealings with the Company must always be at arm's length to avoid possibility of actual or potential conflict of interest. The Board shall review and resolve any conflict of interest situations.

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,³ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

³ Family relationship up to the fourth civil degree either by consanguinity or affinity.

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Tommy Kin Hing Tia	Family	Mr. Tommy Kin Hing Tia is the spouse of Ms. Anna Mei Nga Tia, President/CEO of the Company.

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

There is no relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the Company.

Names of Related Significant Shareholders	Type of Relationship	Brief Description
N/A	N/A	N/A

- (c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

There are no shareholder agreements that may impact on the control, ownership and strategic direction of the Company.

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
N/A	N/A	N/A

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Corporation & Stockholders Corporation & Third Parties Corporation & Regulatory Authorities	Disputes between the Company and the stockholders, stakeholders and regulators, if any, are resolved by negotiation and mediation. Through negotiation and mediation, the Company can strive for conflict prevention rather than conflict resolution.

C. BOARD MEETINGS & ATTENDANCE

- 1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

As per the Company's By-Laws, the Board of Directors' meetings shall be held no less than once every quarter of each year. The Board of Directors' meetings are scheduled during the quarter.

- 2) Attendance of Directors (for the year 2014)

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Tommy Kin Hing Tia	06.09.14	4	4	100%
President/CEO	Anna Mei Nga Tia	06.09.14	4	4	100%
Member	Emilio s. Teng	06.09.14	4	3	75%
Independent	Albert Y. Yung	06.09.14	4	4	100%
Independent	John Edwin N. Co	06.09.14	4	4	100%
Member	Juana Lourdes M. Buyson	06.09.14	4	4	100%
Member	Ma. Elena F. Alqueza	06.09.14	4	4	100%

- 3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

Yes, two times.

- 4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

No. As provided for in the Company's By-laws, a majority of the number of directors as fixed in the Articles of Corporation shall constitute a quorum for the transaction of corporate business, and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board.

- 5) Access to Information

- (a) How many days in advance are board papers⁴ for board of directors meetings provided to the board?

At least two (2) days in advance.

- (b) Do board members have independent access to Management and the Corporate Secretary?

Yes, Board members have independent access to Management and the Corporate Secretary.

- (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

The Company Secretary's roles and responsibilities are defined in the Company's By-Laws and RMCG and include assisting the Chairman in preparing the Board agenda, facilitating training of directors and keeping directors updated regarding any relevant statutory and regulatory changes.

- (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

Yes. Atty. Emilio S. Teng, the Corporate Secretary, is trained in legal, accountancy and company secretarial

⁴ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

services.

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes

No

Committee	Details of the procedures
Executive Audit Nomination Remuneration	The Board Committees shall have full access to management, personnel and records for the purpose of performance of their duties and responsibilities.

6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Procedures	Details
The Directors may obtain external legal counsel or independent professional advice if they consider it necessary in the performance of their duties.	The Directors shall be provided with sufficient resources by the Company to discharge their duties.

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

There are no changes introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the Company.

Existing Policies	Changes	Reason
N/A	N/A	N/A

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Fixed remuneration	Fixed remuneration
(2) Variable remuneration	N/A	N/A
(3) Per diem allowance	Per diem allowance for board meeting attendance	N/A
(4) Bonus	N/A	N/A
(5) Stock Options and other financial instruments	N/A	N/A
(6) Others (specify)	N/A	N/A

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors Non-Executive Directors	As per Company By-Laws, Directors shall receive such compensation for their services as may, from time to time, be fixed by the stockholders in accordance with law.	N/A	N/A

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Yes, as per Company By-Laws, Directors shall receive such compensation for their services as may, from time to time, be fixed by the stockholders in accordance with law.

There were no other fees, allowances, benefits-in-kind, and other emoluments given to directors during the last three fiscal years.

Remuneration Scheme	Date of Stockholders' Approval
N/A	N/A

3) Aggregate Remuneration

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 2013 and 2014 as the directors/officers have voluntarily declined their compensation/salaries.

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	N/A	N/A	N/A
(b) Variable Remuneration	N/A	N/A	N/A
(c) Per diem Allowance	N/A	N/A	N/A
(d) Bonuses	N/A	N/A	N/A
(e) Stock Options and/or other financial instruments	N/A	N/A	N/A
(f) Others (Specify)	N/A	N/A	N/A
Total			

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	N/A	N/A	N/A
2) Credit granted	N/A	N/A	N/A
3) Pension Plan/s Contributions	N/A	N/A	N/A
(d) Pension Plans, Obligations incurred	N/A	N/A	N/A
(e) Life Insurance Premium	N/A	N/A	N/A
(f) Hospitalization Plan	N/A	N/A	N/A
(g) Car Plan	N/A	N/A	N/A
(h) Others (Specify)	N/A	N/A	N/A
Total			

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

There are no stock warrants or options outstanding.

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 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.

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
N/A	N/A	N/A	N/A	N/A

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

There are no amendments and discontinuance of any incentive programs introduced, including the criteria used in the creation of the program.

Incentive Program	Amendments	Date of Stockholders' Approval
N/A	N/A	N/A

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
N/A	N/A

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

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)			
Audit		1	2	Yes	To assist the Board in the performance of oversight responsibility for the financial reporting process, system of internal control, audit process and monitoring of compliance with applicable laws, rules and regulations.	The Committee shall have full access to management, personnel, and records for the performance of its duties and responsibilities. The committee shall be provided with sufficient resources by the Company to discharge its duties.
Nomination	1		2	Yes (for finalization)	To review and evaluate the qualifications of all persons nominated to the Board and assess the effectiveness of the Board's processes and procedures in the replacement of directors.	-do-
Remuneration	2		1	Yes (for finalization)	To establish a formal and transparent procedure for developing a policy on remuneration of directors and officers and ensure that their compensation is consistent with the Company's culture, strategy and the business environment in which it operates.	-do-

2) Committee Members

(a) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	John Edwin N. Co	06.09.14	4	4	100%	2 years
Member (ID)	Albert Y. Yung	06.09.14	4	4	100%	1 year
Member (NED)	Maria Elena F. Alqueza	06.09.14	4	4	100%	2 years

Disclose the profile or qualifications of the Audit Committee members.

John Edwin N. Co is the Managing Director of C+G Design Group, an architectural design firm, from June 2014 to present. He is 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.

Albert Y. Yung, is the Branch Manager of Cocolife, Manila, NCR since August 2005 and Managing Director of Airbooks Corporation since June 2014 up to present. He is an independent director of Omico Corporation. Mr. Yung graduated from the Mapua Institute of Technology with a degree of Bachelor of Architecture.

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.

Describe the Audit Committee's responsibility relative to the external auditor.

- Review and evaluate, at least annually, the performance of the external auditors (including lead partner), their compliance with auditing standards, and make recommendations to the Board each year with respect to the appointment and observance of required rotation process of the External Auditor.
- Prior to the commencement of the audit, discuss with the External Auditor the proposed audit scope, approach, fees and expenses of the audit and ensure proper coordination if more than one audit firm is involved in the audit activity, to secure proper coverage and minimize duplication of efforts.
- Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors. Review compliance with auditing standards.
- Review and confirm the professional qualifications, competence and independence of the External Auditor by among others, obtaining statements from the auditors on relationships between such the auditors and the company, including non-audit services, and discuss the relationship with the auditors.
- Evaluate and determine any non-audit work performed by the external auditors, including the fees, and ensure that such work will not conflict with the external auditors' duties as such or threaten its independence.
- Provide oversight over the completeness and timeliness of communication with external auditors as to critical policies, alternative treatments, observations on internal controls, audit adjustments, independence, limitations on the audit work set by the management, and other material issues that affect the audit and financial reporting.

(b) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ED)	Anna Mei Nga Tia	06.09.14	1	1	100%	7 years
Member (ED)	Emilio E. Teng	06.09.14	1	1	100%	3 years
Member (ID)	John Edwin N. Co	06.09.14	1	1	100%	2 years

(c) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ED)	Tommy Kin Hing Tia	06.09.14	1	1	100%	7 years
Member (ID)	Albert Y. Yung	06.09.14	1	1	100%	1 year
Member (EID)	Juana Lourdes M. Buyson	06.09.14	1	1	100%	3 years

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

There are no changes in committee membership that occurred during the year 2014.

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Audit	<p>The Audit Committee performed their functions, duties and responsibilities as stated in the Audit Committee Charter, specifically in assisting 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.</p> <p>The Audit Committee reviewed the Company's 2013 Audited Financial Statements prior to the approval by the Board, pursuant to the SEC's Code of Corporate Governance and in compliance with the Company's Manual of Corporate Governance.</p> <p>Also, in compliance with the SEC Memorandum Circular No. 4 Series of 2012, the Audit Committee conducted a Self Assessment on Performance for the Year 2013 which was submitted to the SEC on March 19, 2014.</p>	N/A
Nomination	The Nomination Committee performed their functions in accordance with their duties and responsibilities as stated in the Company's RMCG specifically on the review and evaluation of the qualifications of the board nominees.	N/A
Remuneration	The Compensation and Remuneration Committee performed their functions in accordance with their duties and responsibilities as stated in the Company's RMCG.	N/A

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Audit	Conduct an Annual Self Assessment on Performance for the year 2014. Review the Company's RMCG for necessary updates.	N/A
Nomination	To review management development and succession planning for top management and executive Board members.	N/A
Remuneration	N/A	N/A

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

Risk management is a fundamental part of the Company's strategy and effective corporate governance. The company adopts a philosophy aimed at maximizing business opportunities and minimizing adverse outcomes, thereby enhancing shareholder value by effectively balancing risk and reward.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

The directors have reviewed the effectiveness of the risk management system and its adequacy.

(c) Period covered by the review;

Year 2013

(d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and

The Board of Directors, the Audit Committee and Management meet regularly to identify key risk areas and performance indicators and monitor these factors with due diligence and to assess and manage risks involved in the businesses of the Company.

(e) Where no review was conducted during the year, an explanation why not. N/A

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Financial Risks Economic Risks Competitive Risks Regulatory Risks	<p>The Board and the Audit Committee are responsible for determining the Company's risk profile, overseeing the Company's risk management framework, reviewing the Company's key risks mitigation strategies and ensuring effectiveness of risk management policies and procedures.</p> <p>The Management has the primary responsibility of identifying, managing and reporting the key risks faced by the Company. Management is also responsible for ensuring that the risk management framework is effectively implemented within all areas of the respective business units.</p> <p>The Company's Board of Directors, the Audit Committee and Management meet regularly to identify key risk areas and performance indicators and monitor these factors with due diligence to</p>	<p>The identification and management of risk reduce the uncertainty associated with the execution of the Company's business strategies and allow the Company to maximize opportunities that may arise, thereby enhancing shareholder value by effectively balancing risk and reward.</p>

	enable the Company to anticipate and prepare for possible threats to its operational and financial viability.	
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Risk Exposure	Risk Management Policy	Objective
Financial Risks The main risks arising from the Group's financial assets and liabilities are foreign exchange, interest rate, market, liquidity, access to financing resources and increased credit risks.	Risks are properly identified, evaluated and managed, specifically in the areas of managing credit, market, liquidity, access to financing resources and other risks. Financial reports must comply with established internal policies and procedures, pertinent accounting and auditing standards, and other regulatory requirements.	To manage and report exposure to such risks.
Economic Risks Changes in domestic, regional and global economic conditions may have a material adverse effect on the demand for the Company's business (mining and real estate).	The Company's planning and management review processes involve the periodic monitoring of budgets and expenses.	To minimize the risk of over investment.
Competitive Risks The real estate market in the Philippines is highly competitive as new players enter the market and may limit market share.	The Company continues to identify and assess the evolving customer needs and preference.	To be able to compete and strengthen customer loyalty.
Regulatory Risks The Group's operations on mining and real estate are subject to extensive government regulations which may impact or limit the flexibility to respond to market conditions, competition, new technologies or changes in cost structures.	Regular participation in discussions and consultations with the respective regulatory authorities and the industry to propose changes and provide feedback on regulatory reforms and development.	To avoid any material adverse effect on the Group's financial performance and operations.

(b) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
High level of shareholder control

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Operational Risks	Once risks have been identified, assessment must be made on the potential severity of negative impact (such as damage or loss) and the probability of occurrence.	Risk assessment should produce such information for the management to understand that the primary risks are easy to understand and that the risk management decisions may be prioritized. The most widely accepted formula for risk quantification is:

		Rate (or probability) of occurrence multiplied by the impact of the event equals risk magnitude.
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Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Financial, Economic, Competitive & Regulatory Risks	Once risks have been identified, assessment must be made on the potential severity of negative impact (such as damage or loss) and the probability of occurrence.	<p>Since the impact of risk is not easy to estimate since it is often difficult to estimate the potential loss in the event of risk occurrence, it is absolutely necessary to periodically re-assess risks and intensify/relax mitigation measures, or as necessary.</p> <p>Potential risk treatment techniques include:</p> <ul style="list-style-type: none"> ▪ Avoidance (eliminate, withdraw from or not become involved) ▪ Reduction (optimize – mitigate) ▪ Sharing (transfer – outsource or insure) ▪ Retention (accept and budget)

(b) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Audit Committee	Provide oversight over management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company.	Regular receipt from management of information on risk exposures and risk management activities.

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

- (a) Explain how the internal control system is defined for the company;

Internal control system is defined in the Company's RMCG as the framework under which internal controls are developed and implemented (alone or in concert with other policies or procedures) to manage and control a particular risk or business activity, or combination of risks or business activities, to which the corporation is exposed.

- (b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

The directors have reviewed the effectiveness of the internal control system and considered them effective and adequate.

- (c) Period covered by the review;

Year 2013

- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

The Audit Committee is primarily responsible in reviewing internal controls and its internal control duties and responsibilities are defined in the Audit Committee Charter. The directors' criteria for assessing the effectiveness of the internal control system are stated in the company's RMCG under the title *Internal Control Responsibilities of the Board*.

- (e) Where no review was conducted during the year, an explanation why not. N/A

2) Internal Audit

- (a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
Internal audit is defined as an independent and objective assurance activity designed to add value to and improve the corporation's operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the	The primary objective of the internal audit function is to provide reasonable assurance to management that: <ul style="list-style-type: none"> ▪ Financial and operating information is accurate and reliable; ▪ Policies, procedures, plans, laws and regulations are complied with; ▪ Assets are safeguarded against loss and theft; 	Outsource	Ederlinda F. Vanta	Reports directly to the Audit Committee.

evaluation and improvement of the effectiveness of risk management, control, and governance processes.	<ul style="list-style-type: none"> ▪ Resources are used economically and efficiently; and ▪ Established program/operating goals and objectives will be met. 			
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(b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

Yes, the approval of the Audit committee is required.

(c) Discuss the internal auditor’s reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

The internal auditor shall functionally report directly to the Audit Committee. The internal auditor has direct and unfettered access to the Board of Directors and the Audit Committee and to all records, properties and personnel.

(d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
N/A	N/A

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit’s progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	Currently conducting examination based on plans.
Issues⁵ Findings⁶ Examination Trends	Documentation of issues, findings and trends as a result of the examination will be prepared upon completion of examination.

[The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- 1) Preparation of an audit plan inclusive of a timeline and milestones;
- 2) Conduct of examination based on the plan;
- 3) Evaluation of the progress in the implementation of the plan;
- 4) Documentation of issues and findings as a result of the examination;
- 5) Determination of the pervasive issues and findings (“examination trends”) based on single year result and/or year-to-year results;
- 6) Conduct of the foregoing procedures on a regular basis.]

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column “Implementation.”

⁵ “Issues” are compliance matters that arise from adopting different interpretations.

⁶ “Findings” are those with concrete basis under the company’s policies and rules.

Policies & Procedures	Implementation
The internal audit controls, policies and procedures are stated in the Company's Audit Committee Charter.	The Company's Internal Auditor has just been engaged recently.

(g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report.			

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

The President/CEO together with the Compliance Officer signed/attested to the Company's full compliance with the SEC Code of Corporate Governance for the year 2013. The confirmation on compliance will include the statement that all directors, officers and employees of the Company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	Offer products and services that meet clients' needs and expectations in a fair and professional manner.	The company has no operations/business activities at present.
Supplier/contractor selection practice Safeguarding creditors' rights	Conduct business affairs with suppliers, creditors and other counterparties according to contracted trading terms and conditions in a fair and ethical manner. Avoid any dishonest actions that may infringe upon the rights of counterparties as established by law or through mutual agreements.	The company has no operations/business activities at present.
Environmentally friendly value-chain Community interaction	Aim to achieve consistently high standards of behavior towards society and the environment. Adhere to the safety and pollution control standards in business operations.	The company has no operations/business activities at present.
Anti-corruption programmes and procedures?	Zero tolerance. The Company is committed to the highest level of ethical behavior and compliance with laws and regulations. The Company expects that all employees and business partners will conduct themselves in accordance with the Company's values, policies and procedures and the laws relating to bribery and corruption.	No director, officer or employee shall solicit or accept gifts, payments, loans, services or any form of compensation from suppliers, customers, competitors or others seeking to do business with the Company.

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

N/A. The company will comply and have a separate corporate social responsibility report.

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?

The Company recognizes its duties as an employer to ensure the health, safety and welfare of all its employees.

(b) Show data relating to health, safety and welfare of its employees.

The company has no operations at present.

(c) State the company's training and development programmes for its employees. Show the data.

N/A

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.

N/A

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

The employees are encouraged to freely communicate their concerns about illegal or unethical practices to the Board and their rights should not be compromised for doing so. Any such report may be made anonymously. Confidentiality will be maintained, to the extent permitted by law.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

Holding 5% shareholding or more (as of December 31, 2014)

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corp. Filipino	24,635,297	60.234%	PCD Participants
PCD Nominee Corp. Non-Filipino	10,523,400	25.730%	PCD Participants
Tommy Kin Hing Tia (Chairman)	8,569,000	20.952%	Direct Ownership

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	No
Dividend policy	Yes
Details of whistle-blowing policy	No*
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	No*
Number of board of directors/commissioners meetings held during the year	No*
Attendance details of each director/commissioner in respect of meetings held	No*
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

* The corresponding disclosures on these items are already included in this ACGR, which forms part of the Company's Annual Report.

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
R. R. Tan & Associates	PhP125,000.00	N/A

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

Mailing of Annual Report to stockholders.

Submission of disclosures/reports to the PSE and SEC.

5) Date of release of audited financial report: April 11, 2014

6) Company Website

Does the company have a website disclosing up-to-date information about the following?

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	None
Shareholding structure	Yes
Group corporate structure	N/A
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

7) Disclosure of RPT

RPT	Relationship	Nature	Value
Fedchem Mfg.	Affiliate	Receivables	PhP1,371,127.00
Various	Former Officers	Receivables	PhP2,702,435.82

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

The Board through the Audit Committee shall review significant related party transactions (RPTs) and recommend approval or ratification. The Company will be transparent and consistent in reporting RPTs and a summary of such transactions shall be included in the Company's Annual Report. The Company shall promptly disclose to shareholders all material transactions with affiliates of the controlling shareholders, directors or management.

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders’ Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders’ Meeting as set forth in its By-laws.

Quorum Required	Unless otherwise provided by law, in all regular or special meetings of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used Description	A majority of the number of directors as fixed in the Articles of Corporation shall constitute a quorum for the transaction of corporate business, and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board.
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(c) Stockholders’ Rights

List any Stockholders’ Rights concerning Annual/Special Stockholders’ Meeting that differ from those laid down in the Corporation Code.

Stockholders’ Rights under The Corporation Code	Stockholders’ Rights <u>not</u> in The Corporation Code
Right to vote on all matters that require their consent approval	N/A
Pre-emptive right to all stock issuances of the corporation (unless the same is denied in the articles of incorporation)	N/A
Right to inspect corporate books and records	N/A
Right to information	N/A
Right to dividends	N/A
Appraisal right	N/A

Dividends

There are no restrictions on the payment of dividends, however, there were no stock or cash dividends declared in recent years.

Declaration Date	Record Date	Payment Date
N/A	N/A	N/A

(d) Stockholders’ Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders’ Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders’ meetings.

Measures Adopted	Communication Procedure
As stated in the Company's RMCG, the Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.	Mailing of Notice together with the Company's Annual Report to stockholders. Submission of disclosures/reports to the PSE and SEC. Publication of notice of Annual Stockholders' Meeting.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
 - a. Amendments to the company's constitution
 - b. Authorization of additional shares
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company

Any corporate decisions for approval by the stockholders are included in the Notice/Agenda for the annual stockholders' meeting.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?

No, notices together with the Company's Annual Report are mailed to stockholders at least 15 trading days before the date of the annual stockholders' meeting. However, the Company's disclosure on the actual date, time and place of the annual stockholders' meeting is submitted to the PSE and SEC more than 21 business days before the annual meeting.

- a. Date of sending out notices: May 19, 2014
- b. Date of the Annual Stockholders' Meeting: June 09, 2014

4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting. N/A

5. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
The 2014 Annual Stockholders' Meeting's resolutions include the following: Approval of the Minutes of the Annual Meeting of Stockholders held on June 10, 2013; Annual Report of the President; Ratification of Acts and Proceedings of the Board of Directors and Management from June 10, 2013; Election of Directors; Election of External Auditor; and Amendment of Articles of Incorporation to Change the Principal Office Address	Stockholders, present at the meeting, owning and controlling 29,419,698 shares of stock which is equivalent to 71.93% of the total issued and outstanding common shares as of May 12, 2014 of 40,899,000.	N/A	N/A

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

June 09, 2014 - PSE and SEC disclosure on the results of the Annual stockholders' Meeting

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

There are no modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year.

Modifications	Reason for Modification
N/A	N/A

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Board Members Present: Tommy Kin Hing Tia Anna Mei Nga Tia Emilo S. Teng Albert Y. Yung John Edwin N. Co Juana Lourdes M. Buyson Maria Elena F. Alqueza Officers Present: Ma. Marry Janette M. Lescano	06.09.14	By poll	.054%	71.878%	71.932%

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?

The Company does not appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs.

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Yes, the Company's common shares carry one vote for one share.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	Should the stockholder be unable to attend the meeting in person, the stockholder may designate an authorized representative by submitting a proxy. A proxy executed by a corporation shall be in the form of a board resolution duly certified by the corporate secretary.
Notary	The Proxy need not be notarized.
Submission of Proxy	Proxies shall be submitted to and received at the principal office of the Corporation within the given deadline (as provided for in the Company's By-Laws) which is stated in the Notice, addressed to the attention of the Corporate Secretary.
Several Proxies	Where the Company receives more than one (1) proxy from the same stockholder and they are all undated, the postmark dates shall be considered.
Validity of Proxy	A proxy shall be valid only for the meeting for which it is intended unless otherwise indicated, however, no proxy given shall have a validity of more than five (5) years.

Proxies executed abroad	Proxies executed abroad shall be duly authenticated by the Philippine Embassy of Consular Office.
Invalidated Proxy	A Proxy shall not be invalidated on the ground that the stockholder who executed the same has no signature card on file with the corporate secretary or transfer agent, unless it can be shown that he/she had refused to submit the signature card despite written demand to the effect duly received by the said stockholder at least ten (10) days before the annual stockholders' meeting.
Validation of Proxy	In the validation of proxies, the Company's Committee of Election Inspectors is designated by the Board of Directors which shall be empowered to pass on the validity of proxies. All issues relative to proxies including their validation shall be resolved prior to the canvassing of votes for purposes of determining a quorum.
Violation of Proxy	A dispute that may arise pertaining to the validation of proxy shall be resolved by the SEC upon formal complaint filed by the aggrieved party.

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
Notices of annual/special stockholders' meeting, together with the Company's Annual Report, shall be distributed to stockholders at least 15 trading days before the date of the annual stockholders' meeting.	The Notices are mailed to stockholders and published once a week for two (2) days in a newspaper of general circulation in the Philippines.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	All stockholders as of record date are entitled to receive Definitive Information Statements and Management Report and Other Materials
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	May 19, 2014
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	May 19, 2014
State whether CD format or hard copies were distributed	Hard copies were distributed
If yes, indicate whether requesting stockholders were provided hard copies	N/A

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes

The amount payable for final dividends.	N/A
Documents required for proxy vote.	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
The Company's Board of Directors shall ensure the equitable treatment of minority stockholders.	As stated in the Company's RMCG, the minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes. The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

(b) Do minority stockholders have a right to nominate candidates for board of directors?

Yes, minority stockholders have a right to nominate candidates for board of directors.

K. INVESTORS RELATIONS PROGRAM

- 1) Discuss the company’s external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

As provided for in the Company’s RMCG, the Board of Directors shall establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Company. The CEO shall exercise oversight responsibility over this program.

- 2) Describe the company’s investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	To keep stockholders informed of important developments in the Company; to build investors’ confidence in the Company; and to develop and implement a communication program to effectively communicate the Company’s long-term strategic vision.
(2) Principles	The Investor relations program and its implementation is essential to attract and retain investors.
(3) Modes of Communications	Telephone, fax or email
(4) Investors Relations Officer	The Corporate Information Officer

- 3) What are the company’s rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

The Company shall be guided by the provisions of the Corporation Code and other pertinent laws and regulations.

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price. N/A

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
<p>Corporate Social Responsibility (CSR) is generally understood that the Company has an obligation to society that extends beyond its obligation to its owners or shareholders.</p> <p>“Corporate Social Responsibility is operating a business in a manner which meets or excels the ethical, legal, commercial and public expectations that a society has from business.”</p> <p>The Company at the opportune time proposes to undertake the initiative on community relationship, volunteer assistance programmes, healthcare initiatives, special education / training programmes and scholarships, preservation of cultural heritage and beautification of cities. The CSR philosophy is, basically to give back to the society, what it (business) has taken from it, in the course of its quest for creation of wealth.</p>	<p>Shareholders (owners) and all stakeholders, including environment and the society at large.</p>

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

For the Company’s compliance.

The Company has no formal process yet in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

The Audit Committee performs an annual self-assessment of performance as provided for in SEC Memorandum Circular No. 4 Series of 2012.

	Process	Criteria
Board of Directors		
Board Committees		
Individual Directors		
CEO/President		

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

Violations	Sanctions
To strictly observe and implement the provisions of the Company’s Revised Manual on corporate Governance or the RMCG, penalties shall be imposed, after notice and hearing, on the Company’s directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any of the provision of the RMCG.	In case of first violation, the subject person shall be reprimanded. Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation. For third violation, the maximum penalty of removal from office shall be imposed. The commission of a third violation of the manual by any member of the board of the corporation or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship. The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Manila on January 13, 2015.

SIGNATURES


FEDERAL RESOURCES INVESTMENT GROUP INC.


 TOMMY KIN HING TIA
 (Signature over Printed Name)

Chairman of the Board


 ANNA MEI NGA TIA
 (Signature over Printed Name)

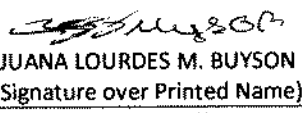
Chief Executive Officer


 ALBERT Y. YUNG
 (Signature over Printed Name)

Independent Director


 JOHN EDWIN N. CO
 (Signature over Printed Name)

Independent Director


 JUANA LOURDES M. BUYSON
 (Signature over Printed Name)

Compliance Officer

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____, affiant(s) exhibiting to me their _____, as follows:

NAME/NO.	DATE OF ISSUE	PLACE OF ISSUE
TOMMY KIN HING TIA /CTC No. 23511373	02-11.15	Manila
ANNA MEI NGA TIA /CTC No. 10755784	01.13.15	Manila
ALBERT Y. YUNG/LTO Driver's License No. N04-82-015403 valid thru September 15, 2015		
JOHN EDWIN N. CO/LTO Driver's License No. D09-01-083257 valid thru July 19, 2015		
JUANA LOURDES M. BUYSON/CTC No. 34628449	02.26.15	Pasig City

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