

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 19-1
TENDER OFFER REPORT

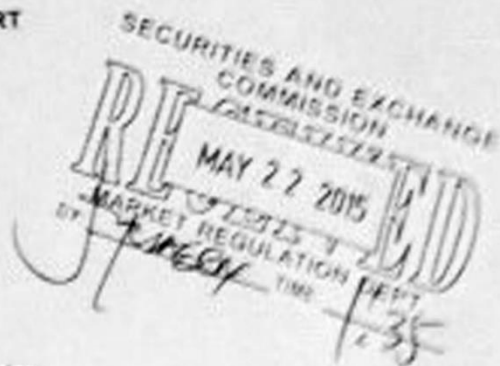
Check the appropriate box:

☒

Initial Filing

☐

Amendment



1. Exact Name of Subject Company as Specified in its Charter:
FEDERAL RESOURCES INVESTMENT GROUP, INC.

(a) **No. 35 San Antonio Street, San Francisco, Del Monte, Quezon City** **1105**
Address of Principal Offices Postal Code

(b) SEC Identification Number **ASO93-005277**

(c) ☐ (SEC Use Only)
Industry Classification Code

(d) BIR Tax Identification Number **002-648-099-000**

2. **LBC DEVELOPMENT CORPORATION**
Name of Bidder

(a) **LBC Hangar, General Aviation Centre,** **1300**
Domestic Airport Road, Pasay City
Address of Bidder Postal Code

COMMON SHARES
Title or Class of Securities Subject to Tender Offer

Item 1. Subject Company and Class of Security Subject to the Tender Offer

- (a) The subject company is Federal Resources Investment Group, Inc. (the "Company" or "FED"), a corporation organized and duly existing under the laws of the Republic of the Philippines, with principal office address at No. 35 San Antonio Street, San Francisco Del Monte, Quezon City.
- (b) As of 18 May 2015, the Company has an authorized capital stock of One Hundred Million Pesos (₱100,000,000.00) consisting of One Hundred Million (100,000,000) shares of common stock with par value of One Peso (₱1.00) per share. A total of Forty Million Eight Hundred Ninety Nine Thousand (40,899,000) common shares have been subscribed and paid-up while Fifty Nine Million One Hundred One Thousand (59,101,000) common shares remain unissued.

Under the Deed of Subscription executed between the Company and the Bidder on 18 May 2015, LBC Development Corporation (the "Bidder" or "LBC DEV"), subject to the completion of the Tender Offer, subscribed to Fifty Nine Million One Hundred One Thousand (59,101,000) common shares out of the unissued authorized capital stock of the Company or approximately Fifty Nine and One Tenth Percent (59.10%) of the authorized capital stock of the Company (the "Subscribed Shares"). The consideration for the Subscribed Shares shall be in the amount of Fifty Nine Million One Hundred One Thousand Pesos (₱59,101,000.00) or One Peso (₱1.00) per share.

Pursuant to SRC Rule 19 paragraph 2 (c) of the Implementing Rules and Regulations ("IRR") of the Securities Regulation Code ("SRC"), if any acquisition of even less than 35% would result in ownership of over 51% of the total outstanding equity securities of a public company, the acquirer shall be required to make a tender offer under the IRR of the SRC for all the outstanding equity securities to all remaining stockholders of the said company at a price supported by a fairness opinion provided by an independent financial advisor or equivalent third party. The acquirer in such a tender offer shall be required to accept any and all securities thus tendered.

In compliance with such SRC requirements, the Bidder will acquire the outstanding equity of the Company in accordance with the Terms of the Tender Offer, details of which are listed in Schedule 1 hereof.

- (c) The shares of the Company are listed and traded on the Philippine Stock Exchange (the "PSE") under the symbol FED. The high and low sales prices of FED shares listed on the PSE for each quarterly period during the past two (2) years are as follows:

		Closing Price Per Share (in ₱)	
		High	Low
2015	First Quarter	27.55	15.02
2014	First Quarter	15.00	8.10
	Second Quarter	12.50	10.00
	Third Quarter	19.00	10.84
	Fourth Quarter	17.98	12.30
2013	First Quarter	13.98	8.80
	Second Quarter	11.00	6.00
	Third Quarter	10.00	6.00
	Fourth Quarter	15.90	7.76

Item 2. Identity and Background

The Bidder is a corporation organized and duly existing under the laws of the Republic of the Philippines having been incorporated on 9 October 1989 with Securities and Exchange Commission ("SEC") License No. 169301. The Bidder's primary purpose is "to act as managers or managing agents of persons, firms, associations, corporations, partnerships and other entities; to provide management, investment and technical advice for commercial, industrial, manufacturing and other kinds of enterprise, and to undertake, carry on, assist or participate in the promotion, organization, management, liquidation or reorganization of corporations, partnerships and other entities except management of funds, securities, portfolio or similar assets of the managed entities or corporations." Its principal business address is at LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City.

The Bidder has not, during the last five (5) years reckoned from the date hereof, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

The Bidder has not, during the last five (5) years reckoned from the date hereof, been a party to any criminal or civil proceeding of a judicial or administrative body of competent jurisdiction, domestic or foreign, and as a result of such proceeding was or is subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, permanently or temporarily enjoining, barring, suspending or otherwise limiting involvement in any type of business, securities, commodities or banking.

The following are the members of the Board of Directors and Key Executive Officers and the persons in control of the Bidder:

(a) Names

Araneta Family (Juan Carlos G. Araneta, Santiago G. Araneta, Fernando G. Araneta, and Monica G. Araneta)	Owns 100% of the Bidder (legal and beneficial)
Juan Carlos G. Araneta	Chairman and President, owns 25% of the Bidder
Santiago G. Araneta	Executive Vice President, owns 25% of the Bidder
Fernando G. Araneta	Vice President, owns 25% of the Bidder
Monica G. Araneta	Director, owns 25% of the Bidder
Joseph Jeffrey B. Rodriguez	Vice President – Finance
Atty. Juan Victor R. Llamas	Vice President-Legal and Corporate Secretary

(b) Affiliation with FED

None of the persons named in Item 2 (a) have any affiliations with FED.

(c) Residence or Business Address

Juan Carlos G. Araneta	5 Intsia Road, Forbes Park, Makati City
Santiago G. Araneta	41 Pili Avenue, South Forbes Park, Makati City
Fernando G. Araneta	19 Pili Avenue, South Forbes Park, Makati City
Monica G. Araneta	48-A Mackinley Road, Forbes Park, Makati City
Joseph Jeffrey B. Rodriguez	Pampanga Street, Sta. Cruz, Manila
Atty. Juan Victor R. Llamas	6 Begonia Street, Pasay City

(d) Principal occupation/business or employment and address of such business/employment

Juan Carlos G. Araneta	Chairman and President of LBC DEV LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City
Santiago G. Araneta	Executive Vice President of DEV LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City
Fernando G. Araneta	Vice President of DEV LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City
Monica G. Araneta	Director of DEV LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City
Joseph Jeffrey B. Rodriguez	Vice President for Finance of DEV LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City
Atty. Juan Victor R. Llamas	Vice President for Legal and Corporate Secretary of DEV LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City

(e) Conviction in a criminal proceeding

During the last five (5) years reckoned from the date hereof, none of the persons enumerated in Item 2 (a) have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(f) Judgment in a civil case or proceeding

During the last five (5) years reckoned from the date hereof, none of the persons enumerated in Item 2 (a) have been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction, domestic or foreign, and as a result of such proceeding was or is subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, permanently or temporarily enjoining, barring, suspending or otherwise limiting involvement in any type of business, securities, commodities or banking.

(g) Citizenship

All of the persons enumerated in Item 2 (a) are citizens of the Philippines.

Item 3. Purpose of the Tender Offer and Plans or Proposals of the Bidder

The purpose of the Tender Offer is to comply with Section 19 of the Securities Regulation Code.

- (a) On 23 April 2015, the Board of Directors of the Company approved the issuance of Fifty Nine Million One Hundred One Thousand (59,101,000) common shares at par value of One Peso (₱1.00) per share out of the unissued portion of the authorized capital stock of the Company to Bidder, subject to acceptable documentation being arrived at, as well as the fulfillment of such conditions agreed upon by the Company and by the Bidder.
- (b) On 18 May 2015, a Deed of Subscription was executed by the Company and the Bidder whereby the Bidder, subject to the completion of the tender offer, subscribed to the unissued authorized capital stock of the Company in the amount of Fifty Nine Million One Hundred One Thousand Pesos (₱59,101,000.00) representing Fifty Nine Million One Hundred One Thousand (59,101,000) common shares of the Company at the Subscription Price of One Peso (₱1.00) per share.

- (c) The subscription to the unissued portion of the Company's authorized capital stock will generate additional capital for the Company's general corporate purposes. Further, the Bidder is looking into the possibility of making an additional investment into the Company to fund further business prospects for the Company, subject to favorable market conditions.
- (d) To date, the Bidder has no plans or proposals which relate to or would result in:
 - (i) A sale or transfer of a material amount of assets of the Company or any of its subsidiaries;
 - (ii) Causing any class of equity securities of the Company which is listed on an exchange to be no longer listed; or
 - (iv) Causing the Company to no longer be subject to the reporting requirements of SRC Rule 17.

Item 4. Interest in Securities of the Issuer

- (a) The subject of the Tender Offer is the Tender Offer Shares, consisting of Forty Million Eight Hundred Ninety Nine Thousand (40,899,000) common shares which shares were subscribed and issued out of the authorized capital stock of the Company, or approximately Forty and Nine Tenths Percent (40.90%) of the authorized capital stock of the Company. Details of which are set forth in Item 1 (b) above. The consideration for the Tender Offer Shares shall be One Peso (₱1.00) per share. Except for one common share in FED held by each of Santiago G. Araneta and Fernando G. Araneta, neither the Bidder nor any of the persons enumerated in Item 2 of this Report own or hold any beneficial interest in the Tender Offer Shares.
- (b) Except as disclosed in Item 4 (a), the Bidder has not effected any transaction during the past sixty (60) days in relation to any of the securities of the Company. Except as disclosed in Item 4 (a) above, to the best of Bidder's knowledge, none of its Directors, Officers or stockholders enumerated in Item 2 of this Report has effected any transaction during past sixty (60) days in relation to any of the securities of the Company.

Item 5. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Other than the Deed of Subscription entered into between the Company and the Bidder, there are no contracts, arrangements, understandings or relationships among the persons named in Item 2 and between such persons and any person with respect to any securities of the Company, including but not limited to transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies, naming the person with whom such contracts, arrangements, understandings or relationships have been entered into.

To the knowledge of the Bidder, none of the securities of the Company are pledged or otherwise subject to a contingency the occurrence of which would give another person voting power or investment power over such securities.

Item 6. Materials to be Filed as Exhibits

- (a) Tender Offer Materials

The following are the Tender Offer materials published, sent or made available by the Bidder to the stockholders of the Company:

- Annex "A" - Terms of the Tender Offer
- Annex "B" - Announcement of Intention to Make a Tender Offer to Shareholders of the Company

- Annex "C" - Application to Tender Shares of the Company
- Annex "C-1" - Form of Secretary's Certificate
- Annex "C-2" - Form of Special Power of Attorney
- Annex "C-3" - Form of Affidavit of Loss
- Annex "D" - Instruction to Broker's/Letter to Tender Office Agent
- Annex "E" - Certification from Financial Adviser That Resources Available to the Bidder are Sufficient to Satisfy Full Acceptance of the Offer
- Annex "F" - Fairness Opinion dated 15 May 2015 issued by Punongbayan & Araullo

(b) Deed of Subscription

- Annex "G" - Deed of Subscription dated 18 May 2015 between the Company and the Bidder

(c) List of the Company's shareholders

- Schedule 1 - List of the Company's shareholders as of 14 May 2015

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of on, 2015.

LBC DEVELOPMENT CORPORATION

By: _____


SANTIAGO G. ARANETA
Director and Executive Vice President

TERMS OF THE TENDER OFFER

Offeror	: LBC Development Corporation (the "Bidder") The Bidder is a corporation organized and duly existing under the laws of the Republic of the Philippines having been incorporated on 9 October 1989 with Securities and Exchange Commission ("SEC") License No. 169301. Its primary purpose is "to act as managers or managing agents of persons, firms, associations, corporations, partnerships and other entities; to provide management, investment and technical advice for commercial, industrial, manufacturing and other kinds of enterprise, and to undertake, carry on, assist or participate in the promotion, organization, management, liquidation or reorganization of corporations, partnerships and other entities except management of funds, securities, portfolio or similar assets of the managed entities or corporations." Its principal business address is at LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City.
Tender Offer	: As of 18 May 2015, Federal Resources Investment Group, Inc. (the "Company") has an authorized capital stock of One Hundred Million Pesos (₱100,000,000.00) consisting of One Hundred Million (100,000,000) shares of common stock with par value of One Peso (₱1.00) per share. A total of Forty Million Eight Hundred Ninety Nine Thousand (40,899,000) common shares have been subscribed and paid-up while Fifty Nine Million One Hundred One Thousand (59,101,000) common shares remain unissued. Under the Deed of Subscription executed between the Company and the Bidder on 18 May 2015, LBC Development Corporation (the "Bidder" or "LBC DEV"), subject to the completion of the Tender Offer, subscribed to Fifty Nine Million One Hundred One Thousand (59,101,000) common shares out of the unissued authorized capital stock of the Company or approximately Fifty Nine and One Tenth Percent (59.10%) of the authorized capital stock of the Company (the "Subscribed Shares"). The consideration for the Subscribed Shares shall be in the amount of Fifty Nine Million One Hundred One Thousand Pesos (₱59,101,000.00) or One Peso (₱1.00) per share. Pursuant to SRC Rule 19 paragraph 2 (c) of the Implementing Rules and Regulations ("IRR") of the Securities Regulation Code ("SRC"), if any acquisition of even less than 35% would result in ownership of over 51% of the total outstanding equity securities of a public company, the acquirer shall be required to make a tender offer under the IRR of the SRC for all the outstanding equity securities to all remaining stockholders of the said company at a price supported by a fairness opinion provided by an independent financial advisor or equivalent third party. The acquirer in such a tender offer shall be required to accept any and all securities thus tendered. In compliance with such SRC requirements, the Bidder will acquire the Tender Offer Shares at the Tender Offer Price in accordance with these Terms of the Tender Offer.
Tender Offer Price	: The consideration for the Tender Offer Shares shall be One Peso (₱1.00) per share (the "Tender Offer Price"), payable only in cash and in full on Settlement Date (as defined below).

Tender Offer Shares	:	Aggregate of Forty Million Eight Hundred Ninety Nine Thousand (40,899,000) common shares which shares were subscribed and issued out of the authorized capital stock of the Company, or One Hundred Percent (100%) of the present outstanding capital stock of the Company or approximately Forty and Nine Tenths Percent (40.90%) of the outstanding capital stock of the Company when the Subscribed Shares have been subscribed and issued (the "Tender Offer Shares").
Tender Offer Period	:	From 01 June 2015 at 9:30 a.m. to 29 June 2015 at 12 n.n. (the "Tender Offer Period"), any stockholder of the Company may offer all or a portion of their shares in the Company for sale to the Bidder (the "Tender Shareholder"). The Bidder reserves the right to extend the Tender Offer Period with the approval of the Securities and Exchange Commission (the "SEC").
Tender Offer Process	:	<p>Tendering Shareholders who hold stock certificates ("Scrip Shareholders") should submit, within the Tender Offer Period, their duly endorsed stock certificates and the duly accomplished Application to Tender Shares (the "Application"), together with the requirements stated therein, to The First Resources Management and Securities Corporation (the "TO Agent")</p> <p>Address: Unit 801 Tower One and Exchange Plaza, Ayala Triangle, Ayala Ave., Makati City</p> <p>Telephone No.: 632-8486311</p> <p>Contact Person: Bridget Jordas</p> <p>Tendering Shareholders whose shares are lodged with the Philippine Depository Trust Corporation ("PDTC") ("Scripless Shareholders") should instruct their brokers to electronically transfer their shares to the TO Agent for receipt by the TO Agent prior to 12 n.n. 29 June 2015. Brokers should submit the Letter to Tender to the TO Agent as per the Instructions to Brokers given.</p> <p>Delivery of the required documents in relation to the Tender Offer to the TO Agent shall be deemed made only upon actual receipt by the TO Agent. The Bidder reserves the right to require presentation of additional documents in respect of its determination of the validity, eligibility and acceptability of any shares in the Company tendered pursuant to the Tender Offer.</p>
Closing Date (End of Tender Offer Period)	:	29 June 2015 at 12 n.n.
Conditions	:	<p>The Tender Offer Shares shall be deemed accepted by the Bidder as of the Settlement Date subject to the following conditions:</p> <ol style="list-style-type: none"> The Bidder has obtained all organizational, contractual and regulatory approvals, consents and authorizations for the purchase by the Bidder of the Tender Offer Shares before the expiration of the Tender Offer Period; and The Tendering Shareholder shall have obtained all the required approvals and authorizations to enable it to transfer the Tender Offer Shares to the Bidder before the expiration of the Tender Offer Period. <p>The Bidder has the right to withdraw the Tender Offer if any of the foregoing conditions is not met to its satisfaction, provided that the written notice of withdrawal of the Tender Offer shall be sent to the shareholders of the Company on or before Settlement Date.</p>

Acceptance	: <p>The Bidder, at its sole discretion, has the right to reject or accept an Application if such Application: (i) is not completed properly; (ii) lacks any of the required attachments; or (iii) if the signature affixed thereto cannot be authenticated by the TO Agent. Applications received after the end of the Tender Offer Period shall be rejected, unless the Tender Offer Period is extended by the Bidder upon approval by the SEC.</p> <p>Tendering shareholders whose Applications have been rejected, in whole or in part, shall be notified of such fact by the TO Agent on or before the Settlement Date.</p>
Cross Date	: 10 July 2015
Settlement Date	: <p>10 July 2015</p> <p>The consideration shall be payable starting on 10 July 2015 (the "Settlement Date"). Should the Settlement Date fall on a holiday or a non-trading day, the payment of the relevant consideration shall be made on the next business day.</p> <p>On Settlement Date, the TO Agent shall make the check of the total Tender Offer Price either to: (i) each selling broker which delivered the scripless shares of its tendering clients, the Scripless Shareholders or (ii) the Tendering Shareholders that have delivered certificated shares directly to the TO Agent. Checks shall be available for pick-up at the TO Agent's office beginning Settlement Date up to thirty (30) days thereafter. Checks not claimed shall be mailed or delivered to the shareholders, at their own risk, to the registered address indicated in the Application Form.</p> <p>When collecting payment, the Tendering Shareholders shall present the Shareholder's Copy of the Application as well as a proper identification document (e.g. driver's license, passport or company I.D. with photograph and signature). Duly authorized representatives of Tendering Shareholders shall be required to present either a duly notarized secretary's certificate for corporate shareholders or a duly notarized special power of attorney for individual shareholders.</p>
Withdrawal	: <p>The Tender Offer Shares tendered may be withdrawn by the Tendering Shareholder any time during the Tender Offer Period, but only up to 12 n.n. of 29 June 2015, by submitting a written request for the tendered Tender Offer Shares to the TO Agent with a copy of the Shareholder's Copy of the Application issued by the TO Agent.</p> <p>The written request for the withdrawal of tendered Tender Offer Shares must specify: (i) the name of the Tendering Shareholder and (ii) the number of shares to be withdrawn. If the stock certificates evidencing the Tender Offer Shares have been delivered to the TO Agent, the serial number of such certificates must be indicated in the written request for tendered shares. The Bidder has the right in its sole discretion, to determine the validity of the written request.</p> <p>The Tender Offer Shares shall be returned in the same form it was received to the PDTC Participant (if previously lodged with the PDTC Participant) or to the Tendering Shareholder (if previously certificated), within ten (10) trading days from the end of the Tender Offer Period. The cost of returning the Tender Offer Shares shall be borne by the stockholder making the withdrawal.</p>

Expenses	: The Tendering Shareholder and the Bidder shall each be responsible for their own broker's commission, costs, charges, transfer taxes and other expenses, fees and duties incurred in connection with the tender of the Tender Offer Shares, provided that the stock transaction tax payable on the transfer of the Tender Offer Shares shall be for the account solely of the Tendering Shareholder. Any and all costs, charges, transfer taxes, expenses, fees and duties that shall be for the account of the Tendering Shareholder shall be deducted by the TO Agent from the total price payable to the Tendering Shareholder.
Representations and Warranties of Tendering Shareholder	: By accepting the Tender Offer and tendering the Tender Offer Shares, each Tendering Shareholder is deemed to have represented and warranted to the Bidder as follows: <ul style="list-style-type: none"> a. All information contained in the Application and its attachments are true and correct and that the signatures thereon are genuine, properly authorized and obtained without use of fraud, coercion or any other vice of consent. b. Each Tendering Shareholder is the registered and absolute legal and beneficial owner of, with good and marketable title to the Tender Offer Shares. The Tender Offer Shares have been validly issued and fully paid, and are non-assessable. c. Each Tendering Shareholder has obtained all the required approvals and authorizations to enable it/him/her to transfer the Tender Offer Shares to the Bidder before the expiration of the Tender Offer Period and it/he/she is not aware of any objection, adverse claim, dispute or notice concerning its/his/her right to tender and transfer the Tender Offer Shares. d. The Bidder will obtain full and valid title to the Tender Offer Shares, free and clear from any warrants, interests, options, liens, claims, objections, disputes and encumbrances and will be able to freely and fully exercise all rights and privileges arising from ownership of such Tender Offer Shares, including but not limited to the right to vote and receive dividends. e. Each Tendering Shareholder has read and understood and relied solely upon the provisions of SEC Form 19-1 and its annexes and the terms and conditions stated therein, and unconditionally accepts said terms and conditions. The Tendering Shareholder understands that no person has been authorized to give information or to make any representation with respect to the Tender Offer other than those specified and made in the SEC Form 19-1 and its annexes.

____ May 2015

TO THE SHAREHOLDERS OF FEDERAL RESOURCES INVESTMENTS GROUPS, INC.

This is to advise you that LBC Development Corporation (the "Bidder") has entered into a Deed of Subscription dated 18 May 2015 with Federal Resources Investments Groups, Inc. (the "Company") whereby the Bidder, subject to the completion of a tender offer, subscribed to Fifty Nine Million One Hundred One Thousand (59,101,000) common shares (the "Subscribed Shares") out of the unissued authorized capital stock of the Company or approximately Fifty Nine and One Tenth Percent (59.10%) of the authorized capital stock of the Company at the subscription price of One Peso (₱1.00) per share (the "Subscription").

The Subscription triggers the mandatory tender offer rules of the Philippine Securities and Exchange Commission and accordingly, the Bidder will be making a Tender Offer for the Forty Million Eight Hundred Ninety Nine Thousand (40,899,000) common shares in the hands of all the stockholders of the Company, which shares comprises One Hundred Percent (100%) of the present outstanding capital stock of the Company or approximately Forty and Nine Tenths Percent (40.90%) of the outstanding capital stock of the Company when the Subscribed Shares have been subscribed and issued.

All the shares tendered shall be purchased by the Bidder at the same price to be paid for the shares subject of the Subscription. The Terms of the Tender Offer shall be announced separately after final determination hereof.

Very truly yours,

The Board of Directors
LBC Development Corporation

The Manila Times

www.manilatimes.net

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

AFFIDAVIT OF PUBLICATION

I, **Evelyn S. Arevalo**, of legal age, married, Filipino and a resident of Sampaguita Compound Calsadang Bago Imus Cavite in the Philippines, after having been duly sworn according to law, do hereby depose and state:

That I am the Accounting Supervisor of **The Manila Times**, a newspaper which is published in English, Edited and Printed in Metro Manila, and circulated nationwide daily from Monday to Sunday with postal address at 2/F Sitio Grande, 409 A. Soriano Avenue, Intramuros, Manila

That the attached **TO THE SHAREHOLDERS OF FEDERAL RESOURCES INVESTMENTS GROUPS, INC.**

was published in **The Manila Times** newspaper in its issue/s of **MAY 22, 2015**

In witness whereof, I signed this Affidavit in Manila, Philippines, this _____ day of _____, 2015
MAY 22 2015


EVELYN S. AREVALO
Affiant

Subscribe and sworn to before me this _____ day of **MAY 22 2015**, 2015 in **MANILA**, Philippines, affiant exhibiting to me her **Driver's License No. N03-00-292351** issued at Imus Cavite on November 16, 2012 And **SSS ID No. 03-918-996-16**

Doc. No. 53
Page No. 7
Book No. LXIII
Series of 2015


ATTY. RAMON L. CAPIO
NOTARY PUBLIC
Np-89 (2013-2016) Commission Expires Dec. 31, 2016
Roll of Attorneys No. 22172
IBP OR 978729, 12/12/14, Pasig City
MCLE IV-Compliance No. 000530, 6/19/13
Rm. 326 Doña Consolacion Bldg. Cubao, Quezon City

THE MANILA TIMES PUBLISHING CORPORATION
2/F Sitio Grande, 409 A. Soriano Ave., Intramuros Manila

22 May 2015

**TO THE SHAREHOLDERS OF FEDERAL RESOURCES
INVESTMENTS GROUPS, INC.**

This is to advise you that LBC Development Corporation (the "Bidder") has entered into a Deed of Subscription dated 18 May 2015 with Federal Resources Investments Groups, Inc. (the "Company") whereby the Bidder, subject to the completion of a tender offer, subscribed to Fifty Nine Million One Hundred One Thousand (59,101,000) common shares (the "Subscribed Shares") out of the unissued authorized capital stock of the Company or approximately Fifty Nine and One Tenth Percent (59.10%) of the authorized capital stock of the Company at the subscription price of One Peso (P1.00) per share (the "Subscription").

The Subscription triggers the mandatory tender offer rules of the Philippine Securities and Exchange Commission and accordingly, the Bidder will be making a Tender Offer for the Forty Million Eight Hundred Ninety Nine Thousand (40,899,000) common shares in the hands of all the stockholders of the Company, which shares comprises One Hundred Percent (100%) of the present outstanding capital stock of the Company or approximately Forty and Nine Tenths Percent (40.90%) of the outstanding capital stock of the Company when the Subscribed Shares have been subscribed and issued.

All the shares tendered shall be purchased by the Bidder at the same price to be paid for the shares subject of the Subscription. The Terms of the Tender Offer shall be announced separately after final determination hereof.

Very truly yours,

The Board of Directors
LBC Development Corporation

MT - May 22, 2015

BusinessMirror

A broader look at today's business

REPUBLIC OF THE PHILIPPINES)

MAKATI

) S.S.

AFFIDAVIT OF PUBLICATION

I, **JENNY J. NAMANG** legal age, Filipino and residing at c/o **BUSINESSMIRROR PUBLISHING., INC.** 2/F Dominga Bldg. III Annex, 2113 Chino Roces corner Dela Rosa Streets, Makati City Philippines. after having been duly sworn to in accordance with the law, hereby declare and testify.

That I am the **Credit & Collection** of **BUSINESS MIRROR**, a newspaper which is published in English, edited and printed in Metro Manila, and circulated nationwide from Monday to Sunday with editorial and business address at 2/F Dominga Bldg., 2113 Chino Roces Sts. cor. Dela Rosa Street Makati City.

That the
PLACE AD

APPLICANT/PETITIONER

LBC DEVELOPMENT CORPORATION
(Notice)

text of which could be read/deed as follows:

AS PER ATTACHED

has been published in **Business Mirror** in May 22, 2015.


AFFIANT FURTHER SAYETH NAUGHT
Manila, Philippines

JENNY J. NAMANG
Affiant

SUBSCRIBED and SWORN to before me this
day of MAY 22, 2015 at Makati City
Philippines.

Affiant exhibited to me her TIN ID No. 297-257-600-000
issued 08-17-10 & SSS ID No. 09-3027971-0 with picture.

Doc.No 74
Page No. 7
Book No. LVIII
Series of 2015.


ATTY. RAMON L. CARRIO
NOTARY PUBLIC
Np-89 (2015-2016) Commission Expires Dec. 31, 2016
Roll of Attorneys No. 22172
IBP OR 978729, 12/12/14, Pasig City
PTR No. 0350443, 1/6/15, Pasig City
TIN 106-918-897
MCLE IV-Compliance No. 000630, 6/19/13
Rm. 326 Doña Consolacion Bldg. Cubao, Quezon City

TO THE SHAREHOLDERS OF FEDERAL RESOURCES INVESTMENTS GROUPS, INC.

This is to advise you that LBC Development Corporation (the "Bidder") has entered into a Deed of Subscription dated 18 May 2015 with Federal Resources Investments Groups, Inc. (the "Company") whereby the Bidder, subject to the completion of a tender offer, subscribed to Fifty Nine Million One Hundred One Thousand (59,101,000) common shares (the "Subscribed Shares") out of the unissued authorized capital stock of the Company or approximately Fifty Nine and One Tenth Percent (59.10%) of the authorized capital stock of the Company at the subscription price of One Peso (P1.00) per share (the "Subscription"),

The Subscription triggers the mandatory tender offer rules of the Philippine Securities and Exchange Commission and accordingly, the Bidder will be making a Tender Offer for the Forty Million Eight Hundred Ninety Nine Thousand (40,899,000) common shares in the hands of all the stockholders of the Company, which shares comprises One Hundred Percent (100%) of the present outstanding capital stock of the Company or approximately Forty and Nine Tenths Percent (40.90%) of the outstanding capital stock of the Company when the Subscribed Shares have been subscribed and issued.

All the shares tendered shall be purchased by the Bidder at the same price to be paid for the shares subject of the Subscription. The Terms of the Tender Offer shall be announced separately after final determination hereof.

Very truly yours,

The Board of Directors
LBC Development Corporation

APPLICATION TO TENDER SHARES

THIS FORM MUST BE PREPARED IN TRIPLICATE AND COMPLETED IN ALL PARTS

APPLICATION NO. _____

Application to Tender Common Shares of Federal Resources Investment Group, Inc. ("FED") with Par Value of One Peso (₱1.00) Per Share at an Offer Price of One Peso (₱1.00) Per Share.

This Application to Tender Shares (the "Application"), together with the required documentary requirements must be received by The First Resources Management and Securities Corporation (the "TO Agent") at its office address below during the Tender Offer Period from 01 June 2015 at 9:30 a.m. to 29 June 2015 at 12 n.n.:

Address: Unit 801 Tower One and Exchange Plaza,
Ayala Triangle, Ayala Ave., Makati City
Telephone No.: 632-8486311
Contact Person: Bridget Jordas

The shares covered by stock certificates (the "Scrip Shares") being tendered for sale to LBC Development Corporation (the "Bidder") must be received by the TO Agent by the surrender of the corresponding stock certificates duly endorsed or for those with lost stock certificates, by submission of one (1) original copy of a duly notarized affidavit of loss; copy of the affidavit of loss as published in a newspaper of general circulation; affidavit of publication; and bond, not later than 12 n.n. of 29 June 2015.

Tendering Shareholders whose shares are lodged with the Philippine Depository Trust Corporation ("PDTC") ("Scripless Shares") should instruct their brokers to electronically transfer their shares to the TO Agent for receipt by the TO Agent prior to [end of Tender Offer Period]. Brokers should submit the Letter to Tender to the TO Agent as per the Instructions to Brokers given.

Applications received after the end of the Tender Offer Period shall be rejected unless the Tender Offer Period is extended by the Bidder upon approval by the Securities and Exchange Commission (the "SEC"). The shares tendered may be withdrawn by the stockholders of record at any time during the Tender Offer Period, but only up to 12 n.n. of 29 June 2015, by submitting a written request for the tendered shares to the TO Agent with a copy of the "Shareholder's Copy" of the Application issued by the TO Agent.

Before deciding to tender their shares, shareholders are advised to read the Terms of the Tender Offer and the SEC Form 19-1 filed by the Bidder with the Commission, copies of which may be obtained from the TO Agent at their office address indicated above.

I/We represent and warrant that all information contained herein and in the attached documents are true and correct and that the signatures thereon are genuine, properly authorized and obtained without use of fraud, coercion or any other vice of consent. I/We represent and warrant that: (i) the shares tendered herein (the "Shares") have been validly issued, fully paid and non-assessable; (ii) I/We am/are the registered and absolute legal and beneficial owner/s of , with good and marketable title to the Shares being tendered; (iii) I/We have obtained all the required approvals and authorizations to enable me/us to transfer the Shares to the Bidder before the expiration of the Tender Offer Period, and am/are not aware of any objection, adverse claim, dispute or notice concerning my/our right to tender and transfer the Shares; and (iv) the Bidder will obtain full and valid title to such Shares, free and clear from any warrants, interests, options, liens, claims, objections, disputes, and encumbrances and will be able to freely and fully exercise all rights and privileges arising from ownership of such Shares, including but not limited to the right to vote and receive dividends. I/We warrant that we have read and understood and relied solely upon the provisions of SEC Form 19-1 and the terms and conditions stated therein, and unconditionally accept said terms and conditions. I/We understand that no person has been authorized to give information or to make any representation with respect to the Tender Offer other than those specified and made in the SEC Form 19-1.

Shareholder's Full Name (in print) :
 Shareholder's Signature :
 Tax Identification No. :
 Shareholder's Mailing Address :
 Telephone No. :
 Nationality :

I/We hereby tender our Tender Offer Shares to the Bidder under the Terms of the Tender Offer and the terms and conditions stated therein, as follows:

No. of Shares		Price Per Share	₱
Total Purchase Price (No. of Tender Offer Shares x Price Per Share)			₱

I/We attach the following duly endorsed common stock certificate(s) of FED:

Stock Certificate No.	No. of Common Shares	Stock Certificate No.	No. of Common Shares
Total Number of Shares Tendered			

(Please attach a separate sheet for the above details if needed)

To Be Filled Up By the TO Agent

We received this Application with all the required attachments indicated therein:

Tender Agent's Authorized Signatory

Date Received: _____

REQUIRED ATTACHMENT TO THE APPLICATION FORM:

- a) Duly endorsed original stock certificates of Federal Resources Investment Group, Inc.
- b) For those with lost stock certificates:
 - (i) One (1) original copy of a duly notarized affidavit of loss;
 - (ii) Copy of the affidavit of loss as published in a newspaper of general circulation;
 - (iii) Affidavit of publication; and
 - (iv) Bond
- c) For corporate and judicial shareholders:
 - (i) Certified true copies of its Articles of Incorporation and By-Laws and latest amendments thereof;
 - (ii) Notarized secretary's certificate embodying the resolution adopted by the shareholder's board of directors or its governing body authorizing the shareholder to tender and sell the Tender Offer Shares pursuant to the Tender Offer, designating signatories for the purpose and bearing the specimen signatures of those signatories, in substantially the same form as that attached to this Application;
 - (iii) Two (2) sets of duly accomplished signature card containing the specimen signatures of its authorized signatories validated by the Corporate Secretary; and
 - (iv) Two (2) valid identification cards of the authorized signatories containing the latter's photograph and specimen signature.
- d) For individual shareholders:
 - (i) Photocopies of two (2) valid identification cards containing the Tendering Shareholder's photograph and specimen signature;
 - (ii) A duly accomplished specimen signature card containing the specimen signature of the shareholder; and
 - (iii) A duly notarized special power of attorney, in substantially the same form as that attached to this Application, if the Tendering Shareholder is acting through an attorney-in-fact.

SUMMARY OF THE TERMS OF TENDER OFFER

As of 18 May 2015, Federal Resources Investment Group, Inc.(the "Company") has an authorized capital stock of One Hundred Million Pesos (P100,000,000.00) consisting of One Hundred Million (100,000,000) shares of common stock with par value of One Peso (P1.00) per share. A total of Forty Million Eight Hundred Ninety Nine Thousand (40,899,000) common shares have been subscribed and paid-up while Fifty Nine Million One Hundred One Thousand (59,101,000) common shares remain unissued.

Under the Deed of Subscription executed between the Company and the Bidder on 18 May 2015, LBC Development Corporation (the "Bidder" or "LBC DEV"), subject to the completion of the Tender Offer, subscribed to Fifty Nine Million One Hundred One Thousand (59,101,000) common shares out of the unissued authorized capital stock of the Company or approximately Fifty Nine and One Tenth Percent (59.10%) of the authorized capital stock of the Company (the "Subscribed Shares"). The consideration for the Subscribed Shares shall be in the amount of Fifty Nine Million One Hundred One Thousand Pesos (P59,101,000.00) or One Peso (P1.00) per share.

Pursuant to SRC Rule 19 paragraph 2 (c) of the Implementing Rules and Regulations ("IRR") of the Securities Regulation Code ("SRC"), if any acquisition of even less than 35% would result in ownership of over 51% of the total outstanding equity securities of a public company, the acquirer shall be required to make a tender offer under the IRR of the SRC for all the outstanding equity securities to all remaining stockholders of the said company at a price supported by a fairness opinion provided by an independent financial advisor or equivalent third party. The acquirer in such a tender offer shall be required to accept any and all securities thus tendered.

In compliance with such SRC requirements, the Bidder will acquire the Tender Offer Shares at the Tender Offer Price in accordance with these Terms of the Tender Offer. The tender offer shares consist of an aggregate of Forty Million Eight Hundred Ninety Nine Thousand (40,899,000) common shares which shares were subscribed and issued out of the authorized capital stock of the Company, or One Hundred Percent (100%) of the present outstanding capital stock of the Company or approximately Forty and Nine Tenths Percent (40.90%) of the outstanding capital stock of the Company when the Subscribed Shares have been subscribed and issued (the "Tender Offer Shares"). The consideration for the Tender Offer Shares shall be One Peso (P1.00) per share (the "Tender Offer Price"), which price is equivalent to the price per share for the Subscribed Shares, payable only in cash and in full on Settlement Date.

The Tender Offer Shares shall be deemed accepted by the Bidder as of the Settlement Date subject to the following conditions: (i) The Bidder has obtained all organizational, contractual and regulatory approvals, consents and authorizations for the purchase by the Bidder of the Tender Offer Shares before the expiration of the Tender Offer Period; and (ii) the Tendering Shareholder shall have obtained all the required approvals and authorizations to enable it to transfer the Tender Offer Shares to the Bidder before the expiration of the Tender Offer Period.

The Bidder has the right to withdraw the Tender Offer if any of the foregoing conditions is not met to its satisfaction, provided that the written notice of withdrawal of the Tender Offer shall be sent to the shareholders of the Company on or before Settlement Date.

The Bidder, at its sole discretion, has the right to reject or accept an Application if such Application: (i) is not completed properly; (ii) lacks any of the required attachments; or (iii) if the signature affixed thereto cannot be authenticated by the TO Agent. Applications received after the end of the Tender Offer Period shall be rejected, unless the Tender Offer Period is extended by the Bidder upon approval by the SEC.

Tendering shareholders whose Applications have been rejected, in whole or in part, shall be notified of such fact by the TO Agent on or before the Settlement Date.

The consideration shall be payable starting on 10 July 2015 (the "Settlement Date"). Should the Settlement Date fall on a holiday or a non-trading day, the payment of the relevant consideration shall be made on the next business day.

On Settlement Date, the TO Agent shall make the check of the total Tender Offer Price either to: (i) each selling broker which delivered the scripless shares of its tendering clients, the Scripless Shareholders or (ii) the Tendering Shareholders that have delivered certificated shares directly to the TO Agent. Checks shall be available for pick-up at the TO Agent's office beginning Settlement Date up to thirty (30) days thereafter. Checks not claimed shall be mailed or delivered to the shareholders, at their own risk, to the registered address indicated in the Application Form.

When collecting payment, the Tendering Shareholders shall present the "Shareholder's Copy" of the Application as well as a proper identification document (e.g. driver's license, passport or company I.D. with photograph and signature). Duly authorized representatives of Tendering Shareholders shall be required to present either a duly notarized secretary's certificate for corporate shareholders or a duly notarized special power of attorney for individual shareholders.

The Tendering Shareholder and the Bidder shall each be responsible for their own broker's commission, costs, charges, transfer taxes and other expenses, fees and duties incurred in connection with the tender of the Tender Offer Shares, provided that the stock transaction tax payable on the transfer of the Tender Offer Shares shall be for the account solely of the Tendering Shareholder. Any and all costs, charges, transfer taxes, expenses, fees and duties that shall be for the account of the Tendering Shareholder shall be deducted by the TO Agent from the total price payable to the Tendering Shareholder.

The Tender Offer Shares tendered may be withdrawn by the Tendering Shareholder any time during the Tender Offer Period, but only up to 12 n.n. of 29 June 2015, by submitting a written request for the tendered Tender Offer Shares to the TO Agent with a copy of the Shareholder's Copy of the Application issued by the TO Agent.

The written request for the withdrawal of tendered Tender Offer Shares must specify: (i) the name of the Tendering Shareholder and (ii) the number of shares to be withdrawn. If the stock certificates evidencing the Tender Offer Shares have been delivered to the TO Agent, the serial number of such certificates must be indicated in the written request for tendered shares. The Bidder has the right in its sole discretion, to determine the validity of the written request.

The Tender Offer Shares shall be returned in the same form it was received to the PDTC Participant (if previously lodged with the PDTC Participant) or to the Tendering Shareholder (if previously certificated), within ten (10) trading days from the end of the Tender Offer Period. The cost of returning the Tender Offer Shares shall be borne by the stockholder making the withdrawal.

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

SECRETARY'S CERTIFICATE

I, _____, of legal age, [nationality], and with business address _____, after having been duly sworn in accordance with law, hereby depose and state that:

1. I am the duly elected and qualified Corporate Secretary of _____ (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at _____;
2. As such Corporate Secretary, I have in my custody the books and records and other papers of the Corporation, including but not limited to the minutes of the meetings of the Board of Directors and of the stockholders of the Corporation;
3. In the special meeting of the Board of Directors of the Corporation held on _____ at _____, where a quorum was present, the Board approved the participation of the Corporation in the Tender Offer by LBC Development Corporation ("the Bidder") of the shares of Federal Resources Investment Group, Inc., to wit:

"RESOLVED, That the Board of Directors of _____ (the "Corporation") hereby authorizes the participation by the Corporation in the Tender Offer of shares of stock of Federal Resources Investment Group, Inc. offered by the Bidder pursuant to the Terms of the Tender Offer;

"RESOLVED, further, that, for purposes of the Corporation's participation in said Tender Offer, the following officer/s of the Corporation (acting singly) have been constituted to be its duly authorized agents whose respective signatures shall bind the Corporation, to wit;

- (a) _____
- (b) _____
- (c) _____

4. The specimen signature of the foregoing signatories of the Corporation are as follows:

Name	Specimen Signature
------	--------------------

- a.
- b.
- c.

5. The above-quoted Board resolutions are in full force and effect and have not been amended, suspended, revoked or in any manner superseded as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand on this _____ at _____, Philippines.

Corporate Secretary

SUBSCRIBED AND SWORN TO before me this _____ at _____ affiant
exhibited to me his/her _____ Number _____ issued at _____ on.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of _____.

REPUBLIC OF THE PHILIPPINES)
 _____) S.S.

SPECIAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, _____, (the "Seller"), holds _____ common shares of Federal Resources Investment Group, Inc. ("FED");

WHEREAS, **LBC Development Corporation (the "Bidder")** has filed a Tender Offer Report with the Securities and Exchange Commission ("SEC"), declaring its intention to acquire a total of Forty Million Eight Hundred Ninety Nine Thousand (40,899,000) common shares which shares were subscribed and issued out of the authorized capital stock of the Company, or One Hundred Percent (100%) of the present outstanding capital stock of the Company or approximately Forty and Nine Tenths Percent (40.90%) of the outstanding capital stock of the Company when the Subscribed Shares have been subscribed and issued (the "Tender Offer Shares").

WHEREAS, the Seller hereby names, constitutes and appoints _____ (the "Attorney-In-Fact") as his/her attorney-in-fact, with full power and authority to:

- (a) tender all shares of stock in FED owned by the Seller to the Bidder in response to the Tender Offer, and to sign, execute and deliver for and on behalf of the Seller the shares of stock in FED owned by the Seller as contemplated by the Tender Offer;
- (b) give any notice, request, consent or waiver of any right, or receive any notice or communication, or act on any request, as may be required of or permitted to be made by stockholders of FED under the Tender Offer and any other documents contemplated;
- (c) receive or deliver any money or funds due to the stockholders of FED under the Tender Offer and any other document contemplated thereby, and issue a receipt for any money so received or delivered; and
- (d) do any and all things necessary or appropriate to give full effect to and implement the foregoing.

HEREBY GIVING AND GRANTING unto my Attorney-in-Fact full power and authority to do or perform all and every act necessary to carry into effect the foregoing, as fully to all intents and purposes as the Seller might or could lawfully do, with full power of substitution and revocation, and HEREBY RATIFYING AND CONFIRMING all that my Attorney-in-Fact shall lawfully do or cause to be done under and by virtue of these presents as well as those already done heretofore.

IN WITNESS WHEREOF, the Seller has executed this Special Power of Attorney this _____ at _____.

 SELLER

Conforme:

 Attorney-in-Fact

BEFORE ME, a Notary Public for and in _____ on this _____ personally appeared _____, with _____ Number _____ issued at _____ on _____, known to me to be the same person who executed the foregoing Special Power of Attorney and who acknowledged to me that the same I his/her free will and voluntary act and deed.

WITNESS MY HAND AND NOTARIAL SEAL on the date and place first above written.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of _____.

REPUBLIC OF THE PHILIPPINES)
 _____) S.S.

AFFIDAVIT OF LOSS

I, _____, of legal age, Filipino, married/single, a resident of _____, after having been duly sworn in accordance with law, do hereby depose and say:

That I am a stockholder of Federal Resources Investment Group, Inc. (the "Corporation"), owning _____ shares registered under the name _____, represented by the following Certificates of Stock:

Certificate No.

Number of Shares

That the above-mentioned certificates were discovered missing and have not been found or located despite diligent search;

That the above-mentioned certificates of stock have not been sold, pledged, mortgaged or in any way encumbered by me, and that they are free from any lien or encumbrances;

That this affidavit has been executed for the purpose of securing new certificate/s in replacement of the certificates of stock mentioned above and to request the Corporation to take the necessary steps to prevent the negotiation or transfer of said lost certificate/s.

IN WITNESS WHEREOF, I have hereunto set my hand on this _____ at _____, Philippines.

 Affiant

SUBSCRIBED AND SWORN TO before me this _____ at _____ affiant exhibited to me his/her _____ Number _____ issued at _____ on.

Doc. No. _____;
 Page No. _____;
 Book No. _____;
 Series of _____.

INSTRUCTIONS TO BROKERS

In connection with the tender offer by LBC Development Corporation (the "Bidder") to acquire common shares in Federal Resources Investment Group, Inc. (the "Company" or "FED"), the following are the stock transfer guidelines for brokers who hold shares of their clients in the Company under their respective Philippine Depositary Trust Corporation ("PDTC") accounts (the "Participating Brokers").

As of 18 May 2015, the Company has an authorized capital stock of One Hundred Million Pesos (₱100,000,000.00) consisting of One Hundred Million (100,000,000) shares of common stock with par value of One Peso (₱1.00) per share. A total of Forty Million Eight Hundred Ninety Nine Thousand (40,899,000) common shares have been subscribed and paid-up while Fifty Nine Million One Hundred One Thousand (59,101,000) common shares remain unissued.

Under the Deed of Subscription executed between the Company and the Bidder on 18 May 2015, LBC Development Corporation (the "Bidder" or "LBC DEV"), subject to the completion of the Tender Offer, subscribed to Fifty Nine Million One Hundred One Thousand (59,101,000) common shares out of the unissued authorized capital stock of the Company or approximately Fifty Nine and One Tenth Percent (59.10%) of the authorized capital stock of the Company (the "Subscribed Shares"). The consideration for the Subscribed Shares shall be in the amount of Fifty Nine Million One Hundred One Thousand Pesos (₱59,101,000.00) or One Peso (₱1.00) per share.

Pursuant to SRC Rule 19 paragraph 2 (c) of the Implementing Rules and Regulations ("IRR") of the Securities Regulation Code ("SRC"), if any acquisition of even less than 35% would result in ownership of over 51% of the total outstanding equity securities of a public company, the acquirer shall be required to make a tender offer under the IRR of the SRC for all the outstanding equity securities to all remaining stockholders of the said company at a price supported by a fairness opinion provided by an independent financial advisor or equivalent third party. The acquirer in such a tender offer shall be required to accept any and all securities thus tendered.

In compliance with such SRC requirements, the Bidder will acquire the Tender Offer Shares at the Tender Offer Price in accordance with these Terms of the Tender Offer. The tender offer shares consist of an aggregate of Forty Million Eight Hundred Ninety Nine Thousand (40,899,000) common shares which shares were subscribed and issued out of the authorized capital stock of the Company, or One Hundred Percent (100%) of the present outstanding capital stock of the Company or approximately Forty and Nine Tenths Percent (40.90%) of the outstanding capital stock of the Company when the Subscribed Shares have been subscribed and issued (the "Tender Offer Shares"). The consideration for the Tender Offer Shares shall be One Peso (₱1.00) per share (the "Tender Offer Price"), which price is equivalent to the price per share for the Subscribed Shares, payable only in cash and in full on Settlement Date.

The Tender Offer Shares shall be deemed accepted by the Bidder as of the Settlement Date subject to each of the Tendering Shareholder having obtained all the required approvals and authorizations to enable it to transfer the Tender Offer Shares to the Bidder before the expiration of the Tender Offer Period and other Terms of the Offer as applicable have been complied with or satisfied.

The Bidder has the right to withdraw the Tender Offer if any of the foregoing conditions is not met to its satisfaction, provided that the written notice of withdrawal of the Tender Offer shall be sent to the shareholders of the Company on or before Settlement Date.

The Tender Offer Period shall begin at 9:30 a.m. of 01 June 2015 and shall end at 3:00 p.m. of 29 June 2015. Only those shares electronically transferred to The First Resources Management and Securities Corporation (the "TO Agent") as at 3:00 p.m. of 29 June 2015 are eligible for the Tender Offer. Shareholders of FED may withdraw the tendered securities any time during the Tender Offer Period.

Should their clients wish to participate in the Tender Offer, the Participating Brokers should request such clients to issue a formal instruction for said Participating Brokers to electronically transfer their shares in FED to the TO Agent who will act as custodian for such shares. Changes for withdrawal and/or transfer will be for the Participating Broker's account.

For orderly transfer and accurate tracking, the Participating Brokers should fax and then deliver in original a letter to the TO Agent (in substantially the attached form) citing the exact number of shares being transferred under the Tender Offer. Please fax the letter to the TO Agent to the attention of Bridget Jordas at [●]. The TO Agent will fax the Participating Brokers a notice of receipt and conforme.

SAMPLE FORM OF LETTER FROM THE BROKER

TO

[Date]

Gentlemen:

We are delivering _____ shares of Federal Resources Investment Group, Inc. (the "Subject Company") from our clients who wish to participate in the Tender Offer by LBC Development Corporation (the "Bidder") under the Terms of the Tender Offer (Annex "A" of SEC Form 19-1 dated ____ 2015 filed by the Bidder, which we have read and understood. Our clients commit to sell and authorize The First Resources Management and Securities Corporation ("TO Agent") to sell these shares for the purchase price indicated in the said Terms of the Tender Offer. These shares will be held in custodianship by the TO Agent until such time that the transfer of these common shares of the Subject Company to the Bidder has been effected by the TO Agent.

Thank you.

Very truly yours,

Broker's Name PDTC Account No.

By:

Authorized Signatory

Telephone Number :

Fax Number :

ACCEPTANCE AND CONFORME

TO Agent hereby accepts _____ shares of Federal Resources Investment Group, Inc. from the foregoing broker and shall hold these shares in custody under the terms and conditions of the Tender Offer.

Duly accepted and with our conformity:

Authorized Signatory

Date

May 19, 2015

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA
Greenhills, Mandaluyong City

RE: Mandatory Tender Offer of LBC Development Corporation

Gentlemen:

This is in relation to the SEC Form 19-1 submitted by LBC Development Corporation (the "Corporation") for a mandatory tender offer concerning the shares of Federal Resources Investment Group, Inc.

We certify that the Corporation has sufficient resources to satisfy the full acceptance of the tender offer plus additional amounts for incidental expenses for this purpose.

Sincerely yours,

FIRST RESOURCES MANAGEMENT AND SECURITIES CORPORATION

By:


BRIGIDA B. JORDAS
Authorized Signatory



Punongbayan & Araullo

An instinct for growth™



MPF Awards
For Management
Excellence
2014

Winner
Best managed
international firm
Grant Thornton
An instinct for growth

May 2015

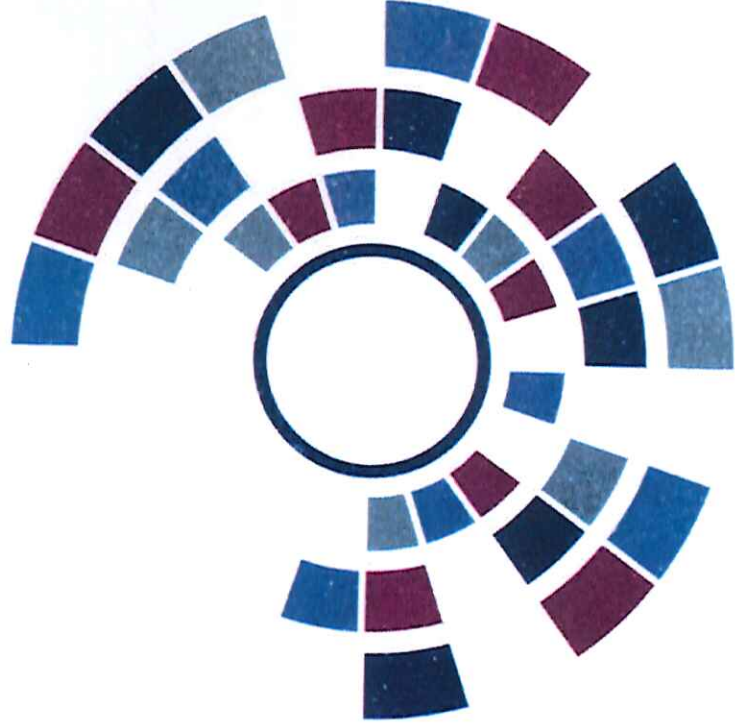
LBC Development Corporation

Valuation and fairness opinion on Federal Resources Investment Group, Inc.

Michael C. Gallego
Engagement Partner
T +63 2 988 2288 ext 200
E mhycke.gallego@ph.gt.com

Raul Nicolas S. Tomas
Managing Consultant
T +63 2 988 2288 ext 292
E raul.tomas@ph.gt.com

© 2015 Punongbayan & Araullo | Valuation and Fairness Opinion | May 2015



ANNEX "F"



Punongbayan & Araullo

| An instinct for growth™

Private and Confidential

Mr. Santiago G. Araneta
Executive Vice President
LBC Development Corporation
5/F Star Cruises Centre
Newport Cyber Tourism Zone
1300 Pasay City

15 May 2015

Dear Mr. Araneta:

This report provides you with the opinion of Punongbayan & Araullo (P&A) as to the range of fair values of the shares of Federal Resources Investment Group, Inc. (FED).

Background of engagement

LBC Development Corporation (LBC Development or the Company) is the parent company of LBC Express, Inc. (LBC Express), one of the largest logistics companies in the Philippines, offering cargo and courier, money remittance and business solutions services to Filipino businesses and individuals domestically and internationally.

Presently, the Company is contemplating on acquiring majority shares of FED, a publicly-listed shell company as a possible first step in the eventual listing of LBC Express shares. Upon acquisition, the Company would have to make a mandatory tender offer to the minority shareholders of FED, for which a fairness opinion on the said tender offer must be conducted by an independent third party as required by the Securities and Exchange Commission (SEC).

Certified Public Accountants
Member firm with Grant Thornton International Ltd.
Punongbayan & Araullo is a general professional partnership registered in the Philippines Reg. P.A. 039A
Registered office: 20th Floor, Tower 1, The Enterprise Center, 6766 Ayala Avenue, Makati City 1200.
A list of licenses is attached hereto for your reference.

© 2015 Punongbayan & Araullo | Valuation and Fairness Opinions | May 2015

Advisory Services Division

Punongbayan & Araullo
19F Tower 1, The Enterprise Center
6766 Ayala Avenue
Makati City 1200
Philippines

T +63 2 988 2288
F +63 2 886 5577
W www.punongbayan-araullo.com

A fairness opinion on the transaction value of FED shares would also be eventually required by the Philippines Stock Exchange (PSE) should the plans of LBC Express for backdoor listing proceed.

In this regard, the Company engaged Punongbayan & Araullo (P&A) to conduct a fair market valuation of the shares of FED and the issue a fairness opinion on the transaction price based on such valuation. P&A is a PSE-accredited firm to issue fairness opinions and valuation reports per memorandum CN-No. 2014-0047 dated 25 September 2014. Such accreditation is effective for a period of one (1) year from 25 September 2014 to 25 September 2015.



Punongbayan & Araullo

An instinct for growth™

Private and Confidential

Scope of work

Our work focused on the areas set out in our engagement letter dated 24 April 2015. The procedures we performed are summarized as follows:

1. Obtained and analyzed the unaudited financial statements of FED for the interim period ending 31 March 2015;
2. Obtained and analyzed the audited financial statements of FED for the periods ending 31 December 2013 and 31 December 2014;
3. Derived the net asset value (NAV) of FED based on the unaudited Statement of Financial Position (SoFP) as of 31 March 2014;
4. Identified acquisition transactions in the Philippines involving shell companies;
5. Derived the estimated fair values of FED shares based on the transaction price-to-book value (PBV) ratio of identified comparable transactions;
6. Verified the closing trading price of FED shares as of 31 March 2015 and as of the writing of this report; and,
7. Analyzed the results of the valuation exercise and defined the range of fair values for FED.

Period of our fieldwork

Our work was performed in the period between 24 April to 14 May 2015. We have not performed any tasks since 14 May 2015 and our report may not take into account matters that have arisen since then.

Limitations of the engagement

In conducting the valuation, P&A analyzed the unaudited financial statements of FED as of 31 March 2015, and the audited interim financial statements of FED as of 31 December 2014 and as of 31 December 2013. P&A's scope of work is limited to the procedures listed above. P&A did not perform an audit in accordance with the generally accepted auditing standards and therefore does not express any opinion on the said financial statements of FED. P&A was not engaged to make an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of FED.



Results of our work

In determining the range of fair values of FED shares, P&A deems it appropriate to adopt approaches based on its statement of financial position, as FED is a non-operating shell company. Thus, the NAV approach and the comparable transactions analysis (CTA) were applied in estimating the range of fair value of FED shares. These methods were applied on the interim statements in 2015 as well as the audited financial statements as of end 2014. The table below summarizes the values obtained.

Estimated Values Per Share

Reckoning date of NAV used	Estimated Values Per Share			
	Based on Net Asset Value		Based on PBV of Comparable Transactions	
As of 31 March 2015 (unaudited)	P	0.01	P	0.03
As of 31 December 2014 (audited)	P	0.02	P	0.07

Shell company values are more appropriately based on transactions that involved other shell companies. In this regard, based on the values obtained, the range of fair values of FED would be from Php0.03 to Php0.07 per share.

Fairness Opinion

On the basis of and subject to the foregoing, we are of the opinion that the range of values of FED shares that is fair from a financial point of view is from **Php0.03 to Php0.07** per share.

Statement of compliance with SEC requirements

All material assumptions and reasons for the opinion, as well as the justification of the choice of methodologies and description of the methods used are presented in the main body of the valuation report. In compliance with the requirements of the SEC as per *Memorandum Circular No. 13 "Guidelines on the Conduct of Valuation and Issuance of a Fairness Opinion"*, we state the following:

- P&A does not have a committee that approves fairness opinion. The opinion stated herein was discussed and deliberated within the Advisory Services Division and approved by the engagement partner.
- The opinion herein does not express an opinion about the fairness of the compensation in the transaction to any of the FED's directors, officers or employees relative to the compensation to the FED shareholders.
- P&A did not act as a financial advisor to any party to the transaction, and did not receive compensation and/or other significant payments that is contingent on the successful completion of the transaction, for rendering the fairness opinion.
- There were no material relationships during the prior two years or those contemplated between P&A and any party to the transaction in which any compensation was received or intended to be received.
- The market price of the FED shares as of 6 May 2015 is at Php15.14 per share, which is higher than the range of fair values derived in the engagement. The difference between the valuation set and the market price may be attributable to the highly speculative nature of trading shell company stocks. This is evidenced by sporadic yet generally thin trading volumes involving such stocks.
- The procedures for the verification of information pertaining to the assumptions used in the valuation of FED were discussed in the scope of work of this report.

Certified Public Accountants

Member Firm: *Grant Thornton International Ltd*
Punongbayan & Araullo is a general professional partnership registered in the Philippines No. P-43895.
Registered office: 20th Floor, Tower 1, The Enterprise Center, 6765 Ayala Avenue, Makati City 1209.
A list of branches is available from our registered office.

as 2015 Punongbayan & Araullo | Valuation and Fairness Opinion | May 2015



Punongbayan & Araullo | An instinct for growth™

Private and Confidential

Confidentiality and reliance

This report is intended for the information of LBC Development. We understand that this report may also be disclosed to the SEC, PSE and other relevant government agencies. However, we do not assume responsibility for the unauthorized distribution or use of this report by other parties who are not intended recipients thereof.

General

The report is issued on the understanding that the management of FED and LBC Development have drawn our attention to all matters, financial or otherwise, of which they are aware which may have an impact on our report up to the date of signature of this report. Events and circumstances occurring after the date of our report will, in due course, render our report out-of-date and, accordingly, we will not accept a duty of care nor assume a responsibility for decisions and actions which are based upon such an out-of-date report. Additionally, we have no responsibility to update this report for events and circumstances occurring after this date.

Very truly yours,

Punongbayan & Araullo

Michael C. Gallego

Partner

CPA No. 0091849

TIN 193 200 584 000

Certified Public Accountants

Partner firm with Grant Thornton International Ltd.
Punongbayan & Araullo is a special professional partnership registered in the Philippines No. 243265.
Registered office: 20th Floor, Tower 1, The Equinix Center, 5765 Ayala Avenue, Makati City 1200.
A list of branches is available from our registered office.

© 2015 Punongbayan & Araullo | Valuation and Fairness Opinion | May 2015

Glossary

Abbreviation	Description
FED	Federal Resources Investment Group, Inc.
P&A	Punongbayan & Araullo
NAV	Net Asset Value
PBV	Price-to-Book Value
SoFP	Statement of Financial Position
PSE	Philippine Stock Exchange
SEC	Securities and Exchange Commission

Contents

Sections	Page	Appendices	Page
I. Methodology	8	Statement of Financial Position - FED	21
II. Valuation Results	13		
III. Appendices	21		

Section 1 Methodology

01. Methodology

02. Valuation Results

03. Appendices

Approaches to valuation

In general, it is viewed that the intrinsic worth of a company is supported either by its assets, its earning potential or by comparable companies in the market. However, there is no single correct approach or method of estimating the value of a company. The uncertainties surrounding the estimation of values make it unrealistic to think in terms of a single future estimate. For these reasons, more than one valuation estimation is usually made to cross-check the results of any one method and to define the limits of a reasonable range of fair values for a particular company.

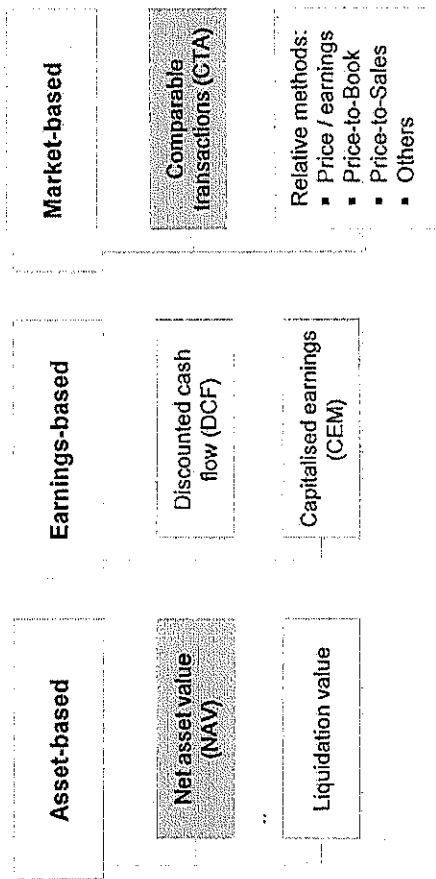
The **asset-based valuation** methodology considers that the value of shares in a company is the net realizable value of company's assets. The Net Asset Value (NAV) method, where equity value is determined as assets less liabilities (including contingent liabilities) and preferred shareholdings, is the most commonly used asset-based valuation approach.

The **earnings-based method**, on the other hand, adopts the viewpoint of a potential investor who considers anticipated earnings or cash inflows as the fundamental basis of common equity value. Common stock value is therefore considered as the present equivalent of future earnings. The most popular earnings-based method is the Discounted Cash Flow (DCF) method. Under this method, the value of shares in a company is the present value of the sum of future excess cash inflows, discounted at some rate. This method thus requires financial projections.

The **market-based valuation** approach, as the name suggests, uses actual market information in value estimation. Thus, this approach would be applicable as long as there are comparable listed companies to the company being valued or sales transactions involving comparable companies. Relative valuation methods, which utilizes market-based multiples such as the price-earnings, price-to-book value and price-to-sales ratios of listed companies to benchmark the value of a subject company, are the most commonly-used method under this approach. Relevant comparable transactions (i.e., acquisitions) are also used as benchmarks, whenever available.

Inasmuch as FED is a non-operational shell company, the earnings-based approach is not an appropriate method to ascertain its fair market value. In this regard, the engagement made use of the NAV approach and comparable transactions involving other shell company acquisitions as basis for estimating the fair market value of FED shares. Details of these methods are discussed in the next parts of this section.

Valuation Approaches



Note: Approaches in shaded boxes were applied in this Engagement

Asset-based and market-based methods

Net asset value

The NAV method bases the valuation of a company on the net realizable value of its assets less its liabilities and preferred stockholdings. The most recent audited SoFTP of the company being valued are typically used as basis for the NAV.

In applying this method, certain SoFTP accounts may have to be adjusted as book values reflect historical costs and do not necessarily reflect the current market value of the company's assets. Fixed assets are usually adjusted to reflect their appraised values, while receivables and other assets are valued at their realizable amounts. Contingent liabilities, if any, are also recognized.

Comparable transaction: Transaction price-to-book value

The comparable transactions approach makes use of actual transactions to benchmark the value of a subject company. Typically, the transactions chosen as comparable are those that involve a similar type of company in terms of operations (e.g., high growth, mature, shell, etc.) or those that belong to the same industry as the subject company.

Even if there are comparable transactions identified, which by itself can already be a challenge, there are other challenges in the application of this approach. For one, extensive information on the transactions may not be present. For another, the information on the transaction must be normalized in some way in order to be applicable to a similar company, which most probably would not be exactly as comparable as theoretically required. The use of ratios based on the available information on the transaction thus play an important role in making this approach practicable. Such ratios can include the typical market-based ratios such as transaction price to earnings or transaction price to book value, or it could be industry-specific such as transaction price to number of seats (for a call center, for example).

As opposed to the traditional price-to-book value multiple, P&A deems it appropriate to use the transaction price of the comparable transactions consummated in the Philippines and derive the corresponding PBV multiple using such transaction price. The computed multiple is then applied to the net book value of the company's to arrive at the fair value of the company.

If the subject company being valued is not publicly-listed, a liquidity discount is often applied to the derived stock value to account for additional prospective transactions costs in selling an unlisted stock.

Section 2 Valuation Results

01. Methodology

02. Valuation Results

03. Appendices

Valuation Results

Valuation Results

In valuing FED, the company's current operations and financials were taken into consideration. Based on our analysis of the company's interim unaudited financial statements in 2015, its audited financial statements and annual report for 2014, the company has no active operations. In this regard, P&A deemed it appropriate to adopt valuation approaches that are based on the company's statement of financial position (or balance sheet), and comparable transactions. Since FED is non-operating, earnings-based methods are deemed inappropriate.

A. Asset-based approach: Net asset value

P&A derived the estimated fair value of FED shares using the unaudited statement of financial position of FED as of 31 March 2015, and FED's audited statement of financial position as of 31 December 2014. The details of the various statements of financial position used for analysis is presented under Appendix A. Based on inquiry and our review of the company's 2014 annual report, no adjustments were deemed necessary on the account balances.

The estimated fair value of FED's equity using the NAV approach is shown in the following table. The estimated fair value per share is based on issued and outstanding shares of 40,899,000.

Net asset value (in Php)

Description	As of 31 Mar 2015	As of 31 Dec 2014
Total Assets	P 648,438	P 2,799,659
Total Liabilities	251,803	1,924,000
Net Asset Value	396,635	875,659
NAV per share	P 0.01	P 0.02

Based on the above table, the range of fair values of FED shares is from Php0.01 to Php0.02 per share under the NAV approach.

B. Market-based approach: Comparable transactions

Normally, the commonly used market-based approaches is that of the relative valuation approach. This approach uses market prices, as quoted in the stock market, and comparable company values to derive a multiple (i.e., price-earnings multiple, price-to-book value multiple, price-to-par multiple, etc.). The derived multiples are then averaged to come up with the representative multiple to be used in valuing the subject company.

However, this may not be applicable in the case of shell companies. The main challenge for these cases is the identification of companies comparable to the subject company. Inasmuch as shell companies are already listed, a possible market-based approach is to look at the trading prices of the subject shell company.

However, the trading prices for shell companies, as quoted in the stock market, may not be representative of the fair value of the shares considering the minimal volume of shares being traded and the limited information on fundamental valuation factors (i.e., earnings, assets, capacity, etc.) that could support its price. Hence, the prices of shell company shares as reflected in the stock market can be considered as 'highly speculative' and volatile in nature. For example, in the case of FED, the closing trading price has ranged from a low of Php8.09 on 7 January 2014 to a high of Php25.60 on 20 February 2015. Average daily volume was only at around 160,000 shares from 2 January 2014 to 5 May 2015. On 13 May 2015, FED closed at Php14.90.

Based on the foregoing, P&A deems it appropriate to use comparable transactions to value the subject company. As a result, P&A looked for consummated acquisitions of shell companies in the Philippines in recent years (i.e., 2010 up to present) to be used in estimating the fair value of FED.

Valuation Results

Valuation Results

Price-to-book value (PBV) of comparable transactions

P&A analyzed the acquisition price and net book value of shares acquired in the identified acquisitions of shell companies. Based on these analyses, P&A determined the resultant PBV multiples of the transactions based on the acquisition price per share (as opposed to the conventional PBV approach of using quoted stock prices). The table below summarizes the PBV multiples computed for the identified comparable transactions. Details of the identified transactions are presented in Appendix B.

Comparable transactions

Description	Year	PBV
Platinum Group Metals Corporation – SEACEM	2014	1.23x
RYM Business Management Corp – Bankard, Inc.	2014	1.15x
Invescap Inc. – Mariwasa Siam Holdings Inc.	2013	14.65x
Melco Crown Entertainment – Manchester Holdings Unlimited Corp.	2012	1.26x
8990 Holdings, Inc. – IP Converge Data	2012	0.56x
Enrique K. Razon – Active Alliance, Inc.	2011	3.26x
Century Properties Group, Inc. – East Asia Power Resources Corp.*	2011	69.69x
Capital Managers and Advisors, Inc. – JTH Davies Holdings, Inc.	2010	1.26x
Average PBV (all)		11.63x
Average PBV (without outlier)		3.34x

*outlier

Among the eight (8) transactions, one is considered an outlier (Century Properties Group, Inc. – East Asia Power Resources Corp.), with a PBV of 69.69x.

Based on the above table, the representative PBV multiple for the identified comparable transactions is 3.34x (without outlier). The computed representative PBV is then multiplied with the net book value of FED to arrive at the estimated fair value of the company's shares. The following table summarizes the estimated values based on the above information.

Comparable transactions price-to-book value approach

Description	As of 31 Mar 2015	As of 31 Dec 2015
Net Book Value of FED (Php)	P 396,635	P 875,659
Multiply by: PBV Multiple	3.34	3.34
Est. Equity Fair Value (Php)	1,323,940	2,922,890
Est. Fair Value per share (Php)	P 0.03	P 0.07

From the foregoing table, the estimated fair value of FED shares is from P1p0.03 to P1p0.07 per share using the market-based approach.

C. Conclusion and summary

Under the NAV approach, the range of fair values for FED shares is from P1p0.01 to P1p0.02. Under the comparable transactions approach, the fair market value increases to P1p0.03 to P1p0.07 per share. Inasmuch as shell company values are mainly determined by actual transactions that have transpired, it is reasonable to conclude that the range of fair values of FED shares is from P1p0.03 to P1p0.07 per share.

Section 3 Appendices

01. Methodology

02. Valuation Results

03. Appendices

Appendices

A. Statement of Financial Position - FED

Federal Resources Investment Group Inc Statement of Financial Position (In Philippine Pesos)

Particulars	As of 31 Dec 2014	As of 31 Mar 2015	Particulars	As of 31 Dec 2014	As of 31 Mar 2015
ASSETS			LIABILITIES		
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	23,120	31,506	Trade and other payables	-	10,846
Trade and other receivables, net	2,208,000	-	Due to related parties	1,924,000	240,957
Inventories	-	-	Doc stamps payable	-	-
Other current assets	568,539	616,932	Total current liabilities	1,924,000	251,803
Total current assets	2,799,659	648,438	TOTAL LIABILITIES	1,924,000	251,803
NON-CURRENT ASSETS			EQUITY		
Due from related parties	-	-	Share Capital	40,899,000	40,899,000
Property, plant and equipment, net	-	-	Share Premium	71,081,190	71,081,190
Total non-current assets	-	-	Deficit	(111,104,531)	(111,583,555)
			TOTAL EQUITY	875,659	396,635
TOTAL ASSETS	2,799,659	648,438	TOTAL LIABILITIES & EQUITY	2,799,659	648,438

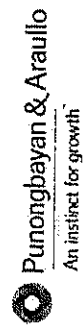
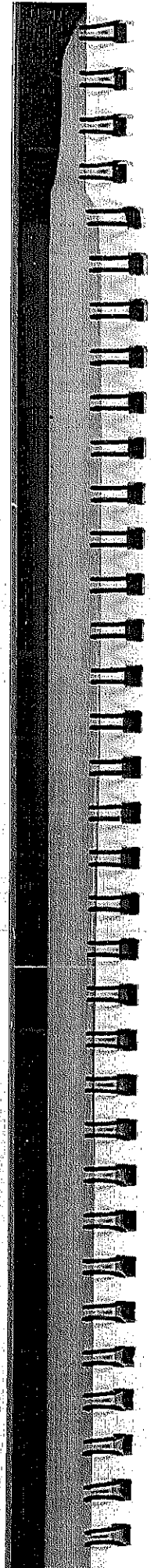
B. Comparable transactions

Year	Acquirer	Acquiree	Relevant Details	Acquisition Price (Php)	Net Book Value (Php) (of ownership acquired)	PBV
2014	Platinum Group Metals Corporation	Southeast Asia Cement Holdings, Inc.	PGMC bought 6.29 billion SEACEM shares at Php0.46 per share, representing 89.82% of its total issued and outstanding capital stock.	2,893,821,023	2,349,764,862	1.23
2014	RYM Business Management Corp	Bankard Inc.	a) RCBC has consummated the sale of its 65.425% stake in Bankard, Inc. b) BOD passed a resolution to change the name of Bankard Inc. to Bright Kindle Resources & Investments Inc. c) Acquiree's financial highlights as of Dec 2013: Assets: Php1,074,921,987 Liabilities: Php13,998,560 Equity: Php1,060,923,427	796,097,303	693,999,992	1.15
2013	Invescap Incorporated	Marlwasia Siam Holdings Inc.	a) Invescap Incorporated purchased 85% ownership of Marlwasia Siam Holdings, Inc. b) BOD passed a resolution to change the name of Marlwasia Siam Holdings to Da Vinci Capital Holdings Inc. c) Acquiree's financial highlights as of December 2012: Assets - Php23,717,000 Liabilities - Php231,000 Equity - Php23,486,000	292,500,000	19,962,126	14.65
2012	Melco Crown Entertainment	Manchester Holdings Unlimited Corporation	a) Melco Crown initially acquired 93.06% ownership interest of Manchester Holdings b) Acquiree's Financial Highlights as of September 30, 2012: Assets- Php1,518,174,000 Liabilities- Php442,243,000 Equity- Php1,076,631,000	1,259,000,000	1,001,912,810	1.26

Appendices

B. Comparable transactions (cont'd)

Year	Acquirer	Acquiree	Relevant Details	Acquisition Price (Php)	Net Book Value (Php) (of ownership acquired)	PBV
2012	8990 Holdings, Inc.	IP Converge Data	a) IP Converge Data Center Inc. (CLOUD) sold 79.507% of its capital stock at Php 0.9524 per share b) The 8990 Group acquired 176,400,000 shares of the Company	168,003,360	299,190,143	0.56
2011	Enrique K. Razon	Active Alliance Inc. (AAI)	a) Five stockholders of AAI agreed to sell 60 million shares for Php200 million, representing 75% of outstanding stock of AAI. b) Selling price is Php3.33 per shares, lower than the closing price of Php76. c) Acquiree's financial highlights as of 30 September 2011: Assets - Php81,926,866 Liabilities - Php17,800 Equity - Php81,909,066 80,000,000 shares issued and outstanding at Php1 par value.	200,000,000	61,431,800	3.26
2011	Century Properties Group, Inc.	East Asia Power Resources Corporation	a) The acquisition resulted into a 93.59% ownership of East Asia Power Corporation. b) Acquisition price is at Php0.038 per share. c) Net book value of East Asia Power at the time of acquisition was Php1,953,317	127,410,000	1,828,109	69.69
2010	Capital Managers and Advisors, Inc.	JTH Davies Holdings, Inc.	Capital Managers and Advisors, Inc. acquired Philippine Racing Club, Inc.'s stake in JTH Davies Holdings, Inc. for Php153 million. The block sale involved 210.636 million shares equivalent to 68.57% of common shares. The selling price was Php0.73 each. Net book value is equal to Php177,922,000.	153,764,596	122,001,115	1.26



www.punongbayan-araullo.com

© 2015 Punongbayan & Araullo. All rights reserved.
References to "Grant Thornton" are to the brand under which the Grant Thornton member firms operate and refer to one or more member firms, as the context requires. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by member firms, which are not responsible for the services or activities of one another. Grant Thornton International does not provide services to clients.

About the Advisory Services Division
Governance, risk and compliance | Business technology | Corporate finance | Capitality enhancement | Quality management

Our Advisory Services are designed to contribute to your long-term success and competitive strength, and we work hard to provide you with proper systems and capabilities that you can implement in your organisation. Whether you are looking at identifying and mitigating your business risks, reviewing business processes and internal controls for operational improvement, acquisitions, disposals or buy-outs, or testing and improving your IT systems, the Advisory Services Division can work with you and more you towards thoughtful action on important business decisions and transactions.

DEED OF SUBSCRIPTION

This Deed of Subscription (the "Deed") is executed this 18th day of May 2015, by and between:

FEDERAL RESOURCES INVESTMENT GROUP, INC., a corporation duly organized and existing under the laws of the Philippines with office address at No. 35 San Antonio Street, San Francisco del Monte, Quezon City, represented herein by its **Chairman, MANUEL S. DELFIN, JR.** (hereinafter, the "ISSUER");

- and -

LBC DEVELOPMENT CORPORATION, a corporation duly organized and existing under the laws of the Philippines with office address at LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City, represented herein by its **Director & Executive Vice-President, SANTIAGO G. ARANETA** (herein referred to as the "SUBSCRIBER").

RECITALS:

WHEREAS, the ISSUER has an existing authorized capital stock of 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;

WHEREAS, out of the Php100,000,000 authorized capital stock of the ISSUER, Forty Million Eight Hundred Ninety Nine Thousand (40,899,000) common shares have been subscribed, and the same number of common shares have been paid-up;

WHEREAS, the SUBSCRIBER hereby desires to subscribe to the unissued authorized capital stock of the ISSUER in the amount of Fifty Nine Million One Hundred One Thousand Pesos (Php59,101,000.00) representing Fifty Nine Million One Hundred One Thousand (59,101,000) common shares of the ISSUER at the subscription Price of Php1.00 per share;

WHEREAS, the Board of Directors of the Company has authorized the issuance to the SUBSCRIBER of shares out of the authorized capital stock of the Issuer during its meeting held on 23 April 2015;

NOW THEREFORE, for and in consideration of the foregoing premises and subject to the terms and conditions below, the parties hereby agree as follows:

1. **AGREEMENT TO ISSUE AND SUBSCRIBE TO SUBSCRIPTION SHARES**

Upon the terms and subject to the conditions of this Deed, the SUBSCRIBER hereby subscribes to, and the ISSUER hereby agrees to issue to the SUBSCRIBER, a total of Fifty Nine Million One Hundred One Thousand (59,101,000) common shares out of the authorized and unissued capital stock of the ISSUER (the "Subscription Shares").

2. SUBSCRIPTION PRICE

The consideration for the issuance of the Subscription Shares shall be Philippine Peso: One (Php1.00) per Subscription Share, or the total amount of Philippine Pesos: Fifty Nine Million One Hundred One Thousand (Php59,101,000.00) (the "Subscription Price"). Such price is supported by a fairness opinion dated 15 May 2015 and issued by Punongbayan and Araullo.

The Subscription Price shall be paid in cash within two (2) Business Days from the close of the Tender Offer Period (as defined below) (the "Subscription Payment Date"). All sums payable to the ISSUER in respect of the Subscription Price shall be made in immediately available funds, for credit on the Subscription Payment Date, as indicated above, by setting-off the Subscription Price against deposits for subscriptions previously paid and delivered to the ISSUER to their concurrent amounts of Philippine Pesos: Fifty Nine Million One Hundred One Thousand (Php59,101,000.00).

3. CONDITION PRECEDENT TO CLOSING

The closing of the share issuance and subscription transaction subject of this Deed (the "Closing") shall be subject to and conditioned upon the conduct and completion of a mandatory tender offer pursuant to the provisions of the Philippine Securities Regulations Code and its implementing rules and regulations. For this purpose, the SUBSCRIBER undertakes to launch such tender offer by 1 June 2015, and complete the same within thirty (30) business days from the date of launch (the "Tender Offer Period") or such longer period as may be agreed upon in writing by the SUBSCRIBER and the ISSUER.

4. ISSUANCE OF THE SUBSCRIPTION SHARES

No later than seven (7) business days from full payment of the Subscription Price as described above, the ISSUER shall, without need of any further demand or notice from the SUBSCRIBER, issue the Subscription Shares, by causing the recording thereof in the name of the SUBSCRIBER with the ISSUER's stock and transfer agent. Further, upon request of the SUBSCRIBER, the ISSUER shall issue and deliver to the SUBSCRIBER the stock certificate(s) evidencing the Subscription Shares. For this purpose, not later than five (5) calendar days from and after the date when the Subscription Shares are issued and in any case within such period as to allow the issuance of said Subscription Shares in accordance with this section, the ISSUER shall cause the payment of documentary stamp tax on the original issuance of the Subscription Shares.

5. DISCLOSURE

The ISSUER discloses to the SUBSCRIBER that the Subscription Shares have not been and will not be registered with the Philippine Securities and Exchange Commission ("SEC") pursuant to the provisions of the Securities Regulation Code on the ground that the issuance of the Subscription Shares to the SUBSCRIBER, is an exempt transaction under Section 10.1(k) of that Code. The ISSUER hereby makes the following specific disclosure to the SUBSCRIBER:

**THE SUBSCRIPTION SHARES HAVE NOT BEEN REGISTERED WITH
THE SECURITIES AND EXCHANGE COMMISSION UNDER THE
SECURITIES REGULATION CODE. ANY FURTHER OFFER OR SALE**

**THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS
UNDER THAT CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS
AN EXEMPT TRANSACTION UNDER THAT CODE.**

6. COUNTERPARTS

This Deed may be executed in any number of counterparts that, together, shall constitute one agreement. Any party may enter into this Deed by executing a counterpart and this Deed shall not take effect until it has been executed by all parties.

7. GOVERNING LAW

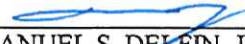
This Deed shall be governed by, and construed in accordance with, the laws of the Republic of the Philippines.

IN WITNESS WHEREOF, this Deed has been executed on the date and at the place first stated above.

The ISSUER

FEDERAL RESOURCES INVESTMENT GROUP, INC.

By:



MANUEL S. DELFIN, JR.
Chairman

Deed of Subscription
Federal Resources Investment Group, Inc.

The SUBSCRIBER

LBC DEVELOPMENT CORPORATION

By:



SANTIAGO G. ARANETA
Director & Chief Executive Officer

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY, METRO MANILA) S.S.

MAY 18 2015

BEFORE ME, this _____ in Makati City personally appeared:

<u>Name</u>	<u>Valid ID Card No.</u>	<u>Date/Place of Issue</u>
Federal Resources Investment Group, Inc. Represented by: Manuel S. Delfin, Jr.	Passport No. EC0641681	March 23, 2014/DFA Manila
LBC Development Corporation Represented by: Santiago G. Araneta	Passport No. EB9440268	October 24, 2013/DFA Manila

known to me and to me known to be the same persons who executed the foregoing Deed of Subscription, which consists of four (4) pages including this page on which the acknowledgment appears, and who admitted to me that the same is their free and voluntary act and deed and the free and voluntary act and deed of the entities which any of them represent.

WITNESS MY HAND AND SEAL on the date and at the place first written above.

Doc. No. 295;
Page No. 60;
Book No. 1;
Series of 2015.


JOSEPH BENEDICT G. GESMUNDO
Appointment No. M-278
Notary Public for Makati City
Until December 31, 2016
Fentura, Liberty Center
104 E.V. dela Cruz Street, Makati City
Roll of Attorneys No. 58156
PTR No. 4754663 / Makati City / 01-06-2015
IBP No. 979425 / Quezon City / 01-05-2015

SCHEDULE 1

**LIST OF STOCKHOLDERS OF FEDERAL RESOURCES INVESTMENT GROUP, INC.
AS OF 14 MAY 2015**

NAME	SHARES	NATIONALITY
PCD NOMINEE CORPORATION (FIL.)	39,700,397	PH*
PCD NOMINEE CORP. (NF)	578,800	OA**
TAN, JOSEPH T.	75,000	PH
TIA, TOMMY KIN HING	10,000	PH
KO MEI NG	10,000	PH
SANTOS, FERDINAND S.	10,000	PH
LANTIN, ANDY	5,000	PH
LEONG, JENNIFER H.	3,000	PH
CABUAL, ALFONSO B.	3,000	PH
MARCOZO, NASARIO M.	2,000	PH
ABAPO, WILFREDO M.	2,000	PH
ROLLENAS, LICEL P.	2,000	PH
RATILLA, EBERLITO	2,000	PH
VIRTUDES, MARITES M.	2,000	PH
GATMAITAN, RODOLFO C.	2,000	PH
AMONCIO, JUHJEH P.	2,000	PH
SIMAN, MELBA J.	2,000	PH
NOMBRE, RAMIL C.	2,000	PH
DEMETILLO, RODOLFO D.	2,000	PH
SIMBAJON, GLICERIA	2,000	PH
VILLANUEVA, ERWIN L.	2,000	PH
CAPUNO, CRISTINA S.	2,000	PH
SUAN, ROLANDO T.	2,000	PH
NATEL, EMETERIO	2,000	PH
OBISO, GRASPE L.	2,000	PH
GARCIA, JANET G.	2,000	PH
BALO, JIMMY P.	2,000	PH
LLAMADO, BEATRIZ M.	2,000	PH
SEQUENA, MARVIN O.	2,000	PH
BUTRON, MARLETA T.	2,000	PH
ONGARIA, VICENTE O.	2,000	PH
BORDIOS, NORMAN S.	2,000	PH
MAGA, PAZ C.	2,000	PH
SORIO JR., SALVADOR J.	2,000	PH
SAMSON, NILO D.	2,000	PH
OCLARIT, ANGELINA B.	2,000	PH
PILOTON, FERDINAND V.	2,000	PH
FURIO, TERESITA F.	2,000	PH
LOQUIAS, ALEXANDER D.	2,000	PH
AQUINO, AGAPITO U.	2,000	PH
APAL, ROMMEL	2,000	PH
FURIO, EUGENE F.	2,000	PH

NAME	SHARES	NATIONALITY
NARISMA, INOCENCIO	2,000	PH
MOLINA, ALMAR S.	2,000	PH
SARMIENTO, NELSON C.	2,000	PH
GARCIA, ENALIE B.	2,000	PH
MORALDA, BENJIE C.	2,000	PH
BATALLA, WILFREDO P.	2,000	PH
SOLIS, EDWARD A.	2,000	PH
SOBRINO, REYCHIEC.	2,000	PH
MORATA, OLIVIA R.	2,000	PH
SARMIENTO, SERGIO S.	2,000	PH
JUATAN, ARNEL A.	2,000	PH
CABALE, ROY V.	2,000	PH
OREHUELA, JEFFREY D.	2,000	PH
PAGUIA, GERRY T.	2,000	PH
GAMBUTA, TITO C.	2,000	PH
VINUYA, SERVILLANO	1,000	PH
SANITAGO, JUSTINO A.	1,000	PH
OLIVER, JESUS R.	1,000	PH
TAGO-ON, JOHN D.	1,000	PH
BUYSON, JUANA LOURDES M.	1,000	PH
MAGALONA, ENRIQUE	1,000	PH
SALVA, CARLOS L.	1,000	PH
ESCOPETE, ROLAND	1,000	PH
CABELA, NIZEL G.	1,000	PH
SERRADOR JR., OSCAR	1,000	PH
GO, SUSAN	1,000	PH
BUTALID, JOAN C.	1,000	PH
LAVILLA, BERNARDO	1,000	PH
CANDARE, LEONARDO C.	1,000	PH
SUMAHIT, BERNARDO S.	1,000	PH
PIDLAOAN, JESSIE D.	1,000	PH
ORACION, HIPOLITO C.	1,000	PH
CAPACITE, BONIFACIO O.	1,000	PH
ENANO, DAVID P.	1,000	PH
DIZON, LUISITO	1,000	PH
TRILLO JR., ROGELIO	1,000	PH
PASILAN, ALFREDO	1,000	PH
BRITAL, RONALD S.	1,000	PH
BRACERO, EFREN P.	1,000	PH
AVILA, RAMON A.	1,000	PH
VELLESFIN, ERIC B.	1,000	PH
RUIZ, FLORENTINO H.	1,000	PH
CINCO, ALFREDO C.	1,000	PH
ESCRANDA, ANGELES B.	1,000	PH
LUMBAB, HILDA B.	1,000	PH
ERIA, HENRICO F.	1,000	PH
LOZANA, RICO B.	1,000	PH

NAME	SHARES	NATIONALITY
CHUA, BENJAMIN A.	1,000	PH
CEJO, SANDRO	1,000	PH
TELEN, RODERICK	1,000	PH
TAPIC, JUAN R.	1,000	PH
MONGE, RONALD P.	1,000	PH
SUMBANAN, VIRGILIO	1,000	PH
TAUPO, ARNOLD M.	1,000	PH
SALGADO, RIZALDY A.	1,000	PH
HINOJOSA, ESTACIO P.	1,000	PH
BIGCAS, LAMBERTO	1,000	PH
AMONCIO, ARTHUR	1,000	PH

*PH – Filipino citizens

*OA – Non-Filipino citizens