

SEC Registration Number

Company Name

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

Form Type

Department requiring the report

Secondary License Type, If Applicable

COMPANY INFORMATION

Company's Email Address

Company's Telephone Number/s

Mobile Number

No. of Stockholders

Annual Meeting
Month/Day

Fiscal Year
Month/Day

CONTACT PERSON INFORMATION

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

Name of Contact Person

Email Address

Telephone Number/s

Mobile Number

Contact Person's Address

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

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

1. For the fiscal year ended: **December 31, 2014**
2. SEC Identification Number: **AS094-0050663**. BIR Tax Identification No.: **003-973-161-000**
4. Exact name of issuer as specified in its charter: **SWIFT FOODS, INC.**
5. **Manila, Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **4F RFM Corporate Center, Sheridan corner**
Pioneer Street Barangay Highway Hills, Mandaluyong City
Address of principal office
- 1603**
Postal Code
8. **(+632) 631-8101**
Issuer's telephone number, including area code
9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding and Amount of Debt Outstanding
Common	1,814,423,473
Preferred	49,035,102
Debt	Not applicable

11. Are any or all of these securities listed on a Stock Exchange.

Yes [**X**] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange **Common and Preferred shares**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [**X**] No []

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

Yes [**X**] No []

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes ☐ No ☐ **Not Applicable**

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:
- (a) Any annual report to security holders;
 - (b) Any information statement filed pursuant to SRC Rule 20;
 - (c) Any prospectus filed pursuant to SRC Rule 8.1.

SWIFT FOODS, INC.
Supplementary Schedules Required
By the Securities and Exchange Commission
As of and for the Year Ended December 31, 2014

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Swift Foods, Inc. (SFI or the “Company”) was incorporated on 6 June 1994 to assume RFM’s business of manufacturing, marketing, and distributing processed and canned meat products, poultry products, and commercial feeds.

The Company was primarily organized into two business divisions, namely, agribusiness (poultry and feeds) and meat (meat processing and sales & distribution) divisions.

RFM Corporation began its agribusiness operations in 1965 when it diversified into feed milling. In 1970, it expanded into the poultry business when it entered into a licensing agreement with Peterson Industries and H & N Layers to breed day-old chicks in the Philippines. In 1977, the Company expanded its poultry business by establishing a broiler farm and dressing plant in Cebu.

In June 1994, the Agribusiness and Meat Division of RFM were spun-off to Swift Foods, Inc.

The Company undertook an extensive expansion program in 1987 in response to increased market demand. Integrated branches were established across the country. The Company has 10 integrated branches nationwide engaged in hatching, growing, dressing and distribution operations which supply poultry to customers within its geographic area.

In November 2001, the employees of Meat Division went on strike, which effectively caused the closure of the Cabuyao plant. As a result, the Board of Directors decided to transfer the marketing, selling, and distribution activities of the Meat Division to RFM Corporation to join the latter’s branded food group business effective 1 October 2002.

In April 2009, the company decided to shutdown all branch operation except for Palawan branch. In August 2011, the company formally ceased its GHQ operation due to severe losses

The Company’s agribusiness division produces and sells poultry products: live and dressed/processed chicken. In 2013, dressed chicken accounted for approximately 100% of volume sold. Dressed chicken branded as “Sariwanok” are sold whole, cut-up into parts, and/or customized and processed according to customers’ requirements.

About 65.38% of the Company’s products are sold to its distributors which sell mainly to down line accounts or wet markets. The balance of 34.62% are sold to Secondary Accounts Group representing mainly the supermarkets, groceries, hotels, restaurants including the food service/fast food segment and Live broiler and DOC .

The Philippine poultry industry consists of members of the Philippine Association of Broiler Integrators (PABI) which account for about 70% of total production and commercial raisers, which represent about 30%. Members of PABI include San Miguel Foods, Inc., Swift Foods, Inc., Tyson’s Agro Ventures, Universal Robina, and Vitarich Corporation. Through the years, competition has become more intense, due not only to the increase in domestic production but increase in imports as well. The Government, recognizing the critical role of the industry in agricultural growth, has continued to provide support through the minimum access volume, safeguards law and other measures that give some level of protection to the industry from import surges, smuggling and unfair trade competition.

Swift has 16employees as of December 31, 2014, broken down as follows:

Executive

2

Managers/Supervisors	5
Rank and File	9

Swift's poultry production involves two processes: broiler growing operations and dressing/processing operations. Day-old-chicks are bred in rented farms and contract-growers' farms for about 32 days. Harvested broiler chickens are sent to the rented dressing plant for slaughtering/processing.

Under Swift's contract growing arrangements, contract growers provide the following services: housing for the birds that meets Swift's requirement and broiler specifications; labor for day-to-day operations of the farm; and overhead costs such as water, electricity and fuel. The contract also requires the farmer to comply with the vaccination programs and to provide bio-security measures specified by Swift. In return, Swift supplies day-old chicks, feeds, medication and technical assistance.

Swift's feeds are formulated using the Brill Feeds Formulation, a software program that identifies the formulation of feed that meets certain nutrient specifications. Feeds are either pre-ground or post-ground. In Swift's pre-grinding feeds operations, bulk raw materials are ground and then mixed separately with micro-ingredients before batch mixing. In Swift's post grinding feed operations, bulk raw materials are ground simultaneously and poured into the batch mixer where micro-ingredients are added.

The primary raw materials used in Swift's feeds are corn, soybean meal, and coconut oil.

Raw materials are available when needed. The Company is not dependent upon one or a limited number of suppliers for essential raw materials and there are no existing supply contracts. The principal suppliers of the Company for its major raw materials are Cargill, Cathay Drug, Biosure, EJY Enterprises, Supervet International, Rising G and among others.

The Company secures the following government approval/permits for its principal products or services:

Product Activity	Approval/Permits Being Secured	Government Agency
Feeds/Feeds Ingredients	Manufacturing, Importing, etc.	National Food Authority, Bureau of Animal Inspection
Dressing of broilers	Inspection fee	National Meat Inspection Commission

Trademarks:

The Company has registered trademarks and has also applied for trademark registration for its products. A trademark has a life of 20 years from registration date. It has a term of ten (10) years and is renewable for another ten (10) years. Once registered, a company is granted the exclusive right over the trademark. Filing of affidavit of use every 5th and 10th year anniversary is necessary to show proof that the trademarks are in use.

While Swift retains ownership over the trademarks, RFM Corporation was granted the license to use some of the trademarks for its meat products.

In 2009, the ownership of the trademarks for its meat products was assigned back to RFM Corporation. The Trade License Agreement between Swift Foods, Inc. and RFM Corporation was finalized in year 2012. Hence, the Swift brand and name is now officially owned by RFM Corporation. However, the agreement provides that Swift Foods, Inc. shall cease to use Swift in its company name and chicken products if and when it discontinues its poultry business. RFM Corporation sold its Swift brands and logos last November 2012. Presently, the name 'SWIFT' is

retained as company name but the chicken products are sold under the trademark of ‘SARIWANOK’.

Financial Risk Management Objectives and Policies:

The Company’s principal financial instruments consist of cash and cash equivalents, trade receivables, due from related parties, due from employees, rental deposits, trust receipts and acceptances payable and bank loan. The main purpose of these financial instruments is to ensure adequate funds for the Company’s operations and capital expansion. The Company has other financial instruments such as receivables and accounts payable and accrued liabilities arising directly from its operations.

It is the Company’s policy that no trading of financial instruments shall be undertaken.

The Company’s management and the BOD review and approve policies for managing these risks. Management closely monitors the funds and financial transactions of the Company.

The Company recognizes the fact that their business operations are always exposed, in one way or the other, to some level of uncertainties or risks which, if not properly addressed and managed, could be detrimental to the profitability of the Company. Listed below are the financial risks the Company is exposed to:

Credit risk

Credit risk is the risk that the Company will incur a loss because its counterparties failed to discharge their contractual obligations. The Company manages credit risk by transacting only with a few recognized and creditworthy customers with whom it has already firmly established a good business relationship. It is the Company’s policy that all customers who wish to contract on credit terms are subjected to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company’s exposure to bad debt is not significant.

The Company controls credit risk through strict monitoring procedures and regular coordination with customers. The Company has no significant concentration of credit risk.

The maximum exposure to credit risk is equal to the Company’s financial assets. The following tables below show the aging analysis of financial assets:

As of December 31, 2014:

	Neither past due nor impaired	Past due but not impaired					Subtotal	Impaired	Total
		1-30 Days	31-60 Days	61-90 Days	91-365 Days	Over 365 Days			
Cash and cash equivalents	₱38,427	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱38,427
Receivables:									
Trade	955	188	100	116	–	–	404	40,836	42,195
Due from:									
Employees	–	–	–	–	32	1,049	1,081	105	1,186
Related parties	–	–	–	–	–	–	–	9,832	9,832
Nontrade	–	–	–	–	–	–	–	26,534	26,534
Rental deposits	126	–	–	–	–	–	–	–	126
	₱39,508	₱188	₱100	₱116	₱32	₱1,049	₱1,485	₱77,307	₱118,300

As of December 31, 2013:

	Neither past due nor impaired	1-30 Days	31-60 Days	61-90 Days	91-365 Days	Over 365 Days	Subtotal	Impaired	Total
Cash and cash equivalents	₱29,664	₱—	₱—	₱—	₱—	₱—	₱—	₱—	₱29,664
Receivables:									
Trade	—	350	88	106	225	—	769	42,394	43,163
Due from:									
Employees	—	—	—	—	32	1,006	1,038	105	1,143
Related parties	—	—	—	—	—	—	—	10,243	10,243
Nontrade	12,760	—	—	—	—	—	—	26,538	39,298
Rental deposits	170	—	—	—	—	—	—	—	170
	₱42,594	₱350	₱88	₱106	₱257	₱1,006	₱1,807	₱79,280	₱123,681

The following tables summarize the credit quality of the Company's financial assets.

As of December 31, 2014:

	Neither past due nor impaired		Total
	High grade	Standard Grade	
Cash and cash equivalents	₱38,427	₱—	₱38,427
Trade receivables	—	955	955
Rental deposits	—	126	126
	₱38,427	₱1,081	₱39,508

As of December 31, 2013:

	Neither past due nor impaired		Total
	High grade	Standard Grade	
Cash and cash equivalents	₱29,664	₱—	₱29,664
Nontrade receivables	—	12,760	12,760
Rental deposits	—	170	170
	₱29,664	₱12,930	₱42,594

Cash and cash equivalents are classified as *High grade* since these are deposited and invested with reputable banks and can be withdrawn anytime.

High grade receivables pertain to those receivables from clients or customers that consistently pay before the maturity date. *Standard grade* includes receivables that are collected on their due dates even without an effort from the Company to follow them up. Past due receivables and advances include those that are past due but are still collectible. The majority of these past due receivables are not considered to be impaired.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations when they fall under normal and stress circumstances. To limit risk, the Company manages its liquid funds through cash planning on a monthly and weekly basis. The Company uses historical figures and experiences and forecasts from its collections and disbursements, as well as projections based on the annual business plan. Likewise, the Company places excess funds in short-term cash investments. The Company also enters into restructuring agreements with creditor banks, as the need arises. In 2012, the Company disposed of its investment properties to settle its obligations.

The table below summarizes the Company's maturity profile of financial assets held for managing liquidity and maturity profile of financial liabilities based on contractual undiscounted obligations.

As of December 31, 2014:

	On Demand	Less than 3 months	3 to 12 months	3 Total
Loans and receivables:				
Cash and cash equivalents	₱38,437	₱–	₱–	₱38,437
Receivables:				
Trade	–	–	1,359	1,359
Due from employees	–	–	1,081	1,081
Nontrade	–	–	–	–
Total financial assets	38,437	–	2,440	40,877
Other financial liabilities:				
Accounts payable and accrued liabilities*	40,313	–	–	40,313
Liquidity position (gap)	(₱1,876)	₱–	₱2,440	₱564

*Excluding nonfinancial liabilities amounting to ₱28,379.

As of December 31, 2013:

	On Demand	Less than 3 months	3 to 12 months	3 Total
Loans and receivables:				
Cash and cash equivalents	₱29,674	₱–	₱–	₱29,674
Receivables:				
Trade	–	544	225	769
Due from employees	–	32	1,006	1,038
Nontrade	–	–	12,760	12,760
Total financial assets	29,674	576	13,991	44,241
Other financial liabilities:				
Accounts payable and accrued liabilities*	39,691	–	–	39,691
Liquidity position (gap)	(₱10,017)	₱576	₱13,991	₱4,550

*Excluding nonfinancial liabilities amounting to ₱28,371.

The Company's only operation relates to agricultural activity and the financial instruments held by the Company only relates to such activity. As such, the financial risk management disclosure on credit risk and liquidity risk are likewise the strategies related to agricultural activity as required by PAS 41.

Financial risk management related to agricultural activities

The Company is exposed to financial risk due to changes in the cost and supply of feed raw materials and also to the volatility of chicken selling price, and other products which are determined by the supply and demand in the market. There are other factors which contribute to this risk over which the Company has little control such as government regulations, climate and diseases that may affect the livestock. Such risks and mitigating factors are listed below.

Inherent risk to food manufacturing particularly in the fresh meat processing is spoilage and contamination. Generally, food manufacturing is being regulated by government agencies. The Company employs controls in its manufacturing processes to ensure that all finished products passed through rigid quality control. In addition, government representatives which are deployed to all the Company's dressing plants are always on the lookout to attest the quality of the finished product through issuance of corresponding certificates. The authorities, however, may impose additional regulatory requirements that may require significant capital investment at short notice. The Company ensures that this possibility is considered during the financial budgeting process.

Major raw materials for livestock production like yellow corn expose the Company to risk particularly with the supply and price. The fluctuation of the price of yellow corn is dependent on

the harvest results. Production cost will be unfavorably affected if there will be shortage in the supply. The Company closely monitors production requirements particularly of bulk raw materials to avail of competitive prices. In case of shortages in certain areas, the Company sources the raw materials from other areas of the country if the prices are competitive. However, whenever domestic supply of yellow corn falls short of industry requirements, the government has been flexible in regulating the supply of corn by allowing importation of corn when domestic supply is short. Another option is to use a substitute feed ingredient like wheat, which is readily available in the international market and priced competitively.

Item 2. Properties

Swift's poultry production facility consists of one broiler farm located in Tanay, Rizal.

The Company also has leased properties as listed below:

PROPERTY	LOCATION
Pioneer Office Building	Mandaluyong City
Palawan – Office	Puerto Princesa, Palawan
Palawan-Feeds Warehouse	Bgy. Tinigiban. Puerto Princesa. Palawan
Palawan- Cold Storage	Bgy. Masipag., Puerto Princesa, Palawan

Item 3. Legal Proceedings

Based on the Company's records, the Company has an outstanding tax assessment before the Court of Tax Appeals involving P11.95 million deficiency value-added tax (VAT) for the taxable year 2007.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the calendar year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

There were no dividends declared in favor of common stockholders for the years 2014 and 2013. Preferred shareholders are not entitled to receive dividends.

(1) Market Information

(a) Common Stocks

The common shares of stock of SFI are traded on the Philippine Stock Exchange (PSE). The high and low sales prices for each quarter within the last two calendar years are as follows:

Date	High	Low	Close
2014:			
Quarter ended March 31	₱0.12	₱0.12	₱0.12
Quarter ended June 29	0.14	0.14	0.14
Quarter ended September 28	0.16	0.16	0.16
Quarter ended December 28	0.17	0.16	0.16
2013:			
Quarter ended March 27	0.14	0.14	0.14
Quarter ended June 27	0.12	0.12	0.12
Quarter ended September 30	0.13	0.12	0.12
Quarter ended December 27	0.12	0.12	0.12

The price as of the last trading date for this report is ₱0.16 on December 25, 2014.

There are 7,421 stockholders of 1,814,423,473 common shares of stock of the Company as of December 31, 2014.

(b) Preferred Stocks

The preferred shares of stock of the Company are traded on the Philippine Stock Exchange (PSE). There are 3,421 stockholders of 49,035,012 issued and outstanding preferred shares of stock of the Company as of December 31, 2014.

(2) Holders

A list of the top one hundred (100) common and preferred stockholders of the Company as of December 31, 2014 is attached hereto as Annex "A".

Common Stocks

The names of the top twenty (20) shareholders of the common shares of stock of the Issuer are as follows:

Rank	Stockholder Name	Total Shares Held	Percentage of Shareholdings
1	PCD Nominee Corporation (Filipino)	1,298,262,343	71.552%
2	Renaissance Property	117,292,756	6.464%
3	Li Chih-Hui	100,000,000	5.511%
4	Feati University	77,119,994	4.250%

(Forward)

Rank	Stockholder Name	Total Shares Held	Percentage of Shareholdings
5	PCD Nominee Corporation (Foreign)	50,824,111	2.801%
6	Chilco Holdings, Inc.	44,511,824	2.453%
7	S & A Industrial Corp.	26,145,590	1.440%
8	Concepcion Industries, Inc.	17,766,734	0.979%
9	Sahara Management& Development Corporation	9,342,729	0.515%
10	Republic Commodities Corp.	8,242,083	0.454%
11	S & A Industrial Corporation	6,167,888	0.339%
12	Foresight Realty & Dev't Corp.	4,782,433	0.264%
13	Horizons Realty Inc.	3,845,810	0.212%
14	Ernesto B. Lim	3,030,000	0.167%
15	S & A Industrial Corp.	2,921,394	0.162%
16	Ching Tian Chiong or Cherry Ladd	2,000,000	0.110%
17	Zenaida Incognito Alano or Jenny Alano Ragaza	2,000,000	0.110%
18	Eumelia Concepcion Hechanova	1,929,856	0.106%
19	Segovia & Co., Inc.	1,600,689	0.088%
20	S & A Industrial Corporation	1,599,845	0.088%

Preferred Stocks

The names of the top twenty (20) shareholders of the preferred shares of stock of the Issuer are as follows:

Rank	Stockholder Name	Total Shares Held	Percentage of Shareholdings
1	PCD Nominee Corporation (Filipino)	14,822,997	30.229%
2	Horizons Realty, Inc.	13,925,994	28.400%
3	Concepcion Industries, Inc.	3,138,155	6.400%
4	Ronald S. Po	2,809,514	5.729%
5	Sahara Management & Development Corporation	2,515,033	5.129%
6	Select Two Incorporated	2,176,069	4.437%
7	Republic Commodities Corp.	1,455,806	2.968%
8	PCD Nominee Corporation (Foreign)	1,067,769	2.177%
9	Foresight Realty Development Corporation	844,725	1.722%
10	Silang Forest Park, Incorporated	655,713	1.337%
11	Arcon Group Holdings	523,997	1.068%
12	Hyland Realty Corporation	523,997	1.068%
13	Lace Express Inc.	506,059	1.032%
14	PCCI Securities Brokers Corp.	401,348	0.818%
15	Eumelia Concepcion Hechanova	340,872	0.695%
16	S Raphael Hechanova and/or Eumelia Hechanova	185,565	0.378%
17	Willington Chua	177,391	0.361%
18	Mercury Management Corporation	168,694	0.344%
19	Home Development Mutual Fund	152,991	0.312%
20	Joseph Server Jr. or Estelita L. Server	121,003	0.246%

(3) Dividends

Prior to July 7, 2004, the preferred stock earns cumulative dividends up to a maximum of 15%. The dividend rate is based on the issue price of P10 per share. The dividends are payable quarterly. One preferred share is convertible to 10 common shares at any time after the issuance up to August 7, 2003. The holders of the convertible preferred share have the option to put the said shares to the Company on any date commencing two years after the end of the offer period until August 7, 2003, which was extended until February 27, 2004. Upon the exercise of said right, the Company shall redeem the convertible preferred shares at the offer price plus any accumulated dividends.

On May 12, 2004, the stockholders amended the terms of the convertible preferred shares by extending the conversion period until August 7, 2038, and the put option period until August 7, 2038. Likewise, the preferred shareholders shall not be entitled to receive dividend at any time and neither shall such shares participate in any other dividends declare in favor of common shares. The above amendment was approved by the stockholders during the annual stockholders' meeting on June 25, 2004 approved by the Securities and Exchange Commission on July 7, 2004.

On September 1, 2005, the stockholders further amended the terms of the convertible preferred shares by granting the Company as issuer the option to redeem the convertible preferred shares on any date commencing from the time of approval by the SEC of the amendments and until August 7, 2038 at the offer price. Previously, the holder has the option to put the convertible preferred shares to the Company but this option was removed in the September 1, 2005 amendments. The Company has no obligation to redeem any preferred shares that remain outstanding after August 7, 2038. The Securities and Exchange Commission approved these amendments on October 19, 2005.

On October 11, 2006, the stockholders removed the term of the convertible preferred shares formerly set at August 7, 2038. Hence, the Corporation shall have the option to redeem the convertible preferred shares at the offer price on any date commencing from the time of the approval by the SEC of the amendment. SEC approved the amendment on December 6, 2006.

(4) Recent Sales of Unregistered Securities

There are no sales of unregistered securities in the last four (4) years.

Item 6. Management's Discussion and Analysis or Plan of Operation.

Results of Operations –CY2014 vs. CY2013

Results of Operations. The Company formally rested its business operation except for Palawan branch, which remains as the only company-operated facility. Proceeds from sale of company properties were used to settle its outstanding obligations to various suppliers, banks and business partners. A significant portion of company's obligation had been settled. Only the unreconciled, unverified and undocumented obligations remain hanging in the books.

Financial Position. The Company's assets as of December 31, 2014 totaled to ₱152 million as compared to ₱158 million as of December 31, 2013 due to collection of certain receivables and payment of liabilities. Current ratio for the year 2014 is 0.647:1 against last year's current ratio of 0.731:1. Available cash on hand and in banks increased by 29.53% compared with last year due to the collection of receivables. Accounts receivable decreased by ₱12 million due to collections made. Inventories decreased by 23.60% due to the decrease of buffer stocks of feeds and medicines and vaccines. Biological assets decreased by 42.22% due to reduction of chick-in

volume. There is no movement on property, plant and equipment. Accounts payable and accrued liabilities increased by 9.23% mainly due to unpaid trade obligations as of year-end. The retirement benefits obligation increased by 11% due to recognition of service cost for the additional year of service rendered by the employees.

Net cash used in operations amounted to ₱3.75 million. Net cash from investing activity (collection of nontrade receivable) amounted to ₱12.51 million. In summary, cash and cash equivalents for the year increased by about 29.53% mainly due to the collection of a significant receivable.

Results of Operations –CY2013 vs. CY2012

Results of Operations. The Company formally rested its business operation except for Palawan branch, which remains as the only company-operated facility. Proceeds from sale of company properties were used to settle its outstanding obligations to various suppliers, banks and business partners. A significant portion of company's obligation had been settled. Only the unreconciled, unverified, and undocumented obligations remain hanging in the books.

Financial Position. The Company's assets as of December 31, 2013 totaled to ₱158 million as compared to ₱357 million as of December 31, 2012 due to sale of various properties and payment of liabilities. Current ratio for the year 2013 is 0.731:1 against last year's current ratio of 1.295:1. Available cash on hand and in banks decreased by 64.70% vs. last year due to payment of various suppliers. Accounts receivable decreased by ₱143 million due to collections made. Inventories increased by 0.0248% due to increase of frozen dressed chicken. Biological assets decreased by 26.57% due to reduction of chick-in volume. The decrease in property, plant and equipment of 0.26% represents depreciation of company vehicle during the year. Accounts payable and accrued liabilities decreased by 64.50% mainly due to cash payments, offsetting and adjustments of accounts payables.. The retirement benefits obligation decreased by 89.08% due to payment of retirement benefits to employees.

Net cash used in operations amounted to ₱194.86 million. Net cash from investing activity (collection of nontrade receivable) amounted to ₱140.57 million. In summary, cash and cash equivalents for the year decreased by about 64.70% mainly due to payment various suppliers.

Results of Operations –CY2012 vs. CY2011

Results of Operations. The Company decided to cease Luzon operation in 2011 due to continuous losses incurred by the Company. Only the Palawan branch remains operational. The company sold its Pioneer property to DMCI, Manggahan property to LBL Industries Inc., and San Jose Del Monte Farm to De Oro Khwa. Proceeds from these sales were used to settle outstanding obligations to various suppliers, banks and business partners.

Financial Position The Company's assets as of December 31, 2012 totaled to ₱357 million as compared to ₱1.029 billion as of December 31, 2011. Current ratio for the year 2012 is 1.289:1 against last year's current ratio of 0.05:1. Available cash on hand and in banks increased by 112.5% vs. last year due to sale of various properties. Accounts receivable increased by 155,470 million due to sale of property. Inventories decreased by 54.37% due to sale of remaining stocks. Biological assets (current) increased by 31.09% due to purchases of day old chicks. Investment properties decrease by 99.95% due to sales of Pioneer and Manggahan property. The decrease in property, plant and equipment of 37.40% represents disposal of assets during the year. The Company disposed property, plant and equipment through sale to settle accountabilities of the Company to its suppliers and creditors. Other current assets decreased by 79.61% due to creditable withholding tax applied to income tax. Accounts payable and accrued liabilities decreased by 74.47% mainly due to cash payments, offsetting and adjustments of accounts payables. Trust receipts and acceptances payable and bank loans decreased by 100% due to cash

payment of Land bank and UCPB loan. The retirement benefits obligation increased by 2.61% due to increase in current service cost and changes in discounted rate.

Net cash used in operations amounted to ₱243.31 million. Net cash from investing activities amounted to ₱637,140 million. In summary, cash and cash equivalents for the year increased by about 112.5% mainly due to various collections of receivables.

Plan of Operation:

The company continues to wait for better business opportunities and carefully evaluate various business plans. Presently, only the Palawan branch remains operational and continues to produce quality Sariwanok chicken. However, plans are underway to increase its production within the next twelve months.

The management aims to sell its remaining assets to fund its plan to increase production of Palawan branch.

There is no any product research and development at the moment.

Key Performance Indicators:

Key Performance Indicator	Formula	CY2014	CY2013
Sales Revenue Growth	$\frac{\text{Sales this period}}{\text{Sales in the prior period}}$	79.05%	99.03%
Operating Margin	$\frac{\text{Income from Operations}}{\text{Net Sales}}$	(12.11%)	(36.15%)
Net income/(loss)		(6,245)	(55,050)
ROS	$\frac{\text{Net income before tax after interest}}{\text{Net sales}}$	(9.99%)	(69.88%)
Current Ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	63.86%	72.13%
Debt to equity	$\frac{\text{Total liabilities}}{\text{Total equity}}$	2.18	1.91
Asset to equity	$\frac{\text{Total assets}}{\text{Total equity}}$	3.18	2.91
Solvency ratio	$\frac{\text{Income before income tax + depreciation}}{\text{Total liabilities}}$	(5.93%)	(52.60%)
Interest coverage ratio	$\frac{\text{EBIT}}{\text{Interest expense}}$	—	—
Profitability ratio	$\frac{\text{Gross profit}}{\text{Net sales}}$	0.88%	6.88%

Item 7. Financial Statements

See Audited Financial Statements as of December 31, 2014, attached hereto as Annex “B”.

	2014	2013
Trade - net of allowance for doubtful accounts of ₱40,836 in 2014 and ₱42,394 in 2013	₱1,359	₱769
Employees - net of allowance for doubtful accounts of ₱105 in 2014 and 2013	1,081	1,038
Related parties - net of allowance for doubtful accounts of ₱9,832 in 2014 and ₱10,243 in 2013	–	–
Nontrade receivables - net of allowance for doubtful accounts of ₱26,534 in 2014 and ₱26,538 in 2013	–	12,760
	₱2,440	₱14,567

There is no advance made to any director, stockholder, officer or related interests (DOSRI) or any affiliates as of December 31, 2014.

Prepaid Expenses and Other Current Assets (in thousands):

	2014	2013
Creditable withholding tax	₱17,098	₱17,072
Rental deposits	126	170
Others	32	22
	17,256	17,264
Less allowance for probable losses	17,000	17,000
	₱256	₱264

Item 8. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Independent Public Accountants

The Company’s external auditors since incorporation have been Sycip, Gorres, Velayo & Co. In compliance with SEC Memorandum Circular No. series of 2003, changes were made in the assignment of SGV’s engagement partners.

The election, approval or ratification of the registrant’s public accountant shall also be discussed during the Annual Meeting. Sycip Gorres and Velayo & Co., which is the principal accountant for the fiscal year ended December 31, 2014, has been selected and shall be recommended to stockholders for election, approval or ratification for the current year.

Representatives of Sycip Gorres and Velayo & Co. are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

There are no changes in or disagreements with accountants on accounting and financial disclosure.

Under SRC Rule 68 (3)(b)(iv), the external auditors shall be rotated every five (5) years of engagement. In case of a firm, the signing partner shall be rotated every after said period. The reckoning date for such rotation shall commence in year 2002.

The signing partner assigned to the corporation is changed or rotated every after five (5) years of engagement in accordance with SRC Rule 69 (3)(b)(iv) and SEC Memorandum Circular No. 8 Series 2003.

The manual of corporate governance does not provide for the audit committee's approval policies and procedures for the services of the external auditor.

The annual Audit Fee for 2014 is ₱400,000.00 only.

The audit committee does not have any formal policies and procedures for the services of the external auditor.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

(1) Directors and Executive Officers – The Directors of the Corporation are elected at the regular annual meeting of stockholders to serve for one (1) year until their successors are elected and qualified. The Officers of the Corporation are elected by a majority vote of the Board of Directors and are enumerated below, with a description of their business experience over the past five years.

Directors / Officers	Designation	Citizenship	Term
Jose Concepcion, Jr.	Chairman of the Board	Filipino	1 year
Francisco A. Segovia	President / CEO	Filipino	1 year
Luis Bernardo A. Concepcion	Director	Filipino	1 year
Senen C. Bacani	Director	Filipino	1 year
Antonette Palma-Angeles	Director	Filipino	1 year
Alfredo Parungao	Director	Filipino	1 year
Alejandrino Ferreria	Director	Filipino	1 year
Agnes C. Reyes	Treasurer	Filipino	1 year
Jose A. Bernas	Corporate Secretary	Filipino	1 year
Marie Lourdes T. Sia-Bernas	Asst. Corporate Secretary	Filipino	1 year
Nerissa L. Marasigan-Shaw	Asst. Corporate Secretary	Filipino	1 year

Jose S. Concepcion, Jr., 83, born on December 29, 1931, obtained an Associate's Degree in Business Administration from De La Salle University and a Bachelor's Degree in Agriculture from Araneta University. He is the Chairman of the Board of Swift Foods, Inc. He is also the Chairman of the Board of RFM Corporation, RFM Foundation Incorporated, and Executive Committee of the ASEAN Chamber of Commerce and Industry. Mr. Concepcion also holds Co-Chairman position in the Bishops-Businessmen's Conference. He was previously designated as the Secretary of the Department of Trade and Industry, Chairman of the Board of Investments, member of the Central Bank Monetary Board, National President of the Council of Laity (Philippines) and the Society of Vincent Paul, National Chairman of the National Citizens Movement for Free Elections, Founding President of the Pasay City Citizen League for Good Government, delegate to the 1971 Constitutional Convention of the first District of Rizal, the Charter President of the Capitol Jaycees, and Trustee of the Oblate Educational System, Notre Dame University. Mr. Jose S. Concepcion, Jr. is the father of Mr. Jose Ma. A. Concepcion III, the current President and Chief Executive Officer of RFM Corporation, Luis Bernardo, Ma. A. Concepcion, a Director of Swift Foods, Inc., and John Marie A. Concepcion, the Managing Director and Chief Executive Officer of Selecta.

Francisco A. Segovia, 61, born on January 17, 1954, obtained a Bachelor of Science degree in Business Management from the Ateneo de Manila University. He is Vice Chairman and CEO of FEATI University, RPMC Holdings Inc., He is President of Segovia & Company, Inc., Fritz International Philippines, Inc., Intellicon, Inc., Chilco Holdings, Araneta Institute of Agriculture, Republic Dynamic Corporation, and Republic Consolidated Corporation. He is a director of RFM

Corporation, Philippine Township, Inc., Invest Asia Corporation, and WWW Express Corporation.

Luis Bernardo A. Concepcion, 55, born on August 20, 1960, has a degree in Business Administration from St. Ambrose College and completed the International Course on Swine and Poultry Husbandry from the Barneveld College, The Netherlands. Mr. Concepcion was the President of Philippine Association of Broiler Integrators (PABI) in 1988-1989. He currently serves as Board Member of the Chamber of Agriculture & Food, Inc.

Senen C. Bacani, 69, born on July 30, 1945 in Guagua, Pampanga, he obtained a Bachelor of Science in Commerce from De La Salle University in 1965, Summa cum Laude & class valedictorian. A Certified Public Accountant, he was granted an East-West Center Scholarship in 1966 and graduated from the University of Hawaii with a Master of Business Administration in 1968. He started his career with Dole Company in Honolulu and for the next 22 years, he progressively occupied management positions of increasing responsibility in the Philippines, Thailand, Ecuador and Costa Rica. Former President Corazon C. Aquino appointed him Secretary of Agriculture in 1989. He holds several key positions in various companies & institutions as follows: President of Ultrex Management and Investments Corp., Chairman of La Frutera, Inc., Member of the Board of Directors of Roxas Holdings Inc., Franklin Baker Inc., and Icebox Services Inc. He is an independent director.

Antonette Palma-Angeles, 59, born on August 25, 1956, she obtained a bachelor's degree in Philosophy and Communication Arts, and a Master of Arts degree in Philosophy from Ateneo de Manila University. She likewise has a Ph.D. in Philosophy from the Katholieke Universiteit Lueven. She is currently the Academic Vice-President of Ateneo de Manila University. She is an Associate Professor in the Ateneo de Manila University. She is a member of the Board of Trustees of the Asian Institute of Management. She is very active in public service as a Lecturer in Business Ethics for some Philippine corporations, as well as Lecturer in Ethics in Government for various government agencies, notably the Bureau of Internal Revenue and National Electrification Authority. She is an independent director.

Alfredo B. Parungao, 76, born on January 24, 1938, obtained his Bachelor of Science Degree in Commerce at the Far Eastern University, graduated summa cum laude. A certified public accountant, he also got a Program for Management Development at Harvard Business School. He is at present the President of Ligaya Management Corporation, CIBI Foundation, Member Board of Trustees and Chairman of Insular Life Assurance Co., Ltd, Member Board of Director of Insular Investment and Trust Corporation and UBIX Corporation and Chief of Staff, Social Security Commission.

Alejandro J. Ferreria, 63, born on February 18, 1951, obtained a Bachelor of Science degree in Management from the Ateneo de Manila University, a Masters Degree in Business Administration from the University of the Philippines, and a Doctorate in Education Management from National University. He was also the Bank of America Foundation Professor of Business Management of Asian Institute of Management ("AIM") and was school dean of 3 of the 4 schools of AIM. He currently sits on several board. Some of which are: Goodyear Philippines, Pascual Laboratories, Producers Savings Bank, G&S Transport (Avis Rent a Car), and Radio wealth Finance.

Jose A. Bernas, 55, born on January 22, 1960, obtained a Bachelors Degree in Arts from Haverford College and a Juris Doctor Degree from Ateneo de Manila University – School of Law. He is a member of the Philippine and New York Bar. He is the Chairman of the Board of Dun and Bradstreet Philippines Inc. and Automation Specialists and Power Exponents, Inc. He is the President of Discovery Centre Condominium Corporation, Esquire Financial Management Corporation, and Esquire Traders and Merchants Corporation, and is a director of Micros-Fidelio Software Philippines Inc., Perdana Land Philippines Inc., and MSI-ECS Philippines Inc. He is the Corporate Secretary of Berjaya Philippines Inc., which is also a company listed at the Philippine Stock Exchange, of Steven Leach, Jr. + Associates (Consultants) Inc., Philippine Gaming

Management Corporation, Perdana Land Philippines Inc., Perdana Hotel Philippines Inc., Berjaya Pizza (Philippines) Inc., Berjaya Foundation Inc., Friendster Philippines Inc., MOL Access Portal Inc., Cosway Philippines Inc., and Uniwiz Trade Sales Inc. He is a Trustee for The Atrium of Makati Condominium Corporation. He is a professor at the Ateneo de Manila University School of Law. He is the Managing Partner of the Bernas Law Offices.

Marie Lourdes T. Sia-Bernas, 49, born on December 16, 1965, obtained a Bachelors of Arts Degree in Political Science from De La Salle University and a Juris Doctor Degree from Ateneo de Manila University - School of Law. She is a member of the Philippine Bar. She is the President of Deux Mille Trading Corporation, Silver Giggling Buddha Trading Inc., and Noblesse Instruments Philippines Inc. She is the President and Chairman of the Board of Sanpiro Realty & Development Corporation and of Landphil Management and Development Corporation. She is a Director and Corporate Secretary of Micros-Fidelio Software Philippines Inc., the Corporate Secretary of Juillet Trading Corporation, Ultrasaurus Philippine Trading Inc., Discovery Centre Condominium Corporation, Fasolco Realty Corporation, Neptune Properties Inc., and Neptune Holdings Inc. She is the Corporate Secretary and Treasurer of Esquire Financial Management Corporation and Esquire Traders and Merchants Corporation. She is the Assistant Corporate Secretary of Berjaya Philippines Inc., which is also a company listed at the Philippine Stock Exchange, of Philippine Gaming Management Corporation, Perdana Land Philippines Inc., Perdana Hotel Philippines Inc., Berjaya Pizza (Philippines) Inc., Berjaya Auto Philippines Inc., Berjaya Foundation Inc., Friendster Philippines Inc., MOL Access Portal Inc., Cosway Philippines Inc., and Uniwiz Trade Sales Inc.. She is the Administrative Partner at Bernas Law Offices.

Nerissa L. Marasigan - Shaw, 34, born on April 9, 1981, obtained a Bachelor of Arts Degree in Economics and a Bachelor of Science Degree in Marketing Management from De La Salle University; and a Masters Degree in Business Administration and a Juris Doctor Degree from the MBA-JD Program of De La Salle University and Far Eastern University. She is a member of the Philippine Bar. She is a Trustee and Assistant Corporate Secretary of Discovery Center Condominium Corporation. She is a Director of Shaw Investments, Inc. She is a Director and Assistant Corporate Secretary of Sanpiro Realty & Development Corporation and Anvil International Holdings, Inc. She is a Director and Treasurer of Landphil Management and Development Corporation and Neptune Properties, Inc. She is an Associate Lawyer at Bernas Law Offices.

Agnes C. Reyes, 59, born on March 21, 1955, obtained a Bachelor of Science Degree in Commerce from the University of Sto. Tomas. She was appointed Treasurer on August 5, 2013.

(2) Significant Employees : None

(3) Family Relationships

Jose S. Concepcion, Jr. is the father of Luis Bernardo Ma. A. Concepcion. Francisco A. Segovia is the latter's first cousin. Maria Lourdes T. Sia-Bernas is the wife of Jose A. Bernas. There are no other family relationships between and among the directors and officers of the corporation except for the ones mentioned above.

(4) Involvement in Certain Legal Proceedings

To the knowledge and information of the Company, the above-named directors and executive officers were not involved during the past five (5) years in any bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding or have been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities. Nor have they been found in action by any court or

administrative bodies to have violated a securities or commodities law.

(5) Independent Directors

Messrs. Senen C. Bacani, Alfredo Parungao, and Alejandrino Ferreria, and Ms. Antonette Palma-Angeles are independent minority stockholders who are neither employees nor officers of the Corporation, and whose shareholdings are .00022% percent of the Corporation's equity pursuant to Section 38 of the Securities Regulation Code. The Chairman of the Board nominated the candidates for independent directors.

Item 10. Executive Compensation

The Chief Executive Officer received nil for the year 2014 and ₱1,972,000 in CY 2013, broken down as follows:

	2013
Salaries and allowances	₱1,937,000
Other short-term employee benefits	35,000
	₱1,972,000

Only Mr. Luis Bernardo A. Concepcion, as the Chief Executive Officer received compensation for the period of January to May 2013. Mr. Francisco A. Segovia, as the Chief Executive Officer did not received compensation for the periods June to December 2013 and January to December 2014. The Compensation Committee has not yet decided the compensation of Corporation's Chief Executive Officer.

There are only 3 Executive Officers, The Chairman, the President/Chief Executive Officer and the Treasurer but only the President and Treasurer received compensation for year 2014.

Name	Position
Jose Concepcion, Jr.	Chairman of the Board
Francisco A. Segovia	President / CEO
Agnes C. Reyes	Treasurer

The Company's executive officers are entitled to the following pecuniary benefits, bonus scheme, major benefits and retirement plan:

1. Pecuniary Benefits

- (a) Option to purchase assigned vehicle after six (6) years at market value, or return the same to the company and get a replacement vehicle at such time;
- (b) All expenses, related to registration, comprehensive insurance, repairs and maintenance to be borne by the Corporation
- (c) Reimbursement of gasoline expenses up to a certain amount of liters per month

2. Bonus Scheme

The grant of bonus will be on the basis of performance and attainment of business plan, particularly the specific objectives for the year, and in accordance with the company policy.

3. Major Benefits

- (a) Hospitalization Plan for the executive officer and his/her immediate dependents, in accordance with company policy
- (b) Vacation Leave of fifteen (15) days per year, which may be accumulated up to 30 days, but not convertible to cash
- (c) Sick Leave of fifteen (15) days per year, which may be accumulated up to 45 days, but not convertible to cash
- (d) Executive check-up once every four (4) years, including SPEC 23 KSAT blood test every two years

4. Retirement Plan

The retirement plan is available to any individual who has rendered at least five (5) years of service with the Company, which benefit is equivalent to twenty-five percent (25%) of the basic pay per year of service, to be increased by five percent (5%) per additional year of service up to a maximum of 125%.

5. Others

The Company has no compensatory plan or arrangement, including payments to be received from the registrant, with respect to a named executive officer, if such plan or arrangement results or will result from the resignation, retirement or any other termination of such executive officer employment with the registrant and its subsidiaries or from a change-in-control of the registrant or a change in the named executive officer's responsibilities following a change-in-control and the amount involved, including all periodic payment or installments, which exceeds P2,500,000.

A. Commitments and Contingent Liabilities

There are no significant commitments and contingencies involving the Company.

Others

The Philippines continues to experience economic difficulties relating to currency fluctuations, volatile stock markets and slowdown in growth. In addition, there are commitments, guarantees, litigations, and contingent liabilities that arise in the normal course of the Company's operations which are not reflected in the accompanying financial statements. Management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the Company's financial statements.

1) Subsequent Events

No significant event subsequent to December 31, 2014 occurred.

2) Earnings per share.

Earnings per share were computed as follows:

	2014	2013	2012
Net income (loss) attributable to common stockholders	(P6,245)	(P55,050)	P104,668
Divided by weighted average number of common stock	1,814,420,178	1,811,006,013	1,629,023,513
Basic/diluted earnings (loss) per share	(P0.003)	(P0.030)	P0.064

3) Capital Stock:

Information on capital stock in 2014 and 2013 follows:

Number of shares	2014	2013
Preferred stock - ₱1 par value:		
Authorized shares	200,000,000	200,000,000
Issued shares	60,133,282	60,133,941
Outstanding shares	49,035,012	49,035,671
Common stock - ₱1 par value:		
Authorized shares	2,500,000,000	2,500,000,000
Issued and outstanding shares	1,814,423,473	1,814,416,883

4) Deficit

As of December 31, 2014 and 2013, the deficit of the Company (in thousands) amounted to ₱3,000,470 and ₱2,994,225, respectively.

There is no stock purchase agreement, stock agreement, stock split or other dividends.

5) Treasury Stock

Preferred shares as of December 31, 2014 and 2013 amounted to 11,098,270 shares.

Supplementary Schedules F & I only, others are either not applicable or the information required to be presented is included in the Company's financial statements or notes to financial statements.

The Supplementary Schedules are attached hereto as Annex "C".

Item 11. Security Ownership of Certain Beneficial Owners and Management

A. Security Ownership of Certain Beneficial Owners

Owners of more than five (5%) of the Corporation's securities as of December 31, 2014 are as follows:

Title of Class	Name and Address of Record Owner	Name of Beneficial Owner	Citizenship	Number of Shares Held	Percentage Held
Common	PCD Nominee G/F Makati Stock Exchange 6767 Ayala Ave., Makati City	PCD Nominee	Filipino	1,298,262,343	71.55%
Preferred	PCD Nominee G/F Makati Stock Exchange 6767 Ayala Ave., Makati City	PCD Nominee	Filipino	14,822,997	30.23%
Preferred	Horizons Realty, Inc	Horizons realty, Inc	Filipino	13,925,994	28.40%
Common	Renaissance Property Management Corporation	Renaissance Property	Filipino	117,292,756	6.46%
Preferred	Concepcion Industries	Concepcion Industries	Filipino	3,138,155	6.39%
Preferred	Ronald S. Po	Ronald S. Po	Filipino	2,809,514	5.73%
Common	Li Chih Hui	Li Chih Hui	Filipino	100,000,000	5.51%
Preferred	Sahara Mgt & Dev. Corp.	Sahara Mgt & Dev. Corp.	Filipino	2,515,033	5.13%

B. Security Ownership of Management

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	% of Class
Common	Jose Concepcion, Jr.	1,320,239 ("r")	Filipino	0.073%
Common	Luis Bernardo A. Concepcion	108,140 ("r")	Filipino	0.006%
Common	Francisco A. Segovia	3 ("b")	Filipino	0.000%
Common	Senen C. Bacani	1 ("b")	Filipino	0.000%
Common	Agnes C. Reyes	0	Filipino	0.000%
Common	Antonette Palma-Angeles	1,000 ("b")	Filipino	0.000%
Common	Alfredo Parungao	500 ("b")	Filipino	0.000%
Common	Alejandro Ferreria	500 ("b")	Filipino	0.000%
Common	Jose A. Bernas	0	Filipino	0.000%

The total number of shares owned by the Directors and Executive Officers of the Corporation is 1,434,972 common shares.

Mr. Jose S. Concepcion, Jr. is authorized to vote the shares held by Horizons Realty Corporation.

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

Item 12. Certain Relationships and Related Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making the financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its stockholders.

There are no related party transactions and balances to report as of December 31, 2014 and 2013.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Compliance Officer is monitoring and evaluating the compliance of the Board of Directors and top management with its Manual on Corporate Governance.

The Company has fully complied with the requirements of the Manual on Corporate Governance, as certified by the Compliance Officer, except for some areas where steps are continually being undertaken to ensure full compliance.

There are no deviations from the Manual of Corporate Governance of the Company.

Improvement of the Company's corporate governance will be done when appropriate.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits

1. List of Top One Hundred (100) Stockholders as of 31 December 2014, referred to in Item 5(2) as Annex "A"
2. Audited Financial Statements & Report of Independent Auditors as of 31 December 2014, referred to in Item 7 as Annex "B"
3. Supplementary Schedules as Annex "C"

(b) Reports on SEC Form 17-C

The Company did not file any report under SEC Form 17-C, as amended during the last six month period covered by this report, listing the items reported, any financial statements filed and the dates of such.

SIGNATURES

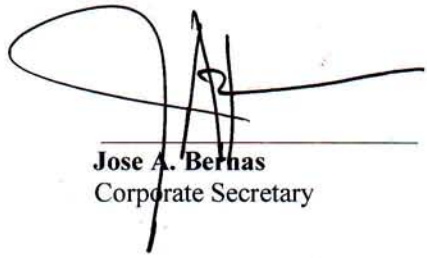
Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Makati on __ April 2015.

SWIFT FOODS, INC.
Issuer

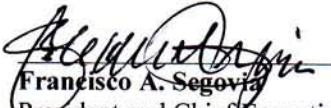
By:



Jose Concepcion, Jr.
Chairman of the Board



Jose A. Bernas
Corporate Secretary



Francisco A. Segovia
President and Chief Executive Officer

City of Mandaluyong

14 APR 2015

SUBSCRIBED AND SWORN to before me in Makati City this ____ day of ____ 2015
by the following affiants who are personally known to me, with their identification cards, as follows:

Jose Concepcion, Jr
Francisco A. Segovia
Jose A. Bernas

TIN # 105347995
TIN # 101109554 / passport no. EBA118384
IBP Lifetime membership No. 01738

Doc. No. 185 ;
Page No. 37 ;
Book No. XIV ;
Series of 2015 .

Notary Public


ATTY. ADELEEN O'S BEA-ALBERTO

APPOINTMENT NO. 0250-15

NOTARY PUBLIC

MANDALUYONG CITY

UNTIL DECEMBER 31, 2016

5th Floor RPM Corporate Centre

Pioneer corner Sheridan Sts., Mandaluyong City

ROLL NO. 51345

PTR NO. 2266826 / 1.05.2015 / MAND. CITY

IBP NO. 976833 / 11.11.2014 / RSM

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* - Not Applicable

X - Attached

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Form 17-A

No.		Page No.
(3)	Plan of Acquisition, Reorganization, Arrangement Liquidation, or Succession	NA
(5)	Instruments Defining the Rights of Security Holders, Including Indentures	NA
(8)	Voting Trust Agreement	NA
(9)	Material Contracts	NA
(10)	Annual Report to Security Holders, Form 11-Q or Quarterly Report to Security Holders	NA
(13)	Letter re Change in Certifying Accountant	NA
(16)	Report Furnished to Security Holders	NA
(18)	Subsidiaries of the Registrant	NA
(19)	Published Report Regarding Matters Submitted to Vote of Security Holders	NA
(20)	Consent of Experts and Independent Counsel	NA
(21)	Power of Attorney	NA
(29)	Additional Exhibits	NA

NA - Not Applicable

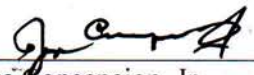
**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **Swift Foods, Inc.** is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2014 and 2013, including the additional components attached therein, in accordance with *Philippine Financial Reporting Standards*. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has examined the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

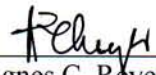
Signed under oath by the following:



Jose Concepcion, Jr.
Chairman of the Board



Francisco A. Segovia
President & Chief Executive Officer



Agnes C. Reyes
Treasurer

SUBSCRIBE AND SWORN to before me in Mandaluyong City this 13 ^{APR} day of April 2015 by the following affiants who are personally known to me, with their identification cards, as follows:

Jose Concepcion, Jr.
Francisco A. Segovia
Agnes C. Reyes

TIN # 105347995
TIN # 101109554
SSS # 03-4059220-7

Doc. No. 163 ;
Page No. 37 ;
Book No. XIV ;
Series of 2015


ATTY. ADELEEN O'S BEA-ALBERTO
APPOINTMENT NO. 0250-15
NOTARY PUBLIC
MANDALUYONG CITY
UNTIL DECEMBER 31, 2016
5th Floor RFM Corporate Centre
Pioneer corner Sheridan Sts., Mandaluyong City
ROLL NO. 51345
PTR NO. 2266826 / 1.05.2015 / MAND. CITY
IBP NO. 976833 / 11.11.2014 / RSM

SWIFT FOODS, INC.
LIST OF TOP 100 STOCKHOLDERS (COMMON)
AS OF DECEMBER 31, 2014

Name	No. of Shares	Percentage
1 PCD NOMINEE CORPORATION (FILIPINO)	1,298,262,343	71.55%
2 RENAISSANCE PROPERTY MANAGEMENT CORPORATION	117,292,756	6.46%
3 LI CHIH-HUI	100,000,000	5.51%
4 FEATI UNIVERSITY	77,119,994	4.25%
5 PCD NOMINEE CORPORATION (FOREIGN)	50,824,111	2.80%
6 CHILCO HOLDINGS, INC.	44,511,824	2.45%
7 S & A INDUSTRIAL CORPORATION	26,145,590	1.44%
8 CONCEPCION INDUSTRIES, INC.	17,766,734	0.98%
9 SAHARA MANAGEMENT & DEVELOPMENT CORPORATION	9,342,729	0.51%
10 REPUBLIC COMMODITIES CORP.	8,242,083	0.45%
11 S & A INDUSTRIAL CORPORATION	6,167,888	0.34%
12 FORESIGHT REALTY & DEV'T CORP.	4,782,433	0.26%
13 HORIZONS REALTY, INC.	3,845,810	0.21%
14 ERNESTO B. LIM	3,030,000	0.17%
15 S & A INDUSTRIAL CORP.	2,921,394	0.16%
16 CHING TIAN CHIONG OR CHERYL LADD UY CHING	2,000,000	0.11%
17 ZENAIDA INCOGNITO ALANO OR JENNY ALANO RAGAZA	2,000,000	0.11%
18 EUMELIA CONCEPCION HECHANOVA	1,929,856	0.11%
19 SEGOVIA & CO. INC.	1,600,689	0.09%
20 S & A INDUSTRIAL CORPORATION	1,599,845	0.09%
21 JOSEPH SERVER JR. OR ESTELITA L. SERVER	1,335,674	0.07%
22 RAFAEL HECHANOVA &/OR EUMELIA C. HECHANOVA	1,050,581	0.06%
23 ZENAIDA I. ALANO OR JENNY A. RAGAZA	1,000,000	0.06%
24 GUILLERMO F. GILI JR.	970,000	0.05%
25 MERCURY MANAGEMENT CORPORATION	955,067	0.05%
26 JOSE CONCEPCION JR.	903,379	0.05%
27 JUAN G. YU &/OR JOHN PETER C. YU	834,850	0.05%
28 RONALD PO	611,244	0.03%
29 REYNALDO CONCEPCION	572,096	0.03%
30 CONSTANTINO CHUA &/OR WILLINGTON CHUA &/OR GEORGE CHUA	559,921	0.03%
31 JOSE CONCEPCION JR.	416,860	0.02%
32 PACIFICO B. TACUB	353,750	0.02%
33 VICTORINO S. MEDRANO JR. &/OR OFELIA MEDRANO	350,000	0.02%
34 LOPEZ SUGAR CENTRAL MILLS INCORPORATED	349,125	0.02%
35 RAFAEL G. HECHANOVA &/OR EUMELIA C. HECHANOVA	334,754	0.02%
36 BERNARDO A. CONCEPCION	328,997	0.02%
37 RAUL T. CONCEPCION &/OR CARMENCITA A. CONCEPCION	314,220	0.02%
38 URBAN ENVIRONMENT REALTY, INC.	277,624	0.02%
39 RAFAEL HECHANOVA	253,320	0.01%
40 SFI IN TRUST FOR EMPLOYEES	228,940	0.01%
41 JUAN G. YU &/OR GRACE C. YU	218,940	0.01%
42 VIRGINIA S. SYJUCO	212,015	0.01%
43 ANGELITA A. CRUZ	210,770	0.01%
44 PECHIE S. ADRIANO	200,000	0.01%
45 ALL ASIA LIFE ASS. CORP.	185,000	0.01%
46 CELIA Y. LEONG	171,000	0.01%
47 LIBRADO S. CALILUNG	170,024	0.01%
48 ZENAIDA ALANO	163,121	0.01%
49 VICTONETA INVESTMENT CORP.	159,542	0.01%
50 JESUS Q. TAN	157,500	0.01%

SWIFT FOODS, INC.
LIST OF TOP 100 STOCKHOLDERS (COMMON)
AS OF DECEMBER 31, 2014

Name	No. of Shares	Percentage
51 EUGENE L. LIM	149,333	0.01%
52 CONSTANTINO WY CHUA &/OR WILLINGTON WY CHUA &/OR GEORGE WY CHI	149,332	0.01%
53 JOSE GAN SUA YUC	149,332	0.01%
54 MOUNT PEAK SECURITIES, INC.	141,472	0.01%
55 ERNEST FRITZ SERVER	140,083	0.01%
56 PHILIPPINE OVERSEAS TELECOMMUNICATIONS CORPORATION	135,000	0.01%
57 CONSTANTINO CHUA	134,260	0.01%
58 RAUL ANTHONY CONCEPCION	132,742	0.01%
59 RODOLFO G. MENDOZA &/OR ALBINA M. MENDOZA	124,444	0.01%
60 PACIFICO BUMANGLAG TACUB	120,000	0.01%
61 CHERYL LADD U. CHING OR CHING T. CHIONG	114,521	0.01%
62 LUIS BERNARDO A. CONCEPCION	108,140	0.01%
63 BOBBY G. CHUA	101,500	0.01%
64 CHUA KEE LIN	100,000	0.01%
65 LINA FLOR P. CO	100,000	0.01%
66 GRACE C. PO	100,000	0.01%
67 LAURO C. SY &/OR LIBERATA C. SY	100,000	0.01%
68 RAUL JOSEPH CONCEPCION	97,439	0.01%
69 ERLINDA FRANCISCO	93,104	0.01%
70 VICTORIA FRANCISCO	93,104	0.01%
71 ALITA C. ALMEDA	91,877	0.01%
72 ROMEO B. MOLANO	90,000	0.00%
73 ANGELITA GONZALEZ	83,128	0.00%
74 LOPEZ SUGAR CORPORATION	81,612	0.00%
75 EDWIN C. JAVELLANA	80,500	0.00%
76 CORAZON S. ESTRADA	76,645	0.00%
77 GLORIA S. VERGEL DE DIOS	76,645	0.00%
78 BELLA S. BARRERA	76,642	0.00%
79 JOSE S. RAMISCAL JR.	76,500	0.00%
80 ALFREDO A. CRUZ	75,750	0.00%
81 MANUEL D. GOCOLAY	75,000	0.00%
82 PURITA GAMBOA	72,799	0.00%
83 GUALTERIO C. ABRANTES	72,463	0.00%
84 OFELIA E. GAMILLA	70,992	0.00%
85 LEONIDA S. BULAON &/OR MA. ROSARIO B. DEJARESCO	70,000	0.00%
86 RUFINO M. PLACIDO JR.	70,000	0.00%
87 WILSON LIM &/OR JUSY LIM	65,333	0.00%
88 INVESTMENT & FINANCING CORP.	65,014	0.00%
89 SUPREME STOCKBROKERS, INC.	65,000	0.00%
90 ATTY. CELSO A. FERNANDEZ	64,710	0.00%
91 JOHNNY K. DY	63,000	0.00%
92 BENITO SY &/OR DALISAY SY	62,222	0.00%
93 MA. TERESITA S. HIPOLITO	61,480	0.00%
94 LEY BEE ONG	60,000	0.00%
95 PHILIPPINE COMMUNICATION SATELLITE CORPORATION	60,000	0.00%
96 E. N. MADRAZO CORPORATION	58,426	0.00%
97 ABELARDO BUENAVENTURA	58,092	0.00%
98 MARGARET SHAU PANG	56,831	0.00%
99 NANCY SAW	55,750	0.00%
100 AURORA PIJUAN MANOTOC	53,573	0.00%

SWIFT FOODS, INC.
LIST OF TOP 100 STOCKHOLDERS (COMMON)
AS OF DECEMBER 31, 2014

Name	No. of Shares	Percentage
TOTAL OUTSTANDING - TOP 100 STOCKHOLDERS	1,797,708,183	99.08%
OTHER STOCKHOLDERS	16,715,290	0.92%
TOTAL OUTSTANDING, ISSUED AND SUBSCRIBED	1,814,423,473	100.00%

Beneficial Owner Report
Swift Foods, Inc. (Common)
as of December 31, 2014

Participants Name	Unit	Percentage
ABACUS SECURITIES CORPORATION	129,233,074	7.12%
COL Financial Group, Inc.	115,472,196	6.36%
DAVID GO SECURITIES CORP.	95,759,352	5.28%
EVERGREEN STOCK BROKERAGE & SEC., INC.	82,899,848	4.57%
VENTURE SECURITIES, INC.	82,068,247	4.52%
PCCI SECURITIES BROKERS CORP.	66,503,229	3.67%
ANSALDO, GODINEZ & CO., INC.	60,443,200	3.33%
BPI SECURITIES CORPORATION	50,537,917	2.79%
PAPA SECURITIES CORPORATION	47,573,819	2.62%
R. COYIUTO SECURITIES, INC.	45,254,811	2.49%
FIRST METRO SECURITIES BROKERAGE CORP.	38,794,457	2.14%
WEALTH SECURITIES, INC.	37,621,200	2.07%
MAYBANK ATR KIM ENG SECURITIES, INC.	34,520,188	1.90%
YAO & ZIALCITA, INC.	34,498,871	1.90%
ACCORD CAPITAL EQUITIES CORPORATION	30,838,183	1.70%
GOLDSTAR SECURITIES, INC.	23,285,871	1.28%
BERNAD SECURITIES, INC.	18,561,565	1.02%
E. CHUA CHIACO SECURITIES, INC.	17,700,935	0.98%
SB EQUITIES, INC.	16,613,327	0.92%
QUALITY INVESTMENTS & SECURITIES CORPORATION	16,467,962	0.91%
GUILD SECURITIES, INC.	15,802,639	0.87%
MERCANTILE SECURITIES CORP.	15,602,879	0.86%
WESTLINK GLOBAL EQUITIES, INC.	15,174,972	0.84%
YU & COMPANY, INC.	13,514,080	0.74%
BDO SECURITIES CORPORATION	13,488,234	0.74%
ANGPING & ASSOCIATES SECURITIES, INC.	12,308,878	0.68%
B. H. CHUA SECURITIES CORPORATION	11,119,791	0.61%
REGINA CAPITAL DEVELOPMENT CORPORATION	9,790,948	0.54%
AB CAPITAL SECURITIES, INC.	9,532,954	0.53%
TANSENGCO & CO., INC.	9,449,611	0.52%
PNB SECURITIES, INC.	9,142,004	0.50%
BELSON SECURITIES, INC.	7,984,613	0.44%
TOWER SECURITIES, INC.	7,234,471	0.40%
S.J. ROXAS & CO., INC.	6,834,408	0.38%
SOLAR SECURITIES, INC.	6,651,755	0.37%
IMPERIAL, DE GUZMAN, ABALOS & CO., INC.	6,277,094	0.35%
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	6,257,525	0.34%
UNICAPITAL SECURITIES INC.	6,247,367	0.34%
EQUITIWORLD SECURITIES, INC.	5,419,321	0.30%
JAKA SECURITIES CORP.	5,162,567	0.28%

SWIFT FOODS, INC.
LIST OF TOP 100 STOCKHOLDERS (COMMON)
AS OF DECEMBER 31, 2014

Name	No. of Shares	Percentage
DEUTSCHE BANK AG MANILA BRANCH A/C CLIENTS DEUB20	5,001,223	0.28%
ALPHA SECURITIES CORP.	4,647,019	0.26%
A & A SECURITIES, INC.	4,461,850	0.25%
VALUE QUEST SECURITIES CORPORATION	4,000,000	0.22%
G.D. TAN & COMPANY, INC.	3,871,930	0.21%
MERIDIAN SECURITIES, INC.	3,855,699	0.21%
PAN ASIA SECURITIES CORP.	3,800,183	0.21%
VICSAL SECURITIES & STOCK BROKERAGE, INC.	3,712,077	0.20%
EASTERN SECURITIES DEVELOPMENT CORPORATION	3,687,827	0.20%
ASIASEC EQUITIES, INC.	3,529,826	0.19%
SINCERE SECURITIES CORPORATION	3,415,306	0.19%
SUMMIT SECURITIES, INC.	3,236,566	0.18%
PCIB SECURITIES, INC.	3,156,005	0.17%
CUALOPING SECURITIES CORPORATION	3,124,007	0.17%
GLOBALINKS SECURITIES & STOCKS, INC.	3,056,684	0.17%
IGC SECURITIES INC.	2,978,710	0.16%
I. ACKERMAN & CO., INC.	2,855,023	0.16%
BA SECURITIES, INC.	2,730,008	0.15%
R & L INVESTMENTS, INC.	2,556,376	0.14%
CAMPOS, LANUZA & COMPANY, INC.	2,287,014	0.13%
R. S. LIM & CO., INC.	2,149,460	0.12%
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	2,057,292	0.11%
B. H. CHUA SECURITIES CORPORATION	2,038,725	0.11%
INVESTORS SECURITIES, INC.	1,976,758	0.11%
ALAKOR SECURITIES CORPORATION	1,901,495	0.10%
LUYS SECURITIES COMPANY, INC.	1,758,181	0.10%
J.M. BARCELON & CO., INC.	1,675,347	0.09%
DIVERSIFIED SECURITIES, INC.	1,628,322	0.09%
LUCKY SECURITIES, INC.	1,385,164	0.08%
STRATEGIC EQUITIES CORP.	1,369,860	0.08%
PREMIUM SECURITIES, INC.	1,343,039	0.07%
JSG SECURITIES, INC.	1,297,129	0.07%
MDR SECURITIES, INC.	1,255,451	0.07%
RCBC SECURITIES, INC.	1,178,643	0.06%
TRITON SECURITIES CORP.	1,176,724	0.06%
F. YAP SECURITIES, INC.	1,126,637	0.06%
INTRA-INVEST SECURITIES, INC.	1,111,364	0.06%
OPTIMUM SECURITIES CORPORATION	1,105,476	0.06%
ASIA PACIFIC CAPITAL EQUITIES & SECURITIES CORP.	1,007,500	0.06%
AURORA SECURITIES, INC.	868,458	0.05%
MOUNT PEAK SECURITIES, INC.	790,017	0.04%
NEW WORLD SECURITIES CO., INC.	765,240	0.04%
DW CAPITAL INC.	713,177	0.04%
DA MARKET SECURITIES, INC.	689,308	0.04%
LARRGO SECURITIES CO., INC.	648,119	0.04%
UCPB SECURITIES, INC.	612,167	0.03%
HDI SECURITIES, INC.	567,649	0.03%
I. B. GIMENEZ SECURITIES, INC.	542,958	0.03%
DBP-DAIWA CAPITAL MARKETS PHILPPINES, INC.	510,994	0.03%
NIEVES SECURITIES, INC.	507,357	0.03%

SWIFT FOODS, INC.
LIST OF TOP 100 STOCKHOLDERS (COMMON)
AS OF DECEMBER 31, 2014

Name	No. of Shares	Percentage
STANDARD SECURITIES CORPORATION	486,572	0.03%
PLATINUM SECURITIES, INC.	433,952	0.02%
CITISECURITIES, INC.	432,676	0.02%
H. E. BENNETT SECURITIES, INC.	429,837	0.02%
BENJAMIN CO CA & CO., INC.	428,626	0.02%
FRANCISCO ORTIGAS SECURITIES, INC.	367,964	0.02%
UPCC SECURITIES CORP.	312,107	0.02%
ARMSTRONG SECURITIES, INC.	214,193	0.01%
WONG SECURITIES CORPORATION	210,124	0.01%
A. T. DE CASTRO SECURITIES CORP.	198,529	0.01%
R. NUBLA SECURITIES, INC.	177,515	0.01%
AAA SOUTHEAST EQUITIES, INCORPORATED	177,195	0.01%
TRI-STATE SECURITIES, INC.	173,481	0.01%
STANDARD CHARTERED BANK	163,263	0.01%
FIRST ORIENT SECURITIES, INC.	159,001	0.01%
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	155,402	0.01%
TRANS-ASIA SECURITIES, INC.	127,750	0.01%
MANDARIN SECURITIES CORPORATION	126,978	0.01%
EAGLE EQUITIES, INC.	105,739	0.01%
PERLA COMPAÑIA DE SEGUROS INC.	95,498	0.01%
RTG & COMPANY, INC.	80,655	0.00%
LOPEZ, LOCSIN, LEDESMA & CO., INC.	64,940	0.00%
RCBC TRUST & INVESTMENT DIVISION	61,346	0.00%
PCIB SECURITIES, INC.	57,244	0.00%
MBTC - TRUST BANKING GROUP	50,026	0.00%
ASTRA SECURITIES CORPORATION	34,105	0.00%
FORTUNE LIFE INSURANCE CO., INC.	33,683	0.00%
TRENDLINE SECURITIES CORPORATION	33,422	0.00%
FORTUNE GENERAL INSURANCE CORPORATION	30,675	0.00%
SECURITIES SPECIALISTS, INC.	30,199	0.00%
FIDELITY SECURITIES, INC.	29,464	0.00%
EAST WEST CAPITAL CORPORATION	26,274	0.00%
E.SECURITIES, INC. ITF VARIOUS CLIENTS	24,252	0.00%
SUPREME STOCKBROKERS, INC	23,545	0.00%
ATC SECURITIES, INC.	20,522	0.00%
SALISBURY BKT SECURITIES CORPORATION	19,951	0.00%
ASIAN CAPITAL EQUITIES, INC.	15,726	0.00%
EQUITABLE SECURIITES (PHILS.) INC.	13,746	0.00%
CITIBANK N.A.	12,450	0.00%
MACQUARIE CAPITAL SECURITIES (PHILIPPINES) INC.	12,444	0.00%
CENTURY SECURITIES CORPORATION	9,902	0.00%
E.SECURITIES, INC. ITF VARIOUS CLIENTS	9,678	0.00%
FIRST INTEGRATED CAPITAL SECURITIES, INC.	9,554	0.00%
DEUTSCHE REGIS PARTNERS, INC.	8,527	0.00%
PHILIPPINE PRUDENTIAL LIFE INSURANCE CO., INCORPORATED	7,797	0.00%
ALL ASIA SECURITIES MANAGEMENT CORP.	4,985	0.00%
HK SECURITIES, INC.	4,364	0.00%
MARIAN SECURITIES, INC.	2,488	0.00%
KING'S POWER SECURITIES, INC.	2,250	0.00%
PRYCE SECURITIES, INC.	1,985	0.00%

SWIFT FOODS, INC.
LIST OF TOP 100 STOCKHOLDERS (COMMON)
AS OF DECEMBER 31, 2014

Name	No. of Shares	Percentage
S.J. ROXAS & CO.,INC.	1,500	0.00%
HIGHLAND SECURITIES PHIL., INC.	1,369	0.00%
CHINA BANKING CORPORATION - TRUST GROUP	1,244	0.00%
MACQUARIE CAPITAL SECURITIES (PHILIPPINES) INC.	1,000	0.00%
ATR KIMENG SEC. INC.	995	0.00%
PHILEO ALLIED SECURITIES (PHILIPPINES), INC.	581	0.00%
DEUTSCHE REGIS PARTNERS, INC.	560	0.00%
PHILIPPINE EQUITY PARTNERS, INC.	408	0.00%
PHILIPPINE EQUITY PARTNERS, INC.	168	0.00%
AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	112	0.00%
SWIFT FOODS, INC.	104	0.00%
RCBC - TRUST GROUP	100	0.00%
THE HONGKONG & SHANGHAI BANKING CORP. LTD. -OWN ACCOUNT	3	0.00%
LIPPO SECURITIES, INC.	1	0.00%
BANCO DE ORO - TRUST BANKING GROUP	1	0.00%
TOTAL	1,349,086,454	74.35%

SWIFT FOODS, INC.
LIST OF TOP 100 STOCKHOLDERS (PREFERRED)
AS OF DECEMBER 31, 2014

Name	No. of Shares	Percentage
1 PCD NOMINEE CORPORATION (FILIPINO)	14,833,054	30.25%
2 HORIZONS REALTY, INC.	13,925,994	28.40%
3 CONCEPCION INDUSTRIES, INC.	3,138,155	6.40%
4 RONALD S. PO	2,809,514	5.73%
5 SAHARA MANAGEMENT & DEVELOPMENT CORPORATION	2,515,033	5.13%
6 SELECT TWO INCORPORATED	2,176,069	4.44%
7 REPUBLIC COMMODITIES CORP.	1,455,806	2.97%
8 PCD NOMINEE CORPORATION (FOREIGN)	1,067,769	2.18%
9 FORESIGHT REALTY DEVELOPMENT CORPORATION	844,725	1.72%
10 SILANG FOREST PARK, INCORPORATED	655,713	1.34%
11 ARCON GROUP HOLDINGS	523,997	1.07%
12 HYLAND REALTY CORPORATION	523,997	1.07%
13 LACE EXPRESS INC.	506,059	1.03%
14 PCCI SECURITIES BROKERS CORP.	401,348	0.82%
15 EUMELIA CONCEPCION HECHANOVA	340,872	0.70%
16 RAFAEL HECHANOVA &/OR EUMELIA C. HECHANOVA	185,565	0.38%
17 WILLINGTON CHUA	177,391	0.36%
18 MERCURY MANAGEMENT CORPORATION	168,694	0.34%
19 HOME DEVELOPMENT MUTUAL FUND	152,991	0.31%
20 JOSEPH SERVER JR. OR ESTELITA L. SERVER	121,003	0.25%
21 REYNALDO CONCEPCION	101,049	0.21%
22 CONSTANTINO CHUA &/OR WILLINGTON CHUA &/OR GEORGE CHUA	98,899	0.20%
23 VICTORIA L. ARANETA PROPERTIES, INCORPORATED	74,094	0.15%
24 LOPEZ SUGAR CENTRAL MILLS INCORPORATED	61,666	0.13%
25 RAFAEL G. HECHANOVA &/OR EUMELIA C. HECHANOVA	59,127	0.12%
26 BERNARDO A. CONCEPCION	58,110	0.12%
27 EDWARD LIM	56,038	0.11%
28 RAUL T. CONCEPCION &/OR CARMENCITA A. CONCEPCION	55,500	0.11%
29 URBAN ENVIRONMENT REALTY, INC.	49,037	0.10%
30 RAFAEL HECHANOVA	44,743	0.09%
31 ANGELITA A. CRUZ	37,227	0.08%
32 WILLINGTON CHUA &/OR CONSTANTINO CHUA	36,048	0.07%
33 PACIFICO B. TACUB	30,948	0.06%
34 VICTONETA INVESTMENT CORP.	28,179	0.06%
35 CONSTANTINO WY CHUA &/OR WILLINGTON WY CHUA &/OR GEORGE WY C	26,376	0.05%
36 ERNEST FRITZ SERVER	24,742	0.05%
37 RAUL ANTHONY CONCEPCION	24,736	0.05%
38 CONSTANTINO CHUA	23,714	0.05%
39 RODOLFO G. MENDOZA &/OR ALBINA M. MENDOZA	21,980	0.04%
40 LUIS BERNARDO A. CONCEPCION	19,100	0.04%
41 PAN-ASIATIC COMMERCIAL CO., INC	18,348	0.04%
42 WILLINGTON CHUA &/OR GEORGE CHUA	17,583	0.04%
43 HANS JOSEPH BANZHAF	17,551	0.04%
44 ERLINDA FRANCISCO	16,444	0.03%
45 JOHN MARIE A. CONCEPCION	16,263	0.03%
46 ALITA C. ALMEDA	16,228	0.03%
47 ANGELITA GONZALEZ	14,682	0.03%
48 SAHARA MANAGEMENT & DEVELOPMENT CORPORATION	14,492	0.03%
49 LOPEZ SUGAR CORPORATION	14,414	0.03%
50 CHRISTOPHER MARK B. SERVER	14,220	0.03%

SWIFT FOODS, INC.
LIST OF TOP 100 STOCKHOLDERS (PREFERRED)
AS OF DECEMBER 31, 2014

Name	No. of Shares	Percentage
51 BELLA S. BARRERA	13,537	0.03%
52 CORAZON S. ESTRADA	13,537	0.03%
53 GLORIA S. VERGEL DE DIOS	13,537	0.03%
54 ALFREDO B. CHIA	13,187	0.03%
55 GUALTERIO C. ABRANTES	12,799	0.03%
56 OFELIA E. GAMILLA	12,538	0.03%
57 RAUL JOSEPH CONCEPCION	11,890	0.02%
58 WILSON LIM &/OR JUSY LIM	11,539	0.02%
59 ATTY. CELSO A. FERNANDEZ	11,429	0.02%
60 MANPHIL INVESTMENT & FINANCING CORPORATION	11,294	0.02%
61 BENITO SY &/OR DALISAY SY	10,989	0.02%
62 INVESTMENT & FINANCING CORP.	10,837	0.02%
63 ABELARDO BUENAVENTURA	10,260	0.02%
64 PCD NOMINEE CORPORATION (FILIPINO)	10,057	0.02%
65 MARGARET SHAU PANG	10,037	0.02%
66 JOSE C. ONG &/OR JUANITA T. ONG	9,792	0.02%
67 AURORA PIJUAN MANOTOC	9,462	0.02%
68 ERNEST FRITZ SERVER JR.	9,013	0.02%
69 MARGARITA A. DE SINGH	8,995	0.02%
70 VERONA S. AGUSTINES	8,791	0.02%
71 MARIANO GO BIAO &/OR PETER GO BIAO	8,791	0.02%
72 CHRISTINE MAE G. CHING	8,791	0.02%
73 REYNALDO CONCEPCION &/OR JESUSA P. CONCEPCION	8,791	0.02%
74 PROCESO G. MENDOZA	8,791	0.02%
75 NAPOLEON S. TIONGCO &/OR JOHN L. TIONGCO	8,791	0.02%
76 REMEDIOS FRANCISCO	8,552	0.02%
77 RAUL JOSEPH CONCEPCION	8,510	0.02%
78 AIL GURNAMAL	8,451	0.02%
79 PAUL L. KAWSEK	8,385	0.02%
80 ALBERTO MENDOZA &/OR JEANNIE C. MENDOZA	8,352	0.02%
81 RAUL T. CONCEPCION	8,168	0.02%
82 PIO FERNANDEZ	7,893	0.02%
83 MA. ELZABETH MACAPAGAL &/OR ALEX MACAPAGAL &/OR ANDREI MACAP	7,868	0.02%
84 GEORGE CHUA	7,458	0.02%
85 ROSARIO S. LOPEZ	7,300	0.01%
86 MA. LOURDES CELINE C. LEBRON	7,143	0.01%
87 JOSE L. LIZARES	6,801	0.01%
88 MA. LOURDES S. LIM	6,781	0.01%
89 GRACIA FERNANDEZ RAMOS	6,738	0.01%
90 ROSALIE P. ONG &/OR MILAGROS T. CHAN	6,515	0.01%
91 BLANQUITA S. GONZALES	6,503	0.01%
92 TOUCHSTONE RESOURCES CORP.	6,421	0.01%
93 PACITA WY GUA HONG	6,164	0.01%
94 TERESITA V. ARCENAS &/OR MA. ANNA V. ARCENAS	6,154	0.01%
95 JOSE G. SIMON	6,146	0.01%
96 ERLINDA S. GOZON	6,016	0.01%
97 JOSEPH B. SERVER JR.	5,950	0.01%
98 SALVADOR ARANETA &/OR VICTORIA L. ARANETA	5,917	0.01%
99 LIDUVINA C. LLANTO	5,714	0.01%
100 MARIO M. LABADAN	5,582	0.01%

SWIFT FOODS, INC.
LIST OF TOP 100 STOCKHOLDERS (PREFERRED)
AS OF DECEMBER 31, 2014

Name	No. of Shares	Percentage
TOTAL OUTSTANDING - TOP 100 STOCKHOLDERS	48,058,244	98.01%
OTHER STOCKHOLDERS	976,768	1.99%
TOTAL OUTSTANDING, ISSUED AND SUBSCRIBED	49,035,012	100.00%

Beneficial Owner Report
Swift Foods, Inc. (Preferred)
as of December 31, 2014

Participants Name	Unit	Percentage
ABACUS SECURITIES CORPORATION	3,803,222	7.76%
SWIFT FOODS, INC.	3,765,156	7.68%
PCCI SECURITIES BROKERS CORP.	1,678,805	3.42%
TOWER SECURITIES, INC.	1,540,170	3.14%
STANDARD CHARTERED BANK	1,022,781	2.09%
MAYBANK ATR KIM ENG SECURITIES, INC.	298,902	0.61%
FIRST METRO SECURITIES BROKERAGE CORP.	269,933	0.55%
G.D. TAN & COMPANY, INC.	216,802	0.44%
EQUITIWORLD SECURITIES, INC.	204,135	0.42%
E. CHUA CHIACO SECURITIES, INC.	169,216	0.35%
TRITON SECURITIES CORP.	164,980	0.34%
QUALITY INVESTMENTS & SECURITIES CORPORATION	162,003	0.33%
JAKA SECURITIES CORP.	150,649	0.31%
S.J. ROXAS & CO., INC.	128,457	0.26%
BPI SECURITIES CORPORATION	114,900	0.23%
PREMIUM SECURITIES, INC.	111,462	0.23%
BA SECURITIES, INC.	90,782	0.19%
REGINA CAPITAL DEVELOPMENT CORPORATION	88,184	0.18%
TANSENGCO & CO., INC.	87,597	0.18%
ANSALDO, GODINEZ & CO., INC.	86,416	0.18%
WEALTH SECURITIES, INC.	77,203	0.16%
LUCKY SECURITIES, INC.	69,170	0.14%
STANDARD SECURITIES CORPORATION	67,868	0.14%
UCPB SECURITIES, INC.	65,504	0.13%
COL Financial Group, Inc.	59,909	0.12%
R. S. LIM & CO., INC.	58,624	0.12%
I. B. GIMENEZ SECURITIES, INC.	57,082	0.12%
ANGPING & ASSOCIATES SECURITIES, INC.	53,447	0.11%
EVERGREEN STOCK BROKERAGE & SEC., INC.	51,690	0.11%
ACCORD CAPITAL EQUITIES CORPORATION	49,057	0.10%
SB EQUITIES, INC.	45,773	0.09%
R. COYIUTO SECURITIES, INC.	45,167	0.09%
BELSON SECURITIES, INC.	44,872	0.09%
UNITED COCONUT PLANTERS LIFE ASSURANCE CORPORATION	43,961	0.09%
PNB SECURITIES, INC.	42,629	0.09%
AB CAPITAL SECURITIES, INC.	41,178	0.08%
YAO & ZIALCITA, INC.	41,000	0.08%
BDO SECURITIES CORPORATION	40,814	0.08%
PAPA SECURITIES CORPORATION	37,442	0.08%
CAMPOS, LANUZA & COMPANY, INC.	37,350	0.08%

SWIFT FOODS, INC.
LIST OF TOP 100 STOCKHOLDERS (PREFERRED)
AS OF DECEMBER 31, 2014

Name	No. of Shares	Percentage
UNICAPITAL SECURITIES INC.	36,597	0.07%
SOLAR SECURITIES, INC.	34,327	0.07%
IGC SECURITIES INC.	33,976	0.07%
I. ACKERMAN & CO., INC.	32,182	0.07%
KING'S POWER SECURITIES, INC.	30,405	0.06%
THE FIRST RESOURCES MANAGEMENT & SECURITIES CORP.	28,348	0.06%
OPTIMUM SECURITIES CORPORATION	25,142	0.05%
TRI-STATE SECURITIES, INC.	24,448	0.05%
PCIB SECURITIES, INC.	24,262	0.05%
F. YAP SECURITIES, INC.	22,175	0.05%
VALUE QUEST SECURITIES CORPORATION	21,980	0.04%
STRATEGIC EQUITIES CORP.	21,415	0.04%
HDI SECURITIES, INC.	20,979	0.04%
SUMMIT SECURITIES, INC.	17,393	0.04%
PERLA COMPAÑIA DE SEGUROS INC.	16,851	0.03%
R. NUBLA SECURITIES, INC.	16,374	0.03%
EASTERN SECURITIES DEVELOPMENT CORPORATION	16,338	0.03%
CITISECURITIES, INC.	15,991	0.03%
VENTURE SECURITIES, INC.	15,769	0.03%
GOLDSTAR SECURITIES, INC.	15,416	0.03%
FRANCISCO ORTIGAS SECURITIES, INC.	14,875	0.03%
MANDARIN SECURITIES CORPORATION	14,069	0.03%
PAN ASIA SECURITIES CORP.	13,615	0.03%
RCBC SECURITIES, INC.	12,575	0.03%
CUALOPING SECURITIES CORPORATION	11,874	0.02%
ALPHA SECURITIES CORP.	11,437	0.02%
YU & COMPANY, INC.	10,420	0.02%
LUYS SECURITIES COMPANY, INC.	10,297	0.02%
ASIASEC EQUITIES, INC.	9,851	0.02%
AAA SOUTHEAST EQUITIES, INCORPORATED	9,007	0.02%
MBTC - TRUST BANKING GROUP	8,924	0.02%
A. T. DE CASTRO SECURITIES CORP.	7,615	0.02%
INVESTORS SECURITIES, INC,	7,281	0.01%
DIVERSIFIED SECURITIES, INC.	7,002	0.01%
GOLDEN TOWER SECURITIES & HOLDINGS, INC.	6,869	0.01%
RTG & COMPANY, INC.	6,529	0.01%
FORTUNE LIFE INSURANCE CO., INC.	5,949	0.01%
IMPERIAL,DE GUZMAN,ABALOS & CO.,INC.	5,511	0.01%
FORTUNE GENERAL INSURANCE CORPORATION	5,417	0.01%
MERIDIAN SECURITIES, INC.	5,404	0.01%
NIEVES SECURITIES, INC.	4,879	0.01%
BENJAMIN CO CA & CO., INC.	4,587	0.01%
VICSAL SECURITIES & STOCK BROKERAGE, INC.	4,393	0.01%
LOPEZ, LOCSIN, LEDESMA & CO., INC.	4,177	0.01%
JSG SECURITIES, INC.	3,698	0.01%
MERCANTILE SECURITIES CORP.	3,602	0.01%
A & A SECURITIES, INC.	3,514	0.01%
UPCC SECURITIES CORP.	3,191	0.01%
THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	2,950	0.01%
ATR KIMENG SEC. INC.	2,920	0.01%

SWIFT FOODS, INC.
LIST OF TOP 100 STOCKHOLDERS (PREFERRED)
AS OF DECEMBER 31, 2014

Name	No. of Shares	Percentage
AURORA SECURITIES, INC.	2,393	0.00%
MACQUARIE CAPITAL SECURITIES (PHILIPPINES) INC.	2,197	0.00%
CITIBANK N.A.	2,197	0.00%
MDR SECURITIES, INC.	2,166	0.00%
DA MARKET SECURITIES, INC.	1,785	0.00%
SALISBURY BKT SECURITIES CORPORATION	1,733	0.00%
PLATINUM SECURITIES, INC.	1,600	0.00%
SunSecurities, Inc.	1,556	0.00%
PHILIPPINE PRUDENTIAL LIFE INSURANCE CO., INCORPORATED	1,377	0.00%
FIRST INTEGRATED CAPITAL SECURITIES, INC.	989	0.00%
J.M. BARCELON & CO., INC.	985	0.00%
DEUTSCHE BANK MANILA-CLIENTS A/C	869	0.00%
ASTRA SECURITIES CORPORATION	702	0.00%
DAVID GO SECURITIES CORP.	459	0.00%
DEUTSCHE REGIS PARTNERS, INC.	425	0.00%
GLOBALINKS SECURITIES & STOCKS, INC.	395	0.00%
PHILIPPINE EQUITY PARTNERS, INC.	335	0.00%
DEUTSCHE BANK AG MANILA BRANCH A/C CLIENTS DEUB20	262	0.00%
MARIAN SECURITIES, INC.	222	0.00%
CHINA BANKING CORPORATION - TRUST GROUP	219	0.00%
DBP-DAIWA CAPITAL MARKETS PHILIPPINES, INC.	175	0.00%
B. H. CHUA SECURITIES CORPORATION	131	0.00%
B. H. CHUA SECURITIES CORPORATION	108	0.00%
UNITED COCONUT PLANTERS BANK-TRUST BANKING	98	0.00%
WONG SECURITIES CORPORATION	70	0.00%
DEUTSCHE REGIS PARTNERS, INC.	65	0.00%
SINCERE SECURITIES CORPORATION	57	0.00%
RCBC TRUST & INVESTMENT DIVISION	44	0.00%
SECURITIES SPECIALISTS, INC.	34	0.00%
FIDELITY SECURITIES, INC.	34	0.00%
GUILD SECURITIES, INC.	26	0.00%
AB CAPITAL & INVESTMENT CORP. - TRUST & INVESTMENT DIV.	20	0.00%
THE HONGKONG & SHANGHAI BANKING CORP. LTD. -OWN ACCOUNT	2	0.00%
STANDARD CHARTERED BANK	1	0.00%
TOTAL	15,900,823	32.43%

Swift Foods, Inc.

Financial Statements
December 31, 2014 and 2013
and Years Ended December 31, 2014, 2013 and 2012

and

Independent Auditors' Report

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	4	0	0	5	0	6	6
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Company Name

[illegible]

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

[illegible]

Form Type

A	A	F	S
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Department requiring the report

S	E	C	
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Secondary License Type, If Applicable

N	A		
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COMPANY INFORMATION

Company's Email Address

Company's Telephone Number/s

631-8101

Mobile Number

No. of Stockholders

10,842

Annual Meeting
Month/Day

Any day of June

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Atty. Jose A. Bernas

Email Address

bernaslaw@gmail.com

Telephone Number/s

892-7470

Mobile Number

Contact Person's Address

8th Floor Raja Sulayman Building, 108 Benavidez St., Legaspi Village, Makati City

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



INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Swift Foods, Inc.
RFM Corporate Center
Pioneer corner Sheridan Streets
Mandaluyong City

Report on the Financial Statements

We have audited the accompanying financial statements of Swift Foods, Inc., which comprise the balance sheets as at December 31, 2014 and 2013, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Swift Foods, Inc. as at December 31, 2014 and 2013, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2014, in accordance with Philippine Financial Reporting Standards.

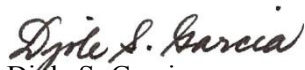
Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which indicates that the Company has reported significant deficit which amounted to ₱3 billion as of December 31, 2014 and 2013, resulting from accumulated losses in prior years. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. To address this, the Company will continue operating its Palawan branch. We have performed audit procedures to evaluate management's plans for future actions as to likelihood to improve the situation and as to feasibility under the circumstances.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 28 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Swift Foods, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Dyole S. Garcia

Partner

CPA Certificate No. 0097907

SEC Accreditation No. 1285-A (Group A),

February 25, 2013, valid until February 24, 2016

Tax Identification No. 201-960-347

BIR Accreditation No. 08-001998-102-2013,

January 28, 2013, valid until January 27, 2016

PTR No. 4751285, January 5, 2015, Makati City

April 8, 2015



SWIFT FOODS, INC.**BALANCE SHEETS**

(Amounts in Thousands)

	December 31	
	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱38,437	₱29,674
Receivables (Notes 5 and 18)	2,440	14,567
Inventories (Note 6)	1,227	1,606
Biological assets (Note 7)	2,094	3,624
Other current assets (Note 8)	256	264
Total Current Assets	44,454	49,735
Noncurrent Assets		
Investment properties (Note 9)	417	417
Property, plant and equipment (Note 10)	107,841	107,841
Other noncurrent assets (Note 11)	255	255
Total Noncurrent Assets	108,513	108,513
TOTAL ASSETS	₱152,967	₱158,248
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 12 and 18)	₱68,692	₱68,062
Noncurrent Liabilities		
Deferred income tax liabilities (Note 20)	32,157	32,157
Retirement benefits liability (Note 19)	3,070	2,763
Other employee benefits (Note 19)	917	890
Total Noncurrent Liabilities	36,144	35,810
Total Liabilities	104,836	103,872
Equity (Note 13)		
Capital stock	1,874,557	1,874,551
Capital in excess of par value	1,285,026	1,285,032
Deficit	(3,000,470)	(2,994,225)
Cost of preferred treasury shares	(110,982)	(110,982)
Total Equity	48,131	54,376
TOTAL LIABILITIES AND EQUITY	₱152,967	₱158,248

See accompanying Notes to Financial Statements.

SWIFT FOODS, INC.**STATEMENTS OF INCOME**

(Amounts in Thousands, Except Basic and Diluted Earnings/Loss Per Share)

	Years Ended December 31		
	2014	2013	2012
REVENUE			
Gross sales	₱64,665	₱81,437	₱82,967
Less sales returns and discounts	(2,392)	(2,663)	(3,421)
Net sales	62,273	78,774	79,546
Fair value change of agricultural produce (Note 7)	(1,666)	799	5,126
	60,607	79,573	84,672
COST OF GOODS SOLD (Notes 14 and 18)	60,060	74,157	74,909
GROSS INCOME	547	5,416	9,763
GENERAL AND ADMINISTRATIVE EXPENSES (Note 15)	(7,434)	(59,098)	(66,391)
SELLING AND MARKETING EXPENSES (Note 16)	(653)	(1,374)	(1,370)
INTEREST AND PENALTIES	—	—	(10,600)
OTHER INCOME - Net (Note 17)	1,321	134	159,512
INCOME (LOSS) BEFORE INCOME TAX	(6,219)	(54,922)	90,914
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 20)			
Current	26	128	4,567
Deferred	—	—	(18,321)
	26	128	(13,754)
NET INCOME (LOSS)	(₱6,245)	(₱55,050)	₱104,668
Basic/Diluted Earnings (Loss) Per Share (Note 21)	(₱0.003)	(₱0.030)	₱0.064

See accompanying Notes to Financial Statements.

SWIFT FOODS, INC.**STATEMENTS OF COMPREHENSIVE INCOME****(Amounts in Thousands)**

	Years Ended December 31		
	2014	2013	2012
NET INCOME (LOSS)	(P6,245)	(P55,050)	P104,668
OTHER COMPREHENSIVE INCOME			
Not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain on defined benefit plan (Notes 13 and 19)	—	2,463	—
TOTAL COMPREHENSIVE INCOME (LOSS)	(P6,245)	(P52,587)	P104,668

See accompanying Notes to Financial Statements.

SWIFT FOODS, INC.**STATEMENTS OF CHANGES IN EQUITY****FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012****(Amounts in Thousands)**

	Capital Stock (Note 13)		Capital in Excess of Par Value (Note 13)		Deficit	Treasury Shares - Preferred	Total
	Preferred	Common	Preferred	Common	(Note 13)	(Note 13)	
BALANCES AT DECEMBER 31, 2011	₱96,530	₱1,450,452	₱745,706	₱866,895	(₱3,046,306)	(₱110,982)	₱2,295
Conversion of preferred shares to common shares (Note 13)	(35,714)	357,143	(321,429)	—	—	—	—
Total comprehensive income for the year	—	—	—	—	104,668	—	104,668
BALANCES AT DECEMBER 31, 2012	60,816	1,807,595	424,277	866,895	(2,941,638)	(110,982)	106,963
Conversion of preferred shares to common shares (Note 13)	(682)	6,822	(6,140)	—	—	—	—
Total comprehensive loss for the year	—	—	—	—	(52,587)	—	(52,587)
BALANCES AT DECEMBER 31, 2013	60,134	1,814,417	418,137	866,895	(2,994,225)	(110,982)	54,376
Conversion of preferred shares to common shares (Note 13)	(1)	7	(6)	—	—	—	—
Total comprehensive loss for the year	—	—	—	—	(6,245)	—	(6,245)
BALANCES AT DECEMBER 31, 2014	₱60,133	₱1,814,424	₱418,131	₱866,895	(₱3,000,470)	(₱110,982)	₱48,131

See accompanying Notes to Financial Statements.

SWIFT FOODS, INC.**STATEMENTS OF CASH FLOWS**

(Amounts in Thousands)

	Years Ended December 31		
	2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	(P6,219)	(54,922)	P90,914
Adjustments for:			
Retirement benefits expense (Note 19)	307	312	805
Interest income (Notes 4 and 17)	(94)	(304)	(636)
Movement in other employee benefits	27	(7,458)	908
Depreciation and amortization (Notes 10, 11, 14, 15 and 16)	—	284	682
Gain on disposal of property and equipment (Notes 10 and 17)	—	—	(129,223)
Loss on disposal of investment properties (Notes 9 and 17)	—	—	38,563
Interest and penalties	—	—	10,600
Operating income (loss) before working capital changes	(5,979)	(62,088)	12,613
Decrease (increase) in:			
Receivables	(384)	2,329	(25,460)
Inventories	379	(39)	1,315
Biological assets	1,530	1,312	(1,171)
Other current assets	8	108	1,452
Increase (decrease) in accounts payable and accrued liabilities	630	(116,261)	(227,962)
Cash generated used in operations	(3,816)	(174,639)	(239,213)
Interest received	94	304	636
Income taxes paid, including creditable withholding taxes	(26)	(128)	(4,567)
Retirement benefits payment (Note 19)	—	(20,394)	(162)
Net cash used in operating activities	(3,748)	(194,857)	(243,306)
CASH FLOWS FROM INVESTING ACTIVITY			
Proceeds from sale of investment properties	12,511	140,457	637,140
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	—	—	(132,375)
Payment of trust receipts and acceptances payable	—	—	(98,865)
Payment of bank loans	—	—	(98,090)
Payment of advances from a stockholder	—	—	(20,000)
Net cash used in financing activities	—	—	(349,330)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,763	(54,400)	44,504
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	29,674	84,074	39,570
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P38,437	P29,674	P84,074

See accompanying Notes to Financial Statements.



SWIFT FOODS, INC.

NOTES TO FINANCIAL STATEMENTS

(Amounts in Thousands Except Number of Shares or When Otherwise Stated)

1. General

Corporate Information

Swift Foods, Inc. (SFI or the Company) was incorporated in the Philippines on June 6, 1994 to assume RFM Corporation's business of manufacturing, marketing, and distributing processed and canned meat products, poultry products and commercial feeds. In 2002, the production, marketing, and distribution activities of the meat division were transferred back to RFM Corporation. Starting 2006, the Company's only business is the poultry business.

In 2012, the trade license agreement between the Company and RFM Corporation was finalized giving ownership of the "Swift" brand to RFM Corporation. In October 2012, RFM Corporation sold the trademark to a third party. As of December 31, 2014 and 2013, the Company continues to operate under the brand name "Sariwanok".

The Company's registered office address is RFM Corporate Center, corner Pioneer Sheridan Streets, Mandaluyong City.

Status of Operations and Management Plans

The Company has reported significant deficit which amounted to ₱3 billion as of December 31, 2014 and 2013, resulting from accumulated losses in prior years. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, and therefore, the Company may be unable to realize its assets and settle its liabilities in the normal course of business.

The Company rested its production and operations nationwide towards the end of 2011 except for Palawan branch which remains as the only company-operated facility which continues to grow day-old chicks from local suppliers and contract growers into broiler, and markets them as dressed chicken.

Towards the last quarter of 2012, the Company consummated the sale of its investment properties. The Pioneer properties were sold to DMCI Project Developers, Inc. and the Manggahan property to LBL Industries, Inc. (see Note 9). Proceeds from these transactions were used to fully settle the Company's bank obligations and partially settle majority of the Company's payables.

The financial statements have been prepared assuming that the Company will continue as a going concern. To enable the Company to continue as a going concern, the Company will continue the operation of the Palawan branch and will focus on the marketing of Sariwanok brand of chicken and this will support its current operations for the next twelve months from balance sheet date. The Company continues to wait for better business opportunities and carefully evaluate various business plans.

The financial statements do not include any adjustments that may result from the outcome of this uncertainty.

Authorization for the Issuance of the Financial Statements

The financial statements as of and for the year ended December 31, 2014 were authorized for issue by the Board of Directors (BOD) on April 8, 2015.



2. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation

The financial statements were prepared on a historical cost basis, except for agricultural produce and investment properties, which are carried at fair value. The financial statements are presented in Philippine peso (Peso), which is the Company's functional and presentation currency. All values are rounded off to the nearest thousand (₱000), except for the number of shares and earnings/loss per share or when otherwise indicated.

Statement of Compliance

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following amended PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations which the Company has adopted starting January 1, 2014. The adoption of these changes and improvements arising from the following standards and interpretations did not have any significant impact on the Company's financial statements.

- Investment Entities (Amendments to PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS 27, *Separate Financial Statements*)
- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments)
- PAS 39, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting* (Amendments)
- PAS 36, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets* (Amendments)
- Philippine Interpretation IFRIC 21, *Levies* (IFRIC 21)
- Annual improvements to PFRSs 2010 - 2012 Cycle (PFRS 13, *Fair Value Measurement*)
- Annual improvements to PFRSs 2011 - 2013 Cycle (PFRS 1, *First-time Adoption of PFRS*)

Summary of Significant Accounting Policies

The significant accounting policies that have been used in the preparation of the Company's financial statements are summarized below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

The significant accounting policies adopted in the preparation of the financial statements are set out below:

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of up to three months or less from dates of acquisition and are subject to an insignificant risk of change in value.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value



measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

As of December 31, 2014 and 2013, the Company's investment property is carried at fair value and with recurring fair value measurements.

Financial Assets and Financial Liabilities

Date of recognition

The Company recognizes a financial asset or a financial liability in the balance sheet when it becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place are recognized on the settlement date.

Initial recognition of financial instruments

All financial assets and financial liabilities are recognized initially at fair value. Except for securities at fair value through profit or loss (FVPL), the initial measurement of financial assets



includes transaction costs. Subsequent to initial recognition, the Company classifies its financial assets in the following categories: financial assets at FVPL, loans and receivables, held-to-maturity (HTM) investments, and available-for-sale (AFS) investments. The classification depends on the purpose for which the investments were acquired or whether they are quoted in an active market. The Company also classifies its financial liabilities into financial liabilities at FVPL and other financial liabilities.

The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, reevaluates such designation at each balance sheet date.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

As of December 31, 2014 and 2013, the Company's financial assets and financial liabilities consist of loans and receivables and other financial liabilities. The Company does not have contracts identified as having embedded derivatives characteristics.

Loans and receivables

Loans and receivables are nonderivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. After initial measurement, loans and receivables are subsequently carried at cost or amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in the statement of income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Loans and receivables are classified as current assets if maturity is within 12 months from the balance sheet date. Otherwise, these are classified as noncurrent assets.

This category primarily includes the Company's cash and cash equivalents, trade receivables, amounts due from related parties, employees, and other receivables and rental deposits.

Other financial liabilities

This category pertains to financial liabilities that are not held for trading or not designated as at FVPL at inception. These include liabilities arising from operations or borrowings.

Other financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization for any related premium, discount and any directly attributable transaction cost. The Company's other financial liabilities include accounts payable and accrued liabilities.

Impairment of Financial Assets

An assessment is made at each balance sheet date to determine whether there is objective evidence that a financial asset or group of financial assets is impaired.

Loans and receivables

The Company first assesses whether an objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If there is objective evidence that an impairment loss



on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced through the use of an allowance account and the amount of the loss shall be recognized in the statement of income. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal is recognized in the statement of income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Company. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment losses account. If a future write-off is later recovered, the recovery is recognized in the statement of income under "Other income" account. Any subsequent reversal of an impairment loss is recognized in the statement of income under "Provision for (reversal of) impairment losses" account, to the extent that the carrying value of the asset does not exceed its amortized cost at reversal date.

In relation to trade receivables, a provision for doubtful accounts is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through the use of an allowance account. Impaired receivables are written off when assessed as uncollectible.

Derecognition of Financial Assets and Financial Liabilities

Financial assets

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

- the right to receive cash flows from the financial asset has expired; or
- the Company retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its right to receive cash flows from the financial asset, and either (a) has transferred substantially all the risks and rewards of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the financial asset.



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

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related financial assets and financial liabilities are presented at gross in the balance sheet.

Inventories

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

- | | |
|---|---|
| Raw materials, packaging materials and spare parts and supplies | - purchase cost using the moving average method. |
| Finished goods | - the initial cost of finished goods is the fair value less costs to sell of agricultural produce at point of harvest (see related policy on Agricultural Produce). |

NRV, except for spare parts and supplies, is the selling price in the ordinary course of business, less the estimated costs necessary to make the sale. For spare parts and supplies, NRV is the value of the inventories when sold at their condition at the balance sheet date.

Agricultural Produce

Agricultural produce, which consists of live broilers harvested from the Company's biological assets, are carried at fair value less estimated point-of-sale costs at the point of harvest. The fair value is determined based on the most recent market price at the point of harvest based on relevant market prices published by the Philippine Bureau of Agricultural Statistics (BAS). The Company, generally, does not maintain any inventory of agricultural produce at any given time as these are either sold as live chicken or are immediately transferred as live broilers to the Company's dressing plants for processing as dressed chicken.



Biological Assets

The Company's biological assets include breeding stocks, growing livestock (broilers before reaching harvestable weight) and goods in process (i.e., hatching eggs and day-old chicks), which are grouped mainly according to their transformation capacity (growing or laying) as well as their particular stage in the production process. These biological assets are categorized according to their inherent characteristics in the production cycle.

The Company's growing breeding stocks are raised until they reach the laying stage where they produce day-old chicks. These day-old chicks will be grown as livestock, which will either be sold as live chicken or transferred to the dressing plant for processing as dressed chicken.

Growing livestock and hatching eggs are classified as current assets while growing and laying breeding stocks are classified as noncurrent.

Growing livestock and goods in process are carried at accumulated cost while breeding stocks are carried at accumulated cost less accumulated amortization and any accumulated impairment losses. This measurement is adopted by the Company since fair value cannot be determined due to the absence of a relevant active market and other reliable market basis to measure at fair value. Moreover, estimates necessary to compute for the current value of expected net cash flows involve various data which may not result in a reliable basis for the fair value.

Amortization of laying breeding stocks is calculated using the unit-of-production method whereby all costs and expenses incurred by the Company during the approximately 25-week growing stage of its breeding stock are accumulated and amortized starting on about the 26th week over the expected total egg production of such breeders until the 65th week on the average (65 weeks useful life). Amortization is included under the cost of goods sold account in the statement of income.

Biological assets are assessed for any indication of impairment at each balance sheet date.

Creditable Withholding Tax

Creditable withholding tax, which is included under "Other current assets" account in the balance sheet, represents the amount withheld by customers from income payments to the Company and may be applied against the Company's income tax payable. Estimates of amounts that are potentially unrecoverable are provided with allowance for probable losses through charges to statement of income.

Investment Properties

Investment properties, which pertain to land and buildings held for capital appreciation or for rentals, are measured at fair value. These are measured initially at cost, including transaction costs. Fair value changes of investment property are included in the profit or loss in the period in which they arise.

The fair value of the land is determined based on appraisal reports conducted by independent appraisers or on the basis of recent sales of similar properties in the same areas as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made. The independent appraisers hold a recognized and relevant professional qualification and have a recent experience in the location and category of the investment properties being valued.

An investment property is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal.



Any gain or loss in the derecognition on an investment property is recognized in the statement of income in the year of derecognition.

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged to income in the period in which the costs are incurred.

Transfers are made to investment properties when, and only when, there is a change in use, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of the Company's occupation or commencement of development with a view to sale.

For a transfer from investment property to owner-occupied property, the deemed cost of the property for subsequent accounting is its fair value at the date of change in use. If an owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant, and equipment up to the date of change in use. The difference between the fair value of the property, plant and equipment transferred to investment property and its carrying value is credited to the revaluation increment account.

Property, Plant and Equipment

Property, plant and equipment, except land, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The initial cost of property, plant and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance costs, are normally charged to current operation. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Land is measured initially at fair value as of January 1, 2004 as permitted by PFRS 1, *First Time Adoption of Philippine Financial Reporting Standards*. This fair value is the "deemed cost" of the land, which is subjected to impairment testing. The fair value of the land has been determined based on the appraisal reports conducted by independent appraisers and taking into account the economic conditions prevailing at the time the valuations were made. The difference between the fair value of the land and the carrying value was credited to deficit.

Depreciation and amortization of property, plant and equipment begins when it becomes available for use (i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management). It ceases at the earlier of the date that it is classified as held-for-sale or derecognized. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Number of Years
Silos, buildings and improvements	20
Machinery and equipment	10
Transportation and delivery equipment	5
Office furniture, fixtures and equipment	5



The estimated useful lives of the assets and depreciation and amortization methods are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

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

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any impairment losses are removed from the accounts. Any resulting gain or loss is recognized in the statement of income.

Borrowing Costs

Borrowing costs are capitalized to the extent that is directly attributable to the acquisition or construction of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of fund.

Other borrowing costs are recognized as an expense when incurred.

Impairment of Nonfinancial Assets

The carrying values of property, plant and equipment and biological assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income unless the asset is



carried at revalued amount in which the reversal is treated as a revaluation increase. After such reversal, the depreciation expense is adjusted in future periods to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts and output value-added tax (VAT). The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when delivery has taken place and the significant risks and rewards of ownership have passed to the buyer and the amount of revenue can be measured reliably, which is normally upon delivery or acceptance by the customer.

Fair valuation of agricultural produce

Gain from fair value change of agricultural produce is recognized at the point of harvest. Fair value is based on the most recent relevant market price (see related policy on Agricultural Produce) at transaction date.

Rental income

Rental income on leased properties under operating lease arrangements is recognized on a straight-line basis over the lease contracts.

Interest income

Interest income is recognized as the interest accrues using the effective interest yield on the asset.

Other income

All other income are recognized when earned or when the right to receive payment is established.

Costs and Expenses

Costs and expenses are recognized as incurred when decrease in future economic benefits related to a decrease in an asset or an increase of a liability, other than equity transactions with equity holders, has arisen that can be measured reliably.

Cost of goods sold

Cost of goods sold is recognized as expense when the related goods are sold.

General, administrative, selling and marketing expenses

General and administrative expenses constitute costs of administering the business. Selling and marketing expenses are costs incurred to sell or distribute the merchandise. These expenses are expensed when incurred.

Interest expense

Interest expense is recognized in profit or loss as the interest accrues taking into account the effective yield on the related liability. The Company's interest expense pertains mainly to its bank loans and trust receipts and acceptances payable.



Other Comprehensive Income (Loss)

Other comprehensive income (loss) comprises items of income and expense (including items previously presented under the statement of changes in equity) that are not recognized in the statement of income for the year in accordance with PFRS.

Leases

The determination of whether an arrangement is, or contains a lease as provided in Philippine Interpretation IFRIC 4, *Determining Whether an Arrangement Contains a Lease*, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- a. there is a change in contractual terms, other than a renewal or extension of the arrangement;
- b. a renewal option is exercised or extension granted, unless that term of the renewal or extension was initially included in the lease term;
- c. there is a change in the determination of whether fulfillment is dependent on a specific asset; or
- d. there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gives rise to the reassessment for scenarios (a), (c), or (d) above, and at the date of renewal or extension period for scenario (b).

The determination whether a lease agreement is a finance or an operating lease is dependent on the retention or transfer of substantially all the risks and rewards incidental to ownership to the leased asset.

Company as lessee

Leases where the lessor retains substantially all the risk and rewards of ownership of the asset are classified as operating lease. Operating leases are recognized as an expense in the statement of income on a straight-line basis over the term of the lease.

Retirement Benefits Cost

The Company accrues retirement benefits cost for all regular full-time employees based on the requirements of Republic Act (RA) No. 7641. Retirement benefits cost is actuarially determined using the projected unit credit method. This method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each separately to build up the final obligation.

Retirement benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Re-measurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.



Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Re-measurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Re-measurements are not reclassified to profit or loss in subsequent periods.

The amount recognized as retirement benefits liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, if any, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Actuarial valuations are made with sufficient regularity that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at reporting date.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Foreign Currency-denominated Transactions

Transactions denominated in foreign currencies are initially recorded in Peso at the functional currency exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are restated using the functional currency exchange rate at the reporting date. Exchange gains or losses arising from foreign currency transactions and balances are credited to or charged against current operations. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of initial transaction.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the each balance sheet date.

Deferred income tax

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

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is



probable that sufficient future taxable profits will be available against which the deductible temporary differences, carryforward benefits of unused MCIT and NOLCO can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred income tax assets to be recovered.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of income.

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

Capital Stock

Capital stock is measured at par value for all shares issued. Common and preferred shares are classified as equity. The proceeds from the issuance of common shares and preferred shares are presented in equity as capital stock to the extent of the par value of issued shares. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to the "Capital in excess of par value" account.

Retained Earnings (Deficit)

Retained earnings (deficit) represent the cumulative balance of total comprehensive income (losses) and effects of changes in accounting policy. A deficit is not an asset but a deduction from equity.

Shares Held in Treasury

The Company's own equity instruments reacquired are carried at cost and deducted from equity. No gain or loss is recognized in the statement of income on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

Basic/Diluted Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated through dividing the net income (loss) by the weighted average number of common shares issued and outstanding during the year.

Diluted earnings (loss) per share is calculated through dividing the net income (loss) by the weighted average number of common shares outstanding during the year, excluding treasury shares and adjusted for the effects of all potentially dilutive common shares, if any. Where the basic earnings (loss) per share effect of the assumed conversion of preferred shares on net income (loss) would be anti-dilutive, no diluted earnings per share is presented.

Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying



economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Segment Reporting

The Company's operating business is organized and managed according to the nature of the products and services provided to represent a strategic business unit that offers different products and serves different markets. The Company's asset producing revenues are located in the Philippines.

Events after the Reporting Period

Post year-end events that provide additional information about the Company's position at balance sheet date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

Future Changes in Accounting Policies

The Company will adopt, where applicable, the following standards and interpretations when these become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended standards and interpretations to have a significant impact on its financial statements.

- PFRS 9, *Financial Instruments* - Classification and Measurement (2010 version), reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, *Financial Instruments: Recognition and Measurement*. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

PFRS 9 (2010 version) is effective for annual periods beginning on or after January 1, 2015. This mandatory adoption date was moved to January 1, 2018 when the final version of PFRS 9 was adopted by the Philippine Financial Reporting Standards Council (FRSC). Such adoption, however, is still for approval by the Board of Accountancy (BOA).

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*, covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11 or involves rendering of



services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

The following new standards and amendments issued by the IASB were already adopted by the FRSC but are still for approval by BOA.

Effective in 2015

- Amendments to PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions*, requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after January 1, 2015.

Annual Improvements to PFRSs Effective in 2015

These improvements are effective for annual periods beginning on or after January 1, 2015 and are not expected to have a material impact on the Company. These improvements include:

2010 - 2012 Cycle

- Improvement to PFRS 2, *Share-based Payment - Definition of Vesting Condition*, is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:
 - A performance condition must contain a service condition;
 - A performance target must be met while the counterparty is rendering service;
 - A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group;
 - A performance condition may be a market or non-market condition; and
 - If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.
- Amendment to PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*, is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PAS 39, *Financial Instruments: Recognition and Measurement*. The Company shall consider this amendment for future business combinations.
- Amendments to PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*, are applied retrospectively and clarify that:
 - An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been



aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.

- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.
- Amendment to PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*, is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.
- Amendment to PAS 24, *Related Party Disclosures - Key Management Personnel*, is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

2011 - 2013 Cycle

- Amendment to PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*, is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:
 - Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
 - This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.
- Amendment to PFRS 13, *Fair Value Measurement - Portfolio Exception*, is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39.
- Amendment to PAS 40, *Investment Property*, is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

Effective in 2016

- Amendments to PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization*, clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company given that the Company has not used a revenue-based method to depreciate its property and equipment.



- Amendments to PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants*, change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity).

The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company.

- Amendments to PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements*, will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Company's financial statements.
- Amendments to PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are effective from annual periods beginning on or after January 1, 2016.
- Amendments to PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations*, require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company.

- PFRS 14, *Regulatory Deferral Accounts*, is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities



that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Company is an existing PFRS preparer, this standard would not apply.

Annual Improvements to PFRSs (2012 - 2014 Cycle) Effective in 2016

These improvements are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact on the Company. These improvements include:

- Amendment to PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*, is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.
- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*, requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.
- Amendment to PFRS 7, *Financial Instruments: Disclosures - Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*, is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.
- Amendment to PAS 19, *Employee Benefits - Regional Market Issue regarding Discount Rate*, is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
- Amendment to PAS 34, *Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report'*, is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).



Effective in 2018

- PFRS 9, *Financial Instruments* - Hedge Accounting and amendments to PFRS 9, PFRS 7 and PAS 39 (2013 version), already includes the third phase of the project to replace PAS 39 which pertains to hedge accounting. This version of PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a derivative instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting. The adoption of PFRS 9 is not expected to have any significant impact on the Company's financial statements.

PFRS 9 (2013 version) has no mandatory effective date. The mandatory effective date of January 1, 2018 was eventually set when the final version of PFRS 9 was adopted by the FRSC. The adoption of the final version of PFRS 9, however, is still for approval by BOA.

- In July 2014, the final version of PFRS 9, *Financial Instruments* (2014 or final version), was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015. The adoption of PFRS 9 is not expected to have any significant impact on the Company's financial statements.

The following new standard issued by the IASB has not yet been adopted by the FRSC:

- International Financial Reporting Standards (IFRS) 15, *Revenue from Contracts with Customers*, was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date once adopted locally.

The Company continues to assess the impact of the above new and amended accounting standards and interpretations effective subsequent to 2014 on the Company's financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the financial statements when these amendments are adopted.



3. Management's Use of Significant Judgments and Accounting Estimates

The preparation of the financial statements in accordance with PFRS requires management to exercise judgments and make accounting estimates that affect the amounts reported in the financial statements and related notes to the financial statements. The judgments, estimates and assumptions used are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates and assumptions used. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

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

Determination of the Company's functional currency

The Company, based on the relevant economic substance of the underlying circumstances, has determined its functional currency to be the Peso. It is the currency of the primary economic environment in which the Company operates.

Classification of biological assets

The Company classifies its biological assets as current or noncurrent in accordance with the provision of PAS 1, *Presentation of Financial Statements*, which provides the base criteria for classifying assets and liabilities as current or noncurrent based on existing conditions at each balance sheet date.

Consequently, the Company classifies as current the biological assets, such as growing stocks and goods in process (hatching eggs) which are expected to be realized or utilized within a very short period of time (less than one year). Laying breeding stocks, which are expected to be productive for an average of 65 weeks (more than one year) and growing breeders, which will become laying breeders after 25 weeks, are classified as noncurrent biological assets.

As of December 31, 2014 and 2013, the carrying value of biological assets amounted to ₱2.09 million and ₱3.62 million, respectively. There are no outstanding breeding stocks as of December 31, 2014 and 2013 (see Note 7).

Valuation of biological assets

Growing livestock and goods in process are carried at accumulated cost while breeding stocks are carried at cost less accumulated amortization and any accumulated impairment losses. This measurement is adopted by the Company since fair value cannot be determined due to the absence of a relevant active market and other reliable market basis to measure at fair value. Moreover, estimates necessary to compute for the current value of expected net cash flows involve various data which may not result in a reliable basis for the fair value.

As of December 31, 2014 and 2013, the carrying value of biological assets amounted to ₱2.09 million and ₱3.62 million, respectively (see Note 7).

Operating lease commitments

The Company entered into various lease agreements on its office space and warehouse, where they have determined that the significant risks and rewards of ownership of the properties are retained with the lessors. As such, the lease agreements were accounted for as operating leases. Rent



expense amounted to ₱1.80 million, ₱2.13 million and ₱1.44 million in 2014, 2013 and 2012, respectively (see Notes 14, 15, 16 and 18).

Provisions and contingencies

The Company is a party to certain claims. The Company makes provisions on the basis of management's and its legal counsel's opinion and assessment on the outcome of the claims (see Notes 12 and 26).

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation at each balance sheet date that have significant risks of covering a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed as follow:

Estimating allowance for doubtful accounts

Provisions are made for specific and groups of accounts identified to be doubtful of collection. Recoverability of specific receivables and other noncurrent asset items are evaluated based on the best available facts and circumstances, the length of the Company's relationship with the customer, the customer's payment behavior, known market factors and historical loss experiences. The Company makes an individual assessment of financial assets that are specifically identified as impaired and are individually significant. Then a collective assessment is done by grouping the financial assets according to its market segments. This market segment as defined by the Company is the group of debtors with similar line of business. Accordingly, these groupings would reflect their own credit risk characteristics. Moreover, the historical loss experience per segment was determined for purposes of assessing the impairment for each segment.

The allowance for doubtful accounts amounted to ₱77.31 million and ₱79.28 million as of December 31, 2014 and 2013, respectively. The carrying value of accounts receivable amounted to ₱2.44 million and ₱14.57 million as of December 31, 2014 and 2013, respectively (see Note 5).

Estimating allowance for probable losses on creditable withholding taxes

Allowance for probable loss on creditable withholding tax is based on the ability of the Company to recover the carrying value of the assets. Amounts estimated to be potentially unrecoverable are provided with allowance for probable losses. The Company estimates the level of provision for probable losses based on the factors that affect realizability such as future income tax due. As of December 31, 2014 and 2013, the Company has creditable withholding taxes, net of allowance for probable losses, amounting to ₱0.10 million and ₱0.07 million, respectively. Allowance for probable losses amounted to ₱17.00 million as of December 31, 2014 and 2013 (see Note 8).

Fair value of agricultural produce

The Company determines the fair value of its agricultural produce based on the most recent market transaction price at the date which approximates the point of harvest, provided that there has been no significant change in economic circumstances between the date of transactions and the balance sheet date. Point-of-sale cost is estimated based on most recent transaction and is deducted from the fair value in order to measure agricultural produce at point of harvest.

Market price is obtained from the monthly commercial farmgate prices of chicken issued by the BAS for provinces which the Company considered as its relevant markets. Management believes that the monthly market prices from BAS are the only available reliable basis of fair value of agricultural produce at the point of harvest.



Fair value adjustment of inventories that were harvested and sold during the year amounted to a gain (loss) of (₱1.67 million), ₱0.80 million and ₱5.13 million for each of the three years in the period ended December 31, 2014.

Estimating NRV of inventories

The Company determines the NRV of inventories by reference to the current selling price of the product and the estimated cost to sell, which is based on the Company's budget for the succeeding year.

The carrying amount of inventories amounted to ₱1.23 million and ₱1.61 million as of December 31, 2014 and 2013, respectively (see Note 6).

Estimating the fair value of investment properties

The Company determines the fair value of the investment properties based on the report prepared by independent appraisers or actual offers from prospective buyers, if any. The appraisers are industry specialists in valuing these types of investment properties. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying value of investment properties amounted to ₱0.42 million as of December 31, 2014 and 2013 (see Note 9).

Estimating impairment of nonfinancial assets

An asset impairment test is performed when events or changes in circumstances indicate that the carrying value of the biological assets may be impaired. This requires an estimation of the recoverable amount of the asset which is the higher of its fair value less cost to sell or its value-in-use. The Company determines the value-in-use of these assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, and fair value less cost to sell to make estimates and assumptions that can materially affect the financial statements. The preparation of the estimated future cash flows involves significant judgment and estimations. While management believes that the assumptions made are appropriate and reasonable, significant changes in management assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges. Any resulting impairment loss could have a material adverse impact on the Company's financial position and financial performance.

In 2014, 2013 and 2012, an impairment test on the Company's biological assets (breeding stocks), was made due to certain impairment indicators primarily the declining financial performance of the Company. Fair value less cost to sell assessment was made by management in 2014, 2013 and 2012, respectively, to determine whether the carrying values of these assets are below its recoverable amounts. Based on management's evaluation and testing, there is no impairment loss on biological assets in 2014, 2013 and 2012 (see Notes 7, 9, 10 and 11).

Recognizing deferred income tax assets

Deferred income tax assets are recognized for all temporary deductible differences, NOLCO and MCIT to the extent that it is probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. The Company considered the deferred income tax assets that will reverse on the same period as the deferred income tax liabilities. As of December 31, 2014 and 2013, no deferred income tax asset was recognized since the Company believes that there are no sufficient taxable profits against which the deductible temporary differences, NOLCO and MCIT can be realized (see Note 20).



Estimating retirement benefits liability and costs

The cost of defined benefit pension plans, as well as the present value of the pension obligation is, determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates and future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All significant assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds, adjusted to zero coupon rates, with term consistent with the obligation of the plan.

As of December 31, 2014 and 2013, the retirement benefits liability amounted to ₱3.07 million and ₱2.76 million, respectively. Retirement benefits costs amounted to ₱0.31 million in 2014 and 2013 and ₱0.81 million in 2012 (see Note 19).

4. Cash and Cash Equivalents

	2014	2013
Cash on hand and in banks	₱31,534	₱22,863
Temporary cash investments	6,903	6,811
	₱38,437	₱29,674

Cash in banks earn interest at the prevailing bank deposit rates. Temporary cash investments are made for varying periods of up to three months depending on the immediate cash requirements of the Company. Interest earned amounted to ₱0.09 million, ₱0.30 million and ₱0.64 million in 2014, 2013 and 2012, respectively (see Note 17).

5. Receivables

	2014	2013
Trade - net of allowance for doubtful accounts of ₱40,836 in 2014 and ₱42,394 in 2013	₱1,359	₱769
Employees - net of allowance for doubtful accounts of ₱105 in 2014 and 2013	1,081	1,038
Related parties - net of allowance for doubtful accounts of ₱9,832 in 2014 and ₱10,243 in 2013 (Note 18)	—	—
Nontrade receivables - net of allowance for doubtful accounts of ₱26,534 in 2014 and ₱26,538 in 2013 (Note 9)	—	12,760
	₱2,440	₱14,567



Movements in the allowance for doubtful accounts of receivables individually determined to be impaired are as follows:

As of December 31, 2014:

	Trade	Employees	Related Parties	Nontrade	Total
At January 1, 2014	₱42,394	₱105	₱10,243	₱26,538	₱79,280
Reversal (Note 17)	(1,535)	–	(411)	(4)	(1,950)
Write-off	(23)	–	–	–	(23)
At December 31, 2014	₱40,836	₱105	₱9,832	₱26,534	₱77,307

As of December 31, 2013:

	Trade	Employees	Related Parties	Nontrade	Total
At January 1, 2013	₱40,800	₱105	₱10,243	₱3,332	₱54,480
Provisions (Note 15)	1,594	–	–	23,206	24,800
At December 31, 2013	₱42,394	₱105	₱10,243	₱26,538	₱79,280

6. Inventories

	2014	2013
At net realizable value:		
Raw materials - medicine and vaccine	₱524	₱486
At cost:		
Raw materials- feeds and feeds ingredients	571	903
Packaging materials	132	149
Spare parts and others	–	68
	₱1,227	₱1,606

In 2014, the Company provided ₱0.04 million for slow-moving medicines.

7. Biological Assets

As of December 31, 2014 and 2013, biological assets amounted to ₱2.09 million and ₱3.62 million, respectively, which consist of growing stocks.

Changes in the carrying value of biological assets are as follows:

	2014	2013
At January 1	₱3,624	₱4,938
Increase due to purchases	62,842	68,308
Decrease due to harvest	(62,723)	(69,279)
Decrease due to sales	(1,649)	(343)
	₱2,094	₱3,624

As of December 31, 2014 and 2013, there are no outstanding breeding stocks (see Note 1). The estimated physical quantities of the growing stocks are 26,868 and 48,174 units as of December 31, 2014 and 2013, respectively.



The Company harvested approximately 0.68 million kilograms in 2014, 0.81 million kilograms in 2013 and 0.92 million kilograms in 2012. The fair value less estimated point-of-sale costs at the date of harvest amounted to ₱63.20 million and ₱66.81 million in 2014 and 2013, respectively.

8. Other Current Assets

	2014	2013
Creditable withholding tax	₱17,098	₱17,072
Rental deposits	126	170
Others	32	22
	17,256	17,264
Less allowance for probable losses	17,000	17,000
	₱256	₱264

9. Investment Properties

Investment properties which amounted to ₱0.42 million as of December 31, 2014 and 2013 are stated at fair value which is based on the offer price from prospective buyers or appraisal determined by independent appraisers. These appraisers are industry specialists in valuing these types of investment properties. The fair value of investment properties is estimated using the market data approach.

Fair value hierarchy disclosures for investment property are provided in Note 24.

Related real property taxes paid by the Company amounted to ₱0.43 million in 2014 and ₱0.44 million in 2013 and 2012.

In 2012, the Company disposed of significant investment properties as follows:

a. Manggahan Properties

Parcels of land located at Manggahan Light Industrial Park Compound, Pasig City, were sold to LBL Industries, Inc. for ₱266.93 million. Loss on disposal of these investment properties amounted to ₱38.56 million (see Note 17).

b. Pioneer Properties

The parcels of land located at Pioneer Street, Mandaluyong City were sold to DMCI Project Developers, Inc. for ₱500.23 million. Outstanding receivable from this transaction amounted to ₱12.76 million as of December 31, 2013 (see Note 5). There were no gain or loss recognized on the sale as the selling price equals the offer price prior to the sale. The proceeds were used to settle the Company's loan and its obligations to other creditors.



10. Property, Plant and Equipment

As of December 31, 2014:

	Land	Silos, Buildings and Improvements	Machinery and Equipment	Transportation and Delivery Equipment	Office Furniture, Fixtures and Equipment	Total
Cost						
At January 1 and December 31	₱107,841	₱28,733	₱43,529	₱2,288	₱84	₱182,475
Accumulated Depreciation and Impairment						
At January 1 and December 31	—	28,733	43,529	2,288	84	74,634
Net Book Values at December 31	₱107,841	₱—	₱—	₱—	₱—	₱107,841

As of December 31, 2013:

	Land	Silos, Buildings and Improvements	Machinery and Equipment	Transportation and Delivery Equipment	Office Furniture, Fixtures and Equipment	Total
Cost						
At January 1 and December 31	₱107,841	₱28,733	₱43,529	₱2,288	₱84	₱182,475
Accumulated Depreciation and Impairment						
At January 1	—	28,733	43,529	2,004	84	74,350
Depreciation (Note 15)	—	—	—	284	—	284
At December 31	—	28,733	43,529	2,288	84	74,634
Net Book Values at December 31	₱107,841	₱—	₱—	₱—	₱—	₱107,841

The cost of fully depreciated property, plant and equipment that are still used in operations amounted to ₱74.63 million and ₱9.65 million as of December 31, 2014 and 2013, respectively.

Land with total carrying value of ₱171.75 million as of December 31, 2011 were included in the collateral pool to secure the Company's bank loan and trust receipts and acceptances payable. The collateral was released in 2012 upon payment by the Company of its obligations from which the properties were attached to.

In 2012, the Company disposed through *dacion en pago* various land and properties with a total net carrying value of ₱64.17 million to settle outstanding liabilities amounting to ₱193.39 million. Gain on disposal of the said assets amounted to ₱129.22 million in 2012 (see Note 17).

11. Other Noncurrent Assets

	2014	2013
Software		
Cost		
At January 1 and December 31	₱32,603	₱32,603
Accumulated Depreciation		
At January 1 and December 31	32,603	32,603
Net book value at December 31	—	—
Input VAT, net of allowance for probable loss of ₱1,773 in 2014 and ₱854 in 2013 (Note 17)	—	—
Others	255	255
	₱255	₱255



12. Accounts Payable and Accrued Liabilities

	2014	2013
Trade payables:	₱25,376	₱26,201
Provisions (Note 26)	28,206	28,206
Nontrade payables	13,946	12,271
Accrued liabilities	969	731
Accrued personnel costs	22	460
Others	173	193
	₱68,692	₱68,062

Provision represents management's best estimate of probable cost of claims arising from the normal course of business that has been developed in consultation with the Company's legal counsel and is based upon an analysis of potential results. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed as it may prejudice the Company's negotiation with the third party.

Movement in the provisions follows:

	2014	2013
At January 1	₱28,206	₱53,860
Payments during the year	—	(25,654)
	₱28,206	₱28,206

13. Equity

Capital Stock

Issued and outstanding preferred stock are held by 3,421 and 3,437 stockholders as of December 31, 2014 and 2013, respectively. Issued and outstanding common stock are held by 7,421 and 7,479 stockholders as of December 31, 2014 and 2013, respectively.

In 2011, a preferred stockholder declared its preferred shares in the Company as property dividend to its stockholders, resulting in the increase in the number of the Company's preferred stockholders.

Information on capital stock in 2014 and 2013 follows:

Number of shares	2014	2013
Preferred stock - ₱1 par value:		
Authorized shares	200,000,000	200,000,000
Issued shares	60,133,282	60,133,941
Outstanding shares	49,035,012	49,035,671
Common stock - ₱1 par value:		
Authorized shares	2,500,000,000	2,500,000,000
Issued and outstanding shares	1,814,423,473	1,814,416,883

In 2014 and 2013, some holders of preferred shares exercised their right to convert their 659 and 682,174 preferred shares, respectively, into 6,590 and 6,821,740 common shares, respectively, based on the ratio of ten common shares for every one preferred share.

Movement in the number of outstanding shares follows:



	Preferred Shares	Common Shares
Balance at December 31, 2011	85,432,171	1,450,451,883
Conversion of preferred shares to common shares	(35,714,326)	357,143,260
Balance at December 31, 2012	49,717,845	1,807,595,143
Conversion of preferred shares to common shares	(682,174)	6,821,740
Balance at December 31, 2013	49,035,671	1,814,416,883
Conversion of preferred shares to common shares	(659)	6,590
Balance at December 31, 2014	49,035,012	1,814,423,473

Preferred Shares

The terms of the Company's convertible preferred shares as amended during the stockholders' meeting on October 11, 2006 and as approved by the SEC on December 6, 2007 follow:

- i. The convertible preferred shares have no voting rights, except as may be provided by law.
- ii. Holders of the convertible preferred shares shall not be entitled to receive dividend.
- iii. The holders of convertible preferred shares shall have the right to convert such shares into common shares anytime at the ratio of ten (10) common shares for every one (1) convertible preferred shares held.
- iv. The Company shall have the option to redeem the convertible preferred shares on any date at the offer price.

As of December 31, 2014 and 2013, the Company has a total of 60,133,282 and 60,133,941 issued shares, respectively, which includes the 11,098,270 preferred shares in treasury acquired by the Company at ₱10 per share or a total of ₱110.98 million.

Cumulative Remeasurement on Defined Benefit Plan

The balance of deficit includes cumulative remeasurement on defined benefit plan which pertains to the actuarial differences estimated from the determination of the Company's defined benefit obligation that are directly taken to deficit (see Note 20). The details of the cumulative actuarial differences follow:

	2014	2013
Accumulated actuarial loss at January 1	(₱56,648)	(₱59,111)
Actuarial gain for the year (Note 19)	—	2,463
Accumulated actuarial loss at December 31	(₱56,648)	(₱56,648)

Track Registration Record of Securities

On May 28, 1998, the SEC approved the Offer of Pre-Emptive Rights on 100,327,687 convertible preferred shares with a par value of ₱1.0 per share at a price of ₱10.00 per share with a Greenshoe Option of up to 50,163,844 additional preferred shares.

On June 24, 1998, the Philippine Stock Exchange approved the listing of the following shares of the Company:

- a. 100,327,687 convertible preferred shares, with a par value of ₱1.00 per share, to cover the 1:8 preemptive rights offering to stockholders as of the proposed record date of July 15, 1998, at an offer price of ₱10.0 per share;



- b. 50,163,844 convertible preferred shares, with a par value of ₱1.00 per share, to cover the Greenshoe option shares granted to stockholders as of the proposed record date of July 15, 1998, at an offer price of ₱10.0 per share;
- c. 1,504,915,310 common shares, with a par value of ₱1.0 per share, to cover the underlying shares of the convertible preferred shares.

14. Cost of Goods Sold

	2014	2013	2012
Raw materials used (Note 6)	₱43,349	₱55,970	₱57,965
Freight and handling	6,712	7,593	7,942
Outside services	3,109	3,036	2,904
Supplies and facilities	2,940	3,762	3,135
Rental	1,463	1,525	973
Personnel costs (Notes 16 and 19)	1,060	783	637
Communication, light and water	308	221	137
Repairs and maintenance	274	101	124
Taxes and licenses	260	333	271
Insurance	191	254	258
Others	394	579	563
	₱60,060	₱74,157	₱74,909

15. General and Administrative Expenses

	2014	2013	2012
Personnel costs (Notes 16 and 19)	₱3,036	₱6,083	₱15,491
Outside services	1,724	7,617	6,053
Taxes and licenses	835	18,322	37,220
Transportation and travel	415	435	491
Communication, light and water	388	625	1,016
Rental	248	239	207
Repairs and maintenance	193	150	133
Supplies and facilities	122	90	418
Insurance	111	184	323
Advertising and promotions	9	9	9
Bank charges	2	21	774
Provision for doubtful accounts (Note 5)	—	24,800	1,571
Depreciation and amortization (Note 10)	—	284	682
Others	351	239	2,003
	₱7,434	₱59,098	₱66,391



16. Selling and Marketing Expenses

	2014	2013	2012
Outside services	₱190	₱226	₱351
Transportation and travel	158	148	180
Repairs and maintenance	127	285	190
Rental	91	370	255
Supplies and facilities	69	90	142
Communication, light and water	15	249	215
Freight and handling	3	—	—
Taxes and licenses	—	4	—
Personnel costs (Note 19)	—	1	8
Others	—	1	29
	₱653	₱1,374	₱1,370

Personnel costs pertain to:

	2014	2013	2012
Salaries and wages	₱3,789	₱6,555	₱15,331
Retirement benefits costs (Note 19)	307	312	805
	₱4,096	₱6,867	₱16,136

Personnel costs were booked under:

	2014	2013	2012
General and administrative expenses (Note 15)	₱3,036	₱6,083	₱15,491
Cost of goods sold (Note 14)	1,060	783	637
Selling and marketing expenses	—	1	8
	₱4,096	₱6,867	₱16,136

17. Other Income - Net

	2014	2013	2012
Reversal of allowance for doubtful accounts (Note 5)	₱1,950	₱—	₱—
Reversal of provision (provision) for probable losses (Notes 6 and 11)	(964)	(854)	3
Write-off of :			
Receivables	(253)	—	—
Inventories	(39)	—	—
Interest income (Note 4)	94	304	636
Rental income	—	—	5,633
Gain (loss) on disposal of:			
Land (Note 10)	—	—	129,223
Investment property (Note 9)	—	—	(38,563)
Reversal of payables and accruals	—	—	58,836
Others	533	684	3,744
	₱1,321	₱134	₱159,512



In 2012, gain on reversal of payables and accruals include accrued interest and penalties which amounted to ₱49.89 million as a result of waived penalties on bank loan and discounts granted by creditors which amounted to ₱8.94 million.

18. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making the financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel, directors, or its stockholders.

The aggregate compensation and benefits paid to the Company's key management personnel follow:

	2014	2013	2012
Salaries and allowances	₱1,050	₱1,937	₱4,800
Other short-term employee benefits	90	35	323
Retirement benefits costs	—	20,394	506
	₱1,140	₱22,366	₱5,629

19. Employee Benefits

a. Retirement Benefits

The Company's retirement plan (the Plan) is non-contributory and of the defined benefit type which provides a retirement benefit equal to a certain percentage of the monthly salary for every year of credited service. The benefit is paid in a lump sum upon retirement or separation in accordance with the terms of the plan. There are no significant risks to which the Plan exposes the Company. However, in the event a benefit claim arises under the Plan, the benefit shall immediately be due and payable from the Company.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The components of retirement benefits cost recognized in profit or loss follow:

	2014	2013	2012
Current service cost	₱155	₱162	₱708
Interest cost	152	150	97
Retirement benefits costs	₱307	₱312	₱805



The amounts of remeasurement gain (loss) on defined benefit plan recognized in other comprehensive income for the years ended December 31 are as follows:

	2014	2013	2012
Remeasurement gain (loss) arising from changes in:			
Experience adjustments	P–	(P45)	P–
Financial assumptions	–	2,508	–
Demographic assumptions	–	–	–
	P–	P2,463	P–

The retirement benefits liability is equal to the present value of defined benefit obligation. Movements in the retirement benefits obligation account and present value of defined benefit obligation are as follows:

	2014	2013	2012
At January 1	P2,763	P25,308	P24,665
Current service cost	155	162	708
Interest cost	152	150	97
Retirement benefits payments	–	(20,394)	(162)
Remeasurement gain recognized in other comprehensive income	–	(2,463)	–
At December 31	P3,070	P2,763	P25,308

The latest actuarial valuation report is as of December 31, 2013. The principal actuarial assumptions used to determine pension benefits cost as of December 31, 2014 and 2013 and January 1, 2013 follow:

	2014	2013	2012
Discount rate	5.52%	5.52%	1.81%
Salary increase	2.00%	2.00%	–

The Company performed sensitivity analysis for the changes in the significant assumptions that would increase the defined benefit obligation. The following sensitivity analysis has been determined based on a method that extrapolates the impact of defined benefit obligation as a result of reasonable changes in key assumptions occurring at December 31, 2014 and 2013 assuming all other assumptions were held constant.

		Increase (decrease) in present value of defined benefit obligation	
	Movement	2014	2013
Discount rate	+100 basis points	(P420)	(P378)
	-100 basis points	37	32
Salary rate	+100 basis points	12	12
	-100 basis points	(405)	(364)



The average duration of the defined benefit obligation as of December 31, 2014 and 2013 is 8.6 years.

b. Other employee benefits

Employees can accumulate earned leave credits, which can be used anytime when needed by the employee or converted to cash, computed based on the employee's final rate upon separation (i.e., resignation or retirement). Accumulated leave credits are presented as "Other employee benefits" which amounted to ₱0.92 million and ₱0.89 million as of December 31, 2014 and 2013, respectively.

20. Income Taxes

- a. The provision for current income tax represents the MCIT in 2014, 2013 and 2012.
- b. The components of the Company's net deferred income tax liabilities follow:

	2014	2013
Deferred income tax liabilities on:		
Deemed cost adjustment on land under property and equipment	₱32,112	₱32,112
Unrealized foreign exchange gain – net	45	45
Net deferred income tax liabilities	₱32,157	₱32,157

- c. The Company did not recognize deferred income tax assets on the following deductible temporary differences and carry forward benefits of NOLCO and MCIT since the Company believes that there are no sufficient future taxable profits against which to apply these items:

	2014	2013
NOLCO	₱32,713	₱26,013
Allowance for doubtful accounts (Note 5)	77,307	79,280
Retirement benefits liability	3,376	2,763
Allowance for inventory obsolescence (Note 6)	45	–
MCIT	4,721	5,940

- d. The details of the NOLCO and MCIT outstanding as of December 31, 2014 follow:

Year Incurred	Available Until	NOLCO	MCIT
2012	2015	₱–	₱4,567
2013	2016	26,013	128
2014	2017	6,700	26
		₱32,713	₱4,721

Following are the movements of NOLCO and MCIT:

	NOLCO			MCIT		
	2014	2013	2012	2014	2013	2012
At January 1	₱26,013	₱54,956	₱216,442	₱5,940	₱6,713	₱2,984
Additions	6,700	26,013	–	26	128	4,567
Application	–	–	(57,268)	–	–	–
Expiration	–	(54,956)	(104,218)	(1,245)	(901)	(838)
At December 31	₱32,713	₱26,013	₱54,956	₱4,721	₱5,940	₱6,713



- e. The reconciliation of provision for (benefit from) income tax computed at the statutory income tax rate to provision for income tax as shown in the statements of income follows:

	2014	2013	2012
Provision for (benefit from) income tax benefit at statutory income tax rate	(P1,866)	(P16,477)	P27,274
Additions to (reductions in) income tax resulting from:			
Movement in MCIT, NOLCO, and temporary differences for which no deferred income tax assets were recognized	2,128	8,504	(51,907)
Nondeductible interest and other expenses	(208)	8,192	401
Interest income subjected to final tax	(28)	(91)	(191)
Nondeductible loss on sale of investment properties	—	—	11,569
Others	—	—	(900)
Provision for (benefit from) income tax	P26	P128	(P13,754)

21. Basic and Diluted Earnings (Loss) Per Share

Basic/diluted earnings (loss) per share are computed as follows:

	2014	2013	2012
Net income (loss) attributable to common stockholders	(P6,245)	(P55,050)	P104,668
Divided by weighted average number of common stock	1,814,420,178	1,811,006,013	1,629,023,513
Basic/diluted earnings (loss) per share	(P0.003)	(P0.030)	P0.064

The effect of convertible preferred shares is antidilutive for 2014, 2013 and 2012. Accordingly, the basic and dilutive earnings per share presented are the same.

22. Operating Segment Information

The Company only has one reportable segment - poultry business - which is its only activity.

The Company has only one geographical segment as all of its assets are located in the Philippines. The Company operates and derives principally all of its revenue from domestic operations. Thus, geographical business operation is not required.

Operating results of the Company is regularly reviewed by the Company's BOD for the purpose of making decisions about resource allocation and performance assessment. Segment assets, liabilities and revenue and expenses are measured in accordance with PFRS. The presentation and classification of segment revenue and expenses are consistent with the statements of income. The presentation and classification of segment assets and liabilities are consistent with the balance sheets.



Segment information are as follows:

	2014	2013	2012
Segment revenue	₱60,607	₱79,573	₱84,672
Segment net income (loss)	(6,425)	(55,050)	104,668
Total assets	152,967	158,248	357,101
Total liabilities	104,836	103,874	250,138

In 2014, revenue from local agricultural produce amounting to ₱41.48 million and representing 66.61% was derived from two customers. In 2013, revenue from local agricultural produce amounting to ₱44.33 million and representing 56.28% was derived from two customers. In 2012, the Company does not have a customer for which 10% or more of the revenue were derived from.

23. Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash and cash equivalents, trade receivables, due from related parties, due from employees, rental deposits and accounts payable and accrued liabilities. The main purpose of these financial instruments is to ensure adequate funds for the Company's operations.

It is the Company's policy that no trading of financial instruments shall be undertaken.

The Company's management and the BOD review and approve policies for managing these risks. Management closely monitors the funds and financial transactions of the Company.

The Company recognizes the fact that their business operations are always exposed, in one way or the other, to some level of uncertainties or risks which, if not properly addressed and managed, could be detrimental to the profitability of the Company. Listed below are the financial risks the Company is exposed to:

Credit risk

Credit risk is the risk that the Company will incur a loss because its counterparties failed to discharge their contractual obligations. The Company manages credit risk by transacting only with a few recognized and creditworthy customers with whom it has already firmly established a good business relationship. It is the Company's policy that all customers who wish to contract on credit terms are subjected to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debt is not significant.

The Company controls credit risk through strict monitoring procedures and regular coordination with customers. The Company has no significant concentration of credit risk.



The maximum exposure to credit risk is equal to the carrying value of the financial assets. The following tables below show the credit quality and aging analysis of financial assets:

As of December 31, 2014:

	Neither past due nor impaired	Past due but not impaired					Subtotal	Impaired	Total
		1-30 Days	31-60 Days	61-90 Days	91-365 Days	Over 365 Days			
Cash and cash equivalents	₱38,427	₱—	₱—	₱—	₱—	₱—	₱—	₱—	₱38,427
Receivables:									
Trade	955	188	100	116	—	—	404	40,836	42,195
Due from:									
Employees	—	—	—	—	32	1,049	1,081	105	1,186
Related parties	—	—	—	—	—	—	—	9,832	9,832
Nontrade	—	—	—	—	—	—	—	26,534	26,534
Rental deposits	126	—	—	—	—	—	—	—	126
	₱39,508	₱188	₱100	₱116	₱32	₱1,049	₱1,485	₱77,307	₱118,300

As of December 31, 2013:

	Neither past due nor impaired	Past due but not impaired					Subtotal	Impaired	Total
		1-30 Days	31-60 Days	61-90 Days	91-365 Days	Over 365 Days			
Cash and cash equivalents	₱29,664	₱—	₱—	₱—	₱—	₱—	₱—	₱—	₱29,664
Receivables:									
Trade	—	350	88	106	225	—	769	42,394	43,163
Due from:									
Employees	—	—	—	—	32	1,006	1,038	105	1,143
Related parties	—	—	—	—	—	—	—	10,243	10,243
Nontrade	12,760	—	—	—	—	—	—	26,538	39,298
Rental deposits	170	—	—	—	—	—	—	—	170
	₱42,594	₱350	₱88	₱106	₱257	₱1,006	₱1,807	₱79,280	₱123,681

The following tables summarize the credit quality of the Company's financial assets.

As of December 31, 2014:

	Neither past due nor impaired		Total
	High grade	Standard Grade	
Cash and cash equivalents	₱38,427	₱—	₱38,427
Trade receivables	—	955	955
Rental deposits	—	126	126
	₱38,427	₱1,081	₱39,508

As of December 31, 2013:

	Neither past due nor impaired		Total
	High grade	Standard Grade	
Cash and cash equivalents	₱29,664	₱—	₱29,664
Nontrade receivables	—	12,760	12,760
Rental deposits	—	170	170
	₱29,664	₱12,930	₱42,594

Cash and cash equivalents are classified as *High grade* since these are deposited and invested with reputable banks and can be withdrawn anytime.

High grade receivables pertain to those receivables from clients or customers that consistently pay before the maturity date. *Standard grade* includes receivables that are collected on their due dates even without an effort from the Company to follow them up. Past due receivables and advances



include those that are past due but are still collectible. The majority of these past due receivables are not considered to be impaired.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations when they fall under normal and stress circumstances. To limit risk, the Company manages its liquid funds through cash planning on a monthly and weekly basis. The Company uses historical figures and experiences and forecasts from its collections and disbursements, as well as projections based on the annual business plan. Likewise, the Company places excess funds in short-term cash investments. The Company also enters into restructuring agreements with creditor banks, as the need arises. In 2012, the Company disposed of its investment properties to settle its obligations.

The table below summarizes the Company's maturity profile of financial assets held for managing liquidity and maturity profile of financial liabilities based on contractual undiscounted obligations.

As of December 31, 2014:

	On Demand	Less than 3 months	3 to 12 months	Total
Loans and receivables:				
Cash and cash equivalents	₱38,437	₱–	₱–	₱38,437
Receivables:				
Trade	–	–	1,359	1,359
Due from employees	–	–	1,081	1,081
Nontrade	–	–	–	–
Total financial assets	38,437	–	2,440	40,877
Other financial liabilities:				
Accounts payable and accrued liabilities*	40,313	–	–	40,313
Liquidity position (gap)	(₱1,876)	₱–	₱2,440	₱564

*Excluding nonfinancial liabilities amounting to ₱28,379.

As of December 31, 2013:

	On Demand	Less than 3 months	3 to 12 months	Total
Loans and receivables:				
Cash and cash equivalents	₱29,674	₱–	₱–	₱29,674
Receivables:				
Trade	–	544	225	769
Due from employees	–	32	1,006	1,038
Nontrade	–	–	12,760	12,760
Total financial assets	29,674	576	13,991	44,241
Other financial liabilities:				
Accounts payable and accrued liabilities*	39,691	–	–	39,691
Liquidity position (gap)	(₱10,017)	₱576	₱13,991	₱4,550

*Excluding nonfinancial liabilities amounting to ₱28,371.

The Company's only operation relates to agricultural activity and the financial instruments held by the Company only relates to such activity. As such, the financial risk management disclosure on credit risk and liquidity risk are likewise the strategies related to agricultural activity as required by PAS 41.



24. Fair Value Measurement

The following provides the quantitative disclosures of fair value measurement as of December 31, 2014 and 2013:

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value-			
Investment property	₱—	₱—	₱417

There have been no transfers between Level 1 and 2 in 2014 and 2013.

The table below summarizes the valuation techniques used and the significant unobservable input valuation for investment property held by the Company as of December 31, 2014 and 2013:

Valuation Techniques	Significant unobservable Inputs	Interrelationship between key unobservable input and fair value measurement
Asset measured at fair value-		
Investment property	Market data approach. A process of comparing the subject property being appraised to similar comparable properties recently sold or being offered for sale.	Price per square meter. Range of estimates is about ₱200-300
		The estimated fair value would increase (decrease) if the price per square meter increase (decrease)

Cash and Cash Equivalents, Trade Receivables, Due from Related Parties, Due from Employees, Other Receivables, Accounts Payable and Accrued Liabilities

Due to the short-term nature of transactions, the carrying amounts of these instruments approximate the fair values at the balance sheet date.

25. Capital Management

The Company maintains a capital base to cover risks inherent in the business. The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern so that it continues to fulfill the Company's vision and mission and provide adequate return to shareholders. It also aims to provide adequate return to shareholders by maintaining profitability as the main requirement of the business and to ensure that the Company complies with externally imposed capital requirements. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. The Company is not subject to externally imposed capital requirements. No changes were made in the objectives, policies and processes from the previous years.

The capital considered is the same as those indicated in the equity section of the balance sheets.



26. Other Matters

The Company, in the normal course of business, is involved in certain claims, the outcome of which are presently not determinable. In the opinion of management and its legal counsel, the Company has strong legal basis on the cases, and the liability on these lawsuits, if any, will not have a material effect on the financial statements. For those cases where management, in consultation with the legal counsel, believes that the Company may eventually be obligated to settle, accruals have been made in the financial statements (see Note 12).

27. Note to Statements of Cash Flows

In 2014, 2013 and 2012, the Company's noncash financing activity pertains to the conversion of preferred shares to common shares which amounted to ₱0.01 million, ₱6.82 million and ₱357.14 million, respectively.

In 2012, the non-cash investing activity pertains to disposal of property and equipment through *dacion en pago* which amounted to ₱64.17 million.

28. Supplementary Information Required Under Revenue Regulations No. 15-2010

In compliance with Revenue Regulations No. 15-2010 issued by the Bureau of Internal Revenue on November 25, 2010, mandating all taxpayers to disclose information on taxes, duties and licenses paid and accrued during the taxable year, summarized below are the taxes paid and accrued during the year:

The following information reflects the taxes, duties and license fees paid or accrued by the Company during 2014:

- a. Net Sales/Receipts and Output VAT declared in the Company's VAT returns filed for the period.

	Net Sales/Receipt	Output VAT
Vatable sales	₱-	₱-
Zero rated sales	69,358	-
	₱69,358	₱-

- b. Input VAT

The following table shows the sources of input VAT claimed as declared in the VAT returns:

Beginning balance	₱854
Purchases of:	
Goods for resale	161
Services lodged under cost of goods sold and general and administrative expenses	1,628
Total	2,643
Less: Input VAT claimed as deduction against output VAT	-
Ending balance	₱2,643



- c. The taxes, duties and license fees paid or accrued in 2014 follow:

Business taxes	₱305
Real property tax	499
Meat inspection fee	257
Community tax certificate	11
Registration fee and others	23
	<u>₱1,095</u>

- d. The withholding taxes paid or accrued in 2014 are categorized into:

Withholding tax on compensation	₱419
Expanded withholding tax	988

- e. Tax cases

As of December 31, 2014, the Company has an outstanding tax assessment before the Court of Tax Appeals involving ₱11.95 million deficiency value-added tax for taxable year 2007, which is being contested by the Company.

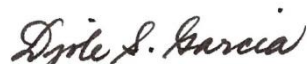


INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Swift Foods, Inc.
RFM Corporate Center
Corner Pioneer and Sheridan Streets
Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the accompanying financial statements of Swift Foods, Inc. as at December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, included in this Form 17-A, and have issued our report thereon dated April 8, 2015. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Dyle S. Garcia

Partner

CPA Certificate No. 0097907

SEC Accreditation No. 1285-A (Group A),

February 25, 2013, valid until February 24, 2016

Tax Identification No. 201-960-347

BIR Accreditation No. 08-001998-102-2013,

January 28, 2013, valid until January 27, 2016

PTR No. 4751285, January 5, 2015, Makati City

April 8, 2015



SWIFT FOODS, INC.

**INDEX TO THE FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2014**

Schedule I:	Schedule of All the Effective Standards and Interpretations (Part 1, 4J)
Schedule II:	Schedule of Retained Earnings Available for Dividend Declaration (Part 1, 4C, Annex 68-C)



SWIFT FOODS, INC.**SUPPLEMENTARY SCHEDULE OF ALL THE EFFECTIVE
STANDARDS AND INTERPRETATIONS (PART 1, 4J)**

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures			✓
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments		✓	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
	PFRS 9, Financial Instruments - Hedge Accounting and amendments to PFRS 9, PFRS 7 and PAS 39 (2013 version)		✓	
	PFRS 9, Financial Instruments (2014 or final version)		✓	
PFRS 10	Consolidated Financial Statements			✓
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10, Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture			✓
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11, Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations			✓
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendments to PFRS 12: Investment Entities			✓
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts		✓	
IFRS 15	Revenue from Contracts with Customers		✓	
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
PAS 16	Property, Plant and Equipment	✓		



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization		✓	
	Amendments to PAS 16, Property, Plant and Equipment - Bearer Plant		✓	
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Amended)	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions			✓
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements			✓
	Amendments to PAS 27: Investment Entities			✓
	Amendments to PAS 27, Separate Financial Statements - Equity Method in Separate Financial Statements		✓	
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓
	Amendments to PAS 28, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture		✓	
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities			✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting			✓
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets			✓
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets			✓
	Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)		✓	
PAS 39	Financial Instruments: Recognition and Measurement	✓		



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property	✓		
PAS 41	Agriculture	✓		
	Amendments to PAS 41, Agriculture - Bearer Plants		✓	
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC - 9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 15	Agreements for the Construction of Real estate			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2014		Adopted	Not Early Adopted	Not Applicable
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓



SWIFT FOODS, INC.

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS

AVAILABLE FOR DIVIDEND DECLARATION

AS OF DECEMBER 31, 2013

(Amounts in Thousands)

There is no retained earnings available for dividend declaration at the beginning and end of the year since the Company is in a deficit position (₱3,000,470 and ₱2,994,225 as of December 31, 2014 and 2013, respectively).



SWIFT FOODS, INC.
SCHEDULE A - FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

Name of Issuing entity and description of Investment	Number of shares or principal amount of bond and notes	Additions	Amount shown in the balance sheet	Valued based on market quotation at balance sheet date	Income received and accrued
---	--	-----------	---	---	--------------------------------

NOT APPLICABLE*

*The Company has no financial assets that needs to be disclosed.

SWIFT FOODS, INC.
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND
PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

FOR THE YEAR ENDED DECEMBER 31, 2014

Name and designation of debtor	Beginning Balance	Additions	Amounts Collected	Amounts Written off	Current	Not Current	Ending Balance
--------------------------------	-------------------	-----------	----------------------	------------------------	---------	-------------	----------------

NOT APPLICABLE*

* The Company has no directors, officers, employees, and principal stockholders (other than related parties) from whom an aggregate indebtedness of more than P100,000 or one per cent of total assets, whichever is less, is owed

SWIFT FOODS, INC.

SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of the period
--------------------------------	--------------------------------	-----------	-------------------	---------------------	---------	-------------	------------------------------

NOT APPLICABLE*

*The Company is not part of any conglomerate thus there is no consolidation and the financial statements submitted is a stand-alone financial statement.

SWIFT FOODS, INC.
SCHEDULE D - INTANGIBLE ASSETS - OTHER ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

Description	Beginning Balance	Additions at cost	Charged to cost and expense	Charged to other accounts	Other changes	Ending Balance
-------------	-------------------	----------------------	--------------------------------	------------------------------	---------------	----------------

NOT APPLICABLE*

* The Company has no intangible assets as of December 31, 2014.

SWIFT FOODS, INC.
SCHEDULE E - LONG-TERM DEBT
DECEMBER 31, 2014

Title of Issuer and Type of Obligation	Amount Authorized by Indenture	Amount Shown as Current	Amount Shown as Long-Term	Remarks
--	-----------------------------------	----------------------------	------------------------------	---------

NOT APPLICABLE*

*The Company has no long term debt as all debts are due and demandable for the year ended December 31, 2014.

SWIFT FOODS, INC.
SCHEDULE F - INDEBTEDNESS TO AFFILIATES AND RELATED PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Name of Affiliate	Beginning Balance	Ending Balance
-------------------	-------------------	----------------

NOT APPLICABLE*

*The Company has no noncurrent indebtedness to affiliates and related parties for the year ended December 31, 2014.

SWIFT FOODS, INC.
SCHEDULE G - GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2014

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranttd and outstanding	Amount owed by person for which statement is filed	Nature of guarantee
--	---	--	--	---------------------

NOT APPLICABLE

SWIFT FOODS, INC.
SCHEDULE H - CAPITAL STOCK
DECEMBER 31, 2014

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
PREFRRED STOCK	200,000,000	49,035,012	0	0	0	0
COMMON STOCK	2,500,000,000	1,814,423,473	0	0	1,434,972	1,812,988,501

SECURITIES AND EXCHANGE COMMISSION
SEC FORM – ACGR
ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year **2012**
2. Exact Name of Registrant as Specified in its Charter **SWIFT FOODS, INC.**
3. **Swift Foods, Inc. Compound, Sheridan Street** **1603**
Highway Hills, Mandaluyong City
Address of Principal Office  Postal Code
4. SEC Identification Number **ASO 94 005066** 5.  (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number **003-973-161**
7. **(632) 631-8101**
Issuer's Telephone number, including area code
8. **Not Applicable**
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	9
---	---

Actual number of Directors for the year	8
---	---

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Jose S. Concepcion, Jr.	NED		Jose S. Concepcion, Jr.	26 Feb 2003	29 July 2010	29 July 2010	
Luis Bernardo A. Concepcion	ED		Jose S. Concepcion, Jr.	1995	29 July 2010	29 July 2010	
Felicisimo M. Nacino, Jr.	NE		Jose S. Concepcion, Jr.	1995	29 July 2010	29 July 2010	
Francisco A. Segovia	NE		Jose S. Concepcion, Jr.	1995	29 July 2010	29 July 2010	
Alejandro J. Ferreria	ID		Jose S. Concepcion, Jr.	03 August 2007	29 July 2010 (5)	29 July 2010	5
Senen A. Bacani	ID		Jose S. Concepcion, Jr.	2002	29 July 2010	29 July 2010	
Alfredo B. Parungao	ID		Jose S. Concepcion, Jr.	03 August 2007	29 July 2010 (5)	29 July 2010	5
Antonette Palma - Angeles	ID		Jose S. Concepcion, Jr.	2004	29 July 2010	29 July 2010	

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

¹ Reckoned from the election immediately following January 2, 2012.

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

The compliance with the principles of good corporate governance shall start with the Board of Directors.

It shall be the Board's responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

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

(d) Directorship in Other Companies

The company has no parent, subsidiary, associates, and joint ventures.

(i) Directorship in the Company's Group²

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
NONE	NONE	NONE

(ii) Directorship in Other Listed Companies

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Jose S. Concepcion, Jr.	RFM Corporation	Chairman
Felicisimo M. Nacino, Jr.	RFM Corporation	Executive
Francisco A. Segovia	RFM Corporation	Non-Executive

(iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
Jose S. Concepcion, Jr.	Horizons Realty, Inc.	Father of Pres/CEO
Luis Bernardo A. Concepcion	Horizons Realty, Inc.	Son of the Chairman

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	No limit imposed on no. of board seats	Not Applicable
Non-Executive Director	No limit imposed on no. of board seats	
CEO	No limit imposed on no. of board seats	

(e) Shareholding in the Company

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Jose S. Concepcion, Jr.	1,324,330 (Common) 682 (Preferred)		.0733 / .0000
Luis Bernardo A. Concepcion	108,140 (Common) 19,100 (Preferred)		.006 / .0002
Felicisimo Nacino, Jr.	498 (Common) 87 (Preferred)		.000 / .0000
Francisco A. Segovia	3		.0000
Senan C. Bacani	1		.0000
Antonette Palma – Angeles	1,000		.0000
Alfredo B. Parunga	500		.0000
Alejandrino Ferreria	500		.0000
TOTAL			

2) Chairman and CEO

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

Yes ☒ x

No ☐

Identify the Chair and CEO:

Chairman of the Board	Jose S. Concepcion, Jr.
CEO/President	Luis Bernardo A. Concepcion

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	Presides over all the meetings of the directors and stockholders. He shall inform all stockholders in attendance of the mandatory requirement of electing independent director's and he shall ensure that independent director/s are	He shall preside in all meetings of the Board and stockholders in the absence of Chairman. He shall initiate and develop corporate objectives and policies and formulate long range projects, plans

	elected during the Annual Meeting of the Stockholders. He shall ensure that specific slot/s for independent director's shall not be filled up by unqualified nominees and that in case of failure of election of independent director/s, he shall call a separate election during the same meeting to fill up the vacancy.	and programs for the approval of the board, including those for executive training, development, and compensation. General supervision and management of business affairs and property of the Corporation. Ensures administrative and operational policies of the corporation are carried out under his supervision and control. Power to appoint, remove, suspend, or discipline employees, prescribe their duties and determine their salaries subject to guidelines prescribed by law. Oversee preparation of budgets and statement of accounts. Prepare statements and reports required by law. Represent the Corporation at functions and proceedings. Execute, on behalf of the Corporation, contracts, agreements, and other instruments, which requires the approval of the board. Make reports to the board and stockholders. Sign stock certificates. Perform other duties incidental to his position or entrusted to him by the board.
Accountabilities		
Deliverables		

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

There is no policy on the succession of CEO/Managing Director/President and other key management positions.

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

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

The company requires diversity of experience and background of directors in the board as per submitted Revised Corporate Governance.

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

The company requires a non-executive director who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.

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

	Executive	Non-Executive	Independent Director
Role	He shall preside in all meetings of the Board and stockholders in the	They should be able to effectively participate in the deliberations of the	They should be able to effectively participate in the deliberations of the

	absence of Chairman. He shall initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the board, including those for executive training, development, and compensation. General supervision and management of business affairs and property of the Corporation. Ensures administrative and operational policies of the corporation are carried out under his supervision and control. Power to appoint, remove, suspend, or discipline employees, prescribe their duties and determine their salaries subject to guidelines prescribed by law. Oversee preparation of budgets and statement of accounts. Prepare statements and reports required by law. Represent the Corporation at functions and proceedings. Execute, on behalf of the Corporation, contracts, agreements, and other instruments, which requires the approval of the board. Make reports to the board and stockholders. Sign stock certificates. Perform other duties incidental to his position or entrusted to him by the board.	Board	Board
Accountabilities	The powers, roles, responsibilities and accountabilities are stated in both Corporate Governance Manual and Corporation's By-Laws	The powers, roles, responsibilities and accountabilities are stated in both Corporate Governance Manual and Corporation's By-Laws	The powers, roles, responsibilities and accountabilities are stated in both Corporate Governance Manual and Corporation's By-Laws
Deliverables			

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

A person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having any relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to be, materially interfere with the exercise of independent judgment in carrying out his responsibilities as a director of the company.

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

The company provides no term limit of five consecutive years for independent directors.

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

(a) Resignation/Death/Removal

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

Name	Position	Date of Cessation	Reason
Felcisimo M. Nacino, Jr.	Non-Executive Director	29 November 2012	Personal

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	Screening by the nomination committee and by election of majority of shareholders	They should possess qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company. Should not possess any of the grounds for disqualifications as provided for by law.
(ii) Non-Executive Directors	Screening by the nomination committee and by election of majority of shareholders	They should possess qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company. Should not possess any of the grounds for disqualifications as provided for by law.
(iii) Independent Directors	Screening by the nomination committee and by election of majority of shareholders	They should possess qualification, knowledge in the industry, and stature that would enable them to

		participate in the Board and improve the company. Should not possess any of the grounds for disqualifications as provided for by law. Must be at least a college graduate, or he shall have been engaged or exposed to the business of the corporation for at least 5 years. He shall possess integrity / probity. He shall be assiduous.
b. Re-appointment		
(i) Executive Directors	Screening by the nomination committee and by election of majority of shareholders	They should possess qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company. Should not possess any of the grounds for disqualifications as provided for by law.
(ii) Non-Executive Directors	Screening by the nomination committee and by election of majority of shareholders	They should possess qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company. Should not possess any of the grounds for disqualifications as provided for by law.
(iii) Independent Directors	Screening by the nomination committee and by election of majority of shareholders	They should possess qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company. Should not possess any of the grounds for disqualifications as provided for by law. Must be at least a college graduate, or he shall have been engaged or exposed to the business of the corporation for at least 5 years. He shall possess integrity / probity. He shall be assiduous.
c. Permanent Disqualification		
(i) Executive Directors	Screening by the nomination committee.	Finally convicted by a competent jurisdiction or administrative body of the following: (i) any crime involving the purchase of securities; (ii) any crime arising out of the person's conduct as an underwriter, broker, dealer, investment

		company, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, floor broker; and (iii) any crime arising out of his relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them. Any person who, by reason of any misconduct, after hearing or trial, is permanently or temporarily enjoined by order, judgment or decree of the Commission of any court or other administrative body or competent jurisdiction from body of competent jurisdiction from: (i) acting as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or a floor broker; (ii) acting as a director or officer of a bank, quasi-bank, trust company, investment house, investment company or an affiliated person of any of them; (iii) engaging in or continuing any conduct or practice in connection with any such activity or willfully violating laws governing securities, and banking activities. Such disqualification shall also apply when such person is currently subject to an effective order of the Commission or any court or other administrative body refusing, revoking or suspending any registration, license or permit issued under the Corporation Code, Securities Regulation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or under any rule or regulation
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		promulgated by the Commission or Bangko Sentral ng Pilipinas, or otherwise restrained to engage in any activity involving securities and banking. Such person is also disqualified when he is currently subject to an effective order of a self-regulatory organization suspending or expelling him from membership or participation or from associating with a member or participant of the organization. Any person finally convicted judicially or administratively of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false oath, perjury or other fraudulent act or transgressions. Any person finally found by the Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or any rule, regulation or order of the Commission or Bangko Sentral ng Pilipinas, or who has filed a materially false or misleading application, report or registration statement required by the Commission, or any rule, regulation or order of the Commission... Any person judicially declared to be insolvent. Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts,
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		violations or misconduct similar to any of the acts, violations or misconduct listed in paragraphs (a) to (e) hereof. Any affiliated person who is ineligible, by reason of paragraphs (a) to (e) hereof to serve or act in the capacities listed in those paragraphs. Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment.
(ii) Non-Executive Directors	Screening by the nomination committee.	Convicted by final judgment of an offense punishable by imprisonment for a period of 6 years, or a violation of the Corporation Code committed within 5 years prior to the date of election
(iii) Independent Directors	Screening by the nomination committee.	Convicted by final judgment of an offense punishable by imprisonment for a period of 6 years, or a violation of the Corporation Code committed within 5 years prior to the date of election
d. Temporary Disqualification		
(i) Executive Directors	Screening by the nomination committee.	Refusal to fully disclose the extent of his business. Absence or non-participation for whatever reason/s for more than 50% of all meetings, both regular and special, during his incumbency, or any 12 months period during said incumbency. Dismissal / termination from directorship in another listed company for cause. Being under preventive suspension by the corporation. If the Independent Director becomes an officer or employee of the same corporation. If the beneficial security ownership in the company or in its related companies shall exceed the
(ii) Non-Executive Directors	Screening by the nomination committee.	
(iii) Independent Directors	Screening by the nomination committee.	

		10% limit. Conviction that has not yet become final referred to in the grounds for the disqualification of directors.
e. Removal		
(i) Executive Directors	Vote from office by a vote of the stockholders holding or representing at least 2/3 of the outstanding capital stock	With or without cause.
(ii) Non-Executive Directors	Vote from office by a vote of the stockholders holding or representing at least 2/3 of the outstanding capital stock	With or without cause.
(iii) Independent Directors	Vote from office by a vote of the stockholders holding or representing at least 2/3 of the outstanding capital stock	He becomes an officer or employee of the corporation where he is such a member of the board, or becomes any of the persons listed below: 1. Director of officer of substantial stockholder of the corporation or any of its related companies or any of its substantial shareholders. 2. Relative of any director, officer, or substantial shareholder, any of its related companies and substantial shareholders. 3. Not acting as nominee or representative of a substantial shareholder of the corporation, any of its related companies, or any of its substantial shareholders. 4. Has been employed in any executive capacity by the corporation, any of its related companies, or by any of its substantial shareholders within the last 5 years. 5. Retained as professional adviser by the company, any of its related companies, or any of its substantial shareholders, either personally or through his firm. 6. Engaged in any transaction with the company, any of its related companies, or any of its substantial shareholders, whether by himself or with other

		persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial or insignificant. His beneficial ownership exceed 10% of the outstanding capital stock. Fails, without any justifiable cause, to attend at least 50% of the total number of Board meetings during his incumbency unless due to grave illness or death of an immediate family.
f. Re-instatement		
(i) Executive Directors	Screening by the nomination committee. By approval of the Board of Directors	Same criteria and disqualifications for appointment or selection.
(ii) Non-Executive Directors	Screening by the nomination committee. By approval of the Board of Directors	Same criteria and disqualifications for appointment or selection.
(iii) Independent Directors	Screening by the nomination committee. By approval of the Board of Directors	Same criteria and disqualifications for appointment or selection.
g. Suspension		
(i) Executive Directors	By approval of the Board of Directors	Convicted by final judgment of an offense punishable by imprisonment for a period of 6 years, or a violation of the Corporation Code committed within 5 years prior to the date of election
(ii) Non-Executive Directors	By approval of the Board of Directors	
(iii) Independent Directors	By approval of the Board of Directors	

Voting Result of the last Annual General Meeting

Directors and officers are on a hold over capacity for failure to muster a quorum for the scheduled Annual Stockholders Meeting for 2011 and 2012.

Name of Director	Votes Received

6) Orientation and Education Program –

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

There are no orientation programs for new directors.

(b) State any in-house training and external courses attended by Directors and Senior Management³ for the past three (3) years:

There are no in-house training and external courses attended by Directors and Senior Management for the past 3 years.

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

There are no continuing education programs for directors.

Name of Director/Officer	Date of Training	Program	Name of Training Institution

B. CODE OF BUSINESS CONDUCT & ETHICS

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

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	Any direct or indirect interest in, connection with, or benefits from business or commercial activities which will in any way adversely affect the company	Any direct or indirect interest in, connection with, or benefits from business or commercial activities which will in any way adversely affect the company	Any direct or indirect interest in, connection with, or benefits from business or commercial activities which will in any way adversely affect the company
(b) Conduct of Business and Fair Dealings	Ownership of material interest or acting in any capacity with which the company does business which will directly or indirectly influence the terms and conditions of any business deal or transaction with the company such as sale, purchase or award	Ownership of material interest or acting in any capacity with which the company does business which will directly or indirectly influence the terms and conditions of any business deal or transaction with the company such as sale, purchase or award	Ownership of material interest or acting in any capacity with which the company does business which will directly or indirectly influence the terms and conditions of any business deal or transaction with the company such as sale, purchase or award
(c) Receipt of gifts from third parties	Acceptance of directly or indirectly of payments, services or loans from a supplier, contractor,	Acceptance of directly or indirectly of payments, services or loans from a supplier, contractor, subcontractor, customer	Acceptance of directly or indirectly of payments, services or loans from a supplier, contractor, subcontractor, customer or

³ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

	subcontractor, customer or other entity with which the company does business and the receiver is directly responsible for the functional area	or other entity with which the company does business and the receiver is directly responsible for the functional area	other entity with which the company does business and the receiver is directly responsible for the functional area
(d) Compliance with Laws & Regulations	Company complies with all laws and regulations affecting its business operation	Company complies with all laws and regulations affecting its business operation	Company complies with all laws and regulations affecting its business operation
(e) Respect for Trade Secrets/Use of Non-public Information	The company respects trade secrets and use of non-public information with utmost confidentiality	The company respects trade secrets and use of non-public information with utmost confidentiality	The company respects trade secrets and use of non-public information with utmost confidentiality
(f) Use of Company Funds, Assets and Information	Provides for a deed of trust for funds and audit committee reports for use of company assets and information	Provides for a deed of trust for funds and audit committee reports for use of company assets and information	Provides for a deed of trust for funds and audit committee reports for use of company assets and information
(g) Employment & Labor Laws & Policies	Company abides by all labor laws and policies	Company abides by all labor laws and policies	Company abides by all labor laws and policies
(h) Disciplinary action	The board of directors approves any disciplinary actions against erring directors	The President approves any disciplinary actions against erring executive	The company creates a panel or committee to hear, recommend and decide all cases
(i) Whistle Blower	No existing policy on whistle blowing	No existing policy on whistle blowing	No existing policy on whistle blowing
(j) Conflict Resolution	Provides due process through committee hearing to settle disputes	Provides due process through committee hearing to settle disputes	Provides due process through committee hearing to settle disputes

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

The code of ethics or conduct has been disseminated to all directors, senior management, and employees.

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

4) Related Party Transactions

(a) Policies and Procedures

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

The Corporation has no related party transactions.

Related Party Transactions	Policies and Procedures
-----------------------------------	--------------------------------

(1) Parent Company	
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

(b) Conflict of Interest –

There are no conflict of interest between the corporation's directors, officers, and shareholders owning at least 5% of the corporation's outstanding capital stock.

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

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

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

(ii) Mechanism –

The company has a small number of employees, hence, the transactions entered into by the company is known by the employees, officers, and directors.

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

	Directors/Officers/Significant Shareholders
Company	
Group	

5) Family, Commercial and Contractual Relations

There are no relation of a family, commercial, contractual or business nature that exists between the holders of significant equity, to the extent that they are known to the company.

(a) Indicate, if applicable, any relation of a family,⁴ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship

⁴ Family relationship up to the fourth civil degree either by consanguinity or affinity.

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

There are no relation of a commercial, contractual or business nature that exists between the holders of significant equity and the company, to the extent that they are known to the company.

Names of Related Significant Shareholders	Type of Relationship	Brief Description

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

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

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

6) Alternative Dispute Resolution

The company has no alternative dispute resolution system in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

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

	Alternative Dispute Resolution System
Corporation & Stockholders	
Corporation & Third Parties	
Corporation & Regulatory Authorities	

C. BOARD MEETINGS & ATTENDANCE

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

The Board of Directors' meetings are scheduled before or at the beginning of the year.

- 2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Jose S. Concepcion, Jr.	9-29-10	6	6	100
Member	Luis Bernardo A. Concepcion	9-29-10	6	6	100
Member	Felicitimo M. Nacino, Jr.	9-29-10	6	6	100

Member	Francisco A. Segovia	9-29-10	6	6	100
Independent	Senen C. Bacani	9-29-10	6	4	66.67
Independent	Alejandro J. Ferreria	9-29-10	6	5	83.33
Independent	Alfredo B. Parungao	9-29-10	6	4	66.67
Independent	Antonette Palma – Angeles	9-29-10	6	4	66.67

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

Non-executive directors do not hold separate meetings during the year without the presence of any executive.

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

Section 6 of the Corporation's By-Laws states that "a majority of the numbers of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business, and every decision of a least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which require the vote of a majority of all members of the Board."

- 5) Access to Information

- (a) How many days in advance are board papers⁵ for board of directors meetings provided to the board?

The board papers are provided on the day of the scheduled meeting.

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

The board members have independent access to Management and the Corporate Secretary.

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

The duties and responsibilities of the Corporate Secretary include the following:

- **Gather and analyze all documents, records and other information essential to the conduct of his duties and responsibilities to the Corporation.**
- **Provide the Board members with the schedule of the meetings for the current year during the first month of the year and put the Board on notice before every meeting together with a copy of the agenda of the meeting.**
- **Assist the Board in making business judgment in good faith and in the performance of their responsibilities and obligations.**

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

The company secretary is trained in legal, accountancy, and company secretarial practices.

- (e) Committee Procedures

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

⁵ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

Yes

☒

No

☐

Committee	Details of the procedures
Executive	
Audit	Prior to the commencement of audit, discuss with external auditor the nature, scope and expenses of audit, and ensure proper coordination
Nomination	Prior to nomination, the committee pre-screen and shortlist all candidates nominated to become member of the Board in accordance with qualifications and disqualifications
Remuneration	Provides in the Corporation's Annual Report, information and proxy statements, a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year.
Others (specify)	

6) External Advice

There is no procedure provided by the corporation whereby directors can receive external advice.

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

Procedures	Details

7) Change/s in existing policies

There are no changes introduced by the Board of Directors on existing policies that may have an effect on the business of the company.

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

Existing Policies	Changes	Reason

D. REMUNERATION MATTERS

1) Remuneration Process

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Board of Directors determines	Board of Directors determines

	the fixed remuneration	the fixed remuneration upon recommendation of the President
(2) Variable remuneration	Board of Directors determines the fixed remuneration	Board of Directors determines the fixed remuneration upon recommendation of the President
(3) Per diem allowance	Based on the existing company policy on per diem allowance	Based on the existing company policy on per diem allowance
(4) Bonus	Board of Directors determines the fixed remuneration	Board of Directors determines the fixed remuneration upon recommendation of the President
(5) Stock Options and other financial instruments	none	none
(6) Others (specify)		

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

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

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Remuneration Committee decides		Based on qualifications, tenure, and performance
Non-Executive Directors	Remuneration Committee decides		Based on qualifications, tenure, and performance

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

Stockholders approves all board resolutions passed by the directors during the annual stockholders meeting.

Remuneration Scheme	Date of Stockholders' Approval

3) Aggregate Remuneration

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

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors

(a) Fixed Remuneration	Php 4,800,000.00	none	none
(b) Variable Remuneration	none	none	none
(c) Per diem Allowance	Php5,000 / meeting	Php5,000 / meeting	Php5,000 / meeting
(d) Bonuses	400,000.00	none	none
(e) Stock Options and/or other financial instruments	none	none	None
(f) Others (Specify)			
Total			

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	none	none	none
2) Credit granted	none	none	none
3) Pension Plan/s Contributions	none	none	none
(d) Pension Plans, Obligations incurred	none	none	none
(e) Life Insurance Premium	Php 80,000.00 / year	none	none
(f) Hospitalization Plan	Php 200,000.00	none	none
(g) Car Plan	none	none	none
(h) Others (Specify)	none	none	none
Total			

4) Stock Rights, Options and Warrants

(a) Board of Directors

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

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
Jose S. Concepcion, Jr.				.
Luis Bernardo A. Concepcion				
Felicesimo Nacino, Jr.				
Francisco A. Segovia				
Senan C. Bacani				

Antonette Palma – Angeles				
Alfredo B. Parunga				
Alejandrino Ferreria				

(b) Amendments of Incentive Programs

The company has no incentive programs.

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

Incentive Program	Amendments	Date of Stockholders' Approval

5) Remuneration of Management

There are no members of management who are not at the same time executive directors.

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

Name of Officer/Position	Total Remuneration

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

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

Committee	No. of Members			Committee Charter	Functions	Key Responsibiliti es	Power
	Execut ive Direct or (ED)	Non- execut ive Direct or (NED)	Indepen dent Director (ID)				

Executive							
Audit		1	2		Assist Board in performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules, and regulations; Oversight over management's activities; check financial reports, perform oversight functions over its internal and external auditors; review annual internal audit; discussions with external auditor prior to audit; organize internal audit department; monitor and evaluate internal control system; review reports of internal and external auditors before submission to the board; coordinate, monitor, and facilitate compliance with laws, rules, and		

					regulations, among others.		
Nomination	1	1	1		review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors		
Remuneration		1	3		Establish procedure on executive remuneration, remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and personnel enduring that compensation is consistently and equitably implemented in accordance with the Corporation's culture, strategy and control environment.		
Strategic Planning							

2) Committee Members

(a) Executive Committee

Office	Name	Date of	No. of	No. of	%	Length of
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		Appointment	Meetings Held	Meetings Attended		Service in the Committee
Chairman						
Member (ED)						
Member (NED)						
Member (ID)						
Member						

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Senen C. Bacani	29 July 2010				
Member (ED)	Luis Bernardo A. Concepcion	29 July 2010				
Member (NED)						
Member (ID)	Alfredo B. Parungao	29 July 2010				
Member						

Senen C. Bacani, 67, born on 30 July 1945 in Guagua, Pampanga, he obtained a Bachelor of Science in Commerce from De La Salle University in 1965, Summa cum Laude & class valedictorian. A Certified Public Accountant, he was granted an East-West Center Scholarship in 1966 and graduated from the University of Hawaii with a Master of Business Administration in 1968. He started his career with Dole Company in Honolulu and for the next 22 years, he progressively occupied management positions of increasing responsibility in the Philippines, Thailand, Ecuador and Costa Rica. He was appointed Secretary of Agriculture in 1989 by former President Corazon C. Aquino. He holds several key positions in various companies & institutions as follows: President of Ultrex Management and Investments Corp., Chairman of La Frutera, Inc., Filipinas Palm Oil Industries Holding, Inc., Member of the Board of Directors of T'boli Agro-Industrial Dev. Inc., Swift Foods, Inc., Central Azucarera de la Carlota, Member of the Board of Directors & Vice Pres. of Agriculture & Food-Phil. Chamber of Commerce & Industry, Member of the Board of Trustees & Auditor of National Agribusiness Development Center Foundation, Member of the Board of Directors of Phil. Chamber of Agriculture & Food, Inc., Co-chairman, MAP, ABCD Foundation, Inc., Member of the Board of Directors of the Phil. Chamber of Food Manufacturers, Inc., Member-Eminent Persons Group-DTI, Chairman of the National Cooperative Movement Service, Member of the Board of Trustees of Citizen's Committee for Agricultural Competitiveness of the DA, Member of the Development Committee of the School of Agribusiness of the University of Asia and the Pacific, Member of the Board of Advisers of the Mindanao Business Council, Member of the Board of Trustees and Treasurer of Peace & Equity Foundation, Member of the Board of Advisers of Biotechnology Conference of the Philippines, and Member of Export Development. He is an independent director.

Luis Bernardo A. Concepcion, 52, born on 20 August 1960, has a degree in Business Administration from St. Ambrose College and completed the International Course on Swine and Poultry Husbandry from the Barneveld College, The Netherlands. Mr. Concepcion became President and Chief Operating Officer of Swift Foods, Inc., in July 1996. Mr. Concepcion is an active member of the Philippine Association of Broiler Integrators (PABI) and was President of this association in 1988-1989. He currently serves as Co-Chairman of the Bishops Business Conference Committee on Food Security, and as Board Member of the Chamber of Agriculture & Food, Inc.

Alfredo B. Parungao, 76, born on 24 January 1938, joined the Board of Directors August 2007. He obtained his Bachelor of Science in Commerce at the Far Eastern University, graduated summa cum laude. A certified public accountant he also got a Program for Management Development at Harvard Business School. He is at present the President of Ligaya Management Corporation, CIBI Foundation, Member Board of Trustees and Chairman of Insular Life Assurance Co., Ltd, Member Board of Director of Insular Investment and Trust Corporation and UBIX Corporation and Chief of Staff, Social Security Commission.

Perform oversight functions over external auditors to ensure that external auditors act independently, and

given unrestricted access to all records, properties, and personnel to enable them to perform their respective audit functions.

Prior to the commencement of the audit, discuss with the external auditor the nature, scope, and expenses of audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.

Review the reports submitted by the external auditors.

Pre-approve all audit plans, scope and frequency one (1) month before the conduct of the external audit.

Perform direct interface functions with the external auditors.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Jose S. Concepcion, Jr.	29 July 2010				
Member (ED)	Luis Bernardo A. Concepcion	29 July 2010				
Member (NED)						
Member (ID)	Senen C. Bacani	29 July 2010				
Member						

Jose Concepcion, Jr., 81, born on 29 December 1931, has an Associate's Degree in Business Administration from De La Salle University and a Bachelor's Degree in Agriculture from Araneta University. He is the Chairman of the Board and the Chief Executive Officer of Swift Foods, Inc. He is also the Chairman of the Board of RFM Corporation, RFM Foundation Incorporated and Executive Committee of the ASEAN Chamber of Commerce and Industry. Mr. Concepcion also holds Co-Chairman position in the Bishops-Businessmen's Conference. He was previously designated as the Secretary of the Department of Trade and Industry, Chairman of the Board of Investments, member of the Central Bank Monetary Board, National President of the Council of Laity (Philippines) and the Society of Vincent Paul, National Chairman of the National Citizens Movement for Free Elections, Founding President of the Pasay City Citizen League for Good Government, delegate to the 1971 Constitutional Convention of the first District of Rizal, the Charter President of the Capitol Jaycees, and Trustee of the Oblate Educational System, Notre Dame University. Mr. Jose S. Concepcion, Jr. is the father of Mr. Jose Ma. A. Concepcion III, the current President and Chief Executive Officer of RFM Corporation, Bernardo Concepcion, the President and Chief Operating Officer of Swift Foods, Inc., and John Marie Concepcion, the Managing Director and Chief Executive Officer of Selecta.

Luis Bernardo A. Concepcion, 52, born on 20 August 1960, has a degree in Business Administration from St. Ambrose College and completed the International Course on Swine and Poultry Husbandry from the Barneveld College, The Netherlands. Mr. Concepcion became President and Chief Operating Officer of Swift Foods, Inc., in July 1996. Mr. Concepcion is an active member of the Philippine Association of Broiler Integrators (PABI) and was President of this association in 1988-1989. He currently serves as Co-Chairman of the Bishops Business Conference Committee on Food Security, and as Board Member of the Chamber of Agriculture & Food, Inc.

Senen C. Bacani, 67, born on 30 July 1945 in Guagua, Pampanga, he obtained a Bachelor of Science in Commerce from De La Salle University in 1965, Summa cum Laude & class valedictorian. A Certified Public Accountant, he was granted an East-West Center Scholarship in 1966 and graduated from the University of Hawaii with a Master of Business Administration in 1968. He started his career with Dole Company in Honolulu and for the next 22 years, he progressively occupied management positions of increasing responsibility in the Philippines, Thailand, Ecuador and Costa Rica. He was appointed Secretary of Agriculture in 1989 by former President Corazon C. Aquino. He holds several key positions in various companies & institutions as follows: President of Ultrex Management and Investments Corp., Chairman of La Frutera, Inc., Filipinas Palm Oil Industries Holding, Inc., Member of the Board of Directors of T'boli Agro-Industrial Dev. Inc., Swift Foods, Inc., Central Azucarera de la Carlota, Member of the Board of Directors & Vice Pres. of Agriculture & Food-Phil.

Chamber of Commerce & Industry, Member of the Board of Trustees & Auditor of National Agribusiness Development Center Foundation, Member of the Board of Directors of Phil. Chamber of Agriculture & Food, Inc., Co-chairman, MAP, ABCD Foundation, Inc., Member of the Board of Directors of the Phil. Chamber of Food Manufacturers, Inc., Member-Eminent Persons Group-DTI, Chairman of the National Cooperative Movement Service, Member of the Board of Trustees of Citizen's Committee for Agricultural Competitiveness of the DA, Member of the Development Committee of the School of Agribusiness of the University of Asia and the Pacific, Member of the Board of Advisers of the Mindanao Business Council, Member of the Board of Trustees and Treasurer of Peace & Equity Foundation, Member of the Board of Advisers of Biotechnology Conference of the Philippines, and Member of Export Development. He is an independent director.

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Antoinette Palma - Angeles	29 July 2010				
Member (ED)						
Member (NED)	Jose S. Concepcion, Jr.	29 July 2010				
Member (ID)	Alejandrino J. Ferreria	29 July 2010				
Member	Felicisimo M. Nacino, Jr.	29 July 2010				

Antonette Palma-Angeles, 56, born on 25 August 1956, is the newly elected independent director of SFI. She is currently the Academic Vice-President of Ateneo de Manila University. She holds a bachelor's degree in Philosophy and Communication Arts and a Master of Arts degree in Philosophy from Ateneo de Manila University. She likewise has a Ph.D. in Philosophy from the Katholieke Universiteit Leuven. She is currently an Associate Professor in the Ateneo de Manila University. She is a member of the Board of Trustees of the Asian Institute of Management. She is very active in public service as a Lecturer in Business Ethics for some Philippine corporations, as well as Lecturer in Ethics in Government for various government agencies, notably the Bureau of Internal Revenue and National Electrification Authority.

Jose Concepcion, Jr., 81, born on 29 December 1931, has an Associate's Degree in Business Administration from De La Salle University and a Bachelor's Degree in Agriculture from Araneta University. He is the Chairman of the Board and the Chief Executive Officer of Swift Foods, Inc. He is also the Chairman of the Board of RFM Corporation, RFM Foundation Incorporated and Executive Committee of the ASEAN Chamber of Commerce and Industry. Mr. Concepcion also holds Co-Chairman position in the Bishops-Businessmen's Conference. He was previously designated as the Secretary of the Department of Trade and Industry, Chairman of the Board of Investments, member of the Central Bank Monetary Board, National President of the Council of Laity (Philippines) and the Society of Vincent Paul, National Chairman of the National Citizens Movement for Free Elections, Founding President of the Pasay City Citizen League for Good Government, delegate to the 1971 Constitutional Convention of the first District of Rizal, the Charter President of the Capitol Jaycees, and Trustee of the Oblate Educational System, Notre Dame University. Mr. Jose S. Concepcion, Jr. is the father of Mr. Jose Ma. A. Concepcion III, the current President and Chief Executive Officer of RFM Corporation, Bernardo Concepcion, the President and Chief Operating Officer of Swift Foods, Inc., and John Marie Concepcion, the Managing Director and Chief Executive Officer of Selecta.

Alejandrino J. Ferreria, joined the Board of Directors August, 2007. He holds a Bachelor of Science in Management from the Ateneo de Manila University, a Master in Business Administration from the University of the Philippines, and a doctorate in Business Administration from the National University. He is also the Bank of America Foundation Professor of Business Management. He currently sits on several boards: Goodyear Philippines, Pascual Laboratories, Lakepue Drug, La Croseues Inc., Bayantel, Producers Savings Bank, GSTC (Avis Philippines), Radiowealth Finance, and Eurochem Inc.

Felicisimo Nacino, Jr., 61, born on 9 May 1952, obtained a Bachelor of Arts degree in Economics and a Master's Degree in Business Administration from the University of the Philippines. He is presently the Executive Vice President and Chief Operating Officer of RFM and serves as a director for the following corporations: Philippine Townships, Inc., RFM Insurance Brokers, Inc., Rizal Lighterage Corporation, Unilever-RFM Ice Cream Co., and

other companies in the RFM group.

(e) Strategic Planning Committee

Provide the same information on all other committees constituted by the Board of Directors:

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Alejandro J. Ferreria	29 July 2010				
Member (ED)	Luis Bernardo A. Concepcion	29 July 2010				
Member (NED)						
Member (ID)	Senen C. Bacani	29 July 2010				
Member (ID)	Alfredo B. Parungao	29 July 2010				

Alejandro J. Ferreria, joined the Board of Directors August, 2007. He holds a Bachelor of Science in Management from the Ateneo de Manila University, a Master in Business Administration from the University of the Philippines, and a doctorate in Business Administration from the National University. He is also the Bank of America Foundation Professor of Business Management. He currently sits on several boards: Goodyear Philippines, Pascual Laboratories, Lakepue Drug, La Croseues Inc., Bayantel, Producers Savings Bank, GSTC (Avis Philippines), Radiowealth Finance, and Eurochem Inc.

Luis Bernardo A. Concepcion, 52, born on 20 August 1960, has a degree in Business Administration from St. Ambrose College and completed the International Course on Swine and Poultry Husbandry from the Barneveld College, The Netherlands. Mr. Concepcion became President and Chief Operating Officer of Swift Foods, Inc., in July 1996. Mr. Concepcion is an active member of the Philippine Association of Broiler Integrators (PABI) and was President of this association in 1988-1989. He currently serves as Co-Chairman of the Bishops Business Conference Committee on Food Security, and as Board Member of the Chamber of Agriculture & Food, Inc.

Alfredo B. Parungao, 76, born on 24 January 1938, joined the Board of Directors August 2007. He obtained his Bachelor of Science in Commerce at the Far Eastern University, graduated summa cum laude. A certified public accountant he also got a Program for Management Development at Harvard Business School. He is at present the President of Ligaya Management Corporation, CIBI Foundation, Member Board of Trustees and Chairman of Insular Life Assurance Co., Ltd, Member Board of Director of Insular Investment and Trust Corporation and UBIX Corporation and Chief of Staff, Social Security Commission.

Senen C. Bacani, 67, born on 30 July 1945 in Guagua, Pampanga, he obtained a Bachelor of Science in Commerce from De La Salle University in 1965, Summa cum Laude & class valedictorian. A Certified Public Accountant, he was granted an East-West Center Scholarship in 1966 and graduated from the University of Hawaii with a Master of Business Administration in 1968. He started his career with Dole Company in Honolulu and for the next 22 years, he progressively occupied management positions of increasing responsibility in the Philippines, Thailand, Ecuador and Costa Rica. He was appointed Secretary of Agriculture in 1989 by former President Corazon C. Aquino. He holds several key positions in various companies & institutions as follows: President of Ultrex Management and Investments Corp., Chairman of La Frutera, Inc., Filipinas Palm Oil Industries Holding, Inc., Member of the Board of Directors of T'boli Agro-Industrial Dev. Inc., Swift Foods, Inc., Central Azucarera de la Carlota, Member of the Board of Directors & Vice Pres. of Agriculture & Food-Phil. Chamber of Commerce & Industry, Member of the Board of Trustees & Auditor of National Agribusiness Development Center Foundation, Member of the Board of Directors of Phil. Chamber of Agriculture & Food, Inc., Co-chairman, MAP, ABCD Foundation, Inc., Member of the Board of Directors of the Phil. Chamber of Food Manufacturers, Inc., Member-Eminent Persons Group-DTI, Chairman of the National Cooperative Movement Service, Member of the Board of Trustees of Citizen's Committee for Agricultural Competitiveness of the DA, Member of the Development Committee of the School of Agribusiness of the University of Asia and the Pacific, Member of the Board of Advisers of the Mindanao Business Council, Member of the Board of Trustees and Treasurer of Peace & Equity Foundation, Member of the Board of Advisers of Biotechnology Conference of the Philippines, and Member of Export Development. He is an independent director.

3) Changes in Committee Members

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

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

Name of Committee	Name	Reason
Executive		
Audit		
Nomination		
Remuneration		
Others (specify)		

4) Work Done and Issues Addressed

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

Name of Committee	Work Done	Issues Addressed
Executive		
Audit	Supervision of external auditor; Review of Audited Financial Statements before presenting to the Board for approval.	
Nomination	Submitted list of qualified nominees to be elected as directors of the Corporation at its annual stockholders meeting.	
Remuneration	Review of remuneration based from the previous year.	
Strategic Planning		

5) Committee Program

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

Name of Committee	Planned Programs	Issues to be Addressed
Executive		
Audit		
Nomination		
Remuneration		
Others (specify)		

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Board of Directors review and approve policies for managing risks.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and

commenting on the adequacy thereof;

The Board of Directors have reviewed the effectiveness of the risk management system and commented on the adequacy thereof.

(c) Period covered by the review;

The period covered by the review is July 2011 to June 2012.

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

The risk management system is reviewed annually.

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

2) Risk Policy

(a) Company

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

Risk Exposure	Risk Management Policy	Objective
	Board of Directors review and approve policies for managing risks.	

(b) Group

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

Risk Exposure	Risk Management Policy	Objective

(c) Minority Shareholders

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

Risk to Minority Shareholders

3) Control System Set Up

(a) Company

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

company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)

(b) Group

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)

(c) Committee

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

Committee/Unit	Control Mechanism	Details of its Functions

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

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

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

Internal control refers to the process effected by a company's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws, regulations, and internal policies.

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

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

(c) Period covered by the review;

Period of the review is July 2011 to June 2012.

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

The internal controls are reviewed annually.

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

2) Internal Audit

(a) Role, Scope and Internal Audit Function

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

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process

- (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?
- (c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?
- (d) Resignation, Re-assignment and Reasons

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

Name of Audit Staff	Reason

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

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

Progress Against Plans	
Issues⁶	
Findings⁷	
Examination Trends	

[The relationship among progress, plans, issues and findings should be viewed as an internal control review

⁶ "Issues" are compliance matters that arise from adopting different interpretations.

⁷ "Findings" are those with concrete basis under the company's policies and rules.

cycle which involves the following step-by-step activities:

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

(f) Audit Control Policies and Procedures

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

Policies & Procedures	Implementation

(g) Mechanisms and Safeguards

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

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies

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

Luis Bernardo A. Concepcion

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare		
Supplier/contractor selection practice		
Environmentally friendly value-chain		
Community interaction		
Anti-corruption programmes and procedures?		

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

The company has no separate corporate responsibility report / section or sustainability report / section.

- 3) Performance-enhancing mechanisms for employee participation.

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

The Company has an unfunded defined benefit retirement plan covering all permanent, regular, full-time employees.

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

No data available.

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

The company has no training and development programmes for its employees.

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

The company has no reward / compensation policy that accounts for the performance of the company beyond short – term financial measure.

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

There is no procedure for handling complaints by employees concerning illegal and unethical behaviour.

I. DISCLOSURE AND TRANSPARENCY

- 1) Ownership Structure

- (a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Reinassance Property Management Corporation	117,292,756 (Common)	6.489	
Horizons Realty, Inc.	13,925,994 (Preferred)	28.01	
Concepcion Industries, Inc.	3,138,155 (Preferred)	6.312	
Ronald S. Po	2,809,514 (Preferred)	5.651	
Sahara Management & Development Corporation	2,515,033 (Preferred)	5.059	

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Not Applicable			

TOTAL			

2) Does the Annual Report disclose the following:

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

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

Number of board of directors meeting and attendance of the directors are reported to the Securities and Exchange Commission every 30 January of each year under SEC Form 17-C.

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Sycip, Gorres, Velayo & Co.	Php 300,000.00	

4) Medium of Communication

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

Disclosures files to the Securities and Exchange Commission and the Philippine Stock Exchange.

5) Date of release of audited financial report: **13 June 2012**

6) Company Website

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

Business operations	
Financial statements/reports (current and prior years)	
Materials provided in briefings to analysts and media	

Shareholding structure	
Group corporate structure	
Downloadable annual report	
Notice of AGM and/or EGM	
Company's constitution (company's by-laws, memorandum and articles of association)	

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

7) Disclosure of RPT – Not Applicable

RPT	Relationship	Nature	Value

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

J. RIGHTS OF STOCKHOLDERS

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

(a) Quorum

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

Quorum Required	Majority of outstanding capital stock
------------------------	---------------------------------------

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Ratification by stockholders of corporate acts during the annual stockholders meeting.
Description	All approved corporate acts are subject to stockholders ratification during the annual stockholders meetings.

(c) Stockholders' Rights

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

Stockholders' Rights under The Corporation Code	Stockholders' Rights not in The Corporation Code
Voting Right	None
Pre-emptive Right	
Power of Inspection	
Right to Dividends	
Appraisal Right	

Right to Information	
----------------------	--

Dividends

There were no dividends declared in 2012.

Declaration Date	Record Date	Payment Date

(d) Stockholders' Participation

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

Measures Adopted	Communication Procedure
The Chairman opens the floor for questions of the stockholders during annual stockholders meetings.	The Chairman announces during the annual stockholders meeting.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
 - a. Amendments to the company's constitution – **Ratified through a special or during the annual stockholders meeting.**
 - b. Authorization of additional shares – **Ratified through a special or during the annual stockholders meeting.**
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company – **Ratified through a special or during the annual stockholders meeting.**
3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up? **The By-Laws of the Corporation provides that "Notices for the regular or special meeting of stockholders may be sent by the Secretary by personal delivery or by mail at least two (2) weeks prior to the date of the meeting to each stockholder of record at his last known post office address or by publication in a newspaper of general circulation."**
 - a. Date of sending out notices: **13 June 2012**
 - b. Date of the Annual/Special Stockholders' Meeting: **Annual Stockholders' Meeting for 2012 was scheduled on 28 June 2013 but did not proceed for failure to muster a quorum.**
4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting. **Not Applicable**
5. Result of Annual/Special Stockholders' Meeting's Resolutions **Not Applicable**

Resolution	Approving	Dissenting	Abstaining

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

Not Applicable

(e) Modifications

There are no modifications made in the Annual / Stockholder's Meeting regulations during 2012.

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

Modifications	Reason for Modification

(f) Stockholders' Attendance

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

Annual Stockholders Meeting did not push through as scheduled for failure to muster a quorum.

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual						
Special						

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

The company does not appoint an independent party to count and/or validate the votes at the ASM / SSMs.

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

The company's common shares carry one vote for one share.

(g) Proxy Voting Policies

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

	Company's Policies
Execution and acceptance of proxies	A sample proxy form is enclosed in the Notices distributed to the stockholders.
Notary	Aside from personal identification, representatives of corporate stockholders should present a notarized Secretary's Certificate indicating the representative's authority to represent the corporation. Beneficial owners whose shares are lodged with the Philippine Central Depository ("PCD"), or registered under the name of a

	broker, bank, or other fiduciary, must, in addition to the required proof of identification, present a notarized certification from the owner of record that he is the beneficial owner, indicating thereon the number of shares.
Submission of Proxy	Proxies must be presented to the Corporate Secretary for inspection, validation, and record, at least seven (7) days prior to the Stockholders' Meeting.
Several Proxies	Only one (1) proxy for one stockholders is allowed by the Corporation.
Validity of Proxy	Valid only for the date of the special or annual stockholders meeting, and any adjournment thereof.
Proxies executed abroad	In lieu of notarization, must be consularized.
Invalidated Proxy	
Validation of Proxy	Proxy forms are review by assigned employees of the Corporation.
Violation of Proxy	

(h) Sending of Notices

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

Policies	Procedure
Prior Notice	Notices are sent by registered mail at least two (2) weeks prior to the date of the meeting to each stockholder of record at his last known post office address and by publication in a news paper of general circulation.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	All registered stockholders.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	13 June 2012
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	13 June 2012
State whether CD format or hard copies were distributed	Hard copies
If yes, indicate whether requesting stockholders were provided hard copies	Not Applicable

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

Each resolution to be taken up deals with only one item.	Yes
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Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	No
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	No
The amount payable for final dividends.	No
Documents required for proxy vote.	Yes

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

No dividends declared for the year 2012. Profiles of the Directors are provided in the Definitive Information Statement, which are enclosed in the Notice of the Special or Annual Stockholders Meeting.

2) Treatment of Minority Stockholders

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

Policies	Implementation
Respect the right of stockholders as provided in the Corporation Code and By-Laws	
Stockholders are encouraged to personally attend stockholders meetings	Stated in the Notice of the Annual Stockholders Meeting, which are distributed to the stockholders. If cannot attend, stockholders are appraised, in the same Notice, of their right to appoint a proxy.
Accurate and timely information are made available to the stockholders are made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.	

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

The candidates for board of directors are screened and nominated by the nomination committee.

K. INVESTORS RELATIONS PROGRAM

- 1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.
- 2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	
(2) Principles	
(3) Modes of Communications	

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

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

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

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

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

N. INTERNAL BREACHES AND SANCTIONS

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

Violations	Sanctions