

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

GENERAL INSTRUCTIONS

(A) Use of Form ACGR

This SEC Form shall be used to meet the requirements of the Revised Code of Corporate Governance.

(B) Preparation of Report

These general instructions are not to be filed with the report. The instructions to the various captions of the form shall not be omitted from the report as filed. The report shall contain the numbers and captions of all items. If any item is inapplicable or the answer thereto is in the *negative*, an appropriate statement to that effect shall be made. Provide an explanation on why the item does not apply to the company or on how the company's practice differs from the Code.

(C) Signature and Filing of the Report

- A. Three (3) complete set of the report shall be filed with the Main Office of the Commission.
- B. At least one complete copy of the report filed with the Commission shall be **manually** signed.
- C. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.
- D. This report is required to be filed annually together with the company's annual report.

(D) Filing an Amendment

Any material change in the facts set forth in the report occurring within the year shall be reported through SEC Form 17-C. The cover page for the SEC Form 17-C shall indicate "Amendment to the ACGR".

SEC FORM - ACGR

ANNUAL CORPORATE GOVERNANCE REPORT


- 1. Report is Filed for the Year 2016
- 2. Exact Name of Registrant as Specified in its Charter Primex Corporation
Ground Fl. Richbelt Terraces
- 3. 19 Annapolis St., Greenhills, San Juan City 1502
Address of Principal Office Postal Code
- 4. SEC Identification Number 133828 5. (SEC Use Only)
Industry Classification Code
- 6. BIR Tax Identification Number 420-000-188-756
- 7. (632) 722-8078 
Issuer's Telephone number, including area code
- 8.N/A.....
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 | Nine (9) |
|---|----------|

| | |
|---|----------|
| Actual number of Directors for the year | Nine (9) |
|---|----------|

(a) Composition of the Board

Complete the table with information on the Board of Directors:

| Director's Name | Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)] | If nominee, identify the principal | Nominator in the last election (if ID, state the relationship with the nominator) | Date first elected | Date last elected (if ID, state the number of years served as ID) | Elected when (Annual / Special Meeting) | No. of years served as director |
|-----------------------|---|------------------------------------|---|--------------------|---|---|---------------------------------|
| Ernesto O. Ang | ED | | Edgard O. Ang | 1986 | June 23, 2016 | Annual | 30 |
| Eduardo O. Ang | NED | | Ernesto O. Ang | 1986 | June 23, 2016 | Annual | 30 |
| Emilio O. Ang | ED | | Ericson O. Ang | 1986 | June 23, 2016 | Annual | 30 |
| Edgard O. Ang | ED | | Ericson O. Ang | 1998 | June 23, 2016 | Annual | 18 |
| Ericson O. Ang | ED | | Emilio O. Ang | 1998 | June 23, 2016 | Annual | 18 |
| Karlvin Ernest L. Ang | ED | | Eduardo O. Ang | 2009 | June 23, 2016 | Annual | 7 |
| Jossie O. Chan | NED | | Eduardo O. Ang | 1995 | June 23, 2016 | Annual | 21 |
| Willy G. Ong | ID | | Ericson O. Ang | 2014 | June 23, 2016 2 years | Annual | 3 |
| Benito Chua Co Kiong | ID | | Ernesto O. Ang | 2009 | June 23, 2016 8 years | Annual | 8 |

- (b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasis 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.

A compliance Officer, who shall report directly to the Chairman of the Board, shall be appointed to ensure adherence to the prescribed good corporate governance principles and practices.

All shareholders shall have voting rights, Power of Inspection, Right to Information, Right to Dividends, and Appraisal Right.

The compliance with the principles of good corporate governance shall start with the Board of Directors. The Board of Directors shall be responsible for the governance and setting up of policies of the company. The Board shall commit, at all times, to fully disclose all material information and cause the filing of all required information for the benefit of the stockholders.

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

The vision and mission of the company is reviewed and reiterated after every directors' meeting.

- (d) Directorship in Other Companies

- (i) Directorship in the Company's Group¹

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

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. |
|-----------------------|-------------------------------------|--|
| Ernesto O. Ang | Omega Lumber Corporation | Executive/Chairman |
| | Primex Development Corp. | Executive/Chairman |
| | Primex Domains Inc. | Executive |
| | Primex Realty Corp. | Executive/Chairman |
| Eduardo O. Ang | Primex Realty Corp. | Non-executive |
| | Omega Lumber Corp. | Executive |
| | Primex Development Corp. | Executive |
| Emilio O. Ang | Primex Realty Corp. | Executive |
| | Primex Domains Inc. | Non-Executive |
| | Omega Lumber Corp. | Executive |
| | Primex Development Corp. | Non-executive |
| Edgard O. Ang | Primex Realty Corp. | Executive |
| | Primex Domains, Inc. | Non-Executive |
| | Primex Development Corp. | Executive |
| Ericson O. Ang | Primex Realty Corp. | Executive |
| | Primex Domains, Inc. | Non-Executibe |
| | Primex Development Corp. | Executive |
| Jossie O. Chan | Primex Realty Corp. | Non-Executive |
| | Primex Domains, Inc. | Non-Executive |
| | Omega Lumber Corp. | Non-executive |
| Karlvin Ernest L. Ang | Novelty Specialist, Inc. | Executive |
| | HeadHigh Venture Holdings Inc. | Executive |
| Benito Chua Co Kiong | BNC Ingredients Corp. | Executive |
| Willy G. Ong | Sureprint Packaging Corp. | Executive |
| | Willex Printing | Executive |
| | | |
| | | |

(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:

No directors of the company were appointed nor elected as directors of other 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. |
|-----------------|------------------------|--|
| | | |
| | | |
| | | |

(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 |
|-----------------------|--|---------------------------------|
| Ernesto O. Ang | Eduardo Ang, Emilio Ang, Edgard Ang, Ericson Ang, Jossie Chan | Siblings |
| Eduardo O. Ang | Ernesto Ang, Emilio O. Ang, Edgard Ang, Ericson Ang, Jossie Chan | Siblings |
| Emilio O. Ang | Ernesto Ang, Eduardo Ang, Edgard Ang, Ericson Ang, Jossie Chan | Siblings |
| Edgard O. Ang | Ernesto Ang, Eduardo Ang, Emilio Ang, Ericson Ang, Jossie Chan | Siblings |
| Ericson O. Ang | Ernesto Ang, Eduardo Ang, Emilio Ang, Edgard Ang, Jossie Chan | Siblings |
| Jossie O. Chan | Ernesto Ang, Eduardo Ang, Emilio Ang, Edgard Ang, Ericson Ang | Siblings |
| Karlvin Ernest L. Ang | Ernesto O. Ang | Father & Son |
| | | |

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

| | Guidelines | Maximum Number of Directorships in other companies |
|---------------------------|---|---|
| Executive Director | Participation in at least 2/3 of the number of board meetings | Maximum of 12 but limited to 5 in other publicly listed companies |

| | | |
|-------------------------------|---|---|
| Non-Executive Director | Participation in at least 2/3 of the number of board meetings | Maximum of 12 but limited to 5 in other publicly listed companies |
| CEO | Participation in at least 2/3 of the number of board meetings | Maximum of 12 but limited to 5 in other publicly listed companies |

(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 |
|-----------------------|-------------------------|--|--------------------|
| Ernesto O. Ang | 376,623,330 | NONE | 23.296 |
| Eduardo O. Ang | 200,278,335 | NONE | 12.388 |
| Emilio O. Ang | 200,278,335 | NONE | 12.388 |
| Edgard O. Ang | 193,235,000 | NONE | 11.953 |
| Ericson O. Ang | 198,618,330 | NONE | 12.286 |
| Karlvin Ernest L. Ang | 400,000 | NONE | 0.0002 |
| Jossie O. Chan | 6,750,000 | NONE | 0.418 |
| Benito Chua Co Kiong | 4,000 | NONE | 0.0000 |
| Willy G. Ong | 20,000 | NONE | 0.0000 |
| TOTAL | 1,176,207,330 | | 72.755 |

2) Chairman and CEO

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

Yes No

Identify the Chair and CEO:

| | |
|-----------------------|----------------|
| Chairman of the Board | Ernesto O. Ang |
| CEO/President | Ernesto O. Ang |

(b) Roles, Accountabilities and Deliverables

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

| | | |
|--|-----------------|--------------------------------|
| | Chairman | Chief Executive Officer |
|--|-----------------|--------------------------------|

| | | |
|------------------|---|---|
| Role | Schedule board meetings. Supervise the preparation of the agenda. Exercise control over management. Ensuring compliance with guideline of good governance. Maintain communication lines between Board and Management. | Executes and directs the execution of Board directives and policies. Supervises executive officers and ensures performance of company objectives. |
| Accountabilities | Reports to the Board on executive performances and accomplishments | Reports to the Chairman and the Board on performances and target accomplishments |
| Deliverables | Reports n accomplishments and performance targets | Compliances and accomplishments |

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

The Board of Directors formulates policies and ensure continuity of performance. Toward this end, it encourages officers and directors to interact as a means to acquaint officers in company objectives, to learn by doing, to measure the officers' respective strengths in the performance of their duties and to gauge their suitability for higher responsibilities within the organization.

4) Other Executive, Non-Executive and Independent Directors

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

The company is open to nominating directors in other industries/businesses which are not consistent with its primary purpose as a real estate company. The basic criteria are the business orientation and broad business experiences of the nominee(s). As it stands, the current crop of Directors have different focuses, business experiences and educational backgrounds. This fosters diverse perspectives and different points of views.

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

The selection criteria for directors is sufficiently broad to include the more important business knowledge and experience and familiarity in real estate.

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

| | Executive | Non-Executive | Independent Director |
|------------------|---|--|---|
| Role | Policy making & execution | Policy formulation & review | Policy formulation & review |
| Accountabilities | Performance reports and accomplishments | Performance reports | Performance reports |
| Deliverables | Reports on financial and performance progress | Approval of policy direction and mission | Approval of policy direction, mission and independent review. |

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

The company adopts the definition accepted by regulatory agencies. In general it would be the absence of any substantial personal and financial interest (gain/loss) of the affected person from the activities of the company where he serves.

Does the company have a term limit of five consecutive years for independent directors? If after two

years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

The company does not have a term limit for its independent directors but is committed to follow the rules and guidelines on term limits promulgated by concerned governmental regulatory agencies.

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 |
|------|----------|-------------------|--------|
| None | | | |
| | | | |

There were no changes in the composition of the Board of Directors during the period.

(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 | Thru Election | Business Experience, Integrity, Ability to constructively engage other directors and officers |
| (ii) Non-Executive Directors | Thru election | Business Experience and Integrity |
| (iii) Independent Directors | Thru election | Business Experience and Integrity |
| b. Re-appointment | | |
| (i) Executive Directors | Thru election | Same as above |
| (ii) Non-Executive Directors | Thru election | Same as above |
| (iii) Independent Directors | Thru election | Same as above |
| c. Permanent Disqualification | | |
| (i) Executive Directors | Removal/non-election as per MCG | Same as above, performance (failure), legal impediment , conflict of interest |
| (ii) Non-Executive Directors | Removal/non-election as per MCG | Same as above, performance (failure), legal impediment , conflict of interest |

| | | |
|--------------------------------------|--|---|
| (iii) Independent Directors | Removal/non-election as per MCG | Same as above, performance (failure), legal impediment , conflict of interest |
| d. Temporary Disqualification | | |
| (i) Executive Directors | Suspension/Temporary Replacement as per MCG | Same as above, performance (failure), legal impediment , conflict of interest |
| (ii) Non-Executive Directors | Suspension/Temporary Replacement as per MCG | Same as above, performance (failure), legal impediment , conflict of interest |
| (iii) Independent Directors | Suspension/Temporary Replacement as per MCG | Same as above, performance (failure), legal impediment , conflict of interest |
| e. Removal | | |
| (i) Executive Directors | Removal by the BOD/ Replacement by BOD/ Election | Same as above, performance (failure), legal impediment , conflict of interest |
| (ii) Non-Executive Directors | Removal by the BOD/ Replacement by BOD/ election | Same as above, performance (failure), legal impediment , conflict of interest |
| (iii) Independent Directors | Removal by the BOD/ Replacement by BOD/ election | Same as above, performance (failure), legal impediment , conflict of interest |
| f. Re-instatement | | |
| (i) Executive Directors | Reinstatement by BOD | Same as above, performance (failure), legal impediment , conflict of interest |
| (ii) Non-Executive Directors | Reinstatement by BOD | Same as above, performance (failure), legal impediment , conflict of interest |
| (iii) Independent Directors | Reinstatement by BOD | Same as above, performance (failure), legal impediment , conflict of interest |
| g. Suspension | | |
| (i) Executive Directors | Suspension/Replacement by BOD | Same as above, performance (failure), legal impediment , conflict of interest |
| (ii) Non-Executive Directors | Suspension/Replacement by BOD | Same as above, performance (failure), legal impediment , conflict of interest |

| | | |
|-----------------------------|-------------------------------|---|
| (iii) Independent Directors | Suspension/Replacement by BOD | Same as above, performance (failure), legal impediment , conflict of interest |
|-----------------------------|-------------------------------|---|

Voting Result of the last Annual General Meeting

| Name of Director | Votes Received |
|-----------------------|----------------|
| Ernesto O. Ang | 1,203,705,333 |
| Eduardo O. Ang | 1,203,705,333 |
| Emilio O. Ang | 1,203,705,333 |
| Edgard O. Ang | 1,203,705,333 |
| Ericson O. Ang | 1,203,705,333 |
| Karlvin Ernest L. Ang | 1,203,705,333 |
| Jossie O. Chan | 1,203,705,333 |
| Benito Chua Co Kiong | 1,203,705,333 |
| Willy G. Ong | 1,203,705,333 |

6) Orientation and Education Program

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

Generally, the Corporate Secretary will orient them on the pertinent provisions of the Corporation Code on Directorships and Conflicts-of-Interest, Manual on Corporate Governance. Where required, they will be enrolled in seminars at company expense to qualify as directors.

- (b) State any in-house training and external courses attended by Directors and Senior Management² for the past three (3) years:

| Program | Name of Training Institution |
|--|------------------------------|
| Corporate Governance & Anti-money Laundering Seminar | PHILSECC |
| Corporate Governance | ROAM |

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

| Name of Director/ Officer | Date of Training | Program | Name of Training Institution |
|---------------------------|------------------|---------|------------------------------|
| None | | | |
| | | | |
| | | | |

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:

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

| Business Conduct & Ethics | Directors | Senior Management | Employees |
|---|---|---|--|
| (a) Conflict of Interest | A Director should immediately disclose and inhibit himself in the decision-making process if there are any potential or actual conflict of interest in view of his position as a director of the Company. | All officers are required to disclose any relationship or association with any supplier to avoid any conflict of interest. | All employees are required to disclose any relationship or association with any supplier to avoid any conflict of interest. |
| (b) Conduct of Business and Fair Dealings | A Director should immediately disclose and inhibit himself in the decision-making process if there are any potential or actual conflict of interest in view of his position as a director of the Company. | All officers are prohibited from using their authority or position to favor a supplier or contractor in return or anticipation of personal gain or benefit. | All employees are prohibited from using their authority or position to favor a supplier or contractor in return or anticipation of personal gain or benefit. |
| (c) Receipt of gifts from third parties | Solicitation of gifts of any kind is prohibited. Unsolicited gifts are turned over to the Office of the President for proper disposition. | Solicitation of gifts of any kind is prohibited. Unsolicited gifts are turned over to the Office of the President for proper disposition. | Solicitation of gifts of any kind is prohibited. Unsolicited gifts are turned over to the Office of the President for proper disposition. |
| (d) Compliance with Laws & Regulations | Faithful compliance with all laws and regulations are ensured through their functions. | Faithful compliance with all laws and regulations are ensured through their functions. | Faithful compliance with all laws and regulations are ensured through their functions. |
| (e) Respect for Trade Secrets/Use of Non-public Information | Release of all confidential and non-public information shall only be done with the approval of the Board. | Release of all confidential and non-public information shall only be done with the approval of the Board. | Release of all confidential and non-public information shall only be done with the approval of the Board. |
| (f) Use of Company Funds, Assets and Information | To be mindful of unnecessary consumption and wasteful practices and to reveal confidential information to authorized persons only. | To be mindful of unnecessary consumption and wasteful practices and to reveal confidential information to authorized persons only. | To be mindful of unnecessary consumption and wasteful practices and to reveal confidential information to authorized persons only. |
| (g) Employment & Labor Laws & Policies | Formulate policies leading to fair and equitable employment and labor policies. | To provide economic security to employees and their families. | To provide economic security to employees and their families. |

| | | | |
|-------------------------|---|---|--|
| (h) Disciplinary action | Observes and enforces the provisions of the Company's Manual on Corporate Governance. | Observes and enforces the provisions of the Company's Manual on Corporate Governance. | Adhere to the provisions of the Company's Manual on corporate governance |
| (i) Whistle Blower | Ensure confidentiality of information. | Ensure confidentiality of information. | N/A |
| (j) Conflict Resolution | Through amicable settlement. | Through amicable settlement. | Through amicable settlement. |

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

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

The company disseminates the Manual of Corporate Governance to the affected officers and employees.

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.

In general, the company adheres to the Corporation Code and adopts the "arms-length" approach in transactions that involve related party transactions to avoid any conflict-of-interest situations.

| Related Party Transactions | Policies and Procedures |
|--|---|
| (1) Parent Company | To warrant that terms of transactions are equal to those from unrelated third parties. |
| (2) Joint Ventures | To warrant that terms of transactions are equal to those from unrelated third parties. |
| (3) Subsidiaries | To warrant that terms of transactions are equal to those from unrelated third parties. |
| (4) Entities Under Common Control | To warrant that terms of transactions are equal to those from unrelated third parties. |
| (5) Substantial Stockholders | To warrant that terms of transactions are equal to those from unrelated third parties. |
| (6) Officers including spouse/children/siblings/parents | Officers concerned shall not be allowed to participate in the approval of the transaction. |
| (7) Directors including spouse/children/siblings/parents | Directors concerned shall not be allowed to participate in the approval of the transaction. |
| (8) Interlocking director relationship of Board of Directors | Directors concerned shall not be allowed to participate in the approval of the transaction. |

(b) Conflict of Interest

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

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

There were no actual or probable incident of conflict of interest to which directors/officers/ 5% or more shareholders are involved.

| | Details of Conflict of Interest (Actual or Probable) |
|----------------------------------|--|
| Name of Director/s | NONE |
| Name of Officer/s | |
| Name of Significant Shareholders | |

(ii) Mechanism

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

Once any officer/director/employee is discovered or disclosed to have any possible conflict-of-interest or any relationship with a party which will transact with the company, the officer/director/employee is not allowed to directly transact with the related party or is subject to oversight/review to eliminate any conflict-of-interest.

| | Directors/Officers/Significant Shareholders |
|---------|---|
| Company | |
| Group | |

5) Family, Commercial and Contractual Relations

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

| Names of Related Significant Shareholders | Type of Relationship | Brief Description of the Relationship |
|---|----------------------|---------------------------------------|
| NONE | | |
| | | |
| | | |
| | | |

(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:

| Names of Related Significant Shareholders | Type of Relationship | Brief Description |
|---|----------------------|-------------------|
| NONE | | |

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

| | | |
|--|--|--|
| | | |
| | | |
| | | |

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

| Name of Shareholders | % of Capital Stock affected (Parties) | Brief Description of the Transaction |
|----------------------|---------------------------------------|--------------------------------------|
| NONE | | |
| | | |

6) Alternative Dispute Resolution

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

| | Alternative Dispute Resolution System |
|--------------------------------------|---------------------------------------|
| Corporation & Stockholders | In-house mediation |
| Corporation & Third Parties | Party to party liaison/mediation |
| Corporation & Regulatory Authorities | None |

C. BOARD MEETINGS & ATTENDANCE

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

Board meetings are scheduled according to necessity or according to need.

2) Attendance of Directors

| Board | Name | Date of Election | No. of Meetings Held during the year | No. of Meetings Attended | % |
|----------|-----------------------|------------------|--------------------------------------|--------------------------|-----|
| Chairman | Ernesto O. Ang | 06/17/16 | 5 | 5 | 100 |
| Member | Eduardo O. Ang | 06/17/16 | 5 | 5 | 100 |
| Member | Emilio O. Ang | 06/17/16 | 5 | 5 | 100 |
| Member | Edgard O. Ang | 06/17/16 | 5 | 5 | 100 |
| Member | Ericson O. Ang | 06/17/16 | 5 | 5 | 100 |
| Member | Karlvin Ernest L. Ang | 06/17/16 | 5 | 5 | 100 |
| Member | Jossie O. Chan | 06/17/16 | 5 | 5 | 100 |

| | | | | | |
|-------------|----------------------|----------|---|---|-----|
| Independent | Benito Chua Co Kiong | 06/17/16 | 5 | 5 | 100 |
| Independent | Willy G. Ong | 06/17/16 | 5 | 5 | 100 |

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

No separate meetings for non-executive directors were held during the year.

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

No. In matters where a simple or qualified majority is needed by law, the company uniformly notifies all directors of the meeting.

- 5) Access to Information

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

Usually forwarded with the notice.

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

The company does not exercise any restriction for any Board member with respect to access to Management or 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 general role of the corporate secretary is to assist management in preparing the agenda and keeping the directors informed of relevant regulatory changes and to act as liaison officer of the Chairman with Board members, to assist in director training and their queries for information.

- (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 company secretarial practices and has a background in general business accountancy. With respect to legal practices, he has access to the VP for Legal Affairs and/or legal counsel that may have been engaged by the company.

- (e) Committee Procedures

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

Yes No

| Committee | Details of the procedures |
|--------------|---|
| Executive | By verbal or written request to the corporate secretary |
| Audit | -ditto- |
| Nomination | -ditto- |
| Remuneration | -ditto- |

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

| | |
|------------------|---------|
| Others (specify) | -ditto- |
|------------------|---------|

6) External Advice

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

| Procedures | Details |
|------------|---------|
| NONE | |
| | |
| | |
| | |

7) Change/s in existing policies

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

| Existing Policies | Changes | Reason |
|-------------------|---------|--------|
| NONE | | |
| | | |
| | | |
| | | |
| | | |

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 | Determined by The Board | Determined by The Board |
| (2) Variable remuneration | Determined by The Board | Determined by The Board |
| (3) Per diem allowance | Determined by The Board | Determined by The Board |
| (4) Bonus | Determined by The Board | Determined by The Board |
| (5) Stock Options and other financial instruments | Determined by The Board | Determined by The Board |
| (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.

There is no concrete policy on remuneration but changes in amounts are based on over-all

performance of the company.

| | Remuneration Policy | Structure of Compensation Packages | How Compensation is Calculated |
|-------------------------|---------------------|------------------------------------|--------------------------------|
| Executive Directors | | | |
| Non-Executive Directors | | | |

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.

Since directors are likewise stockholders, they have the opportunity to approve the decision on remunerations. However, no changes have yet been implemented in the last three (3) years.

| 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 | 5,458,000.00 | | |
| (b) Variable Remuneration | | | |
| (c) Per diem Allowance | 10,000.00 P.A. | 10,000.00 P.A. | 10,000.00 P.A. |
| (d) Bonuses | 90,000.00 | | |
| (e) Stock Options and/or other financial instruments | | | |
| (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 | NONE | NONE | NONE |
| (f) Hospitalization Plan | NONE | 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 |
|-----------------|---|---|--------------------------------|-------------------------------|
| NONE | | | | |
| NONE | | | | |
| NONE | | | | |
| NONE | | | | |

(b) Amendments of Incentive Programs

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

| Incentive Program | Amendments | Date of Stockholders' Approval |
|-------------------|------------|-----------------------------------|
| NONE | NONE | NONE |
| NONE | NONE | NONE |
| NONE | NONE | NONE |

5) Remuneration of Management

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

All members of management are also directors.

| Name of Officer/Position | Total Remuneration |
|--------------------------|--------------------|
| NONE | |
| NONE | |
| NONE | |

| | |
|------|--|
| NONE | |
| NONE | |

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

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

| Committee | No. of Members | | | Committee Charter | Functions | Key Responsibilities | Power |
|------------------|-------------------------|------------------------------|---------------------------|-------------------|-----------|-----------------------------|-------|
| | Executive Director (ED) | Non-executive Director (NED) | Independent Director (ID) | | | | |
| Executive | 1 | 1 | 1 | | | Review & Recommend, Approve | |
| Audit | 2 | | 1 | | | Review | |
| Nomination | 2 | | 1 | | | Review & Recommend | |
| Remuneration | 1 | 1 | 1 | | | Review & Recommend | |
| Others (specify) | | | | | | | |

2) Committee Members

(a) Executive Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Length of Service in the Committee |
|--------------|----------------------|---------------------|----------------------|--------------------------|---|------------------------------------|
| Chairman | Ernesto O. Ang | 06-17-2016 | 4 | 4 | | 9 |
| Member (ED) | | | | | | |
| Member (NED) | Eduardo O. Ang | 06-17-2016 | 4 | 4 | | 9 |
| Member (ID) | Benito Chua Co Kiong | 06-17-2016 | 4 | 4 | | 6 |
| Member | | | | | | |

(b) Audit Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Length of Service in the Committee |
|-------------|----------------|---------------------|----------------------|--------------------------|---|------------------------------------|
| Chairman | Willy G. Ong | 06-17-2016 | 3 | 3 | | 2 |
| Member (ED) | Eduardo O. Ang | 06-17-2016 | 3 | 3 | | 1 |

| | | | | | | |
|--------------|----------------------|------------|---|---|--|---|
| Member (NED) | | | | | | |
| Member (ID) | Benito Chua Co Kiong | 06-17-2016 | 3 | 3 | | 5 |
| Member | | | | | | |

Disclose the profile or qualifications of the Audit Committee members.

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

(c) Nomination Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Length of Service in the Committee |
|--------------|----------------------|---------------------|----------------------|--------------------------|---|------------------------------------|
| Chairman | Benito Chua Co Kiong | 06-17-2016 | 1 | 1 | | 6 |
| Member (ED) | Ericson O. Ang | 06-17-2016 | 1 | 1 | | 8 |
| Member (NED) | Eduardo O. Ang | 06-17-2016 | 1 | 1 | | 1 |
| Member (ID) | Benito Chua Co Kiong | 06-17-2016 | 1 | 1 | | 6 |
| Member | | | | | | |

(d) Remuneration Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Length of Service in the Committee |
|--------------|----------------|---------------------|----------------------|--------------------------|---|------------------------------------|
| Chairman | Ernesto O. Ang | 06-17-2016 | 1 | 1 | | 6 |
| Member (ED) | Emilio O. Ang | 06-17-2016 | 1 | 1 | | 1 |
| Member (NED) | Eduardo O. Ang | 06-17-2016 | 1 | 1 | | 6 |
| Member (ID) | Willy G. Ong | 06-17-2016 | 1 | 1 | | 2 |
| Member | | | | | | |

(e) Others (Specify)

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 | | | | | | |
| Member (ED) | | | | | | |
| Member (NED) | | | | | | |
| Member (ID) | | | | | | |
| Member | | | | | | |

3) Changes in Committee Members

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

There were no changes in committee membership during the year.

| 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 | Review and approved Financial Statements | |
| Nomination | Review and approve qualifications of nominees for directors | |
| Remuneration | Recommend commensurate amount of compensation | |
| Others (specify) | | |

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 | NONE | NONE |
| Audit | NONE | NONE |
| Nomination | NONE | NONE |
| Remuneration | NONE | NONE |
| Others (specify) | NONE | NONE |

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

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

- (c) Period covered by the review;
- (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and
- (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 |
|----------------------------------|---|---|
| Project Cost and Completion Risk | To have an efficient project management system and to establish a broad base of suppliers. | Cost-efficient sourcing of materials and on time completion of project. |
| Customer Default Risk | To partner with banks to provide financing facilities to buyers on affordable and easy payment terms. | Reduce risk of customer default |
| | | |
| | | |
| | | |

(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 |
|----------------------------------|---|---------------------------------------|
| Project Cost and Completion Risk | To have an efficient project management system and to establish a broad base of suppliers. | Cost-efficient sourcing of materials. |
| Customer Default Risk | To partner with banks to provide financing facilities to buyers on affordable and easy payment terms. | Reduce risk of customer default |
| | | |
| | | |
| | | |

(c) Minority Shareholders

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

| Risk to Minority Shareholders |
|--|
| The voting power of the Board poses a risk to the ability of the minority to influence the company's corporate strategy. |
| |

| |
|--|
| |
|--|

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) |
|--------------------------------|---|---|
| Project Cost & Completion Risk | Project Monitoring Teams | Cost-efficient sourcing of materials and on time completion of project. |
| Customer Default Risk | Customer Reports | Make available bank financing facilities. |
| | | |
| | | |
| | | |

(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) |
|--------------------------------|---|--|
| Project Cost & Completion Risk | Project Monitoring Teams | Cost-efficient sourcing of materials and on time completion of project |
| Customer Default Risk | Customer Reports | Make available bank financing facilities. |
| | | |
| | | |
| | | |

(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 |
|-----------------|---|---|
| Audit Committee | Monitor Management's risk management, internal audit and financial reporting. | Monitor Management's risk management, internal audit and financial reporting. |
| | | |

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;

In general , the purpose of internal audit control is to ensure that all company resources are directed only to activities/service that will redound to its benefit.

- (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 basic internal control system and find it adequate to meet its stated purpose.

- (c) Period covered by the review;

The review covered the previous year’s transactions.

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

The review is conducted semi-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 |
|---|----------------------------|--|---|--|
| Review all transactions for compliance with basic internal control measures | All transactions on record | In-house Internal Audit | Lourdes Mamerto | Submission of report to the A u d i t Committee for action |
| | | | | |

- (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

Yes.

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

The internal auditor has access to the board of directors and the audit committee members. She has access 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 |
|---------------------|--------|
| NONE | |
| | |
| | |

(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 | Complied |
| Issues | None |
| Findings | None remarked |
| Examination Trends | Nil |

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

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

(f) Audit Control Policies and Procedures

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

| Policies & Procedures | Implementation |
|---|----------------|
| All expenses are recorded and pass through accounting and field records to check against actual deliveries/service vis-a-vis billings | Acceptable |
| All vouchers are checked against records before approval for payment | Acceptable |
| All approved vouchers are paid only through two separate approved signatories | Acceptable |

(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.

The Chairman/CEO and a Compliance Officer is charged with enforcing compliance with the SEC Code of Corporate Governance. All directors, officers and employees of the company have been briefed on company policies, the manual on corporate governance and their respective duties to secure compliance therewith.

H. ROLE OF STAKEHOLDERS

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

| | Policy | Activities |
|--|--|---|
| Customers' welfare | NIL | NIL |
| Supplier/contractor selection practice | Competitive bidding/ comparative canvass on product pricing | Periodic reevaluation of bids and quotes |
| Environmentally friendly value-chain | NIL | NIL |
| Community interaction | NIL | NIL |
| Anti-corruption programmes and procedures? | NIL | NIL |
| Safeguarding creditors' rights | Internal Audit Controls to minimize misuse of company resources and assets. | Periodic Validation on receipt of goods/service & payment processing |

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

No. Any issue will be brought before the board for proper action and appointment of a point man to address any such issue(s).

3) Performance-enhancing mechanisms for employee participation. NONE

(a) What are the company's policy for its employees' safety, health, and welfare? The company adheres to the standards promulgated by regulatory authorities.

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

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

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

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.
None.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

| Shareholder | Number of Shares | Percent | Beneficial Owner |
|----------------|------------------|---------|------------------|
| Ernesto O. Ang | 376,623,330 | 23.296 | |
| Eduardo O. Ang | 200,278,335 | 12.388 | |
| Emilio O. Ang | 200,278,335 | 12.388 | |
| Ericson O. Ang | 198,618,330 | 12.286 | |
| Edgard O. Ang | 193,235,000 | 11.953 | |

| Name of Senior Management | Number of Direct shares | Number of Indirect shares / Through (name of record owner) | % of Capital Stock |
|---------------------------|-------------------------|--|--------------------|
| Ernesto O. Ang | 376,623,335 | | 23.296 |
| Emilio O. Ang | 200,278,335 | | 12.388 |
| Ericson O. Ang | 198,618,330 | | 12.286 |
| Edgard O. Ang | 193,235,000 | | 11.953 |
| Karlvin Ernest L. Ang | 400,000 | | 0.0002 |
| TOTAL | | | |

2) Does the Annual Report disclose the following:

| | |
|---|-----|
| Key risks | NIL |
| Corporate objectives | X |
| Financial performance indicators | X |
| Non-financial performance indicators | NIL |
| Dividend policy | NIL |
| Details of whistle-blowing policy | NIL |
| Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners | X |
| Training and/or continuing education programme attended by each director/commissioner | NIL |
| Number of board of directors/commissioners meetings held during the year | NIL |
| Attendance details of each director/commissioner in respect of meetings held | NIL |
| Details of remuneration of the CEO and each member of the board of directors/commissioners | X |

The Annual Report does not disclose details which are not marked in the above table, to avoid clutter and information overload. Should an entitled party so request, this information may be furnished. Performance data is disclosed by Financial Statement and mandated reports required by regulatory agencies.

3) External Auditor's fee

| Name of auditor | Audit Fee | Non-audit Fee |
|-----------------|-----------|---------------|
|-----------------|-----------|---------------|

| | | |
|------------|---------------------|--|
| SGV | P 400,000.00 | |
| | | |

4) Medium of Communication

Disclosure of pertinent information by the corporate secretary upon request of person entitled. Disclosures filed with the Securities and Exchange Commission.

5) Date of release of audited financial report: April 15,2016

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) | X |
| Materials provided in briefings to analysts and media | |
| Shareholding structure | X |
| Group corporate structure | X |
| Downloadable annual report | X |
| Notice of AGM and/or EGM | X |
| Company's constitution (company's by-laws, memorandum and articles of association) | X |

Some aspects of company information is not available for reasons of security and business strategy.

7) Disclosure of RPT

| RPT | Relationship | Nature | Value |
|------|--------------|--------|-------|
| NONE | | | |
| | | | |

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?

Whenever related-party transactions may be involved, the company adopts the arms-length approach in evaluating the validity of the transaction and its compliance with the Corporation Code with respect to conflict-of interest. Moreover, officers or employees with RPT would naturally be subject to oversight and insulated from exercising unsupervised discretion.

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 | Simple Majority |
|------------------------|-----------------|

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

| | |
|--------------------|---|
| System Used | Approval/Authority/Ratification of Acts by the Board of Directors or shareholders |
| Description | All major corporate acts are subject to prior or post review by the Board of Directors to safeguard corporate and shareholder interests |

(c) Stockholders' Rights

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

| Stockholders' Rights under The Corporation Code | Stockholders' Rights <u>not</u> in The Corporation Code |
|---|---|
| Same | None |
| | |
| | |

Dividends

| Declaration Date | Record Date | Payment Date |
|------------------|-------------|--------------|
| NIL | | |

(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.

| 2. Measures Adopted | 3. Communication Procedure |
|---------------------|----------------------------|
| | |
| | |

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:

The company will notify shareholders and complies with pertinent laws and regulations on such notice on the following matters:

- a. Amendments to the company's constitution
- b. Authorization of additional shares
- c. Transfer of all or substantially all assets, which in effect results in the sale of the company

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?

- a. Date of sending out notices: May 20, 2016
- b. Date of the Annual/Special Stockholders' Meeting: June 17, 2016

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

No questions were asked at the Annual Stockholders' meeting during the recent year.

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

| 12. Resolution | 13. Approving | 14. Dissenting | 15. Abstaining |
|----------------|---------------|----------------|----------------|
| 16. 5 | 17. 5 | 18. NIL | 19. NIL |
| | | | |

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

The company files notice of the AGM in compliance with SEC regulations.

(e) Modifications

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

No modifications were made at the Annual Stockholders' meeting during the recent year.

| Modifications | Reason for Modification |
|---------------|-------------------------|
| NONE | |
| | |
| | |

(f) Stockholders' Attendance

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

| Type of Meeting | Names of Board members / Officers present | Date of Meeting | Voting Procedure (by poll, show of hands, etc.) | % of SH Attending in Person | % of SH in Proxy | Total % of SH attendance |
|-----------------|---|-----------------|---|-----------------------------|------------------|--------------------------|
| Annual | 9 | June 17, 2016 | By show of hands | 79 % | none | 79% |
| Special | | | | | | |

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

No independent party inspectors were used in view of the minimal number of stockholders.

(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.

One share is equivalent to one vote as specified in the company's charter.

(g) Proxy Voting Policies

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

As a rule, the company does not encourage the use of proxies.

| | Company's Policies |
|-------------------------------------|--------------------|
| Execution and acceptance of proxies | |
| Notary | |
| Submission of Proxy | |
| Several Proxies | |
| Validity of Proxy | |
| Proxies executed abroad | |
| Invalidated Proxy | |
| Validation of Proxy | |
| Violation of Proxy | |

(h) Sending of Notices

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

The company strictly complies with the rules and guidelines set by governmental regulatory agencies regarding the sending of notices of Annual/Special Stockholders meeting.

| Policies | Procedure |
|----------|-----------|
| | |
| | |

(i) Definitive Information Statements and Management Report

| | |
|--|-----------------|
| Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials | 16 stockholders |
| Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners | May 20, 2016 |
| Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders | May 20, 2016 |
| State whether CD format or hard copies were distributed | Hard copies |
| If yes, indicate whether requesting stockholders were provided hard copies | Yes |

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

| | |
|--|------------|
| Each resolution to be taken up deals with only one item. | yes |
|--|------------|

| | |
|---|-----|
| Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election. | Yes |
| The auditors to be appointed or re-appointed. | Yes |
| An explanation of the dividend policy, if any dividend is to be declared. | N/A |
| The amount payable for final dividends. | N/A |
| Documents required for proxy vote. | Yes |

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

2) Treatment of Minority Stockholders

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

| Policies | Implementation |
|----------------------|----------------------|
| Voting Rights | Respected |
| Pre-emptive Rights | No pre-emptive right |
| Right to Information | Respected |
| Right to Dividends | Respected |
| Appraisal Right | Respected |

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

Yes

K. INVESTORS RELATIONS PROGRAM

- 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. The President/CEO, Corporate Secretary and the Compliance Officer are tasked to review and approve major company announcements.
- 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 | |

- 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?

NIL. The company has never entered into any extraordinary transactions as enumerated.

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

None. The company has never entered into any extraordinary transactions as enumerated and has not had occasion to name an independent party to evaluate a transaction price of this nature.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

| Initiative | Beneficiary |
|------------|-------------|
| None | |
| | |
| | |
| | |

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 | NIL | |
| Board Committees | NIL | |
| Individual Directors | NIL | |
| CEO/President | NIL | |

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 |
|---------------------------|---------------------|
| 1 st violation | Reprimand |
| 2 nd violation | Suspension |
| 3 rd violation | Removal from office |
| | |
| | |

The internal policies on sanctions for any violation or breach of the corporate governance manual involving directors, officers, management and employees are spelled out in the same manual.

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of _____ on _____, 20__.

SIGNATURES

ERNESTO O. ANG

Chairman of the Board

ERNESTO O. ANG

Chief Executive Officer

BENITO CHUA CO KIONG

Independent Director

WILLY G. ONG

Independent Director

ATTY. ERICSON O. ANG

Compliance Officer

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

| NAME | T.I.N. |
|----------------------|-------------|
| Ernesto O. Ang | 212-621-196 |
| Ericson O. Ang | 108-929-281 |
| Benito Chua Co Kiong | 100-809-658 |
| Willy G. Ong | 181-297-412 |

NOTARY PUBLIC

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Page No. _____
Book No. _____
Series of _____