

COVER SHEET

1 2 9 4 2

SEC Registration Number

MARCVENTURES HOLDINGS, INC. AND
SUBSIDIARY

(Company's Full Name)

UNIT 4 - 3 4TH FLR. CITIBANK CENTER
CONDOMINIUM
8741 PASEO DE ROXAS MAKATI CITY

(Business Address: No. Street City/Town/Province)

Rolando S. Santos

(Contact Person)

(02)831-44-79

(Company Telephone Number)

1 2 3 1

Month Day
(Calendar Year)

1 7 - A

(Form Type)

Month Day
(Annual Meeting)

N/A

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

2,168

Total No. of Stockholders

Total Amount of Borrowings

₱192,432,612

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

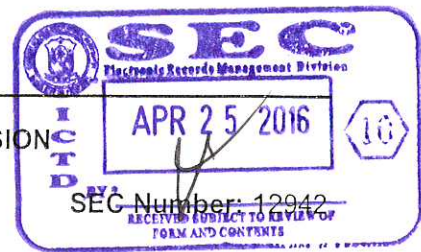
Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

File Number: _____



SEC FORM 17-A
ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

For the calendar year ended
December 31, 2015

Industry Classification Code:
(SEC Use Only)

MARCVENTURES HOLDINGS INC.
(Company Name)

Philippines
(Province, country or other jurisdiction of
incorporation or organization)

000-104-320-000
(BIR Tax Identification No.)

Unit 4-3 4th Floor Citibank Center 8741 Paseo de Roxas, Makati City (Zip Code)
(Company's Address)

Registrant's telephone numbers, including area code: (632) 831-44-79

Securities registered pursuant to Sections 4 and 8 of the RSA:

<u>Title of each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>	<u>Name of each stock exchange in which securities are listed</u>
Common Stock (P1.00 par value)	1,821,358,599 common shares	Philippine Stock Exchange

Indicate whether the registrant has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11 (a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports). **Yes**

Indicate whether the registrant has been subject to such filing requirements for the past 90 days. **Yes**

The aggregate market value of voting stock held by non-affiliates is 773,951,599 shares equivalent to ₱1,516,945,134 based on the closing price of ₱1.96 at the Philippine Stock Exchange as of April 6, 2016.

TABLE OF CONTENTS

Table of Contents

PART I - BUSINESS AND GENERAL INFORMATION	4
ITEM 1. BUSINESS.....	4
ITEM 2. DESCRIPTION OF PROPERTIES	7
ITEM 3. LEGAL PROCEEDINGS	9
ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.....	10
PART II – OPERATIONAL AND FINANCIAL INFORMATION.....	11
ITEM 5. MARKET PRICE OF AND DIVIDENDS ON REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS	11
ITEM 6. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.....	13
ITEM 7. FINANCIAL STATEMENTS.....	23
ITEM 8. INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS	23
PART III – CONTROL AND COMPENSATION INFORMATION.....	24
ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT	24
ITEM 10. EXECUTIVE COMPENSATION.....	28
ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	30
ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.....	31
PART IV – CORPORATE GOVERNANCE	32
ITEM 13. CORPORATE GOVERNANCE.....	32
PART V - EXHIBITS AND SCHEDULES	32
ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C	32
SIGNATURES.....	33

PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

Background

Marcventures Holdings, Inc. (Formerly: AJO.net Holdings, Inc.), the Parent Company (or Company), was incorporated and registered with the Securities and Exchange Commission (SEC) on August 7, 1957, with a primary purpose to acquire by purchase, exchange, assignment, gift or otherwise, and to hold, own and use for investment or otherwise, and to sell, assign, transfer, exchange, lease, let, develop, mortgage, pledge, traffic, deal in, and with, and otherwise operate, manage, enjoy and dispose of, any and all properties of every kind and description and wherever situated, including land as and to the extent permitted by law, including but not limited to, buildings, tenements, warehouses, factories, edifices and structures and other improvements and bonds, debentures, promissory notes, shares of stock, or other securities or obligations, created, negotiated or issued by any corporation, association or other entity, foreign or domestic and while the owner, holder or possessors thereof, to exercise all rights, powers and privileges of ownership or any other interest therein, including the right to receive, collect and dispose of, any and all rentals, dividends, interest and income derived therefrom, and the right to vote on any proprietary or other interest, on any shares of the capital stock, and upon any bonds, debentures or other securities having voting power, so owned or held; and provided it shall not engage in the business of an open-end or close-end investment company as defined in the Investment Company Act (Republic Act 2629), or act as a securities broker or dealer.

On December 15, 2009, the Parent Company entered into a Memorandum of Agreement (MOA) between the shareholders of Marcventures Mining & Development Corporation (MMDC) and their partners to exchange their ownership of MMDC for a total value of ₱1.3 billion consisting of: (i) new Parent Company shares worth ₱100 million representing the full payment of the balance for the subscription to the increase in authorized capital stock; (ii) additional Parent Company shares worth ₱1.15 billion to be issued from the authorized capital stock as increased, and the new par value of the Parent Company after its corporate restructuring; and (iii) 488 membership certificates of The Metropolitan Club, Inc. (Metroclub Certificates) with an agreed net value of 50 million together with the Parent Company's rights, obligation and interests. The consolidated financial statements assumed June 30, 2010 as the acquisition date.

In March 2010, the Company reduced the par value of its capital stock from ₱0.10 to ₱0.01, which resulted in a reduction in its issued and outstanding capital stock in the amount of ₱459.0 million and in a corresponding increase in its Additional Paid-in Capital account. Subsequently, the Company issued 5 billion new shares (par value of ₱0.01) at a price of ₱0.02, which resulted in additional paid-in capital of ₱50.0 million. The Company also transferred the amount of ₱441 million from its Additional Paid-in Capital to reduce its Deficit account.

On, September 30, 2010, the Securities and Exchange Commission approved the change in the par value of its capital stock from ₱0.01 to ₱1.00.

MMDC, the wholly-owned Subsidiary of the Parent Company, incorporated in the Philippines is engaged primarily to carry on the business of mining, smelting, extracting, smelting mineral ores such as, but not limited to nickel, chromites, copper, gold, manganese and other similar ores and/natural metallic or non-metallic resource from the earth. To operate, manage and/or engage in the business of smelting, and/or operate smelting plant, to refine and/or convert metals, ore, and other precious metals into finished products within the commerce of man. On July 19, 2010, The Subsidiary was registered with the Board of Investments (BOI) in accordance with the provisions of the Omnibus Investments Code of 1987, as amended, as a New Producer of Nickel Laterite Ore. As a BOI registered entity, the Subsidiary is entitled to an Income Tax

Holiday (ITH) for four (4) years from July 2010 or actual start of commercial operations, whichever is earlier but in no case earlier than the date of registration.

The Company is not involved in any bankruptcy, receivership or similar proceedings nor in any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets not in the ordinary course of business.

The Company is listed in the Philippine Stock Exchange. The consolidated financial statements include those of the Parent Company and its wholly-owned subsidiary, Marcventures Mining & Development Corporation (MMDC).

The Parent Company's current registered office is located at Unit 4-3 4th Flr. Citibank Center Condominium 8741 Paseo de Roxas, Makati City.

Products/Sales/Competition

The Company's Subsidiary's main product is nickel ore. All of its nickel ore production were exported to China. The principal market for nickel ore production from the Philippines is currently China. In 2007, Philippine nickel ore shipments accounted for around 50% of China's total imports of nickel ore. Chinese companies prefer Philippine-sourced nickel ore due to savings in freight costs because of the proximity of the Philippines to China. Nickel ore is sold to Chinese customers based on FOB shipping point and customers handle the charter of vessels. China also relies heavily on imported nickel ore due to insufficient domestic supplies. While the Company does not rely heavily on a single customer, it is affected by the market price of nickel ore depending on domestic and foreign supply and demand.

Sources and availability of Raw Materials

MMDC's nickel ore is extracted from its mining property covered by MPSA No. 016-93-XIII in Surigao del Sur in the municipalities Cantilan, Carrascal and Madrid

Equipment, spare parts, and other operating supplies are readily available both locally and abroad and as such the Company is not expected to be dependent upon one or a limited number of suppliers.

Mining Claim

MMDC has been granted by the DENR of the Philippine National Government a Mineral Production Sharing Agreement (MPSA) No. 016-93-XIII covering an area of approximately 4,799 hectares located in Surigao Del Sur. As the holder of the said MPSA, MMDC has the exclusive right to conduct and develop mining operations within the mineral property over a period of 25 years from July 1, 1993. The MPSA is valid until 2018 and renewable for another 25 years. MMDC has identified Nickel Ore as the primary mineral that will be extracted and sold to third parties due to the abundance and favorable characteristics of nickel within the mineral property.

The MPSA was originally granted to Ventura Timber Corporation on July 1, 1993. In January 1995, a deed of assignment (Deed) was executed, wherein Ventura assigned to MMDC all its rights, title and interest in and to MPSA No. 016-93-XIII. The Deed was duly registered with the Mines and Geosciences Bureau (MGB) Regional Office (RO) No. XIII on February 9, 1995, and was subsequently approved on January 15, 2008, making the Subsidiary the official contractor of the mineral property.

To date the Company has done exploration work on 1,659 hectares and has performed mining operations on 125.15 hectares on the above MPSA covered area.

Government Approvals; Effect of Existing or Probable Government Regulations on the Business

As mentioned above the Company's subsidiary is a holder of an MPSA issued by the Mine and Geosciences Bureau (MGB) which defines the percentage share of the local and national government in the mining revenues. MGB also regulates the export of mineral ores with the issuance of Ore Transport/Mineral Ore permits before any shipment can be made. The Department of Environment and Natural Resources (DENR) monitors compliance with the environmental protection and enhancement program, as well as, the social development and management programs of the Company and requires a certain percentage of the Company's operating cost to be allotted to these programs. The costs of complying with the above regulatory requirements are appropriately reflected in the books either as an expense or as a capital asset under the GAAP.

Determination of the effect of probable government regulations cannot be known until specific provisions are made clear.

Costs and Effects of Compliance with Environmental Laws

The Company is strongly committed to its policy of protecting and enhancing the environment. It spent ₱50.3 Million on its environmental and enhancement program (EPEP) in 2015. For 2016, the Company has budgeted ₱47.1 Million for its EPEP."

Business Transactions with Related Parties

As of December 31, 2015, Bright Green Resources Corporation (formerly Carac-an Development Corp.) has an outstanding balance of ₱72.5 million which represents a non-interest bearing unsecured loan to be settled on demand. Please refer to Note 22 on page 28 of the 2015 Audited Financial Statements (AFS).

Employees

- Parent Company
The Company currently has a total of 8 employees, consisting of 1 executive position, 1 in legal, 2 in accounting/clerical, 2 in administrative, 2 messenger personnel. For the ensuing 12 months, the Company anticipates it will have the same number of employees. There is no employees' union and neither is there a collective bargaining agreement with the employees. There has not been a strike by the employees in the Company's history. The Company believes relations with the employees are good.
- Marcventures Mining & Development Corporation (MMDC)
For the year 2015, MMDC employed a total of 1,565 employees. Of the 1,565 employees, 280 employees perform administrative work and 1,280 employees are involved directly in mine site operations.

As of December 31, 2015, MMDC has a total of 549 employees, of which 436 are regular, 33 are probationary, and 80 are contractual.

On May 22, 2015, MMDC entered into a collective bargaining agreement with the Samahan ng Responsableng Manggagawa ng Marcventures Mining & Development Corporation (SRMMDC). The agreement shall be in full force for a period of 5 years starting June 1, 2015.

Major Risks of the Business

Market Risk

China's metals and mining commodity demand is likely to continue to be challenged by a substantial debt and property inventory overhang and dollar strength.

A positive note for the local Philippine market would be the increase in production of Nickel Pig Iron which consumes low grade nickel which is the Philippine nickel mines biggest export.

The whole market outlook remains tentative due to the depreciating Chinese currency and weak consumption in China, who is the main consumer of Philippine nickel exports.

Foreign Exchange Risk

As all revenues are in US dollars, the Company revenues are affected by fluctuations in the US\$/PHP exchange rate. To mitigate this risk, the Company closely monitors foreign exchange rates trends and properly-timed conversion of dollars into peso to attain the best rates.

Other Risks

For discussion of other risks affecting the Company, please refer to Note 27 on pages 31-35 of the 2015 Audited Financial Statements.

ITEM 2. DESCRIPTION OF PROPERTIES

Mineral Properties

The Company, through its subsidiary Marcventures Mining & Development Corporation, holds Mineral Production Sharing Agreement No. 016-93-XIII which covers 4,799 hectares in the province of Surigao Del Sur. It is physiologically located within the Diwata Mountain Range.

Estimates of the MPSA's mineral resources and reserves are as follows:

RESOURCE	
Volume	Measured & Indicated Saprolite: 3.11 million WMT at 1.85% Nickel, 12.05% Iron Limonite 60.04 million WMT at 0.83% Nickel and 46.08% Iron Inferred Saprolite: 2.06 million WMT at 1.69% and 14.69% Iron Limonite: NA

These estimates were prepared by **Mr. Radegundo S. de Luna, a Competent Person in Geology**, to study the exploration data on the mineral property and verify its nickel resources

SEC FORM 17-A
MARCVENTURES HOLDINGS, INC.

	RESERVES
Volume	63.15 million WMT laterite ore
Ore Grade	Average 0.88% Ni grade, Fe 44.13%
Area	1,659 hectares

These estimates are based on the measured & indicated mineral resource computed which was readily convertible to prove and probable ore reserve. For other discussion of mining properties, please refer to Note 11, page 21 of the 2015 AFS.

Property and Equipment

Office Space

In January 2014, the Parent Company acquired two (2) condominium units located at Citi Center Condominium Project, Citibank Center, 8741 Paseo de Roxas, Makati City, with an aggregate floor area of, more or less, nine hundred sixty-seven and 7/100 (967.07) square meters and amounting to Sixty-Eight million pesos (P68,000,000). The property is covered by Condominium Certificates of Title Nos. 006-2011006557 and 006-2011006558 issued by the Register of Deeds of Makati City. The said property became the Parent Company's new principal office address starting September 2014.

MMDC Properties

The table below sets forth a summary of the properties owned and rented by MMDC.

Land and Improvements owned

	Lot Area (sqm)	Amount
Haulage Roads	122,475	P10,262,779
Stockyards	377,090	23,087,586
Causeway	38,856	4,000,000
Campsite	25,395	770,850
Butuan Lot	3,544	15,948,000
Others	80,178	2,280,245
Improvements		868,024
Total land and Improvements	647,538	P57,217,484

Rented

	Lot Area (sqm)	Monthly Rental
Haulage Roads	326,108	P361,899
Stockyards	65,123	69,948
Causeway	19,555	51,010
Total land and Improvements	410,786	P482,857

The renewals of the above leases are subject to agreement by the parties.

The above leased properties are used by MMDC for hauling roads and stockpile areas.

MMDC will acquire and/or lease additional properties to be utilized for hauling roads and stockpile areas as needed for its operations. The cost of such acquisitions will depend on negotiations with prospective owners and lessors. MMDC plans to finance such acquisitions from internally generated funds and borrowing from banks.

The Company's equipment mostly pertain to heavy and transportation equipment related to the mining operations. For details of the property and equipment, please refer to Note 10 on page 20 of the 2015 AFS. The Company intends to acquire new heavy equipment within the next 12 months.

ITEM 3. LEGAL PROCEEDINGS

As of December 31, 2015, the Company is not a party to any legal proceedings. It is not involved in any pending legal proceedings with respect to any of its properties. It is not involved in any claims or lawsuits involving damages that may materially affect it or its subsidiaries.

However, as of December 31, 2015, Marcventures Mining & Development Corporation (MMDC), the Company's wholly-owned subsidiary, is involved in the following legal proceedings which may affect the operations of MMDC and the Company:

1. Cantilan Irrigation System Federation of Irrigators Ass. (CISFIA) vs. Ventura Timber Corp./Carac-an Development Corp. (CDC)

On 20 July 2009, CISFIA filed a petition for cancellation of the MPSA of MMDC and CDC (the "Respondents") before the DENR-National Office for alleged environmental violations including violation of the Watershed Forest Reserve Proclamation (PP 1747). On 17 December 2012, the petition was dismissed. Hence, CISFIA filed a Motion for Reconsideration. In July 2014, Plaintiffs filed a Manifestation of MGB's Assessment Report and Stoppage Order of MMDC's Mining Operations with Urgent Motion for the Early Resolution of Petitioners' Motion for Reconsideration. MMDC also filed its Comment/Opposition to the said Manifestation. As of even date, Petitioners' Motion for Reconsideration is pending resolution.

2. Jaime Bat-ao, et al., vs. MMDC.

This is a case about the alleged operation of MMDC inside the Watershed Forest Reserve and other environmental violations of MMDC pending before the RTC Branch 41, Cantilan, Surigao del Sur. The Court-Appointed Commissioners completed their inspection of MMDC's minesite. They are currently preparing their evaluation for submission to the Court.

3. Tribal Coalition of Mindanao vs. Taganito Mining Corp. et. al

This is a case pending before the Court of Appeals, Cagayan de Oro for alleged violation of constitutional right of the inhabitants to balanced and healthful ecology filed against the mining companies located in Surigao del Norte and Surigao del Sur. The motion filed by the Respondents for dismissal of the case arising from Petitioner's failure to submit judicial affidavits is submitted for resolution for the Court.

4. Bat-ao and Huna-Hunan Clans vs. MMDC

This case is pending before the NCIP Regional Hearing Officer, Butuan City for alleged violation of MMDC of the Memorandum of Agreement with the Manobo Tribe dated 15 July 2008. The case is set for pre-trial.

To the knowledge and/or information of the Company, none of its directors or its executive officers, is presently or during the last five (5) years been involved in any material legal proceeding in any court or government agency on the Philippines or elsewhere which would put to question their ability and integrity to serve Marcventures Holdings Inc. and its stockholders.

The Company is not aware of: (a) any bankruptcy petition filed by or against any business of which a director or executive officer or person nominated to be become a director or executive officer was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (b) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, excluding traffic violations and other minor offenses; (c) being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and (d) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

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

The Company submitted the following matters to a vote of the security holders during the 2015 Annual Meeting:

1. Approval of Minutes of the previous meeting
2. Approval of Management Report and Audited Financial Statements
3. Ratification of Management's Acts
4. Authority to enter into a Management Agreement with Marcventures Mining Development Corporation
5. (A) Amendment of the Articles of Incorporation: (a) to change the Principal Office address; (b) to include in its purpose the issuance of corporate guarantees and sureties in favor of its subsidiaries and affiliates and (c) to increase the number of directors from 7 to 9; (B) Amendment of the By Laws: (a) to change the annual meeting to last Friday of May of each year and (b) to grant compensation to the Members of the Board.
6. Election of Directors
7. Appointment of External Auditor

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET PRICE OF AND DIVIDENDS ON REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The principal market for the registrant's common stock is the Philippine Stock Exchange ("PSE"). The Company's stock symbol is "MARC".

Stock Prices – Common Shares

The following table sets forth the high and low closing sales prices per share of the Common Shares listed on the PSE during the respective periods indicated as per published financial sources.

	Price per Share (In Pesos)**	
	High	Low
	2013	
January – March	2.08	1.68
April – June	1.93	1.40
July – September	1.96	1.55
October – December	4.22	1.81
	2014	
January – March	4.22	2.70
April – June	5.41	3.66
July - September	8.20	4.82
October – December	7.48	5.56
	2015	
January – March	6.82	4.65
April – June	5.00	2.97
July - September	3.40	1.94
October – December	3.30	1.88

Latest Market Price

On March 31, 2016 trading date, the closing market price of the Company's common stock was ₱2.06 per share.

Stockholders

The number of shareholders of record as of December 31, 2015 was 2,166. The outstanding shares as December 31, 2015 were 1,821,358,599 common shares, 99.60% of which are owned by Filipinos.

SEC FORM 17-A
MARCVENTURES HOLDINGS, INC.

MARCVENTURES HOLDINGS, INC.
TOP 20 STOCKHOLDERS
AS OF DECEMBER 31, 2015

NAME	CITIZENSHIP	SHARES	RANK
PCD NOMINEE CORPORATION (FILIPINO)	Filipino	1,480,078,806	81.26%
STINSON PROPERTIES INC.	Filipino	87,834,569	4.82%
SUREGUARD PROPERTIES INC.	Filipino	86,514,534	4.75%
MYOLNER PROPERTIES INC.	Filipino	86,514,533	4.75%
PCD NOMINEE CORP. (NON-FILIPINO)	Foreign	34,791,838	1.91%
GLORIOUS DECADE PROPERTIES, INC	Filipino	30,000,000	1.65%
GLORIOUS DECADE PROPERTIES, INC.	Filipino	13,013,000	0.71%
ATC SECURITIES, INC.	Filipino	808,023	0.04%
WILLY O. DIZON OR NENE C. DIZON	Filipino	667,000	0.04%
BENJAMIN S. GELI	Filipino	100,000	0.01%
JOHN C. JOVEN	Filipino	100,000	0.01%
ANSALDO GODINEZ & CO., INC.	Filipino	92,255	0.01%
PACIFICO B. TACUB	Filipino	50,000	0.00%
ARNOLD JANSSEN T. BANTUGANOR CHRIS	Filipino	45,000	0.00%
CHRISTINE ANGELI L. BANTUGAN			
TERESITA N. LIM	Filipino	40,000	0.00%
VICENTE GOQUIOLAY & CO., INC.	Filipino	39,599	0.00%
ALBERTO MENDOZA&/OR JEANIE MENDOZA	Filipino	30,000	0.00%
INDEPENDENT REALTY CORPORATION	Filipino	20,400	0.00%
RAMON SALVADOR	Filipino	20,000	0.00%
CHIONG & CO., INC.	Filipino	13,787	0.00%
TOTAL TOP 20 SHAREHOLDERS		1,820,773,344	99.96%

The Company has no other class of registered securities outstanding aside from common shares.

Dividends

Subject to availability of unrestricted retained earnings and the funding requirements of the Company's operations, it is the Company's policy to declare regular dividends, whether cash, stock or property dividends, twice a year in such amounts and at such dates to be determined by the Board. The declaration of stock dividends is subject to stockholders approval in accordance with the requirements of the Corporation Code.

2015

No dividends were declared for the year 2015.

2014

On 19 September 2014, the Board approved the initial declaration of cash dividends of ₱273.2 Million or ₱0.15 per common share in favor of shareholders of record as of October 1, 2014, payable on or before October 22, 2014. Subsequently, on November 14, 2014, the Board approved the second round of cash dividends of ₱273.2 Million or ₱0.15 per common share in favour of Shareholders of Record as of December 19, 2014, payable on or before January 6, 2015 and later moved to January 16 considering the holidays.

Sales of Securities

As of December 31, 2015, there are no sales of unregistered or exempt Securities.

ITEM 6. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes as of December 31, 2015 and 2014 prepared in conformity with PFRS hereto attached in the Exhibits.

The financial information for the three years ended December 31, 2015, 2014 and 2013 are as follows:

2015 vs. 2014

Results of operations

	2015	Audited 2014	Increase(Decrease) Amount	%
		<i>(in PhP Millions)</i>		
Revenues	2,330.48	2,526.96	(196.48)	(7.78)
Cost of Sales	2,030.11	1,404.92	625.19	44.50
Operating Expenses	423.11	306.99	116.12	37.83

Revenues

For the year ended December 31, 2015, the subsidiary sold 3,339,068 wet metric tonnes (WMT) of nickel ore or equivalent to 61 shipments to China, as compared to 2,103,239 WMT or equivalent to 38 shipments for the year 2014.

Despite of an increase in tonnage by 58.76% the gross revenue dropped by ₱196.48 million or equivalent to 7.78% due to the decline in the selling price of nickel ore. At the same price levels, the revenue and net income would have been ₱4.1 billion and ₱1.0 billion due to 43.53% decline in nickel price. The impact of the fall in nickel price was cushioned by the 58.76% increase in production in 2015.

Due to the above mentioned dropped in revenue even with increase in volume, the operation resulted to a net loss of ₱119.05 million in 2015 as compared to net income of ₱841.26 in 2014.

Cost of Sales

The Company's Cost of Sales amounted to ₱2,030.11 million in 2015 as compared to ₱1,404.92 million in 2014. The increase of ₱625.19 million or 44.50%, was due to the higher volume shipped of nickel ore in 2015.

Operating Expenses

- Increase in Salaries and Allowances by ₱5.92 million or equivalent to 5.51% due to appraisal increase and hiring of additional employees.

- Increase in Professional fees by ₱16.97 million or equivalent to 53.06% due to the hiring of additional management, technical personnel, and consultants.
- Increase in Depreciation by ₱24.74 million or 137.32% mainly due to depreciation of newly acquired service vehicles, office equipment, furniture & fixtures.
- Inventory writedown of ₱35.65 million to reflect the net realizable value of the nickel ore.
- Increase in the cost for Social Development Program by ₱6.92 million or equivalent to 34.87% is consistent with the increase in operating cost wherein 1.5% was allocated to the development of host and neighboring communities.
- Increase in freight and shipping by ₱7.41 million or 58.76% due to increase in volume shipped in 2015.
- Increase in Taxes and licenses by ₱7.80 million or equivalent to 70.62% mainly due to increase in business taxes, since 2015 business permit is based on 2014 gross revenue, and regulatory fees paid to MGB.
- Increase in Environmental expenses by ₱7.88 million or 222.80% due to water truck and equipment rentals to maintain haul roads and silt ponds.
- Increase in Communication, light and water by ₱1.84 million or equivalent to 36.89% due to conversion of internet connection from DSL to Metro Eline and Igate, a lease line between Surigao and Makati office. The lease line improved communication and will save travel expenses.
- Increase in Outside services by ₱2.21million or 54.75% pertains to equipment maintenance and pilotage services.
- Increase in other expenses by ₱17.36 million or 218.88% pertains mainly on 2011 tax deficiency paid in 2015.

The above increases in cost were partly offset by the following:

- Decrease in Royalties by ₱2.27 million or 8.97% due to decrease on revenue from sale of nickel ore for the year 2015.
- Decrease in Retirement benefit expense by ₱5.78 million or equivalent to 29.81%.
- Decrease in Representation by ₱3.46 million or equivalent to 50.44%.
- Decrease in Advertising by ₱5.29 million or 80.46%.
- Decrease in Rental by ₱1.62 million or 65.39% due to purchase of condominium unit.

Financial Position

	Audited 2015	2014	Increase(Decrease) Amount	%
	(in PhP Millions)			
Assets	3,426.87	3,716.58	(289.71)	(7.80)
Liabilities	462.73	637.60	(174.87)	(27.43)
Stockholders' Equity	2,964.14	3,078.99	(114.85)	(3.73)

Assets

The consolidated total assets of the Company decreased to ₱3,426.77 million as of December 31, 2015 from ₱3,716.58 million as of December 31, 2014. The 7.80% decrease was mainly due to the net effect of the following:

- **Cash** decreased by ₱423.93 million or 69.03% is attributable to the payments of liabilities, acquisition of properties and equipment, and used for the mining operations.

- **Trade and other receivables** increased by ₱193.26 million or 1,478.18% due to ore allocation fees and shipments made by the company during the latter part of 2015.
- **Inventories** decreased by ₱134.66 million or 79.04% from the 2014 level of ₱170.37 million to ₱35.72 million in 2015. The decrease was due to the increased shipments partially coming from previous inventory and the writedown of ₱35.65 million to reflect the net realizable value of the nickel ore.
- **Other current assets** increased by ₱26.40 million or 53.66% due to increase in prepaid expenses by 74.66% mostly from the 15% creditable withholding tax withheld by the Subsidiary in connection with management services fee rendered by the parent company and increase in mining and office supplies by 41.20%.
- **Advances to related parties** increased by ₱11.53 million or 18.90% mainly due to advances of BrightGreen Resources Corporation (formerly Carac-an Development Corp) which was used for its exploration.
- **Property and equipment** increased by ₱184.77 million, net of disposal of ₱10.62 million. The increase was due to the acquisition of heavy equipment, service vehicles, office furnitures and equipments, as a result an increase in accumulated depreciation of ₱183.98 million, net of disposal of ₱5.32.
- **Other noncurrent assets** increased by ₱125.00 million or 48.10% mainly due to advances to Contractor of ₱111.93 million and increase in accumulated Input VAT amounting to ₱13.53 million.

Liabilities

As of December 31, 2015 the total liabilities of the Company decreased by 27.43% from ₱637.60 million in December 2014 to ₱462.73 in 2015 or equivalent to ₱174.87 million. The decrease was due to the following:

- Trade and other payable decreased by ₱44.48 million or 21.18%, primarily due to payment of the Company's statutory payable and advances from customers
- Loans Payable increased by ₱91.77 million or 91.16% which was use to finance the acquisition of properties and equipment to be amortized for 60 months
- Decrease in Dividends payable due to settlement of dividends declared in December 2014 amounted to ₱250.85 million to its stockholders
- Retirement liability increased by ₱7.60 million or 27.82% due to recognition of higher retirement expense based on latest actuarial valuation

Stockholders' Equity

The stockholders' equity decreased by ₱114.85 million from ₱3,078.99 million in 2014 to ₱2,964.14 million in 2015. The decrease pertains to the Company's total comprehensive loss for the year.

Consolidated Cash Flow

	Audited 2015 (in Millions)	2014	Increase(Decrease) Amount	%
Cash provided by operating activities	₱74.71	₱949.34	₱ (874.63)	(92.13)
Cash used in investing activities	327.96	444.10	(116.14)	(26.15)
Cash used in financing activities	170.67	194.60	(23.93)	(12.30)

The cash provided by operating activities decreased from ₱949.34 million in 2014 to ₱74.71 million in 2015. The company incurred a net loss before income tax in 2015 of ₱107.02 million as compared to 2014 that reported a net income of ₱838.38 million.

In 2015, the company's net cash used in investing activities are the acquisition of property and equipment worth ₱203.92 million and an increased in other noncurrent assets of ₱125.00 million.

In 2015, the Company paid dividends from 2014 dividend declaration to its stockholders in the amount of ₱250.85 million. The company secured a loan of ₱200.00 million from local bank of which ₱100.00 million was paid on maturity date and the balance of ₱100 million is payable in 60 equal monthly installments.

2014 vs. 2013

Results of operations

	Audited 2014	2013 (in Millions)	Increase(Decrease) Amount	%
Revenues	₱2,526.96	₱2,516.60	₱10.36	0.41
Cost of Sales	1,404.92	1,259.01	145.91	11.59
Operating Expenses	306.99	201.52	105.47	52.34

Revenues

The Company's revenue from nickel ore amounted to ₱2,526.96 million for the year 2014, ₱10.36 million or 0.41% higher as compared to ₱2,516.60 million in 2013. The increase is attributable to the increase in the average price of saprolite and limonite combined of US\$26.04 in 2014 versus \$21.22 in 2013 or an average increase of \$4.82 per wet metric tonnes (WMT). For the year 2014, MMDC made 39 shipments to China for a total volume of 2,103,239 wet metric tonnes (WMT) of nickel ore as compared to 50 shipments with a total volume of 2,775,755 WMT or 11 vessels short in 2013. This is equivalent to a volume decrease of 672,516 (WMT) or 24.22% from last year. The significant drop of volume was primarily due to the suspension of extraction activities pursuant to the Order issued by MGB in April 2014.

Cost of Sales

The Company's cost of sales amounted to ₱1,404.92 million in 2014 as compared to ₱1,259.01 million in 2013, an increase of ₱145.91 million or 11.59%, due to longer distance in loading and hauling of its inventory and other cost related to mining.

Operating Expenses

- **Increase in salaries and allowances** by ₱58.05 million or equivalent to 117.76% due to hiring of additional office personnel for both managerial and executive

positions the increase also include salary adjustments of officers and employees in line with company's thrust to strengthen the corporate structure.

- **Increase in Retirement expense** by ₱14.57 million or equivalent to 302.97%, due to increase in number of regular employees.
- **Increase in Taxes and licenses** by ₱4.88 million or equivalent to 79.36% mainly due to increase in documentary stamp in connection with the increase in capital, fees paid to MGB for the extension of exploration period and other business taxes.
- **Increase in Depreciation** by ₱9.30 million or 106.81% mainly due to depreciation of newly acquired service vehicles, office equipment, furniture & fixtures.
- **Increase in Advertisement** by ₱6.42 million or 4,196.13% mainly due to the infomercial produced by Asian Business Channel ("ABC") for the Company. ABC is an independent production company that specializes in producing program that focus on the economic development.
- **Increase in Professional fees** by ₱24.06 million or equivalent to. 303.71% due to the hiring of additional management, technical personnel, consultants and legal services.
- **Increase in office supplies** by ₱1.26 million or equivalent to 38.26% due to printing of various forms for warehouse and office use.
- **Increase in the cost for social development program** by ₱12.52 million is consistent with the increase in operating cost wherein 1.5% was allocated to the development of host and neighboring communities.
- **Increase in Communication, light and water** by ₱4.04 million or equivalent to 424.70% due to additional light and power utility charges incurred.
- **Increase in outside services** by ₱1.68 million or 70.87% primarily due to special assessment dues of ₱1.1 million and fees of ₱0.5 million in related to due diligence.

The above increases in cost were partly offset by the following:

- **Decrease in Royalties** by ₱1.43 million or 5.34% due to decrease on sale of nickel ore for the year 2014.
- **Decrease in Freight and shipping** by ₱4.04 million or 24.23% due to decrease in shipment of nickel ore in 2014.
- **Decrease in Donations** by ₱2.025 million or equivalent to 10.00%.
- **Decrease in Representation** by ₱11.25 million or equivalent to 62.10%
- **Decrease in Rent** by ₱0.307 million or 11.0% due to purchase of condominium unit for Makati office space.
- **Decrease in Other expenses** by ₱2.64 million or 30.00% primarily due to payment of ₱1.9 million to SEC in 2013 relating to the increase in authorized capital stock.

Financial Position

	Audited 2014	2013	Increase(Decrease) Amount	%
	(in PhP Millions)			
Assets	3,716.58	2,928.52	788.06	26.91
Liabilities	637.60	159.29	478.31	300.28
Stockholders' Equity	3,078.99	2,769.23	309.75	11.19

Assets

The consolidated total assets of the Company increased to ₱788.06 million as of December 31, 2014 from ₱2,928.52 million as of December 31, 2013. The 26.91% increase was mainly due to the net effect of the following:

- **Cash** increased by ₱310.65 million or 102.36% from the proceeds of the bank loan amounting to ₱100 million and collection of its credit sales.
- **Trade receivables** increased by ₱4.81 million or 58.23 % due to improved collection policy.
- **Advances to a related party** recorded the highest increase of ₱60.32 million or 9034.49% mainly due to advances of Carac-an Development Corporation which was used for its exploration.
- **Inventories** of ready to ship ore increased by 110.39% from the 2013 level of ₱80.98 million to ₱170.37 million in 2014. The company maximized its resources in anticipation of higher sales volume in 2015.
- **Other current assets** increased by ₱15.65 million or 38.40% due to 15% creditable withholding tax withheld by MMDC in connection with management services fee rendered by the Parent Company.
- **Other noncurrent assets** increased by ₱13.46 million or 5.46% mainly due to the increase in accumulated Input tax amounting to ₱18.23 million on the other hand mining supplies used in operation decreased by ₱8.26 million.
- **Property and equipment** increased by ₱158.49 million or 44.51%. The capex was due to the acquisition and renovation of Makati head office, purchase of heavy equipment, service vehicles, office furnitures and equipments.

Liabilities

As of December 31, 2014, the total liabilities of the Company amounted to ₱637.60 million or 300.28% higher than ₱159.29 million as of December 31, 2013. The increase was due to the following:

- **Loans Payable** increased by ₱99.32 million or 7,369.95%, the company secured a ₱100 million short term loan which matured in January 16, 2015.
- **Trade and other payable** increased by ₱338.73 million or 266.51%, because of the company's dividend payable which amounted to P273.20 million and continued focus to catch up from the suspension. The company strengthened its loading and hauling capacity by increasing contractors deployed upon resumption of its operation which caused an increase in trade payable. The other reason for the increase were due to increase in taxes and other statutory payable.
- **Provision for mine site rehabilitation** increased by ₱42.17 million or 2,590.30%, the increase is mainly due to the amendment in estimated outflow of resources including economic benefits to settle the obligation and to rehabilitate the negative environment impact.
- **Retirement benefit liability** decreased by ₱1.91 million or 6.54% due to recognition of actuarial gains.

Stockholders' Equity

As of year-end 2014, the stockholders' equity amounting to ₱3,078.99 million is higher by ₱309.75 million or 11.19% from the year-end 2013 level of ₱2,769.23. The increase was on the account of :

- **Retained Earnings** increased by ₱294.85 mainly due to the registered net comprehensive income of ₱841.26 million, partly offset by the declaration of cash

dividends of P546.4 million which were paid in October 22, 2014 and January 16, 2015, respectively.

Consolidated Cash Flow

	Audited 2014	Audited 2013 (in Millions)	Increase(Decrease) Amount	%
Cash provided by operating activities	P949.34	P1,028.44	P (79.10)	(7.69)
Cash used in investing activities	444.10	125.62	318.48	2.53
Cash used in financing activities	194.60	612.46	(417.86)	(68.23)

The cash provided by operating activities decreased from P1,028.44 million in 2013 to P949.34 million in 2014. The decrease was due to lower operating income for the year.

In 2014, the company's noncurrent assets increased by P318.48 million of which P263.67 million were invested in property and equipment and P140.26 million pertains to additions to mine properties, primarily in Cabangahan area.

With the positive results of operations the Company was able to pay dividends of P546.41 million to its stockholders.

2013 vs. 2012

Results of operations

	Audited 2013	Audited 2012 (in Millions)	Increase(Decrease) Amount	%
Revenues	P2,516.60	P697.49	P1,819.11	261.81
Cost of Sales	1,259.01	499.74	759.27	151.93
Operating Expenses	201.52	68.29	133.23	195.09

Revenues

The Company's revenue from nickel ore amounted to P2,516.60 million for the year 2013, P1,819.11 million or 260.81% higher as compared to P697.49 million made in 2012 mainly as a result of higher volume and the strengthening of peso as against US Dollar. For the year 2013, MMDC made 50 shipments to China for a total volume of 2,775,755 wet metric tonnes (WMT) of nickel ore as compared to 12 shipments with a total volume of 637,933 WMT in 2012. This is equivalent to a volume increase of 2,137,822 (WMT) or 335% from last year.

Cost of Sales

The Company's cost of sales amounted to P1,259.01 million in 2013 as compared to P499.74 million in 2012, an increase of P759.27 million or 151.93% attributable to higher tonnage of ore sold in 2013. Gross margin rate improved from the 28.35% experienced in 2012 to 49.97% in 2013 largely due to shorter hauling distances from the minesite to the causeway.

Operating Expenses

The operating expenses for the year 2013 amounted to ₱201.52 million as compared to ₱68.29 million in 2012. The increase of ₱133.23 million or 195.09% is mainly attributable the following accounts:

- **Salaries and allowances** for the year ended December 31, 2013 increased by 436% from ₱9.2 million in 2012 to ₱49.3 million this year. The increase was mainly due to hiring of new employees for the managerial and executive positions, as well as, for the rank and file in anticipation of higher production volumes.
- **Donations** for the year 2013 increased by 690% from ₱2.50 million in 2012 to ₱19.8 million in 2013. These donations were contributed to various calamity areas hit by typhoons which entered the country. Freight and shipping, royalties and social development program increased by 349%, 284% and 429%, respectively, as these expense items are directly proportional to increase in revenues.
- **Professional fees and outside services** increased by ₱6.4 million and ₱1.43 million respectively in 2013 due to additional management consultants and security services.

Financial Position

	Audited 2013	2012 (in Millions)	Increase(Decrease) Amount	%
Assets	₱2,928.52	₱2,643.07	₱285.45	10.80
Liabilities	159.29	519.27	359.98	69.33
Stockholders' Equity	2,769.23	2,123.80	645.43	30.39

Assets

The consolidated total assets of the Company increased to ₱2,928.52 million as of December 31, 2013 from ₱2,643.07 million as of December 31, 2012. The 10.80% increase was mainly due to the net effect of the following:

- **Cash** increased by ₱290.36 million or 2,211.83% due to the significant increase in the sale of nickel ore.
- **Trade and other receivables** decreased by ₱3.72 million or 31.03 % and receivables from related parties decreased by ₱0.656 million or 50.24% due to collection from various customers and receivables from related parties respectively.
- **Inventories** increased by 443.56% from the 2012 level of ₱14.90 million to ₱80.98 million in 2013 in anticipation of higher sales volume in 2014.
- **Deferred tax asset** increased by ₱7.74 million or 377.39% due to the deferred tax recognized on higher retirement expense based on latest actuarial valuation.
- **Other noncurrent assets** increased by ₱98.90 million or 67.03% mainly due to the increase in accumulated Input VAT amounting to ₱99.19 million.
- **Property and equipment** decreased by ₱109.20 million or 23.47% due to depreciation.

Liabilities

As of December 31, 2013, the total liabilities of the Company amounted to ₱159.29 million or 69.33% lower than ₱519.27 million as of December 31, 2012. The decrease was due to the following:

- **Trade and other payable** decreased by ₱138.70 million or 53.51% due to payment made to contractors and creditors in the normal course of business.

- **Advances from related parties** decreased by ₱33.14 million or 80.08% due to full settlement of advances from the stockholders.
- **Current portion of long term loans** decreased by ₱24.15 million or 94.72% due to full payment of the loan to Orix Metro.
- **Long term loan** decreased by ₱189.22 or 100%, as a result of the full settlement of loans with aggregate amount of ₱149.8 million by way of conversion into shares of the Company's stock and the full settlement of the loan with UCPB leasing amounting to ₱39.42 million.
- **Retirement benefit liability** increased by ₱25.24 million or 634.20% due to recognition of higher retirement expense based on latest actuarial valuation.

Stockholders' Equity

As of year-end 2013, the stockholders' equity amounting to ₱2,769.23 million is higher by ₱645.43 million or 30.39% from the year-end 2012 level of ₱2,123.80. The increase was on the account of the following:

- **Capital Stock** increased by ₱85.68 million or 4.94% due to the conversion of the investors' loan amounting to ₱149.80 million into subscription of ₱68.09 million at a price of ₱2.20 per share. Furthermore, the exercise of all the corresponding remaining warrants resulted to additional subscription of ₱17.59 million.
- **Additional Paid in capital** increased by ₱102.82 million or 93.61% as a result of the conversion of the investors' loan and the exercise of all the related warrants at a price higher than the par value of ₱1 per share.
- **Retained Earnings** increased by ₱456.9 million or 164.2% higher than the 2012 level of ₱278.3 million mainly due to the registered net comprehensive income of ₱1,003.34 million, partly offset by the declaration of cash dividends of ₱546.4 million which were paid on or before December 18, 2013.

Consolidated Cash Flow

	Audited 2013	Audited 2012 (in Millions)	Increase(Decrease) Amount	%
Cash provided by operating activities	₱1,028.44	₱149.90	₱837.36	558.60
Cash used in investing activities	125.62	271.29	(145.67)	(53.70)
Cash used in financing activities	612.46	29.63	541.65	1,828.20

The cash provided by operating activities improved from ₱149.90 million in 2012 to ₱1,028.44 million in 2013 primarily due to higher income from significant volume of ore shipped in 2013.

In 2013, the company's noncurrent assets increased by ₱67.30 million of which ₱26.72 million were invested in property and equipment and ₱98.9 million pertains to the increase in other noncurrent assets.

With the improved results of operations and additional equity infusion, the Company was able to pay dividends of ₱546.41 million, and reduced debt by ₱63.6 million.

Financial Indicators

Key Performance Indicators (KPI's)

Comparative figures of the key performance indicators (KPI) for the fiscal years ended December 31, 2015 and December 31, 2014:

	2015	2014
Net Income	(P119,054,752)	P841,261,352
Current assets	580,377,409	907,772,795
Total assets	3,426,868,202	3,716,584,378
Current liabilities	307,805,437	566,493,638
Total liabilities	462,732,429	637,596,710
Stockholders' Equity	2,964,135,773	3,078,987,668
No. of common shares outstanding	1,821,358,599	1,821,358,599
	2015	2014
Current ratio ¹	1.89	1.60
Book value per share ²	1.63	1.69
Debt ratio ³	0.16	0.21
Profit per share ⁴	(0.07)	0.46
Return on assets ⁵	(0.03)	0.23

Note:

1. Current assets / current liabilities
2. Stockholder's Equity / Total outstanding number of shares
3. Total Liabilities / Stockholder's Equity
4. Net Income (Loss) / Total outstanding number of shares
5. Net income / average total assets

Other Information

Other material events and uncertainties known to management that would address the past and would have an impact on the Company's future operations are discussed below.

1. Except as disclosed in the management discussion and notes to the financial statements, there are no other known events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
2. Except as disclosed in the management discussion and notes to the financial statements, there are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on revenues or income from operations.
3. All significant elements of income or loss from continuing operations are already discussed in the management discussion and notes to financial statements. Likewise any significant elements of income or loss that did not arise from the registrant's continuing operations are disclosed either in the management discussion or notes to financial statements.
4. There is no material off-balance sheet transaction, arrangement, obligation, and other relationship of the company with unconsolidated entities or other persons created during the reporting period.
5. The company does not expect any liquidity or cash problem within the next twelve months.
6. There no known trends, events or uncertainties that have had or that are reasonably expected to have material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described. If the registrant knows of events

that will cause material change in the relationship between cost and revenues (such as known future increases in cost of labor or materials or price increases or inventory adjustments), the change in the relationship shall be disclosed.

7. There are no significant elements of income or loss that did not arise from the registrant's continuing operations;
8. The Company's mining operations starts during dry season and ends during rainy season.

ITEM 7. FINANCIAL STATEMENTS

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A. The management is not aware of any significant or material events or transactions not included nor disclosed in the consolidated financial statements in compliance with the SRC Rule 68.

ITEM 8. INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

External Audit Fees and Services

	Year Ended December 31	
	2014	2013
Audit Fees	₱500,000	₱450,000
Audit-Related Fees	50,000	45,000
Total	₱550,000	₱445,000

Audit Fees. Represents professional fees of the external auditor for the audit services rendered on Company's Annual Financial Statements for the year 2014.

Audit-Related Fees. Represents the out of pocket expenses of the individuals who will perform the audit, it also includes postage and reproduction of Financial Statements as billed by the external auditor.

Tax Fees. Represents professional fees for tax advisory/consultation services rendered.

Audit services provided to the Company by external auditor have been pre-approved by the Audit Committee. The Audit Committee has reviewed the magnitude and nature of these services to ensure that they are compatible with maintaining the independence of the external auditor.

Changes in and disagreements with Accountants on Accounting and financial Disclosure

There was no event in the past years where the external auditor and the Registrant had any disagreements with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Board of Directors and Executive Officers

Board of Directors and Executive Officers

The names, ages, citizenship, position and business experience of all directors and executive officers held for the past five (5) years (except those years stated otherwise) are as follows:

Name	Age	Citizenship	Position
Cesar C. Zalamea	75	Filipino	Chairman
Isidro C. Alcantara, Jr.	62	Filipino	President/ Director
*Antonio H. Ozaeta	83	Filipino	Vice Chairman & Director
Macario U. Te	86	Filipino	Director
Augusto C. Serafica	54	Filipino	Director
Carlos Alfonso T. Ocampo	51	Filipino	Independent Director
Marianne Regina T. Dy	39	Filipino	Director
Reynato S. Puno	75	Filipino	Independent Director
Michael L. Escaler		Filipino	Director
Rolando S. Santos	66	Filipino	Treasurer/ SVP Finance & Administration
Roberto V. San Jose	74	Filipino	Corporate Secretary
Ana Maria A. Katigbak	47	Filipino	Asst. Corporate Secretary and Corporate Information Officer,
Diane Madelyn C. Ching	33	Filipino	Asst. Corporate Secretary and Corporate Information Officer and Compliance Officer
Reuben F. Alcantara	33	Filipino	Vice President for Marketing, Business Development and Strategic Planning and Investor Relations Officer
Ramon N. Santos	57	Filipino	Vice President for Project Development
Rhodel B. Salvador	35	Filipino	Asst. Vice President Finance

* Passed away on
December 26, 2015

Mr. Cesar C. Zalamea was elected Chairman of Marcventures Holdings, Inc. (MHI) in June 2013. He served as the Company's President from June 2013 to September 2014. He also serves as Chairman of Marcventures Mining and Development Corp. (MMDC) and Bright Kindle Resources Inc. (formerly Bankard Inc.). He is an independent director of Araneta Properties Inc., a company he joined as Director in December 2008. He is also a member of the Advisory Board of Campbell Lutyens & Co. Ltd., an investment advisory company based in the U.K. In 1945, Mr. Zalamea joined AIG where he started as an Investment Analyst at the Philippine American Life Insurance Company (Philamlife) and, later, its President in May 1969. While with Philamlife, he was called to serve the Program Implementation Agency (PIA) in 1964 as Deputy Director General. PIA was an economic group that reported directly to the President of the Philippines. He returned to Philamlife in 1965. In 1969, Mr. Zalamea was appointed Member of the Monetary Board of the Central Bank of the Philippines, representing the private sector. In 1981, he left Philamlife to become Chairman of the Development Bank of the Philippines, giving

up his post in the Monetary Board. In 1986, he left the DBP to go back to AIG. He was then stationed in Hong Kong to be the first President of AIG Investment Corporation (Asia) Ltd. At this time, he was elected to serve as Director in many AIG affiliated companies in Asia, such as the AIA Insurance Co., Nan Shan Life Insurance Co., and Philamlife. He left AIG in 2005 to work directly with Mr. Maurice R. Greenberg at C.V. STARR Companies, where he was appointed President and CEO of Starr Investment Co. (Asia) Ltd. In 2008, he became its Chairman until he retired in 2010.

Mr. Zalamea obtained his BS in Accounting and Banking in 1951 from Colegio de San Juan de Letran, where he graduated valedictorian. In 1953, Mr. Zalamea received his MBA from New York University.

Mr. Isidro C. Alcantara Jr. was elected President last September 2014 and Director in August 2013. Before his election, he served as the Company's Executive Vice President. He currently sits as Vice Chairman and Director of MMDC, the Company's wholly owned subsidiary. He also serves as Chairman and Director of AG Finance, Inc. and presently Director and President of Bright Kindle Resources, Inc. Mr. Alcantara is the President of Financial Risk Resolutions Advisory, Inc. He has been a Director of Benguet Corp. since November 2008. He served as Senior Vice President and Head of Corporate & Institutional Banking at HSBC. He was elected President and Chief Executive officer of Philippine Bank of Communications (PBCOM) in Manila Philippines from 2000 to 2004. In addition, he served as Executive Vice President of the Corporate Banking Group of Equitable PCI Bank (EPCIB) from 1981 to 2000. He served as Director of Bankers Association of the Philippines from 2000 to 2003. He also served at Bancom Finance Corporation, PCI Bank, and Insular Bank of Asia and America (a Bank of America affiliate) from 1975 to 1981. Mr. Alcantara Jr. is a Certified Public Accountant. He obtained his BSc in Accounting and BS in Economics degrees from De La Salle University, graduating *magna cum laude*. He also attended the Special Studies in International Banking at the Wharton School, University of Pennsylvania.

Mr. Antonio H. Ozaeta was elected as Independent Director of the Company in August 2013 and is now the Vice Chairman of the Board. He also sits as Chairman of the Board in Philippine Commercial Capital Inc. (July 1989 – present), Alaska Milk Corporation (May 2010 – present), Magellan Capital Holdings Corp. (June 1992 – present), and Magellan Utilities Development Corporation (June 1992 – present). He is a director of Insular Life Health Care, Inc. and Home Credit Mutual Building and Loan Association since April 1999. He sits as Vice Chairman of the Board of Bright Kindle Resources & Investments, Inc. He is a founding member of the Makati Business Club. He was previously the President and CEO of the Philippine Commercial International Bank (PCI Bank). He was also the Executive Vice President, Treasurer and Chairman of the Board of Manila Electric Company (Meralco). He was, likewise, the previous President of the Bankers Association of the Philippines and Founding Member and Chairman of the Board of Trustees of Philippine Business for Social Progress.

Mr. Ozaeta obtained his BS in Economics degree from Ateneo de Manila, BSBA from De La Salle College, graduating *cum laude*, and MBA from Harvard University. He passed away on December 26, 2015

Mr. Macario U. Te was elected as Director in June 2013. He serves as director of Bright Kindle Resources & Investments, Inc. He was the previous President of Macte International Corp, and Linkwealth Construction Corp.; Chairman of Autobus Industries Corporation; and CEO of M.T. Holdings, Inc. He previously sat as director in Bulawan Mining Corp., PAL Holdings Inc., Philippine National Bank, Oriental Petroleum and Minerals Corp., Gotesco Land Inc., PNB Capital and Investment Corp., PNB General Insurers Co. Inc., PNB Holdings Corp., PNB Remittance Center, PNB Securities Inc., PNB-IFL, PNB Italy SPA, Balabac Resources and Holdings, Nissan North Edsa, Beneficial-PNB Life and Insurance Co. Inc., Waterfront Phils., Fontana Golf Club., Baguio Gold Holding Corp., Traders Royal Bank, Traders Hotel, Pacific Rim

SEC FORM 17-A
MARCVENTURES HOLDINGS, INC.

Oil Resources Corporation, Suricon Resources Corporation, Alcorn Petroleum & Minerals Corp., Associated Development Corp., and Palawan Consolidated Mining Corporation.

Mr. Te obtained his BS in Commerce from Far Eastern University.

Atty. Carlos Alfonso T. Ocampo was elected as Independent Director in August 2013. He is also an independent director of Bright Kindle Resources & Investments, Inc. He is the founder of Ocampo & Manalo Law Firm. He is a member of the Board in various corporations, including MAA General Assurance Phils. Inc., Columbian Autocar Corporation, Asian Carmakers Corp., Jam Transit Inc., Prestige Cars Inc., Autohaus Quezon City Inc., Timebound Trading Corp., and Subic Air, Inc. He is the Corporate Secretary of PSI Healthcare Development Services Corp., PSI Prescription Solutions Corp., Adrianse Phils. Inc., Bluelion Motors Corp., First Charters and Tours Transport Corp., Brycl Resorts and International Inc., AVK Philippines Inc., Jam Liner Inc., and Manila Golf and Country Club. He previously served as Vice President and General Counsel of Air Philippines Corporation. Atty. Ocampo obtained his Bachelor of Laws from the University of the Philippines. Upon graduation from college, he was admitted into the honor societies of Phi Kappa Phi and Pi Gamma Mu. He completed an Executive Management Program at the Asian Institute of Management in 1997 and previously taught business law at the College of St. Benilde at De La Salle University. In 2013, he was named as a leading adviser as well as a commercial law expert by Acquisition International and Global Law Experts, respectively. In 2014, AsiaLaw named him as one of the leading lawyers in the Philippines primarily for his contributions in commercial law. He was awarded a certificate of completion for the Mastering Negotiation: Building Agreements Across Boundaries Program, April 2016, from the John F. Kennedy School of Government at Harvard University, Executive Education.

Ms. Marianne Regina T. Dy was elected Director in September 2014. She is the Vice President and Chief Operating Officer of So-Nice International Corporation and an active member of the Meat Importers and Traders Association (MITA).

She is a graduate of De La Salle University with degrees in Psychology, Marketing Management, and Finance for Senior Executives from the Asian Institute of Management.

Mr. Augusto C. Serafica Jr. was elected as Director in June 2013. He sits as Chairman of the Board in Premiere Horizon Alliance Corporation, Digiwave Solutions Inc., AOB Management Corporation, TLC Manna Consulting Inc., and Global Ideology Corporation. He is an independent director of Bright Kindle Resources & Investments, Inc. He is also the Managing Director of Asian Alliance Investment Corporation and Asian Alliance Holdings and Development Corp. He is the Treasurer of Sinag Energy Philippines Inc. and Ardent Property Development Corporation. He serves as a director of Investment House Association of the Philippines. He is the Chairman of the AIM Alumni Association, Treasurer of AUM Leadership Foundation Inc., and Chapter Head of the Makati chapter of Brotherhood of Christian Businessmen and Professionals. He was connected with Sycip, Gorres, Velayo & Co. from 1985 to 1989.

Mr. Serafica Jr. obtained his Bachelor of Commerce in Accountancy from San Beda College and Masters in Business Management from Asian Institute of Management. He is a Certified Public Accountant.

Justice Reynato S. Puno was elected independent director on November 14, 2014, which took effect upon the Securities and Exchange Commission's approval of the Company's amendment of the Articles of Incorporation to increase the number of directors from seven to nine on January 13, 2015. He is an independent director of San Miguel Corp., San Miguel Brewery Hong Kong Limited, PT Delta Jakarta Tbk, Union Bank of the Philippines, Inc., and Manila Standard Today. He was the Chief Justice of the Supreme Court from December 6, 2006 until his retirement on May 17, 2010. He joined the Supreme Court as an Associate Justice on June 1993 and was previously Associate Justice of the Court of Appeals (1986 to 1993), Appellate Justice of the

Intermediate Appellate Court (1983), Assistant Solicitor General (1974 – 1982), and City Judge of Quezon City (1972 – 1974). He also served as Deputy Minister of Justice from 1984 to 1986.

Justice Puno completed his Bachelor of Laws from the University of the Philippines in 1962, and has a Master of Laws degree from the University of California in Berkeley (1968) and a Master in Comparative Law degree from the Southern Methodist University, Dallas, Texas (1967).

Mr. Michael L. Escaler was elected Director on November 14, 2014, which took effect upon the Securities and Exchange Commission's approval of the Company's amendment of the Articles of Incorporation that increased the number of directors. He is the President and CEO of All Asian Countertrade Inc., the largest sugar trader in the Philippines, founded in 1994 in partnership with Louis Dreyfus and Nissho-Iwai. He is also the Chairman, President, and CEO of Pampanga Sugar Development Co. Inc. (PASUDECO), President and CEO of San Fernando Electric Company (SFELAPCO), Chairman and CEO of Sweet Crystals Integrated Mill Corp, Okeelanta Corporation, Balibago Walterworks System Inc., JSY Transport, Aldrew and Gray Transport, Silver Dragon Transport, and Metro Clark Waste Management Inc. He serves as a Director of Lorenzo Shipping Corporation, PowerSource Philippines Inc., Empire Insurance Co., Trinity Insurance Co., Trinity Healthcare Services Inc., MHI, and Leyte AgriCorp. A sugar trader in New York and London from 1974 to 1993, he began his career at Nissho-Iwai of America for two years and left for ACLI International, one of the largest privately held trading company. Later on, he transferred to Philipp Brothers as Vice President to head its white sugar trading operation before starting his own trading company in the Philippines.

Mr. Escaler was a Hall of Fame Sprinter for Ateneo de Manila University, where he graduated *cum laude* in Economics. He obtained his MBA in International Marketing in New York University. A philanthropist, he supports various charities including Habitat for Humanity, Coca Cola Foundation, PGH Medical Foundation, Mano Amiga Academy, and Productive Internships in Dynamic Enterprise (PRIDE).

Mr. Rolando S. Santos was elected Treasurer in March 2014 and concurrently holds the position of Senior Vice President for Finance and Administration. He also serves as Treasurer for MMDC, Bright Kindle Resources and Investments, Inc., and Bright Green Resources Corp. He was previously the Branch head/Cluster head of Branches for Banco De Oro from 2001 to 2013, Bank of Commerce from 1984 to 2001, Producers Bank of the Philippines from 1981 to 1984, and Far East Bank from 1972 and 1981. He obtained his degree in BS Business Administration from the University of the East.

Mr. Roberto V. San Jose is the Corporate Secretary of the Company and has held the office since 2010. He is also a Director, Corporate Secretary, or an officer of various companies which are clients of the law firm of Castillo Laman Tan Pantaleon & San Jose, where he is a Senior Consultant. He is a member of the Integrated Bar of the Philippines.

Ms. Ana Maria A. Katigbak is the Co-Assistant Corporate Secretary of the company and has held the office since 1997. She is a partner in Castillo, Laman, Tan, Pantaleon & San Jose Law Offices. She is a member of the Integrated Bar of the Philippines.

Ms. Diane Madelyn C. Ching was elected as Co-Assistant Corporate Secretary in August 2013. She also serves as General Counsel and Corporate Secretary of MMDC and Corporate Secretary of Bright Kindle Resources & Investments, Inc. She is a director and Assistant Corporate Secretary of Prime Media Holdings, Inc. She obtained her degrees in BSE Economics and AB Psychology from De La Salle University. She obtained her Bachelor of Laws from San Beda College-Mendiola in 2009 and was admitted to the Philippine Bar in 2010.

Mr. Reuben F. Alcantara is the Vice President for Marketing, Business Development, and Strategic Planning. He is also the Company's Investor Relations Officer. He joined the company

in September 2013. He previously served as Relationship and Credit Officer for Security Bank and has had stints in Corporate Banking in Bank of Commerce and Maybank Philippines.

Ramon N. Santos was elected Vice President for Project Development on December 15, 2015. Mr. Santos is a mining engineer and geologist. He also obtained a Master Degree in Mining and Mineral Technology from the Western Australian School of Mines – Curtin University of Technology at Kalgoorlie, Western Australia and Master in Business Administration degree from the University of the Philippines in Diliman, Quezon City. He has 32 years of experience in the mining industry – mostly in the Philippines and in Indonesia with limited work experiences in Australia, Malaysia, Japan and Papua New Guinea.

Mr. Rhodel B. Salvador was promoted to Assistant Vice President for Finance from Finance Manager in September 2014. He was an Audit Manager, Quality Assurance of MG Madrid & Co. from 2005 to 2013, and Project Manager and Business Processing Licensing for Business Solutions & Outsourcing Inc. (BSO) from 2007 to 2011. He is a Certified Public Accountant.

Period in Which Directors and Executive Officers Should Serve

The directors and executive officers should serve for a period of one (1) year.

Terms of Office of a Director

The nine (9) directors shall be stockholders and shall be elected annually by the stockholders owning majority of the outstanding capital stock for a term of one (1) year and shall serve until the election and qualification of their successors.

Any vacancy in the board of directors other than removal or expiration of term may be filled by a majority vote of the remaining members thereof at a meeting called for that purpose if they still constitute a quorum, and the director or directors so chosen shall serve for the unexpired term.

Significant Employees

The Company is not highly dependent on any individual who is not an executive officer.

Family Relationships

Mr. Isidro C. Alcantara, Jr., Director and President is the father of Mr. Reuben Alcantara, VP for Marketing, Business Development and Strategic Planning.

Except for Mr. Isidro Alcantara and Mr. Reuben Alcantara, the directors and executive officers named above are not related.

Resignation or Refusal to Stand for Re-election by Members of the Board of Directors

During the board meeting held September 19, 2014, the board of directors accepted the resignation of Regular Director Mr. Dy Chi Hing, and election of Ms. Marianne Regina Dy as his replacement as disclosed in the Company's 17-C Report on September 19, 2014.

ITEM 10. EXECUTIVE COMPENSATION

The following table summarizes certain information regarding compensation paid or accrued during the last three fiscal years and to be paid in the ensuing fiscal year to the Company's President and each of the Company's three other most highly compensated executive officers:

SUMMARY OF COMPENSATION TABLE

Names	Position	SALARY	BONUS	OTHER COMPENSATION
Cesar Zalamea Antonio Ozaeta Isidro C. Alcantara, Jr. Roberto San Jose Diane Madelyn Ching Ana Maria Katigbak	Chairman Vice Chairman President Corporate Secretary Asst. Corporate Secretary Asst. Corporate Secretary			
All above named officers as a group	2012	₱5,490,000	₱150,000	₱390,000
	2013	₱6,060,000	₱1,600,000	₱915,000
	2014	₱19,050,000	₱6,692,353	₱14,316,788
	2015	14,400,000	27,252,650	₱26,903,823
	2016 Estimated	14,400,000	1,200,000	24,687,647
All other officers and directors as group unnamed	2012	₱5,490,000	₱500,000	₱390,000
	2013	₱6,060,000	₱1,600,000	₱2,040,000
	2014	₱3,600,000	-	₱ 1,350,000
	2015	-	₱13,529,412	₱3,975,000
	2016 Estimated	-	-	₱5,400,000.00

The above executive officers are covered by standard employment contracts and can be terminated upon appropriate notice.

Non-executive Directors are entitled to a per diem allowance of ₱75,000 for each attendance in Regular Board meetings.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security ownership of certain record ("r") and beneficial ("b") owners of five percent (5%) or more of the outstanding capital stock of the Registrant as of December 31, 2014:

Title of Class	Name , address of record owner and relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	PCD Nominee Corporation (registered owner in the books of the stock transfer agent)	Bright Kindle Resources & Investments Inc.	Filipino	600,000,000	32.94%
		Dy Chi Hing	Filipino	218,500,000	12.00%
		Sonia T. Techico	Filipino	130,000,000	7.14%
		Arturo L. Tiu	Filipino	87,629,000	4.81%
		Except those enumerated above, the Company is not aware of other persons with lodged shares who are the beneficial owners of more than 5% of its outstanding capital stock. PCD authorizes its trading participants to vote the shares registered in their name.	Filipino	446,498,424	24.51%
TOTAL				1,482,627,424	81.40%

As of December 31, 2015 the foreign ownership level of Marcventures Holdings, Inc. (MARC) is 34,877,745 shares or equivalent to 01.91%

Security Ownership of Management – Record "r" and Beneficial "b" (direct/indirect) owners as of December 31, 2015:

Title of Class	Name of Beneficial Owner	Amount and nature of ownership (Indicate record ("r") and/or beneficial ("b"))	Citizenship	Percent of Class
Common	Cesar C. Zalamea Chairman	1,000 – "r" (direct) -0- "b" (indirect)	Filipino	0.00%
Common	Macario U. Te Director	1,000 – "r" (direct) -0- "b" (indirect)	Filipino	0.00%
Common	Isidro C. Alcantara, Jr. Director & President	2,000 – "r" (direct) <u>5,100,000</u> "b" (indirect)	Filipino	0.00% 0.30%

SEC FORM 17-A
MARCVENTURES HOLDINGS, INC.

Common	Marianne Regina T. Dy* Director	1- "r" (direct) 5,999,999- "b" (indirect)	Filipino	0.00% 0.33%
Common	Antonio H. Ozaeta Vice Chairman/ Independent Director	1,000- "r" (direct) -0- "b" (indirect)	Filipino	0.00%
Common	Carlos T. Ocampo Independent Director	1,000- "r" (direct) -0- "b" (indirect)	Filipino	0.00%
Common	Augusto C. Serafica, Jr. Director	10,000- "r" (direct) -0- "b" (indirect)	Filipino	0.00%
Common	Reynato S. Puno Incoming Director	1- "r" (direct)		
Common	Michael L. Escaler Incoming Director	1- "r" (direct)		
Common	Rolando S. Santos Treasurer	-0- "r" (direct) -0- "b" (indirect)	Filipino	0.00%
Common	Roberto V. San Jose Corporate Secretary	-0- "r" (direct) -0- "b" (indirect)	Filipino	0.00%
Common	Ana Katigbak Asst. Corporate Secretary	-0- "r" (direct) 150,000 - "b" (indirect)	Filipino	0.01%
Common	Diane Madelyn C. Ching Asst. Corporate Secretary	-0- "r" (direct) -0- "b" (indirect)	Filipino	0.00%
Common	Reuben F. Alcantara VP Marketing, Business Development and Strategic Planning and Investor Relations Officer	-0- "r" (direct) -0- "b" (indirect)	Filipino	0.00%
Common	Ramon N. Santos VP Project Development	-0- "r" (direct) -0- "b" (indirect)	Filipino	0.00%
Common	Rhodel S. Salvador Asst. VP for Finance	-0- "r" (direct) 12,000 - "b" (indirect)	Filipino	0.00%
	TOTAL	16,003 "r" 11,261,999 "b"		0.00% 0.62%

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

As of December 31, 2015 Bright Green Resources Corporation and Benguet Management Corp. has an outstanding balance of ₱72,203,512 and ₱307,441, respectively which represents a non-interest bearing unsecured loan to be settled on demand. Please refer to Note 22 on page 28 of the 2015 Audited Financial Statements (AFS).

The Company retains the law firm of Castillo Laman Tan Pantaleon & San Jose Law Offices (CLTPS) where the corporate secretary, Atty. Roberto V. San Jose, is a senior partner. During the last fiscal year, the Company paid CLTPS legal fees which the Company believes to be reasonable.

The Company is involved in nickel mining operations in Surigao del Sur, through its subsidiary Marcventures Mining & Development Corporation (MMDC), a wholly-owned company. The area covered by MMDC's Mineral Production Sharing Agreement, No. 016-93-XI, is physiologically located in the Diwata mountain range of Surigao del Sur and covers an area of 4,799 hectares. The mine is covered by ECC NO. 0807-022-1093 issued by the Department of the Environment and Natural Resources. Please refer to Note 1 of the 2013 AFS.

Other than the foregoing, there has been no transaction outside of the ordinary course of business during the last two years, nor is any transaction presently proposed, to which the Company was or is to be a party in which any director or executive officer of the Company, or owner of more than 10% of the Company's voting securities or any member of the immediate family of any of the foregoing persons had or is to have a direct or indirect material interest. In the ordinary and regular course of business, the Company had or may have had transactions with other companies in which some of the foregoing persons may have an interest.

PART IV – CORPORATE GOVERNANCE

ITEM 13. CORPORATE GOVERNANCE

Please refer to the attached ACGR.

PART V - EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

- (a) Exhibits
- (b) Reports on SEC Form 17-C

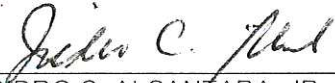
January 21, 2015 Approval of Amended Articles of Incorporation
March 24, 2015 – Approval of Audited FS December 31, 2014 and date of Annual
Stockholders Meeting
April 7, 2015 –Updated Mineral Resource Report December 31, 2014
April 29, 2015 Definitive Information Statement
May 28, 2015 -2014 Annual Report
May 29, 2015 – Result of ASM 2015
May 29, 2015 - Results of Organizational Meeting
December 15, 2015- appointment of officer.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on _____, 2016

APR 21 2016

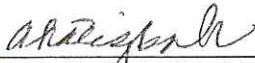
By:



ISIDRO C. ALCANTARA, JR.
President



ROLANDO S. SANTOS
SVP Finance



ATTY. ANA MARIA KATIGBAK-LIM
Asst. Corporate Secretary (In the absence of
Atty. Roberto San Jose Corporate Secretary)

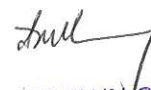
SUBSCRIBED AND SWORN to before me this _____ day of _____, 2016
at **MAKATI CITY** affiant(s) exhibiting to me their Passport as follows:

APR 21 2016

Name	Passport Number	Date/Place Issued
Isidro C. Alcantara, Jr.	EB83030977	06/04/2013 / DFA Manila
Rolando S. Santos	Senior ID No. 1003235	03/2010 / Antipolo
Atty. Ana Maria Katigbak-Lim	EB6978724	12/20/2012/DFA Manila

Doc. No. 63
Page No. 14
Book No. II
Series of 2016.

Notary Public



DIANE MADELYN C. CHING
Notary Public for Makati City
Appointment No. M-204 (2015-2016)
Until 31st December 2016
Roll No. 58472
IBP Lifetime Membership No. 013071; Manila
PTR No. 5330465; 01/11/2016; Makati City



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Marcventures Holdings Inc. and Subsidiary (the Company) is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended December 31, 2015 and 2014, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

Reyes Tacandong & Co., the independent auditor appointed by the stockholders for the years ended December 31, 2015 and 2014, has examined the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, has expressed their opinion on the fairness of presentation upon completion of such examination.


CESAR C. ZALAMEA
Chairman of the Board


ISIDRO C. ALCANTARA, JR.
President


ROLANDO S. SANTOS
SVP Finance

Signed this APR 21 2016 day of APRIL, 2016

4th Floor, Citibank Center, 8741 Paseo de Roxas
Makati City 1227


TELEPHONE (632) 831-4479 FAX (632) 856-7976
(632) 831-4483
(632) 831-4484

SUBSCRIBED AND SWORN to before me this APR 21 2016, 2016
at MAKATI CITY, affiant(s) exhibiting to me their valid identification cards as follows:

Name	Valid ID	Date/Place Issued
Cesar C. Zalamea	Senior#14467	12-19-08/ Mandaluyong
Isidro C. Alcantara	Passport# EB8303097	06-04-13/DFA-MANILA
Rolando S. Santos	Senior#1003235	March 2010/Antipolo

Doc. No. 64
Page No. 14
Book No. II
Series of 2016.

Notary Public


DIANE MADELYN C. CHING
Notary Public for Makati City
Appointment No. M-204 (2015-2016)
Until 31st December 2016
R# No. 58472
IBP Lifetime Membership No. 013071; Manila IV
PTR No. 5336465; 01/11/2016; Makati City