AgriNurture, Inc.

A Corporation duly organized under the laws of the Republic of the Philippines
Principal Office Address: No. 54 National Road, Dampol II-A
Pulilan, Bulacan, Philippines
Telephone Number: +63-2-4136677

REGISTRATION OF 300,000,000 COMMON SHARES AT A PAR VALUE OF Php 1.00 PER SHARE, OF WHICH 178,536,602 COMMON SHARES TO BE LISTED BY WAY OF INTRODUCTION IN THE SECOND BOARD OF THE PHILIPPINE STOCK EXCHANGE ON BEHALF OF THE EXISTING SHAREHOLDERS AND 101,463,398 COMMON SHARES SHALL, WITHIN 1 YEAR FROM THE LISTING BY WAY OF INTRODUCTION, BE OFFERED TO THE PUBLIC BY WAY OF PRIMARY SHARE OFFERING

REGISTRATION OF 20,000,000 WARRANTS RELATING TO 20,000,000 COMMON SHARES

05 May 2009

The approval of the PSE is limited to the Company's Listing by Way of Introduction of its 178,536,602 Common Shares. The Company's applications for the planned public offering of its 101,463,398 Common Shares and 20,000,000 Warrants have not been filed with the PSE; hence, the same are still subject to separate approvals of the PSE.

AGRINURTURE, INC.
(formerly Mabuhay 2000 Enterprises, Inc.)

Principal Office:
No. 54 National Road, Dampol II-A
Pulilan, Bulacan
Philippines

Metro Manila Office:
No. 35 Gasan Street
Masambong, SFDM
Quezon City, Metro Manila
Philippines

Telephone No: +63-2-4136677

This Prospectus relates to the registration of 300,000,000 common shares with par value of Php1.00 per share (the "Common Shares"), of AgriNurture, Inc., a corporation organized under Philippine laws ("ANI" or the "Company").

The 178,536,602 Common Shares, of which 167,905,135 are issued and outstanding and 10,631,467 Common Shares are allotted to, and fully availed by, the Company's directors, employees and consultants under a Stock Purchase Plan, shall be listed on behalf of the existing shareholders of the Company (the "Secondary Common Shares") by way of introduction in the Second Board of the Philippine Stock Exchange (PSE). Within one (1) year from the Listing by Way of Introduction in the PSE, 101,463,398 Common Shares shall be issued by the Company from its unissued authorized capital stock by way of primary offer (the "Primary Common Shares" or "Offer Share").

In addition, this Prospectus relates to the registration of 20,000,000 Warrants relating to 20,000,000 Common Shares taken from the Company's authorized but unissued capital stock, at an issue price of Php 0.00 per Warrant (the "Warrant Offer Price"), and an Expiry Date at the end of the 5th year from issuance and listing, and a strike price of Php20.00. Within one (1) year from the Listing by Way of Introduction of the Secondary Common Shares, the Company shall list the Warrants in the PSE. Subject to the nationality restrictions relating to the ownership of Common Shares (described below), each Warrant grants the holder thereof the right, but not the obligation, upon exercise, to conversion and delivery or sale of one existing Common Share (the "Underlying Shares").

All of the Common Shares in issue or to be issued pursuant hereto have, or upon issue will have, identical rights and privileges. The Common Shares may be owned by any person regardless of citizenship or nationality, subject to the limits prescribed by Philippine laws on foreign ownership in certain types of domestic companies.

The Company will not engage the services of Issue Managers and Underwriters in the Listing by Way of Introduction of the Secondary Common Shares in the Second Board in the PSE since there will be no capital-raising involved. The Company will not receive any proceeds from the offer and sale of the Secondary Common Shares. However, within one (1) year from the listing in the PSE, the Company intends to engage the services of Issue Managers and Underwriters when it offers to the public its Primary Common Shares. In this case, any proceeds to be received by the Company from the Primary Common Shares, after deducting the issue management,

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underwriting fees[1], registration and licensing, listing fees, taxes, and other related fees and expenses shall be used for the Company's general corporate purposes, particularly for its working capital that will increase the pace of its business activity as well as allow ANI to be a complete agri-company.

The authorized capital stock of the Company is Php 300,000,000.00 divided into 300,000,000 common shares with a par value of Php1.00 per share. As of the date of this Prospectus, 167,905,135 Common Shares are issued and outstanding and 10,631,467 Common Shares are allotted to, and fully availed by, the Company's directors, employees and consultants under a Stock Purchase Plan. Within one (1) year from the Listing by Way of Introduction in the PSE, the Company shall conduct a public offering of its Primary Common Shares amounting to 101,463,398 shares, thus, after the completion of the entire offering, the issued and outstanding Common Shares of the Company shall be 300,000,000 Common Shares.

Since, the time frame for the offering of the Primary Common Shares is still within one (1) year after the Listing by Way of Introduction in the Second Board of the PSE and considering further the prevailing global economic crisis and market conditions, the Company can only estimate the Offer Price to a minimum of P1.00 per share, subject to adjustment by the Company based on the economic, market and business conditions at the time of the actual public offering of its Primary Common Shares. Thus, using the current estimate of the offer price at a minimum of P1.00 per share, the estimated total proceeds in case of public offering is P101,463,398.00.

The shares from the unissued portion of the authorized capital stock are not subject to pre-emptive rights of the stockholders, and may be issued in quantities, at such time, and under such terms as the Board of Directors of the Company shall determine

Although there are no restrictions that limit the Company's ability to pay dividends, ANI has not declared any dividends since its incorporation. The Board of Directors may decide to declare dividends, whether in the form of cash, property or stock, from the unrestricted retained earnings of the Company at a time and percentage as the Board of Directors may deem proper and in accordance with the pertinent laws.

The information contained in this Prospectus is publicly available and has been supplied by the Company solely for the purpose of its application for Listing by Way of Introduction. Unless otherwise stated, the information contained in this Prospectus is as of 08 April 2009. The Company accepts full responsibility for the accuracy, and completeness of the information contained herein. The Company confirms that, after having made all reasonable inquiries, and to the best of its knowledge and belief, there are no other material facts, the omission of which would make any statement in this Prospectus misleading in any material respect. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstance, create any implication that the information contained herein is correct as of any time subsequent to the date hereof.

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[1] The Company will engage the services of underwriters, under such terms and conditions still to be agreed upon, only upon its decision to offer its Primary Common Shares to the public within one (1) year from the listing by way of introduction in the Second Board of the PSE.

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Prospective investors to the Common Shares and the Warrants must conduct their own evaluation of the Company, and the terms and conditions of the Offer, including the merits and risks involved. The readers of this Prospectus are further enjoined to consult their financial advisers, tax consultants, and other professional advisers with respect to the acquisition, holding, or disposal of the Offer Shares described herein.

Market and certain industry data used throughout this Prospectus were obtained from internal surveys, market research, publicly available information, and industry publications. Industry publications generally state that the information contained therein have been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. Similarly, internal surveys, industry forecasts, and market research, while believed to be reliable, have not been independently verified, and the Company makes no representation as to the accuracy of such information.

This Prospectus includes forward-looking statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting its business. Words including, but not limited to, “believes”, “may”, “will”, “estimates,” “continues,” “anticipates,” “intends,” “expects,” “forecasts”, and similar words are intended to identify forward-looking statements. In light of these risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this Prospectus might not occur. The Company’s actual results could differ substantially from those anticipated in the Company’s forward-looking statements.

On 13 January 2009, the Company filed its Registration Statement with the SEC in accordance with the provisions of the Securities Regulation Code, which was favorably acted upon by the SEC on 26 February 2009. As such, the Company has secured a pre-effective clearance from the SEC conditioned on the submission of the final prospectus and latest audited financial statements of the Company.

On 15 April 2009, the Board of Directors of the PSE confirmed that the Company is qualified for Listing by Way of Introduction of its 178,536,602 Common Shares on the Second Board of the PSE.

This Prospectus shall not constitute an offer to sell or the solicitation of an offer to buy any securities other than those described herein, nor does it constitute an offer to sell or a solicitation of an offer to buy the securities described herein in any jurisdiction in which such offer or solicitation or sale is not authorized, or to any person to whom it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give information or make any representation not contained in this Prospectus, and if given or made, may not be relied upon as having been authorized by the Company.

This Prospectus has been authorized for circulation and distribution only in the Philippines. The distribution of this Prospectus and the Offer of the Offer Shares may be restricted by law in certain jurisdictions. The Company requires persons into whose possession this Prospectus comes to inform them of, and observe all such restrictions. Prospective investors should also inform themselves on any taxation or legislation affecting them personally, and should consult their professional advisers with respect to the acquisition or disposition of the Offer Shares.

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ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN ARE TRUE AND CURRENT.

ANTONIO L. TIU
President and Chief Executive Officer

SUBSCRIBED AND SWORN TO before me in MAKATI CITY this ___ day of MAY 0 5 2009 2009, affiant exhibiting to me his Community Tax Certificate No. 11221579 issued at Quezon City on 05 January 2009, and presenting to me his Passport No. XX1478710, valid until 24 June 2013, bearing his photograph and signature, issued by the Department of Foreign Affairs, as competent evidence of his identity.

Doc. No. 150.
Page No. 30.
Book No. I.
Series of 2009.

ATTY. MARGARET D. FACENTE

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PART I. GLOSSARY

"ANI" or "Company"	:	AgriNurture, Inc.
"BCH" or "Best Choice Harvest"	:	Best Choice Harvest Agricultural Corp.
"Black Scholes"	:	The standard method of pricing options
"BSP"	:	Bangko Sentral ng Pilipinas
"Common Shares"	:	300,000,000 shares of ANI with a par value of Php1.00 per share
European Call Option	:	The right, but not the obligation, to convert a Warrant, at the Strike Price (Exercise Price) on the Expiry Date
Expiry Date	:	The life of the Warrant. In this case, 5 years after listing
Exercise Price (also Strike Price)	:	The price paid to convert the Warrant to a share
"FCA" or "First Class Agriculture"	:	First Class Agriculture Corp.
"Fresh and Green" or "FG"	:	Fresh and Green Harvest Agricultural Company, Inc.
"Fruitilicious"	:	Fruitilicious, Inc.
"LF" or "Lucky Fruit"	:	Lucky Fruit and Vegetable Products, Inc.
"M2000 IMEX"	:	M2000 IMEX Company, Inc.
"NMC" or "Nutri-licious Marketing"	:	Nutri-licious Marketing Corp.
"NSX"	:	National Stock Exchange of Australia
"Php"	:	Philippine Pesos
"Primary Common Shares"	:	101,463,398 shares of ANI to be issued from its authorized capital stock and publicly offered within one (1) year from Listing by Way of Introduction
"PSE"	:	The Philippine Stock Exchange, Inc.
"SEC"	:	The Securities and Exchange Commission of the Philippines
"Secondary Common Shares"	:	178,536,602 Common Shares of ANI, of which 167,905,135 are issued and outstanding and 10,631,467 Common Shares have been allotted to, and fully availed by, the Company's directors, employees and consultants under a Stock Purchase Plan, with a par value of Php1.00 per share, to be listed in the PSE by way of introduction
"SRC"	:	Securities Regulation Code
"Warrants"	:	The right but not the obligation to buy the underlying Common Shares at the strike price on the Expiry Date

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PART II. SUMMARY

The following information is derived from, and should be read in conjunction with, the full text of this Prospectus.

A. The Parties

The Issuer:	**AgriNurture, Inc.** Principal Office: No. 54 National Road Dampol 2A, Pulilan, Bulacan Manila Office: #35 Gasan Street, Masambong SFDM, Quezon City
Financial Advisor:	**Ernst & Young Transaction Advisory Services Inc.** 9/F SGV Bldg. II 6760 Ayala Ave. Makati City, Philippines
Independent Auditors:	**Alba Romeo & Co.** 7th Floor, Multinational Bancorporation Centre, 6805 Ayala Avenue, Makati City
Legal Counsel to the Issuer:	**The Law Firm of Subido Pagente Certeza Mendoza & Binay** 3rd Floor Value Point Executive Bldg. 227 Salcedo Street, Legaspi Village, Makati City, Philippines
Stock Transfer Agent :	**Securities Transfer Services, Inc.** Ground Floor Benpres Building Exchange Road corner Meralco Avenue Ortigas, Pasig City

B. Listing by Way of Introduction with the PSE and Compliance Listing with the NSX

On 15 April 2009, the Board of Directors of the PSE confirmed that the Company is qualified for Listing by Way of Introduction of its 178,536,602 Common Shares on the Second Board of the PSE.

Under Section 1, Part H, Article III of the PSE Revised Listing Rules, Listing by Way of Introduction is expressly allowed in instances "where securities for which listing is sought are already listed or traded or will simultaneously be listed on another stock exchange".

In this respect, and in compliance with Section 3, Part H, Article III of the PSE Revised Listing Rules, on 27 August 2008, the Company lodged its application for

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compliance listing with the NSX[1]. On 09 January 2009, the Company's application was approved by the NSX.

For a more detailed discussion, see Part X (V) "Listing by Way of Introduction with the PSE and Compliance Listing with the NSX" on page 68 of this Prospectus.

C. The Offer

Listing by Way of Introduction is a listing process that does not involve a public offering of securities.

However, within one (1) year after the Listing by Way of Introduction of the Secondary Common Shares, the Company shall offer to the public 101,463,398 Common Shares by way of primary offer at a minimum offer price of Php1.00 subject to adjustment as may be deemed appropriate by the Company based on the prevailing economic, market and business conditions at the time of the said offering. During the same period, the Company shall also file an application with the PSE for the listing of 20,000,000 Warrants relating to 20,000,000 Common Shares at an issue price of Php0.00. The Warrants are of the European Call Option type with an Expiry Date at the end of the fifth year from issuance and listing, and a strike price of Php20.00.

D. The Company

Incorporated on 04 February 1997, ANI started its business operations in the same year as an importer, trader and fabricator of post-harvest agricultural machineries intended to improve the productivity and increase the income of Filipino farmers. Formerly known as Mabuhay 2000 Enterprises, Inc., ANI was the first to bring into the Philippine market the Mega-Sun brand of grain dryers. It thereafter established itself as one of the more reliable local supplier and manufacturer of conveyor systems and other rice mill equipment.

ANI eventually diversified into other various agro-commercial businesses, specifically focusing on the export trading of fresh Philippine Carabao Mangoes as its main revenue stream. Since then, ANI has become one of the Philippines' top fresh mango exporters to the world market. At present, ANI also supplies other home-grown fruits such as banana, pineapple and papaya to customers in Hong Kong, Mainland China, the Middle East and to the different European regions (the "Fresh Foods Group").

With its strong commitment to product innovation and maximum productivity, ANI progressed to producing export quality processed foods using the home-grown fruits as raw materials (the "Processed Foods Group").

Currently, ANI has three (3) subsidiaries under its Fresh Foods Group: (1) First Class Agriculture, (2) Fresh and Green, and (3) Lucky Fruit.

First Class Agriculture is engaged in the commercial distribution of fresh vegetables and fruits to the SM Supermarket chain. It supplies more than 100 varieties of vegetables and local fruits daily to sixteen (16) SM Supermarket stores

[1] Please refer to page 68 for the discussion on Compliance Listing in NSX,

located in the National Capital Region (NCR) and other provinces in Luzon as well as to eleven (11) branches of Makro in the NCR. Meanwhile, Fresh and Green is engaged in the commercial distribution of fresh vegetables and fruits to the SM Hypermarket chain. It currently supplies thirteen (13) SM Hypermarket stores. Lastly, Lucky Fruit is engaged in the trading and distribution of commercial crops through key trade channels such as hotels, restaurants, public wet markets and catering companies.

For its Processed Foods Group, ANI owns and controls two (2) companies: M2000 IMEX in Bulacan and Fruitilicious in Cagayan de Oro. In the second half of 2009, ANI intends to acquire a 51% equity interest in Nutri-licious Marketing. In this regard, the Company is currently performing its due diligence review of Nutri-licious Marketing in connection with the intended investment.

M2000 IMEX is the subsidiary engaged in the manufacturing and processing of branded and toll-manufactured canned fruit beverages and products such as Mango Nectar, Coco Juice, Coco Cream, and Coco Milk. It is also ANI's facility for commercial vinegar fermentation and bottling, as well as veggie-balls production. Meanwhile, Fruitilicious serves the frozen and processed fruit requirements of food manufacturers and processors such as Nestle Ice Cream Division and Cenmaco, Inc. The plant of Fruitilicious, strategically situated near the fruit-bountiful provinces of Bukidnon, Davao, Lanao del Norte and Agusan del Sur, also serves as ANI's logistics and sourcing hub for its Visayas and Mindanao operations. Nutri-licious Marketing, on its part, carries the brand name "Nutri-licious" and markets a variety of beverage and food products to local and international clients through business-to-business or business-to-consumer models. It operates kiosk-type outlets in malls, canteens and schools, and has developed a franchising model for its expansion.

To complete the full integration of ANI's operations, ANI owns and controls Best Choice Harvest. Best Choice Harvest is engaged in the management of farming activities in various provinces that serve the supply needs of ANI's distribution subsidiaries. It is also engaged in livestock integration and bio-fuel feedstock development. It is likewise involved in the introduction, field-testing, and commercialization of new and imported crop varieties that will provide higher yield and income for Filipino farmers.

At present, Best Choice Harvest manages farms in the following locations:

LOCATION	AGGREGATE AREA (*In Has.*)
Arayat, Pampanga	20
Magalang, Pampanga	10
Subic, Zambales	7
Pampanga-Tarlac	50
La Trinidad, Benguet	34
Sorsogon	6
Antipolo, Rizal	10
Nueva Vizcaya	5
Nueva Ecija	3
Sariaya, Quezon	3

In pursuit of its vision to become a world-class supplier of high-quality fresh and processed agricultural food products, ANI remodeled its business structure, from adopting a purely "farm-to-market" trading business model into utilizing a "farm-to-plate"-based concept supported by full forward and backward integrations. As a result, ANI's range of operations has consequently expanded, providing a strategic advantage hinged on the synergy of all business activities, from farming, packing, trading, distribution, processing, canning, and up to sales. This unique and competitive agri-business model has put ANI in the best position to promote private sector participation in agriculture as both a viable business opportunity and as an effective tool for nation-building.

E. Competitive Strengths

After more than ten (10) years in the business, ANI believes its inherent competitive strengths put the Company in the best position to take on new and better challenges in the agriculture industry and develop new business areas for growth:

► *Complete and strategic integration of its operations* – the Company is able to benefit from zero-waste, in between stages, and unrivalled product pricing, to allow full marketing leverage against competitors;

► *Constant innovation of products and services* – the Company is able to rapidly penetrate new markets, establish global marketing presence, and at the same time, enhance the Filipino image in the international business arena;

► *History of offering quality products and services* – the Company's track record of performance shows in its firm grasp of the markets in which it operates, receiving accreditations and recognition from local and international agencies;

► *Exceptional human resource pool and philosophy* – the Company is able to recruit and retain reliable, creative and well trained managers, staff and employees thereby allowing its businesses to continue to succeed; and

►*Unrivalled industry influence* – owing to the Company's significant contribution to national development and security, it has built networks and alliances with government agencies, business organizations, academe, and media that allow prompt and wide-scale resource mobilization.

F. Use of Proceeds

The Company shall not receive any proceeds from the Listing by Way of Introduction of its Secondary Common Shares in the Second Board of the PSE. Any proceeds from the subsequent offering of the Primary Common Shares, which will still be subject to PSE approval, will be used for the Company's working capital requirements, as discussed further in Part XXI(A) hereof, page 111.

G. Risk of Investing

Before making an investment decision, prospective investors are advised to consider carefully all the information contained in this Prospectus, including the following key points characterizing the potential risks associated with an investment in the Common Shares and Warrants of the Company. These risks include:

- Risks relating to the Business;

  ► The business operations of the Company may be adversely affected by any disruptions in the supply and obsolescence of its major raw materials.

  ► Operational risks, which include the risk of loss resulting from inadequate or failed internal processes and systems, human factors, or from external events, may adversely affect the performance of the Company.

  ► The performance and management of the Company's farming and trading operations may be adversely affected by the inherent volatility and the occurrence of extreme weather events due to global climate change.

  ► The production of the Company may be adversely affected by pest and disease infestation.

  ► The competition on the Company's business and markets may cause the Company to lose market share and reduce its operating margins.

  ► The expansion of the Company may be adversely affected by working capital shortage.

  ► Default of the Company's subsidiary in the payment of its outstanding loan may disrupt the Company's business as a result of the Continuing Surety Agreement.

  ►The governmental regulations could materially and adversely affect the Company's financial condition and results of operations.

- Risks relating to the Philippines;

  ► The political and economic instability in the Philippines could have a negative effect on the financial results of the business of the Company.

  ► The foreign exchange volatility could adversely affect the prices of imported machineries, imported raw materials and prices of exported products.

- Risks relating to the Company's Securities; and

  ► If an active trading market for the Company's Common Shares and Warrants does not develop, the price of the Company's Common Shares and Warrants may suffer and decline below its Issue/Offer Price.

  ► There may be a delay or failure in trading of ANI securities both in the PSE and the NSX.

► Investors who use local or foreign currency may be subject to the risk of currency depreciation.

► Following the expiry of lock-up period, the market price of the shares could be adversely affected should the Company's majority shareholders and directors sell, or is perceived as intending to sell, a substantial amount of shares.

- Risks relating to Statements in this Prospectus.

► Certain statistics in this Prospectus relating to the Philippines, the industries and markets in which the Company's businesses operate have not been independently verified and may not be accurate, complete, up-to-date or consistent with other information compiled within or outside the Philippines.

Please refer to the section entitled "Risk Factors" beginning on page 12 of this Prospectus, which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with the purchase of the Common Shares and Warrants.

H. Financial Highlights

The selected financial information set forth in the following tables have been derived from the audited financial statements for the years 2006, 2007 and 2008. This consolidated financial data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and related notes included elsewhere in this Prospectus. The summary financial information set out below does not purport to project the results of operations or financial condition of the Company for any future date or period.

Table 1: Consolidated Income Statements

(Amounts presented are in P'000, except per share data)	**AUDITED**		
	As of Dec. 31, 2006	**As of Dec. 31, 2007**	**As of Dec. 31, 2008**
Sales	106,888	623,874	777,965
Cost of Sales	88,856	510,250	643,941
Gross Profit	18,032	113,624	134,024
Operating Expense	16,909	99,983	110,166
Operating Income	1,122	13,641	23,858
Other Income (Expenses), Net	(186)	(2,746)	(10,357)
Income Before Income Tax	575	6,666	13,501
Provision for Income Tax			
Current	388	4,311	4,763
Deferred	(27)	(82)	
Net Income	575	6,666	8,738
Earnings Per Share	0.06	0.43	0.06

Table 2: Consolidated Balance Sheet

(Amounts presented are in P'000, except per share data)	Audited		
	As of 31 Dec. 2006	**As of 31 Dec. 2007**	**As of 31 Dec. 2008**
Current Assets			
Cash	4,282	11,065	8,398
Trade and Other Receivables	2,812	87,909	220,462
Notes Receivable	-	50,000	58,000
Due from Stockholders	1,232	16,323	5,183
Advances to Projects	46	81,449	31,998
Inventories	7,554	9,167	34,150
Prepayments and Other Current Assets	198	3,137	7,345
TOTAL CURRENT ASSETS	16,125	259,051	365,536
Non-Current Assets			
Property and Equipment, net	3,060	45,337	133,380
Deferred Tax Assets	89	293	946
Goodwill	33	30,104	19,509
Other Non-current Assets	-	738	3,961
TOTAL NON-CURRENT ASSETS	3,183	76,472	157,796
TOTAL ASSETS	19,308	335,524	523,332
Current Liabilities			
Trade and Other Payables	1,629	70,675	89,725
Current Portion of Long-term Payables	7,000	106,377	211,241
Due to Stockholders	797	17,442	14,652
Income Tax Payable	366	692	634
TOTAL CURRENT LIABILITIES	9,791	195,185	316,252
Non-Current Liabilities			
Long-term Notes Payable	-	13,276	15,681
Pension Liability	255	383	525
Deferred Tax Liability	-	122	-
TOTAL NON-CURRENT LIABILITIES	255	13,781	16,206
TOTAL LIABILITIES	10,047	208,967	332,458
TOTAL STOCKHOLDER'S EQUITY	9,261	126,557	190,874
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	19,308	335,524	523,332

PART III. TERMS OF THE LISTING

A. BY WAY OF INTRODUCTION

The Shares

The Company has filed an application with the PSE for Listing by Way of Introduction on the Second Board of 178,536,602 Common Shares of the Company at a par value of Php1.00 per share, of which 167,905,135 Common Shares are issued and outstanding and 10,631,467 Common Shares are allotted to, and fully availed by, the Company's directors, employees and consultants under a Stock Purchase Plan.

Restriction on Issuance

In compliance with the PSE Listing Rules applicable to companies applying for Listing by Way of Introduction on the Second Board, all existing stockholders holding at least 10.00% of the Common Shares of the Company prior to the listing have agreed not to offer, sell or otherwise dispose of their shareholdings for a period of one (1) year after the listing of the shares.

Listing and Trading

The application for Listing by Way of Introduction was approved by the Board of Directors of the PSE on 15 April 2009. Trading of the Company's Common Shares shall commence on 13 May 2009.

B. BY SUBSEQUENT PUBLIC OFFERING

To be conducted within one (1) year after the Listing by Way of Introduction

The Offer

Within one (1) year after the Listing by Way of Introduction, the Company shall offer to the public 101,463,398 Common Shares by way of primary offer at a minimum offer price of Php1.00 per share subject to adjustment based on the prevailing economic, market and business conditions. During the same period, the Company shall also file an application with the PSE for the listing of 20,000,000 Warrants relating to 20,000,000 Common Shares. The Warrants are of the European Call Option type with an Expiry Date at the end of the 5th year from issuance and listing, and a strike price of Php20.00. Approval of the applications will be made only upon compliance with the requirements for listing.

C. COMMON TERMS

Minimum Subscription

The minimum subscription for the Common Shares shall be 1,000 Common Shares while the minimum subscription for the Warrants shall be 1,000 Warrants. No application for multiples of any other number of shares shall be considered.

Eligible Applicants	The Common Shares and Warrants may be held by any individual of legal age, or corporations, partnerships, and/or trust accounts duly organized and existing under the laws of their respective countries.
Restrictions on Ownership	The Common Shares and Warrants may be owned by any person regardless of citizenship or nationality, subject to the limits prescribed by Philippine laws on foreign ownership in certain types of domestic companies. At present, the Company owns land in its own name; hence, the percentage of foreign ownership should not exceed 40% of the issued and outstanding Common Shares of the Company.
Application	Application forms to subscribe for and purchase the Common Shares and Warrants may be obtained from the Company. All applications (the "Application") shall be evidenced by the Application to Subscribe and Purchase form, duly executed in each case by an authorized signatory of the Applicant and accompanied by one (1) completed signature card, the corresponding payment for the Common Shares and Warrants covered by the Application, and all other required documents. Failure to fill in the Application completely and truthfully may result in the rejection of said Application The duly executed Application and required documents should be submitted to the same office where it was obtained.
Requirement for Corporate Applicants	If the Applicant is a corporation, partnership, or trust account, the Application must be accompanied by the following documents: • A certified true copy of the Applicant's latest Articles of Incorporation and By-Laws and constitutive documents (each amended to date); • A certified true copy of the Applicant's SEC certificate of registration; and, • A duly notarized corporate secretary's certificate setting forth the resolution of the Applicant's board of directors or equivalent body authorizing the purchase of the Common Shares and Warrants indicated for the purpose, including his/her specimen signature, and the percentage of the Applicant's capital or capital stock held by Filipinos

Requirements for Non-Resident Individual or Foreign Corporate and Institutional Applicants	In addition to the requirements for corporate applicants, non-resident individuals or foreign corporate and institutional Applicants are required to submit together with the Application, a representation and warranty stating that their investing in the Common Shares and Warrants being applied for will not violate the rules and jurisdiction, and that they are allowed to acquire or invest in the Common Shares.
Acceptance / Rejection of Applications	The Issuer reserves the right to reject any Application, or scale down or reallocate any of the Common Shares applied for. An Application, once accepted, shall constitute the subscription agreement between the Applicant and the Issuer for subscription to the Common Shares at the time, in the manner and subject to the conditions set forth herein. Notwithstanding the acceptance of any Application by the Issuer, the actual subscription and sale of the Common Shares to the Applicant will become effective only upon the listing of the Common Shares at the PSE.
Payment Terms	Payments shall be made in Philippine Pesos by way of: (a) a duly funded personal/company check drawn against a bank account with any branch of a Bangko Sentral ng Pilipinas (BSP) authorized agent bank located within Metro Manila; or (b) a Manager's or a Cashier's Check.
Registration of Foreign Investments	The BSP requires that investments in securities of ANI funded by inward remittance of foreign currency be registered with the BSP if the foreign exchange needed to service capital repatriation or dividend remittance will be sourced from the domestic banking system. The registration with the BSP of all investments in the Common Shares and Warrants shall be the responsibility of the foreign investor. See "Philippine Foreign Investment, Exchange Controls, and Foreign Ownership."

PART IV. RISK FACTORS

Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Prospectus, including the Company's consolidated financial statements and notes relating thereto included herein, before making any investment decision relating to the Offer. This section does not purport to disclose all the risks and other significant aspects of investing in the Offer. Neither is the Company's past performance an indication of its future performance. Investors deal in a range of investments, each of which may carry a different level of risk. The occurrence of any of the events discussed below and any additional risks and uncertainties not presently known to the Company or that are currently considered immaterial could have a material adverse effect on the Company's business, results of operations, financial condition, and prospects. These may cause adverse movements in the market price of the Offer.

The price of securities can and do fluctuate, and the price of an individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. There is an extra risk of losses when securities are bought from smaller companies. There may be a significant difference between the buying price and the selling price of the securities.

An investor should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially in the trading of high-risk securities. Investors should undertake independent research regarding the Company and the trading of the securities before commencing any trading activity and may request all publicly available information regarding the Company and the Offer from the SEC. Each investor should consult its own counsel, accountant, and other advisors as to legal, tax, business, financial, and related aspects of an investment in the Offer.

The following risk factors are presented in their order of importance.

A. RISKS RELATING TO THE BUSINESS

1. Risks relating to Supply

ANI procures its vegetables and fruits (especially mangoes) from various sources, ranging from small farmers to big producers. Currently, a minimal part of ANI's internal supply requirement is provided for by its farming subsidiary, Best Choice Harvest. As a policy, volume and quality is the main consideration in the sourcing of all the products handled by ANI. However, the risk of supply shortage poses significant threat to the continuity of business operations and ultimately to the image of the Company.

To mitigate this type of risks, ANI observes an "open-line" type of communication with all its suppliers, maintaining 24/7 constant coordination and accessibility with key personnel. This enables the Purchasing Division to realign sourcing activities and locations in a timely and appropriate manner should supply issues arise.

In addition, ANI, with its decade-long relationship with different types of suppliers, is able to attract conscientious and reputable suppliers who are willing to conduct business for the long-term. Based on experience, the mutual cooperation developed by ANI with the suppliers has contributed greatly to the ease of which supply concerns are resolved from time to time. ANI believes that "Friendship beyond Business" works.

Finally, given ANI's diversified and integrated business operations, it is inevitably exposed to the growing industry challenge of raw materials obsolescence that is seen to affect its various product lines. The industry-definition of which is the loss or impending loss of manufacturers or suppliers of raw materials, or shortages of raw materials. To mitigate this type of risk, ANI's primary approach is the implementation of an enterprise-wide, periodic accreditation of a pool of suppliers for various materials, ensuring that forecasted demand will be adequately serviced despite risks of non-delivery of any supplier. Further, this periodic accreditation assures that the company has access to the best possible materials, from the best possible source, at the best possible price at any given time during the year.

2. Risks relating to Operations

Operational risks involve the risk of loss resulting from inadequate or failed internal processes and systems, human factors, or from external events. To effectively mitigate this type of risk requires the supervision of the different categories of operational risks occurring on a daily basis. Generally, ANI's management of operational risks is centrally coordinated but is implemented in the different operating units, as indicated below:

External/Internal Fraud. Risk arising from fraudulent activities from a third party, for example, robbery, theft, phishing or hacking, or from internal parties are managed through the office and departments handled by the Chief Financial Officer.

Products, Customers and Business Practices. Risk resulting from inadvertent or careless failure to satisfy a professional responsibility to particular customers (involving fiduciary and appropriateness necessities) or from the characteristics of configuration of a commodity, are managed through the office of the Chief Operating Officer and Sales and Marketing departments.

Workplace safety and employment practices. Risk arising from non-compliance with health, employment, or safety acts or from disbursal of claims related to personal injury or from inequality/unfair treatment are managed by the office and the Chief Operating Officer and the HR Department.

System failure and business interruptions. Risk resulting from interruptions of business operations or system breakdown, including issues on telecommunication, computer software, or computer hardware failure and equipment failure. These are managed by the Chief Information Officer and the IT Department.

Damages to tangible properties. Risk resulting from damages or losses of tangible properties due to natural calamity or other occurrences is managed by the HR/Admin Department under the office of the Chief Operating Officer.

Execution, supply and process management. Risk arising from failure in process management or transaction processing due to poor association with vendors and commercial service providers are handled by the Company's Purchasing Group, and the Logistics Group.

3. Risks relating to Weather and Climate

Weather, although an important production factor in agriculture can hardly be controlled and is traditionally a major source of uncertainty in the business. Its inherent volatility and the occurrence of extreme weather events due to global climate change impacts greatly the performance and management of the Company's farming and trading operations.

To manage this type of risks, ANI implements a diversification strategy where its center of operations is virtually relocated from Luzon to Visayas and Mindanao, and vice versa depending on the existing season (wet or dry) to ensure continued production and trading. ANI likewise monitors the lunar calendar and weather forecasts to aid in better operations planning. As such, ANI is able to step up operations in farms, buying stations and raw material trading posts in the Visayas and Mindanao to offset the cutback in the Luzon area before the typhoon season begins. ANI's nationwide presence has allowed for a stable and reliable conduct of operations all year round.

Moreover, as a farming practice, ANI adapts to the existing season to determine the crops to be planted and produced (i.e. rice production during wet season), thus enabling its farms to remain productive every month of the year.

4. Risks relating to Pest and Disease Infestation

As a production risk, pest and disease infestation affect both the quantity and quality of commodities available for the market. And if not addressed appropriately, this translates to decreased crop yield and farm output, as well as uncertainty in commodity prices.

ANI, with its vast experience, valuable linkages, and wide geographical presence is able to manage this type of risk by adopting modern pest control systems and Good Agricultural Practices such as crop rotation and the use of a mixture of organic fertilizers.

In practice, ANI sources its supply requirements from farms and buying stations located in different provinces and regions of the country. This way, no widespread infestation would drastically weaken ANI's supply chain at any time. Also, ANI's strategic nationwide locations allow its farm production and trading activities to easily shift bulk of its key operations from one region to another should the need arises.

5. Risks relating to Competition

Most ASEAN countries are engaged in agriculture, producing and exporting similar varieties of fruits and vegetables. The challenge for ANI is to be a better known brand and company in the global markets than its ASEAN counterparts, ensuring that only quality products from the Philippines reach the market.

At present, the Philippine mango, banana, and pineapple are still the preferred variety in the world market due to its distinctive tastes. It will take the other ASEAN countries years of research and development to perfect their respective fruit varieties and market it to the world profitably.

On the other hand, ANI as a pioneer of modern agriculture in the Philippines, undertakes continuous research and development in products and technology to remain at the forefront of the country's agriculture sector.

ANI relies on its now fully-integrated operations as a strategic advantage over its competitors in the industry whether local or foreign. Utilizing a zero-waste approach in its operations, its Farming Group is linked with its Fresh Products Group, while both are also linked with the Processed Foods Group. In turn, the Processed Foods Group and even the Fresh Products Group also provide inputs for the Farming Group. This synergy of operations allows ANI to bring down production costs and increase the value of its brand and products in the market.

6. Risks relating to Working Capital Shortage

As the Company expands its volume of fresh produce which generally requires cash at point of purchase and finished goods inventory, it begins to need more working capital. The risk is that it might not have access to working capital, thereby reducing the amount of goods it can sell or produce.

ANI has enough Export packing, P.O. financing and Invoice factoring facility with major banks anticipating further increase in sales. The purpose of raising equity from the public or private equity is also a long term financial plan to deal with the risk of working capital shortage.

7. Risks relating to Loans of Subsidiaries

Banco de Oro Universal Bank (the "Bank"), a related corporation of one of the Company's major clients, extended the Company and its subsidiaries, namely, FCA, Fresh & Green and Best Choice, a credit line in the amount of Php85 million. As security for the credit line, the Company and its subsidiaries entered into a Continuing Surety Agreement with the Bank wherein, among other things, the Company gave the Bank a lien upon all its moneys or other properties. As of the date of this Prospectus, the FCA has an outstanding loan with the Bank in the amount of Php60 million.

In the event that FCA defaults in the payment of its outstanding loan, the Company may be held solidarily liable by the Bank and its moneys and properties applied by the Bank as payment for the unpaid loan of FCA.

In order to avoid any disruption to the Company's business as a result of the Continuing Surety Agreement, the Company shall limit its exposure on said loans in relation to its total assets. At present, the outstanding loan of FCA secured by the Company represents only 11% of the latter's total assets. Moreover, the Company shall continuously work on improving its collection and cash management so as to ensure that the loans are paid on time.

8. Risks relating to Government Regulations

The Company's operations and products are subject to standards and regulations set forth by the government and regulatory agencies (DA, DOH-BFAD, DoLE, and DOF-Customs) which may introduce new rules and policies or implement changes in the enforcement of existing laws and regulations, which, in turn, could directly affect the operations and profitability of the Company. Compliance therewith may also entail additional costs for the Company.

Although the Company endeavours to maintain compliance to the required operational licenses, accreditations, and certifications, there can be no assurance that the aforementioned agencies will not introduce more stringent rules and regulations in the future.

These and other legal or regulatory changes could materially and adversely affect the company's financial condition and results of operations.

B. RISKS RELATING TO THE PHILIPPINES

1. Risks relating to Political and Economic Factors

a. Political Factors

In general, the Philippines suffers from a moderate degree of political instability marked by concerns on the credibility of elections, corruption, allegations of human rights abuses and activities by insurgent and terrorist groups. The rise of food and energy prices has also propped up inflation rate to its high of 11.4% this June 2008.

Currently, an issue of potentially great concern to ANI is the expiration of the twenty (20) year old Agrarian Reform Program and its aftermath. Last 10 June 2008, Congress agreed to defer voting on extending the Agrarian Reform Program and opted instead to adopt Resolution 21 which will maintain the Land Acquisition and Distribution (LAD) function of the Department of Agrarian Reform (DAR) until 31 December 2008 but will not extend DAR's budget. However, Congress recently approved Joint Resolution No. 19 giving the DAR funding to complete the processes of coverage, acquisition and distribution under CARP within the period from January 1 to 30 June 2009. Future government policies regarding agrarian reform might potentially affect ANI's own policies and sourcing of supplies. But for the short-term, the deferment of voting on the extension of the CARP might be a cause of further political instability and turmoil as there will be a division of interest: those who want to extend the agrarian reform and those who want to end the agrarian reform. In addition, many landless farmers will also become discontented and some might even be inclined to join or form insurgent groups.

ANI has no control over the political factors that can affect the economy and ultimately its business. There is no assurance that the Philippines will be more politically stable over the years and that the Philippines will not be subject to acts of terrorism in the future. The Company's share prices can be affected by political swings in the Philippines.

b. Economic Factors

A key economic challenge the Company faces is the price of oil. Oil has been reaching record levels of more than $140 per barrel in the first half of 2008. Although the price of oil has recently plummeted to under $40 per barrel at the start of 2009, this is only temporary because the fact still remains that there is a constant depletion of major oil fields worse than predicted at 9.1 percent year over year. Depleting supply in oil will naturally trigger an increase in oil prices. This directly affects the Company's profitability because oil prices have a direct impact on the cost of distribution of fruits and vegetables. Since logistics costs form part of the of the cost of goods sold, high oil prices lead to increasing outlays for product procurement. Since the increasing fruit and vegetable cost is not always followed by a corresponding increase in selling price of the end product, this situation could result in lower margins. However, basic commodity is always the most unaffected during times of crisis.

Another key economic challenge the Company faces is inflation. As of January 2009, the Philippines had an inflation rate of 7.1 %. A high inflation rate would mean lower growth in the economy and lower consumer spending which might lower the Company’s forecasted sales. A high inflation rate would also mean higher cost of good sold in general which would further lower the Company’s margins. The Asian Development Bank estimates inflation to reach double-digits in 2009 for Southeast Asia.

Another economic indicator which need not necessarily be an economic challenge is the exchange rate. The Philippine Peso versus the US Dollar as of February 23, 2009 was officially at the Php48.165 per dollar level according to the BSP, having bottomed out at the Php40.00 - Php41.00 per dollar level sometime between January and March 2007. If the peso continues to weaken against the dollar, the exporting aspect of the Company will benefit and spending from OFW beneficiaries will increase translating in higher domestic demand.

2. Risks relating to Foreign Exchange Rates Volatility

The Company has no control over the fluctuations of the dollar-peso rates. These fluctuations can affect the prices of imported machinery, imported raw materials, and the prices of exported products.

C. RISKS RELATING TO THE COMPANY’S SECURITIES

1. Possible Non-Trading of ANI Securities Prior to the Offer

The market price of securities fluctuates, and it is impossible to predict whether the price of such securities will rise or fall. An individual security may experience upward or downward movements, and may even lose its entire value. There is an inherent risk that losses may be incurred rather than profits made as a result of buying and selling securities. There may also be a substantial difference between the buying price and the selling price of each security.

Prior to the Listing By Way of Introduction of the Company and the planned Public Offer, the Company’s Secondary Common Shares, through their corresponding Depositary Instruments, were listed, and have subsequently been traded, on 19 January 2009 at the NSX.

The Offer Price in the PSE for the required public offer of the Primary Common Shares within one (1) year from the Listing by Way of Introduction and the Primary Warrant Offer is still being determined by the Company in consultation with its financial advisers. It must be noted, however, that the Offer Price could differ significantly from the price at which the Common Shares and the Warrants will develop or be sustained at after the Offer and listing of the said shares and warrants in the PSE. There is no assurance that investors would be able to sell the Common Shares and Warrants at a price, or at times, deemed appropriate. The market price of the Common Shares and Warrants will be influenced by, among other things, the Company's financial position, results of operations, and political, overall stock market conditions, as well as Philippine economic, political, and other factors.

2. Possible Delay or Failure in Trading of ANI Securities

2.1. In the PSE

A delay in or termination of the trading of the Common Shares and Warrants on the PSE may result from the occurrence of any one or more events.

In the event the commencement of trading on the PSE does not occur, the planned Offer may be terminated and investors may not be allocated the Primary Offer Shares for which they initially subscribed.

2.2. In the NSX

There is an inherent risk involved in buying and selling of securities in general. It is practically impossible to exactly predict when or by how much securities will rise or fall. As such, there is no assurance that investors would be able to buy and/or sell the securities at a price or at times deemed appropriate. Further, any delay or termination of trading in the NSX may result from the occurrence of one or more events.

3. Risks relating to Investing in ANI Securities using Foreign Currency Converted into Philippine Peso and vise versa

Any person who will use local or foreign currency, or converts one into another currency, when purchasing or selling ANI Securities may be subject to the risk of currency depreciation from the time of purchase to the time of liquidation and repatriation of the investment.

4. Risks relating to Possible Sales of Shares not Subject to Lock-up

In compliance with the PSE's Rules and Regulations, all existing stockholders holding at least 10% of the issued and outstanding shares of the Company shall execute lock-up contracts with the undertaking not to sell or otherwise dispose of their shareholdings within a period of one (1) year from the date of listing of the Company's Shares in the PSE.

D. RISKS RELATING TO STATEMENTS IN THIS PROSPECTUS

Certain statistics in this Prospectus relating to the Philippines, the industries, and markets in which ANI's business competes, including statistics relating to market size, were obtained from various government and private publications, in particular, those produced by industry associations and research groups.

The aforementioned information has not been independently verified and may not be accurate, complete, up-to-date, or consistent with other information compiled from other sources within or outside the Philippines.

PART V. DILUTION

Dilution in pro-forma net tangible book value per share represents the estimated difference between the Offer Price and the approximate pro-forma net tangible book value per share immediately following the completion of the Offer. However, considering that: (i) there will be no distribution of new Common Shares out of the authorized capital stock of the Company and (ii) the Company will not receive any of the proceeds in the Listing by Way of Introduction of the Secondary Common Shares, there will be no increase or decrease of the net tangible book value per share of the Company.

PART VI. SELLING SECURITY HOLDERS

Subject to the PSE's rules and other pertinent laws on the lock-up period for certain shareholders, the following comprise the 178,536,602 Common Shares of the Company which will be listed by way of introduction in the Second Board of the PSE, of which 167,905,135 are issued and outstanding and the remaining 10,631,467 Common Shares are allotted to, and fully availed by, the directors, employees and consultants of the Company. The trading of the following Secondary Common Shares shall be dependent on the decision of each stockholder.

Stockholder	Nationality	Shares owned Prior to Listing		Shares Owned After Listing	
		Number Of Shares	Percent to Total	Number Of Shares	Percent to Total
Antonio Tiu	Filipino	58,408,935	32.71538%	58,408,935	32.71538%
Chung-Ming Yang	Chinese ROC	25,066,290	14.03986%	25,066,290	14.03986%
Ming Hsiang Yang	Chinese ROC	18,777,179	10.51727%	18,777,179	10.51727%
Ken Kwen Tiu	Filipino	14,718,249	8.24383%	14,718,249	8.24383%
Ken Him Tiu	Filipino	10,536,210	5.90143%	10,536,210	5.90143%
Dennis Sia	Filipino	8,119,082	4.54757%	8,119,082	4.54757%
Jaime L. Tiu	Filipino	5,490,593	3.07533%	5,490,593	3.07533%
James L. Tiu	Filipino	5,051,447	2.82936%	5,051,447	2.82936%
Lai Teng Hsiang	Chinese ROC	4,500,000	2.52049%	4,500,000	2.52049%
Martelino, Roy	Filipino	4,000,000	2.24044%	4,000,000	2.24044%
Jung Yuan Kuo	Chinese	3,622,950	2.02925%	3,622,950	2.02925%
Clifford Yim	Chinese	3,000,000	1.68033%	3,000,000	1.68033%
Daniel Go	Filipino	2,658,622	1.48912%	2,658,622	1.48912%
Tiu, Ken Lai	Filipino	1,571,878	0.88042%	1,571,878	0.88042%
Edward Si	Filipino	1,534,656	0.85958%	1,534,656	0.85958%
Tammy Lin	Filipino	1,502,457	0.84154%	1,502,457	0.84154%
Jacqueline Tiu	Filipino	1,502,457	0.84154%	1,502,457	0.84154%
Anita A. Syvoco	Filipino	1,082,753	0.60646%	1,082,753	0.60646%
May Rhodora Gallardo	Filipino	1,000,000	0.56011%	1,000,000	0.56011%
Jen-I Ma	Chinese	966,777	0.54150%	966,777	0.54150%

Tiu, Ken Swan	Filipino	821,702	0.46024%	821,702	0.46024%
Taboso, Garry	Filipino	666,667	0.37341%	666,667	0.37341%
Martin Subido	Filipino	471,154	0.26390%	471,154	0.26390%
Huang, Cheng-Ming	Chinese	440,000	0.24645%	440,000	0.24645%
Marpet Dev't Corp.	Filipino	400,000	0.22404%	400,000	0.22404%
Sherwin Yao	Filipino	135,000	0.07561%	135,000	0.07561%
Peter Lim	Filipino	100,000	0.05601%	100,000	0.05601%
Hortencia Lim	Filipino	100,000	0.05601%	100,000	0.05601%
Rosa Sia	Filipino	100,000	0.05601%	100,000	0.05601%
Villapana, Estrelita	Filipino	53,333	0.02987%	53,333	0.02987%
Henson Laurel	Filipino	33,334	0.01867%	33,334	0.01867%
Anne Lorraine Buencamino	Filipino	67,001	0.03753%	67,001	0.03753%
Concepcion Sison Escudero	Filipino	66,667	0.03734%	66,667	0.03734%
Densing, Epimaco	Filipino	28,000	0.01568%	28,000	0.01568%
Lin Huang, Yu Chin	Chinese	25,600	0.01434%	25,600	0.01434%
Hao, Jeffrey	Filipino	67,000	0.03753%	67,000	0.3753%
Hsu, Wen-Yueh	Chinese	67,000	0.03753%	67,000	0.03753%
Li Kuan	Chinese	66,667	0.03734%	66,667	0.03734%
Sennen Uy	Filipino	20,000	0.01120%	20,000	0.01120%
So, Sylvia	Filipino	20,000	0.01120%	20,000	0.01120%
Bulayungan, Adela	Filipino	20,000	0.01120%	20,000	0.01120%
Luciano, Cesar	Filipino	20,000	0.01120%	20,000	0.01120%
Bosleng, Virginia	Filipino	20,000	0.01120%	20,000	0.01120%
De Asis, Catherine V.	Filipino	19,200	0.01075%	19,200	0.01075%
Chung Feng Yu	Chinese	17,067	0.00956%	17,067	0.00956%
Tiu, Peck	Filipino	67,000	0.03753%	67,000	0.03753%
Odulio, Dominga	Filipino	13,334	0.00747%	13,334	0.00747%
Murla, Magdalena	Filipino	13,333	0.00747%	13,333	0.00747%
Li, Nansi	Chinese	67,000	0.03753%	67,000	0.03753%
Pamakabada Pty. Ltd.	Australian	66,667	0.03734%	66,667	0.03734%
Wettan, Paul	Australian	66,667	0.03734%	66,667	0.03734%
Imerson, Lance	Australian	66,667	0.03734%	66,667	0.03734%
Allan, Julie	Australian	66,667	0.03734%	66,667	0.03734%
Davies, Gary	British	66,667	0.03734%	66,667	0.03734%
Yu, Janet	Chinese	106,667	0.05975%	106,667	0.05975%
Alcuin, Papa	Filipino	6,000	0.00336%	6,000	0.00336%
Dunn Calubad	Filipino	4,667	0.00261%	4,667	0.00261%
Abella, Zigfrido	Filipino	2,000	0.00112%	2,000	0.00112%
Abella, Nikki Urbano	Filipino	2,000	0.00112%	2,000	0.00112%
Gilles, Alexander	Filipino	66,667	0.03734%	66,667	0.03734%

Abella, Reynaldo	Filipino	1,000	0.00056%	1,000	0.00056%
Lee, Pei-Feng	Chinese	67,000	0.03753%	67,000	0.03753%
Lee, Ya-Chuan	Chinese	67,000	0.03753%	67,000	0.03753%
Castillo, Constantino	Filipino	1,000	0.00056%	1,000	0.00056%
Nora, Paula Katrina	Filipino	66,667	0.03734%	66,667	0.03734%
Lee, Yong-Jong	Chinese	67,000	0.03753%	67,000	0.03753%
Abellon, Jayson	Filipino	1,000	0.00056%	1,000	0.00056%
Abrea, Joseph Edward	Filipino	1,000	0.00056%	1,000	0.00056%
Aguirre, Rolando	Filipino	1,000	0.00056%	1,000	0.00056%
Agustin, Angelin	Filipino	1,000	0.00056%	1,000	0.00056%
Alde, Alexander	Filipino	1,000	0.00056%	1,000	0.00056%
Anas, Danilo	Filipino	1,000	0.00056%	1,000	0.00056%
Bautista, Santiago	Filipino	1,000	0.00056%	1,000	0.00056%
Bernardo, Marites	Filipino	1,000	0.00056%	1,000	0.00056%
Borines, Edmar	Filipino	1,000	0.00056%	1,000	0.00056%
Caluza, Junnel	Filipino	1,000	0.00056%	1,000	0.00056%
Caminar, Mary Anne	Filipino	1,000	0.00056%	1,000	0.00056%
Cruz, Jorge	Filipino	1,000	0.00056%	1,000	0.00056%
Crus, Leo Gray	Filipino	1,000	0.00056%	1,000	0.00056%
Daitol, Cepriano	Filipino	1,000	0.00056%	1,000	0.00056%
Dalangin, Mark Alfred	Filipino	1,000	0.00056%	1,000	0.00056%
De Guzman, Crispin	Filipino	1,000	0.00056%	1,000	0.00056%
De Guzman, Edmar	Filipino	1,000	0.00056%	1,000	0.00056%
Dela Cruz, Dennis	Filipino	1,000	0.00056%	1,000	0.00056%
Edanol, Raffy	Filipino	1,000	0.00056%	1,000	0.00056%
Elpides, Richard	Filipino	1,000	0.00056%	1,000	0.00056%
Engalia, Kristian Paul	Filipino	1,000	0.00056%	1,000	0.00056%
Esguerra, Aries	Filipino	1,000	0.00056%	1,000	0.00056%
Esguerra, Richard	Filipino	1,000	0.00056%	1,000	0.00056%
Espiritu, Jayson	Filipino	1,000	0.00056%	1,000	0.00056%
Espiritu, Cris June	Filipino	1,000	0.00056%	1,000	0.00056%
Eusebio, Lauro Butch	Filipino	1,000	0.00056%	1,000	0.00056%
Fernando, Emily	Filipino	1,000	0.00056%	1,000	0.00056%
Gallo, Ailene	Filipino	1,000	0.00056%	1,000	0.00056%
Garcia, Walden	Filipino	1,000	0.00056%	1,000	0.00056%
Gomez, Marilyn	Filipino	1,000	0.00056%	1,000	0.00056%
Hipolito, Julius Bryan	Filipino	1,000	0.00056%	1,000	0.00056%
Joson, Johnny	Filipino	1,000	0.00056%	1,000	0.00056%
Lontoc, Mary Anne	Filipino	1,000	0.00056%	1,000	0.00056%
Manalaysay, Dexter	Filipino	1,000	0.00056%	1,000	0.00056%

Manaman, Danilo	Filipino	1,000	0.00056%	1,000	0.00056%
Mansansala, Madonna	Filipino	1,000	0.00056%	1,000	0.00056%
Mariano, Neil Bryan	Filipino	1,000	0.00056%	1,000	0.00056%
Martin, Randy	Filipino	1,000	0.00056%	1,000	0.00056%
Masirag, Edison	Filipino	1,000	0.00056%	1,000	0.00056%
Medallo, Jayson	Filipino	1,000	0.00056%	1,000	0.00056%
Medina, Raymond	Filipino	1,000	0.00056%	1,000	0.00056%
Mendoza, Alvin	Filipino	1,000	0.00056%	1,000	0.00056%
Obenza, Doly	Filipino	1,000	0.00056%	1,000	0.00056%
Pabriga, Yoradyl	Filipino	1,000	0.00056%	1,000	0.00056%
Pacadang, Jojo	Filipino	1,000	0.00056%	1,000	0.00056%
Pahati, March	Filipino	1,000	0.00056%	1,000	0.00056%
Panlilio, Randy James	Filipino	1,000	0.00056%	1,000	0.00056%
Pascual, Alfredo	Filipino	1,000	0.00056%	1,000	0.00056%
Ramos, Kristel Joy	Filipino	1,000	0.00056%	1,000	0.00056%
Ribo, Joseph	Filipino	1,000	0.00056%	1,000	0.00056%
Rosales, Victoria	Filipino	1,000	0.00056%	1,000	0.00056%
Rustia, Pepito	Filipino	1,000	0.00056%	1,000	0.00056%
San Diego, Lorna	Filipino	1,000	0.00056%	1,000	0.00056%
San Pedro, Erwin	Filipino	1,000	0.00056%	1,000	0.00056%
Santos, Jervy	Filipino	1,000	0.00056%	1,000	0.00056%
Villapana, Manuel	Filipino	1,000	0.00056%	1,000	0.00056%
Gabileno, Richard	Filipino	1,000	0.00056%	1,000	0.00056%
Tinaya, Edgar	Filipino	1,000	0.00056%	1,000	0.00056%
Vargas, Bernie	Filipino	1,000	0.00056%	1,000	0.00056%
Santander, George	Filipino	1,000	0.00056%	1,000	0.00056%
Ayala, Ruben Rex	Filipino	1,000	0.00056%	1,000	0.00056%
Santiago, Maricel	Filipino	1,000	0.00056%	1,000	0.00056%
Palconit, Karen	Filipino	1,000	0.00056%	1,000	0.00056%
Miguel, Kiet Harry	Filipino	1,000	0.00056%	1,000	0.00056%
April, Crystal	Filipino	1,000	0.00056%	1,000	0.00056%
Bituin, Genalin	Filipino	1,000	0.00056%	1,000	0.00056%
Olete, Isabel	Filipino	1,000	0.00056%	1,000	0.00056%
Moreno, Stephen	Filipino	1,000	0.00056%	1,000	0.00056%
Calvero, Rodulfo	Filipino	1,000	0.00056%	1,000	0.00056%
Gadiasa, Joseph	Filipino	1,000	0.00056%	1,000	0.00056%
Paingan, Joseph	Filipino	1,000	0.00056%	1,000	0.00056%
Noleal, Marie Grace	Filipino	1,000	0.00056%	1,000	0.00056%
Dingal, Franz Andrew	Filipino	1,000	0.00056%	1,000	0.00056%
Arnoco, Eldimark	Filipino	1,000	0.00056%	1,000	0.00056%

The approval of the PSE is limited to the Company's Listing By Way of Introduction of its 178,536,602 Common Shares. The Company's applications for the planned public offering of its 101,463,398 Common Shares and 20,000,000 Warrants have not been filed with the PSE; hence, the same shall still be subject to separate approvals of the PSE.

Villar, Rochelle	Filipino	1,000	0.00056%	1,000	0.00056%
Abelito, Johnny	Filipino	1,000	0.00056%	1,000	0.00056%
Aguilar, Garry	Filipino	1,000	0.00056%	1,000	0.00056%
Baacan, Marlon	Filipino	1,000	0.00056%	1,000	0.00056%
Baacan, Lito	Filipino	1,000	0.00056%	1,000	0.00056%
Dulaca, Elvin	Filipino	1,000	0.00056%	1,000	0.00056%
Lopez, King	Filipino	1,000	0.00056%	1,000	0.00056%
Castro, Arlyn	Filipino	1,000	0.00056%	1,000	0.00056%
Castro, Ariel	Filipino	1,000	0.00056%	1,000	0.00056%
Chamos, Jillwen	Filipino	1,000	0.00056%	1,000	0.00056%
Fausto, Ferdinand	Filipino	1,000	0.00056%	1,000	0.00056%
Sotelo, Arnold	Filipino	1,000	0.00056%	1,000	0.00056%
Sotelo, Rogelio	Filipino	1,000	0.00056%	1,000	0.00056%
Tacloy, Federico Jr.	Filipino	1,000	0.00056%	1,000	0.00056%
Huevos, Escolastico	Filipino	1,000	0.00056%	1,000	0.00056%
Lubosan, Emerson Jr.	Filipino	1,000	0.00056%	1,000	0.00056%
Orapa, Marlon	Filipino	1,000	0.00056%	1,000	0.00056%
Pamañan, Philip	Filipino	1,000	0.00056%	1,000	0.00056%
Palconit, Jowelle	Filipino	1,000	0.00056%	1,000	0.00056%
Artillazo, Jaypee	Filipino	1,000	0.00056%	1,000	0.00056%
Moreno, Ryan	Filipino	1,000	0.00056%	1,000	0.00056%
Pesigan, Redgie	Filipino	1,000	0.00056%	1,000	0.00056%
Roxas, Kevin	Filipino	1,000	0.00056%	1,000	0.00056%
Vedasto, Joylyn	Filipino	1,000	0.00056%	1,000	0.00056%
Salcedo, Lazaro	Filipino	1,000	0.00056%	1,000	0.00056%
Sialana, Analyn	Filipino	1,000	0.00056%	1,000	0.00056%
Beronio, Edmond	Filipino	1,000	0.00056%	1,000	0.00056%
Masongsong, Winicel	Filipino	1,000	0.00056%	1,000	0.00056%
Flores, Namer	Filipino	1,000	0.00056%	1,000	0.00056%
Ripiedad, Richard	Filipino	1,000	0.00056%	1,000	0.00056%
Caburnay, Rowel	Filipino	1,000	0.00056%	1,000	0.00056%
Calido, Ryan	Filipino	1,000	0.00056%	1,000	0.00056%
Fertes, Larissa	Filipino	1,000	0.00056%	1,000	0.00056%
Lumpay, Cherilyn	Filipino	1,000	0.00056%	1,000	0.00056%
Rado, Harold	Filipino	1,000	0.00056%	1,000	0.00056%
Silang, Russel	Filipino	1,000	0.00056%	1,000	0.00056%
Oriña, Monico	Filipino	1,000	0.00056%	1,000	0.00056%
Mutuc, Ronaldo	Filipino	1,000	0.00056%	1,000	0.00056%
Del Espiritu, Erwin	Filipino	1,000	0.00056%	1,000	0.00056%
Fuerte, Christopher	Filipino	1,000	0.00056%	1,000	0.00056%

Macapagal, Roven	Filipino	1,000	0.00056%	1,000	0.00056%
Mauricio, Joel	Filipino	1,000	0.00056%	1,000	0.00056%
Rivadinera, Marlon	Filipino	1,000	0.00056%	1,000	0.00056%
Garcia, Michael	Filipino	1,000	0.00056%	1,000	0.00056%
Abad, Christian	Filipino	1,000	0.00056%	1,000	0.00056%
Hernandez, Janice	Filipino	1,000	0.00056%	1,000	0.00056%
Paler, Bernaldo	Filipino	1,000	0.00056%	1,000	0.00056%
Rustia, Julius	Filipino	1,000	0.00056%	1,000	0.00056%
Sustento, Gremar	Filipino	1,000	0.00056%	1,000	0.00056%
Panopio, Celso	Filipino	1,000	0.00056%	1,000	0.00056%

Guardian, Leobert	Filipino	1,000	0.00056%	1,000	0.00056%
Mejia, Conrado	Filipino	1,000	0.00056%	1,000	0.00056%
Bermejo, Alex	Filipino	1,000	0.00056%	1,000	0.00056%
Rivadinera, Joseph Raymond	Filipino	1,000	0.00056%	1,000	0.00056%
Lumpay, Sherly	Filipino	1,000	0.00056%	1,000	0.00056%
Magpantay, Rodson	Filipino	1,000	0.00056%	1,000	0.00056%
Abenoja, Fil	Filipino	1,000	0.00056%	1,000	0.00056%
Bocio, Rey	Filipino	1,000	0.00056%	1,000	0.00056%
Caluya, Ramil	Filipino	1,000	0.00056%	1,000	0.00056%
Fernandez, Ariel	Filipino	1,000	0.00056%	1,000	0.00056%

Nebria, John Mark	Filipino	1,000	0.00056%	1,000	0.00056%
Belbis, Melody	Filipino	1,000	0.00056%	1,000	0.00056%
Bayunito, Angelita	Filipino	1,000	0.00056%	1,000	0.00056%
Garpa, Alfred	Filipino	1,000	0.00056%	1,000	0.00056%
Quito, Josie	Filipino	1,000	0.00056%	1,000	0.00056%
Sese, Arthur	Filipino	1,000	0.00056%	1,000	0.00056%
Alcantara, Macario	Filipino	1,000	0.00056%	1,000	0.00056%
Rabo, Jericson	Filipino	1,000	0.00056%	1,000	0.00056%
Alindayu, Zoilo	Filipino	1,000	0.00056%	1,000	0.00056%
Annani, Cecille	Filipino	1,000	0.00056%	1,000	0.00056%

Briones, Ruben	Filipino	1,000	0.00056%	1,000	0.00056%
Dangan, Dario	Filipino	1,000	0.00056%	1,000	0.00056%
Del Espiritu, Luce	Filipino	1,000	0.00056%	1,000	0.00056%
Manzano, Grace	Filipino	1,000	0.00056%	1,000	0.00056%
Ramos, Jayson	Filipino	1,000	0.00056%	1,000	0.00056%
Payas, Melvin	Filipino	1,000	0.00056%	1,000	0.00056%
Fabi, John Michael	Filipino	1,000	0.00056%	1,000	0.00056%
Garpa, Armie	Filipino	1,000	0.00056%	1,000	0.00056%
Tubalado, Sherwin	Filipino	1,000	0.00056%	1,000	0.00056%
Himantog, Sherwin	Filipino	1,000	0.00056%	1,000	0.00056%

Camacho, Manuelito	Filipino	1,000	0.00056%	1,000	0.00056%
Maguiflor, Jaypee	Filipino	1,000	0.00056%	1,000	0.00056%
Magloyuan, Jennielyn	Filipino	1,000	0.00056%	1,000	0.00056%
Abad, Christian	Filipino	1,000	0.00056%	1,000	0.00056%
Atienza, Reynaldo	Filipino	1,000	0.00056%	1,000	0.00056%
Odiongan, Mervin	Filipino	1,000	0.00056%	1,000	0.00056%
Pasadilla, Monchito	Filipino	1,000	0.00056%	1,000	0.00056%
Tayam, jr., Perfecto	Filipino	1,000	0.00056%	1,000	0.00056%
Mudag, Elmer	Filipino	1,000	0.00056%	1,000	0.00056%
Japal, Michael	Filipino	1,000	0.00056%	1,000	0.00056%

Gabillete, Rommel	Filipino	1,000	0.00056%	1,000	0.00056%
Barretto, Michael	Filipino	1,000	0.00056%	1,000	0.00056%
Conarco, Herbert	Filipino	1,000	0.00056%	1,000	0.00056%
Flores, Lawrence	Filipino	1,000	0.00056%	1,000	0.00056%
Ereño, Wenda	Filipino	1,000	0.00056%	1,000	0.00056%
Abdon, Maynard	Filipino	1,000	0.00056%	1,000	0.00056%
Corbita, Reynalie	Filipino	1,000	0.00056%	1,000	0.00056%
Gabillete, Rommel	Filipino	1,000	0.00056%	1,000	0.00056%
Liwag, Daniel	Filipino	1,000	0.00056%	1,000	0.00056%
Lumpay, Roger	Filipino	1,000	0.00056%	1,000	0.00056%

Diokno, Dexter	Filipino	1,000	0.00056%	1,000	0.00056%
Saltivana, Robert	Filipino	1,000	0.00056%	1,000	0.00056%
Belbis, Melody	Filipino	1,000	0.00056%	1,000	0.00056%
Henzon, Leonardo	Filipino	1,000	0.00056%	1,000	0.00056%
Roman, Reniel	Filipino	1,000	0.00056%	1,000	0.00056%
Reyes, Jayson	Filipino	1,000	0.00056%	1,000	0.00056%
Rivera, Cris	Filipino	1,000	0.00056%	1,000	0.00056%
Macayan, Robert	Filipino	1,000	0.00056%	1,000	0.00056%
Tandoc, Mylene	Filipino	1,000	0.00056%	1,000	0.00056%
Santiago, Maricel	Filipino	1,000	0.00056%	1,000	0.00056%

Asuncion, Marlon	Filipino	1,000	0.00056%	1,000	0.00056%
Labuanan, Rolando	Filipino	1,000	0.00056%	1,000	0.00056%
Macatangay, Joel	Filipino	1,000	0.00056%	1,000	0.00056%
Regaspi, Vanessa	Filipino	1,000	0.00056%	1,000	0.00056%
Sabando, Jose	Filipino	1,000	0.00056%	1,000	0.00056%
Tumang, Arlen	Filipino	1,000	0.00056%	1,000	0.00056%
Cap-an, Rey	Filipino	1,000	0.00056%	1,000	0.00056%
Policarpio, Mark Joseph	Filipino	1,000	0.00056%	1,000	0.00056%
Flores, Mark	Filipino	1,000	0.00056%	1,000	0.00056%

Garpa, Alther	Filipino	1,000	0.00056%	1,000	0.00056%
Manlapaz, Ralph	Filipino	1,000	0.00056%	1,000	0.00056%
Mariano, Erwin	Filipino	1,000	0.00056%	1,000	0.00056%
Villamil, Ferdinand	Filipino	1,000	0.00056%	1,000	0.00056%
Vidal, Liezel	Filipino	1,000	0.00056%	1,000	0.00056%
Mirando, Ruel	Filipino	1,000	0.00056%	1,000	0.00056%
Sabocor, Jazel	Filipino	1,000	0.00056%	1,000	0.00056%
Rico, Anabelle	Filipino	1,000	0.00056%	1,000	0.00056%
Torzar, Joebert	Filipino	1,000	0.00056%	1,000	0.00056%
Mancio, Norma	Filipino	1,000	0.00056%	1,000	0.00056%

Cribe, Ralph	Filipino	1,000	0.00056%	1,000	0.00056%
Bañez, Michael	Filipino	1,000	0.00056%	1,000	0.00056%
Daodoy, Richard	Filipino	1,000	0.00056%	1,000	0.00056%
Ganancial, Rodel	Filipino	1,000	0.00056%	1,000	0.00056%
Gimantog, Samuel	Filipino	1,000	0.00056%	1,000	0.00056%
Goyala, Jennifer	Filipino	1,000	0.00056%	1,000	0.00056%
Perales, jr., Severino	Filipino	1,000	0.00056%	1,000	0.00056%
Villarba, Jerry	Filipino	1,000	0.00056%	1,000	0.00056%
Joplo, Vincent	Filipino	1,000	0.00056%	1,000	0.00056%
De leon, Jameel	Filipino	1,000	0.00056%	1,000	0.00056%

James, Michael	Filipino	1,000	0.00056%	1,000	0.00056%
Cuaderno, Felisa	Filipino	1,000	0.00056%	1,000	0.00056%
Alerta, Mateo	Filipino	1,000	0.00056%	1,000	0.00056%
Ocampo, Rachell	Filipino	1,000	0.00056%	1,000	0.00056%
Tadeo, Christopher	Filipino	1,000	0.00056%	1,000	0.00056%
Santos, Aracelyn	Filipino	1,000	0.00056%	1,000	0.00056%
Palisoc, Yolanda	Filipino	1,000	0.00056%	1,000	0.00056%
Saavedra, Joseph	Filipino	1,000	0.00056%	1,000	0.00056%
Camacho, Michael Duane	Filipino	1,000	0.00056%	1,000	0.00056%
Lalaguna, Rowel	Filipino	1,000	0.00056%	1,000	0.00056%

Catiquista, Jeffrey	Filipino	1,000	0.00056%	1,000	0.00056%
Baltazar, Jeffrey	Filipino	1,000	0.00056%	1,000	0.00056%
Praxides, Domingo	Filipino	1,000	0.00056%	1,000	0.00056%
Ronquillo, Ronnie	Filipino	1,000	0.00056%	1,000	0.00056%
Yumul, Omar	Filipino	1,000	0.00056%	1,000	0.00056%
Lazarte, Dave Daniel	Filipino	1,000	0.00056%	1,000	0.00056%
Lucasan, Belinda	Filipino	1,000	0.00056%	1,000	0.00056%
Gabillete, Raymond	Filipino	1,000	0.00056%	1,000	0.00056%
Solomon, Jayson	Filipino	1,000	0.00056%	1,000	0.00056%
Gumapac, Anielyn	Filipino	1,000	0.00056%	1,000	0.00056%

Crebello, Leonides	Filipino	1,000	0.00056%	1,000	0.00056%
Vinluan, Jose	Filipino	1,000	0.00056%	1,000	0.00056%
Oriña, Lauro	Filipino	1,000	0.00056%	1,000	0.00056%
Tuscano, Glenn	Filipino	1,000	0.00056%	1,000	0.00056%
Inocencio, Isaac	Filipino	1,000	0.00056%	1,000	0.00056%
Andal, Randy	Filipino	1,000	0.00056%	1,000	0.00056%
Claveria, Julieto	Filipino	1,000	0.00056%	1,000	0.00056%
Lazarte, Elizar	Filipino	1,000	0.00056%	1,000	0.00056%
Delmiguez, Marivic	Filipino	1,000	0.00056%	1,000	0.00056%
Rosales, Dennis	Filipino	1,000	0.00056%	1,000	0.00056%
Tidalgo, Melvin	Filipino	1,000	0.00056%	1,000	0.00056%
Uy, Armelito	Filipino	1,000	0.00056%	1,000	0.00056%
Abejero, Marlon	Filipino	1,000	0.00056%	1,000	0.00056%
Acob, Aliasgar	Filipino	1,000	0.00056%	1,000	0.00056%
Bacnis, Anthony	Filipino	1,000	0.00056%	1,000	0.00056%
Bahum, Arnel	Filipino	1,000	0.00056%	1,000	0.00056%
Balbuena, Eleazar	Filipino	1,000	0.00056%	1,000	0.00056%
Basco, Elizabeth	Filipino	1,000	0.00056%	1,000	0.00056%
Bondoc, Rod	Filipino	1,000	0.00056%	1,000	0.00056%
Borja, Diovena	Filipino	1,000	0.00056%	1,000	0.00056%
Cabual, Jovenjor	Filipino	1,000	0.00056%	1,000	0.00056%
Canciller, Jerme	Filipino	1,000	0.00056%	1,000	0.00056%
Cancio, Ligaya	Filipino	1,000	0.00056%	1,000	0.00056%
Canlas, Isabel	Filipino	1,000	0.00056%	1,000	0.00056%
Concillo, Ernest	Filipino	1,000	0.00056%	1,000	0.00056%
Cortez, Leah	Filipino	1,000	0.00056%	1,000	0.00056%
Cuevas, Dexter	Filipino	1,000	0.00056%	1,000	0.00056%
Custodio, Rodje	Filipino	1,000	0.00056%	1,000	0.00056%
Dagodog, Jeoffrey	Filipino	1,000	0.00056%	1,000	0.00056%
Dagodog, Juan	Filipino	1,000	0.00056%	1,000	0.00056%
Daitol, Rowena	Filipino	1,000	0.00056%	1,000	0.00056%
Daitol, Joey	Filipino	1,000	0.00056%	1,000	0.00056%
David, Jay	Filipino	1,000	0.00056%	1,000	0.00056%
David, Joy	Filipino	1,000	0.00056%	1,000	0.00056%
De Guinto, Rovic	Filipino	1,000	0.00056%	1,000	0.00056%
De Jesus, Queen	Filipino	1,000	0.00056%	1,000	0.00056%
Dela Cruz, Jennyvin	Filipino	1,000	0.00056%	1,000	0.00056%
Dionisio, Annali	Filipino	1,000	0.00056%	1,000	0.00056%
Ejansantos, Manilyn	Filipino	1,000	0.00056%	1,000	0.00056%
Enage, Cecilia	Filipino	1,000	0.00056%	1,000	0.00056%

The approval of the PSE is limited to the Company's Listing By Way of Introduction of its 178,536,602 Common Shares. The Company's applications for the planned public offering of its 101,463,398 Common Shares and 20,000,000 Warrants have not been filed with the PSE; hence, the same shall still be subject to separate approvals of the PSE.

Esguerra, Marilou	Filipino	1,000	0.00056%	1,000	0.00056%
Eugenio, Lardy	Filipino	1,000	0.00056%	1,000	0.00056%
Fiebre, Erwin	Filipino	1,000	0.00056%	1,000	0.00056%
Galon, Reynante	Filipino	1,000	0.00056%	1,000	0.00056%
Gamboa, Charmaine	Filipino	1,000	0.00056%	1,000	0.00056%
Gamis, Christian	Filipino	1,000	0.00056%	1,000	0.00056%
Guardian, Ryan	Filipino	1,000	0.00056%	1,000	0.00056%
Hernandez, Maritess	Filipino	1,000	0.00056%	1,000	0.00056%
Lagpacan, Mark Jayson	Filipino	1,000	0.00056%	1,000	0.00056%
Lantaca, Nestor	Filipino	1,000	0.00056%	1,000	0.00056%
Lapuz, Marilou	Filipino	1,000	0.00056%	1,000	0.00056%
Layug, Cherylyn	Filipino	1,000	0.00056%	1,000	0.00056%
Leon, Pelgie	Filipino	1,000	0.00056%	1,000	0.00056%
Lorenzo, Carmina	Filipino	1,000	0.00056%	1,000	0.00056%
Magsakay, Alexander	Filipino	1,000	0.00056%	1,000	0.00056%
Malicdem, Daniel	Filipino	1,000	0.00056%	1,000	0.00056%
Manabay, Jenevy	Filipino	1,000	0.00056%	1,000	0.00056%
Mañago, Ronie	Filipino	1,000	0.00056%	1,000	0.00056%
Mangio, Arvie	Filipino	1,000	0.00056%	1,000	0.00056%
Manio, Rolando	Filipino	1,000	0.00056%	1,000	0.00056%
Martinez, Michelle	Filipino	1,000	0.00056%	1,000	0.00056%
Miranda, John Paul	Filipino	1,000	0.00056%	1,000	0.00056%
Miranda, Wilma Mae	Filipino	1,000	0.00056%	1,000	0.00056%
Montilla, Malvin	Filipino	1,000	0.00056%	1,000	0.00056%
Morales, Jonalyn	Filipino	1,000	0.00056%	1,000	0.00056%
Navaja, Denmark	Filipino	1,000	0.00056%	1,000	0.00056%
Nicolas, Biboy	Filipino	1,000	0.00056%	1,000	0.00056%
Odiongan, Miraflor	Filipino	1,000	0.00056%	1,000	0.00056%
Paler, Jayson	Filipino	1,000	0.00056%	1,000	0.00056%
Palmesa, Ronald	Filipino	1,000	0.00056%	1,000	0.00056%
Palmisa, James Paul	Filipino	1,000	0.00056%	1,000	0.00056%
Paulino, Daniel	Filipino	1,000	0.00056%	1,000	0.00056%
Prado, Jionel	Filipino	1,000	0.00056%	1,000	0.00056%
Prado, Rechyl	Filipino	1,000	0.00056%	1,000	0.00056%
Presenta, Frida	Filipino	1,000	0.00056%	1,000	0.00056%
Ramos, Ma. Perlita	Filipino	1,000	0.00056%	1,000	0.00056%
Ramos, Monalie	Filipino	1,000	0.00056%	1,000	0.00056%
Ribo, Victoria	Filipino	1,000	0.00056%	1,000	0.00056%
Riego, Angie	Filipino	1,000	0.00056%	1,000	0.00056%
Rosales, Sabina	Filipino	1,000	0.00056%	1,000	0.00056%

Rosales, Vincent	Filipino	1,000	0.00056%	1,000	0.00056%
Rosales, Leonora	Filipino	1,000	0.00056%	1,000	0.00056%
Sabulao, Junel	Filipino	1,000	0.00056%	1,000	0.00056%
Sabulao, Joel	Filipino	1,000	0.00056%	1,000	0.00056%
Sampilo, Bernardo	Filipino	1,000	0.00056%	1,000	0.00056%
Santos, Rose Ann	Filipino	1,000	0.00056%	1,000	0.00056%
Simbajon, Ciriaco	Filipino	1,000	0.00056%	1,000	0.00056%
Sordilla, Raymuno	Filipino	1,000	0.00056%	1,000	0.00056%
Soriano, Ma. Cristina	Filipino	1,000	0.00056%	1,000	0.00056%
Sustento, Julius	Filipino	1,000	0.00056%	1,000	0.00056%

Tolentino, Joanna Marie	Filipino	1,000	0.00056%	1,000	0.00056%
Torres, Maricel	Filipino	1,000	0.00056%	1,000	0.00056%
Turla, Kay Ann	Filipino	1,000	0.00056%	1,000	0.00056%
Umali, Jerwin	Filipino	1,000	0.00056%	1,000	0.00056%
Zafra, Monaliza	Filipino	1,000	0.00056%	1,000	0.00056%
Abella, Zavier	Filipino	66,667	0.03734%	66,667	0.03734%
Abierra, Guillermo	Filipino	1,000	0.00056%	1,000	0.00056%
Acolentaba, Portia	Filipino	1,000	0.00056%	1,000	0.00056%
Alumno, Maricel	Filipino	1,000	0.00056%	1,000	0.00056%
Bendicion, Pearlie	Filipino	1,000	0.00056%	1,000	0.00056%

Bries, Ma. Eliza	Filipino	1,000	0.00056%	1,000	0.00056%
Buencamino, Anne Lorraine	Filipino	1,000	0.00056%	1,000	0.00056%
Calucag, Harold	Filipino	1,000	0.00056%	1,000	0.00056%
Cea, Janssen	Filipino	1,000	0.00056%	1,000	0.00056%
Chumacera, Maritess	Filipino	1,000	0.00056%	1,000	0.00056%
Dalida, Enrico	Filipino	1,000	0.00056%	1,000	0.00056%
De mayo, Segundo	Filipino	1,000	0.00056%	1,000	0.00056%
Diokno, Lota	Filipino	1,000	0.00056%	1,000	0.00056%
Domantay, Laura	Filipino	1,000	0.00056%	1,000	0.00056%
Dulaca, Odessa	Filipino	1,000	0.00056%	1,000	0.00056%

Esguerra, Christine	Filipino	1,000	0.00056%	1,000	0.00056%
Fabi, Janice	Filipino	1,000	0.00056%	1,000	0.00056%
Ferrer, Judith	Filipino	1,000	0.00056%	1,000	0.00056%
Gallardo, May Rhodora	Filipino	1,000	0.00056%	1,000	0.00056%
Gamban, Jaquiline	Filipino	1,000	0.00056%	1,000	0.00056%
Gomez, Mayla	Filipino	1,000	0.00056%	1,000	0.00056%
Huevos, Rossana	Filipino	1,000	0.00056%	1,000	0.00056%
Jimena, Raul	Filipino	66,667	0.03734%	66,667	0.03734%
Labutap, Efraim	Filipino	1,000	0.00056%	1,000	0.00056%
Legaspi, Soledad	Filipino	66,667	0.03734%	66,667	0.03734%

Magday, Winnie	Filipino	1,000	0.00056%	1,000	0.00056%
Manzanero, Charmaine	Filipino	1,000	0.00056%	1,000	0.00056%
Marigomen, Lourdes	Filipino	1,000	0.00056%	1,000	0.00056%
Mercado, Marleen	Filipino	1,000	0.00056%	1,000	0.00056%
Miguel, Nixon	Filipino	1,000	0.00056%	1,000	0.00056%
Moran, Adela	Filipino	1,000	0.00056%	1,000	0.00056%
Pae, Bernard	Filipino	1,000	0.00056%	1,000	0.00056%
Paler, Angelita	Filipino	1,000	0.00056%	1,000	0.00056%
Palomares, Isabel Donna	Filipino	1,000	0.00056%	1,000	0.00056%
Patron, Rommel	Filipino	1,000	0.00056%	1,000	0.00056%
Poto, Jenilyn	Filipino	1,000	0.00056%	1,000	0.00056%
Prado, Susan	Filipino	1,000	0.00056%	1,000	0.00056%
Reanzares, Godofredo	Filipino	1,000	0.00056%	1,000	0.00056%
Rivadillo, Remedios	Filipino	1,000	0.00056%	1,000	0.00056%
Roa, Ma. Luisa	Filipino	1,000	0.00056%	1,000	0.00056%
Serbo, Raque;	Filipino	1,000	0.00056%	1,000	0.00056%
Tiangson, Anthony	Filipino	1,000	0.00056%	1,000	0.00056%
Tibay, Lourdes	Filipino	1,000	0.00056%	1,000	0.00056%
Vedana, Julius	Filipino	1,000	0.00056%	1,000	0.00056%
Yanos, Yolanda	Filipino	1,000	0.00056%	1,000	0.00056%
Aquino, Rhodora	Filipino	1,000	0.00056%	1,000	0.00056%
Besande, Edgardo	Filipino	1,000	0.00056%	1,000	0.00056%
Abrea, Myrna	Filipino	1,000	0.00056%	1,000	0.00056%
Sabaldana, Chona	Filipino	1,000	0.00056%	1,000	0.00056%
Macalisang, Mercy	Filipino	1,000	0.00056%	1,000	0.00056%
Pagaspas, Evelyn	Filipino	1,000	0.00056%	1,000	0.00056%
Tagotongan, Ligaya	Filipino	1,000	0.00056%	1,000	0.00056%
Aquino, Carlos	Filipino	1,000	0.00056%	1,000	0.00056%
Dionson, Rey	Filipino	1,000	0.00056%	1,000	0.00056%
Mangubat, Jomer	Filipino	1,000	0.00056%	1,000	0.00056%
Supas, Tomas	Filipino	1,000	0.00056%	1,000	0.00056%
Villanubos, Alvin	Filipino	1,000	0.00056%	1,000	0.00056%
Rafales, Jovelyn	Filipino	1,000	0.00056%	1,000	0.00056%
Colis, Rogelio	Filipino	1,000	0.00056%	1,000	0.00056%
Dionson, Armando	Filipino	1,000	0.00056%	1,000	0.00056%
Aquino, Katrina	Filipino	1,000	0.00056%	1,000	0.00056%
Visande, Jose	Filipino	1,000	0.00056%	1,000	0.00056%
De Pano, Rowena	Filipino	1,000	0.00056%	1,000	0.00056%
Colis, Melissa	Filipino	1,000	0.00056%	1,000	0.00056%
Sia, Yolanda	Filipino	1,000	0.00056%	1,000	0.00056%

Navarro, Joel	Filipino	1,000	0.00056%	1,000	0.00056%
Dionson, Helen	Filipino	1,000	0.00056%	1,000	0.00056%
Supas, Alminda	Filipino	1,000	0.00056%	1,000	0.00056%
Lanta, Anthony	Filipino	1,000	0.00056%	1,000	0.00056%
Tabian, Mylene	Filipino	1,000	0.00056%	1,000	0.00056%
Llagas, Susan	Filipino	1,000	0.00056%	1,000	0.00056%
De pano, Resurrecion	Filipino	1,000	0.00056%	1,000	0.00056%
Paler, Reynante	Filipino	1,000	0.00056%	1,000	0.00056%
Bedon, Melvar	Filipino	1,000	0.00056%	1,000	0.00056%
Cruda, Herminelson	Filipino	1,000	0.00056%	1,000	0.00056%
Conda, Jose	Filipino	1,000	0.00056%	1,000	0.00056%
Dag-um, Ledelito	Filipino	1,000	0.00056%	1,000	0.00056%
Degala, Louie	Filipino	1,000	0.00056%	1,000	0.00056%
De Guzman, Ronald	Filipino	1,000	0.00056%	1,000	0.00056%
Ebelte, Elfren	Filipino	1,000	0.00056%	1,000	0.00056%
Ebue, Frederick	Filipino	1,000	0.00056%	1,000	0.00056%
Gabutin, Cherwin	Filipino	1,000	0.00056%	1,000	0.00056%
Gonzales, Ernie	Filipino	1,000	0.00056%	1,000	0.00056%
Gonzaga, Christopher	Filipino	1,000	0.00056%	1,000	0.00056%
Guiba, Toby	Filipino	1,000	0.00056%	1,000	0.00056%
Ignacio, Eduardo	Filipino	1,000	0.00056%	1,000	0.00056%
Intong, Antonio	Filipino	1,000	0.00056%	1,000	0.00056%
Lansang, Cesar	Filipino	1,000	0.00056%	1,000	0.00056%
Lansang, Edgardo	Filipino	1,000	0.00056%	1,000	0.00056%
Macasiray, Carlos	Filipino	1,000	0.00056%	1,000	0.00056%
Magloyuan, Roger	Filipino	1,000	0.00056%	1,000	0.00056%
Malubay, RAmil	Filipino	1,000	0.00056%	1,000	0.00056%
Mendoza, Ramil	Filipino	1,000	0.00056%	1,000	0.00056%
Mislang, Bernard	Filipino	1,000	0.00056%	1,000	0.00056%
Plazo, Noel	Filipino	1,000	0.00056%	1,000	0.00056%
Purca, Panfilo	Filipino	1,000	0.00056%	1,000	0.00056%
Purca, Roger	Filipino	1,000	0.00056%	1,000	0.00056%
Piedad, Norberto	Filipino	1,000	0.00056%	1,000	0.00056%
Sotelo, Perlie	Filipino	1,000	0.00056%	1,000	0.00056%
Soria, Cecilio Jr.	Filipino	1,000	0.00056%	1,000	0.00056%
Tampos, Isabelo	Filipino	1,000	0.00056%	1,000	0.00056%
Tito, Hermis	Filipino	1,000	0.00056%	1,000	0.00056%
Tria, Armel	Filipino	1,000	0.00056%	1,000	0.00056%
Vega, Isidro	Filipino	1,000	0.00056%	1,000	0.00056%
Alfonso Go	Filipino	1	0.00000%	1	0.00000%

Leonor Briones	Filipino	1	0.00000%	1	0.00000%
Cristino Lim	Filipino	1	0.00000%	1	0.00000%
George Uy	Filipino	1	0.00000%	1	0.00000%
Public		none	None	none	None
		178,536,602	**100%**	**178,536,602**	**100%**

At present, the Company has no issued and outstanding Warrants. However, 6,500,000 Warrants have been allotted to officers and directors of the Company. The Warrants are to be listed within one (1) year from the Company's Listing by Way of Introduction subject to approval by the PSE.

PART VII. PLAN OF DISTRIBUTION

The Company has not engaged any underwriter, dealer or broker in connection with the listing of the Secondary Common Shares through Listing by Way of Introduction, and neither will the Company do so for the listing of the Warrants, which are to be issued within one (1) year after the Company's Listing by Way of Introduction.

The Company will engage the services of underwriters, under such terms and conditions still to be agreed upon, only upon its decision to offer its Primary Common Shares to the public within one (1) year from the Listing by Way of Introduction in the Second Board of the PSE.

PART VIII. DESCRIPTION OF SECURITIES

The following is general information relating to the Company's capital stock, including brief summaries of relevant provisions of the Corporation Code of the Philippines (the Corporation Code) and implementing regulations adopted by the SEC, as currently in effect, and the SRC. The description below does not purport to be complete, nor to give full effect to the provisions of law, and it is in all respects qualified by reference to the applicable provisions of the Company's amended Articles of Incorporation and amended By-laws.

A. Share Capital

The Company's authorized capital is Php300,000,000.00 consisting of 300,000,000 Common Shares with a par value of Php1.00 per share. As of the date of this Prospectus, 167,905,135 Common Shares are issued and outstanding and 10,631,467 Common Shares are allotted to, and fully availed by, the Company's directors, employees and consultants under a Stock Purchase Plan.

Within one (1) year after the Listing by Way of Introduction, the Company shall make a public offering of 101,463,398 Common Shares by way of primary offer. Within the same period, the Company shall also file an application with the PSE for the listing of 20,000,000 Warrants relating to 20,000,000 Common Shares at an issue price of Php0.00. The Warrants are European Call Options with an Expiry Date at the end of the 5th year from issuance and listing, with a Strike Price of Php20.00.

Subject to the approval of the SEC, the Company may increase or decrease its authorized capital, provided that the increase or decrease is with the approval of a majority of the Board of Directors and by its stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Company.

B. Rights Relating to the Common Shares

1. Voting Rights

Each Common Share entitles the holder to one (1) vote, and enjoys full dividend rights. In the event of liquidation or dissolution of the Company, holders are entitled to receive their proportionate share of all assets available for distribution after the settlement of the Company's liabilities.

In the election of Directors, each stockholder is entitled to such number of votes, as is equivalent to the product of the number of Shares owned by him multiplied by the number of Directors to be elected. The Corporation Code entitles the stockholder to cumulate his/her votes in favor of one (1) or more candidates of his/her choice. Under Philippine Law, representation of foreign ownership in the board is limited to the proportion of the foreign shareholding. A Director may be removed from office, with or without cause, by the vote of stockholders representing two-thirds (2/3) of the outstanding voting capital stock, provided that removal without cause may not be used to remove a Director elected by the minority stockholders.

The Corporation Code also provides that certain fundamental acts may only be implemented with stockholder approval. The following require approval of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.

- Amendment of the Articles of Incorporation;
- Removal of Directors;
- Sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the assets of the corporation;
- Investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which the corporation was organized;
- Issuance/declaration of stock dividends;
- Delegation to the board of directors of the power to amend or repeal by-laws or adopted new by-laws;
- Merger or consolidation;
- Any increase or decrease of capital stock;
- Extension or shortening of the corporate term; and
- Creation or increase of secured indebtedness.

Prior to this Offer, the Company's Secondary Common Shares, through their corresponding CHESS Depositary Instruments, were listed, and have subsequently been traded, on 19 January 2009 at the NSX.

2. Pre-Emptive Rights

All stockholders of a Philippine stock corporation shall enjoy pre-emptive right to all issued or other disposition of share of any class, in proportion to their respective shareholdings. However, such pre-emptive has been expressly waived by the existing shareholders with respect to any new issuance from the Company's authorized capital stock. Moreover, upon approval by the Board of Directors and the stockholders representing two-thirds (2/3) of the outstanding capital stock, the Company's Articles of Incorporation shall be amended, subject to approval by the SEC, denying the pre-emptive rights to its shareholders.

3. Treasury Shares

The Company may acquire its own Shares, provided that, it has unrestricted retained earnings or surplus profits to pay the Shares to be acquired or purchased and only for a legitimate corporate purpose/s, including but not limited to the following cases:

- Elimination of fractional shares arising out of stock dividends;
- Satisfaction of an indebtedness to the corporation arising out of unpaid subscription; and
- Payment of shares of dissenting or withdrawing stockholders/

The Shares repurchased by the Company shall become treasury shares that may again be disposed of at a reasonable price to be fixed by the Board of Directors. The treasury shares have neither voting rights nor dividend rights as long as they remain as treasury shares.

As of the date of this Prospectus, the Company does not hold any treasury shares.

4. Dividends

The Company is authorized to declare and distribute dividends to the extent that it has unrestricted retained earnings. Unrestricted retained earnings represent the undistributed profits of a corporation that have not been earmarked for any corporate purposes. A corporation may pay dividends in cash, by distribution of property, or by issuance of shares. Dividends declared in the form of cash or additional Shares are subject to approval by the Company's Board of Directors. In addition to Board approval, dividends declared in the form of additional Share are also subject to the approval of the Company's shareholders representing at lease two-thirds (2/3) of the outstanding capital stock. Holders of outstanding Common Shares as of a dividend record date will be entitled to full dividends declared without regard to any subsequent transfer of such Shares. SEC approval is required before any property or stock dividends can be distributed. While there is no need for SEC approval for distribution of cash dividends, the SEC must be notified within five (5) days from its declaration.

Since its incorporation, the Company has not declared dividends.

In the future, the Company intends to pay dividends out of its unrestricted retained earnings. The ability to pay dividends, and the amount of such, however, shall depend on the Company's retained earnings, cash flow requirements, financial condition, capital expenditures, and investment requirements during the relevant period.

5. Dividend Policy

Shareholders shall have a right to receive dividends subject to the discretion of the Board. At present, however, the Company's Board of Directors has yet to establish a dividend policy.

C. Transfer of Shares

All transfer of legal title to the Common Shares must be evidenced by a transfer document in a form acceptable to the Company, and must be registered in the share register of the Company. The law does not require the transfer of the Shares to be effected through the PSE. However, off-exchange sales will subject the transferor to a capital gains tax that is significantly greater than the share transfer tax applicable to sales effected through the PSE. All sales of the Common Shares listed on the PSE must be effected through a licensed stockbroker in the Philippines. No share of stock against which the Company holds unpaid claims, like unpaid subscription due and payable, shall be transferable in the books of the Company. In case of delinquent shares, no stock certificate shall be issued to a shareholder until the full amount of his/her subscription together with interest and expenses, if any is due, has been paid.

D. Changes in Control

There are no existing provisions in the amended Articles of Incorporation and amended By-Laws of the Company, which may cause delay, deferment, or in any manner prevent a change in control of the Company.

PART IX. INTERESTS OF THE NAMED EXPERTS AND COUNSEL

The audited financial statements of the Company for the years ended 31 December 2006, 2007, and 2008 which are also incorporated by reference in this Prospectus, have been audited by the auditing firm of Alba Romeo & Co. The same auditor also reviewed the Company's 2008 projected financial statements.

Alba Romeo & Co., external auditor of the Company, has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company in accordance with the professional standards on independence set by the Board of Accountancy and the Professional Regulation Commission.

The validity of the Listing by Way of Introduction and other matters concerning the registration and the offering of the Common Shares and Warrants were passed upon for the Company by Atty. Stanley Fabito, the independent legal counsel. The independent legal counsel has no shareholdings in the Company or any right, whether legally enforceable or not, to nominate persons or to subscribe to the securities in the Company in accordance with the standards on independence required in the Code of Professional Responsibility and as prescribed by the Supreme Court.

Neither Alba Romeo & Co. nor Atty. Stanley Fabito has acted or will act as promoter, underwriter, voting trustee, officer or employee of the Company.

PART X. INFORMATION WITH RESPECT TO THE COMPANY

A. History and Nature of Business

Incorporated on 04 February 1997, ANI started its business operations in the same year as an importer, trader and fabricator of post-harvest agricultural machineries intended to improve the productivity as well as increase the income of Filipino farmers. Formerly known as Mabuhay 2000 Enterprises, Inc., ANI was the first to bring into the Philippine market the Mega-Sun brand of grain dryers and thereafter established itself as one of the more reliable local supplier and manufacturer of conveyor systems and other rice mill equipment.

ANI eventually diversified into other various agro-commercial businesses, specifically focusing on the export trading of fresh Philippine Carabao Mangoes as its main revenue stream. Since then, ANI has become one of the Philippines' top fresh mango exporters to the world market. At present, ANI also supplies other home-grown fruits such as banana, pineapple and papaya to customers in Hong Kong, Mainland China, the Middle East and to the different European regions.

B. Corporate Mission Statement

ANI's mission is to be at the forefront of Philippine agriculture by using Good Agricultural Practices (GAP), value-chain management, value-added processing technology, and product innovation to delight its consumers.

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C. Key Business Activities

ANI has three (3) subsidiaries under its Fresh Foods group: First Class Agriculture (FCA), Fresh and Green (FG), and Lucky Fruit (LF).

FCA is engaged in the commercial distribution of fresh vegetables and fruits to the SM Supermarket chain. It supplies more than 100 varieties of vegetables and local fruits daily to sixteen (16) SM Supermarket stores located in the National Capital Region ("NCR") and other provinces in Luzon as well as to eleven (11) branches of Makro in the NCR. Meanwhile, FG is engaged in the commercial distribution of fresh vegetables and fruits to the SM Hypermarket chain. It currently supplies thirteen (13) SM Hypermarket stores. Lastly, LF is engaged in the wholesale trading and distribution of commercial crops through key trade channels such as hotels, restaurants, public wet markets and catering companies.

For its Processed Foods Group, ANI owns and controls two (2) companies: M2000 IMEX in Bulacan and Fruitilicious in Cagayan de Oro. In the second half of 2009, ANI shall acquire fifty one percent (51%) equity interest in Nutri-licious Marketing.

M2000 IMEX is the subsidiary engaged in the manufacturing and processing of branded and toll-manufactured canned fruit beverages and products such as Mango Nectar, Coco Juice, Coco Cream and Coco Milk. It is also ANI's facility for commercial vinegar fermentation and bottling, as well as veggie-balls production. Meanwhile, Fruitilicious serves the frozen and processed fruit requirements of food manufacturers and processors such as Nestle Ice Cream Division and Cenmaco, Inc. The plant of Fruitilicious, situated within the fruit-bountiful provinces of Bukidnon, Davao, Lanao del Norte and Agusan del Sur, also serves as ANI's logistics and sourcing hub for its Visayas and Mindanao operations. Nutri-licious Marketing, on its part, carries the brand name "Nutri-licious" and markets a variety of beverage and food products to local and international clients through business-to-business or business-to-consumer models. It operates kiosk-type outlets in malls, canteens and schools, and has developed a franchising model for its expansion.

To complete the full integration of ANI's operations, ANI owns and controls Best Choice Harvest (BCH). BCH is engaged in the management of farming activities in various provinces that serve the supply needs of ANI's distribution subsidiaries. BCH is also engaged in livestock integration and bio-fuel feedstock development. It is likewise involved in the introduction, field-testing, and commercialization of new and imported crop varieties that will provide higher yield and income for Filipino farmers.

In pursuit of its vision to become a world-class supplier of high-quality fresh and processed agricultural food products, ANI recast its business structure, from adopting a purely farm-to-market trading business model into utilizing a "farm-to-plate"-based concept supported by full forward and backward integrations. As a result, ANI's range of operations has consequently expanded, providing a strategic advantage hinged on the synergy of all business activities, from farming, packing, trading, distribution, processing, canning, and up to sales. This unique and competitive agri-business model has put ANI in the best position to promote private sector participation in agriculture as both a viable business opportunity and as an effective tool for nation-building.

For 2009, ANI, as a rising leader in the agri-business sector, will continue creating value for its shareholders and at the same time will continue with its aggressive forward and backward integration. For the forward integration, ANI intends to increase the number of retail kiosk for juice under the Nutri-licious brand, vegetable cart under the FCA brand, and establish outlets for budget meals in central business districts. In addition, a cold storage facility with a capacity of 400 metric tons is currently being constructed in Pulilan, Bulacan and is slated for completion before the end of the first half of 2009. Expansion of a bigger cold storage to be established within the FCA compound in Arayat, Pampanga shall commence immediately upon receiving funds either from private bankers or from the Agricultural Competitiveness Enhancement Fund of the Department of Agriculture. The availability of the Company's own cold storage facility shall improve greatly the profitability of the ANI group of companies as it will be able to generate savings from renting cold storage, maximize shelf life of fruits and vegetables, and earn additional rental income from leasing out any extra cold storage space.

For the backward integration of ANI's operation, its farming arm, BCH, will continue to develop farmlands either through lease, joint venture, or contract growing arrangements. The diversification in locations of the farmlands will enable ANI to spread the risk against weather disturbances.

Before the end of the year, ANI is expected to set up a representative office in Australia to better monitor and expand its existing market channels. Currently, ANI sells processed foods and juices to Australia's through Asian-owned/operated stores and fresh fruits to New Zealand mainstream market. By having a permanent presence in the Australia-New Zealand territory, ANI is expected to speed up the penetration of major market channels.

In 2010, ANI intends to aggressively pursue its plans for regional expansion through mergers and acquisition with other regional companies anticipating a recovery of the capital market. The expected recovery shall allow ANI to raise funds from the equity market either local or international capital market. The initial targets for ANI's regional expansion shall be agriculture or food companies in Greater China Region or Southeast Asia Region.

Tie-ups with agricultural companies in Central and South America are currently being nurtured and developed. By 2010, ANI intends to establish bigger market share in North America and Europe by cross selling items currently being planted by farmers in Central and South American Continent. With these tie-ups, the farms in Central and South America will be able to produce crops that North American clients source from ANI; thus, saving huge amount of freight cost. The reduction of freight cost will increase market demand for specific produce. Potential opportunities due to seasonality factor in fruits and vegetables can also be maximized due to the difference in the geographic location. This will also enable ANI to commit to major US and Canadian clients a whole year round of supply.

D. Corporate Social Responsibility

ANI practices Corporate Social Responsibility (CSR) as part of it long-term business strategies for sustainability and continuity:

Basic Social Services - From time to time, ANI conducts Medical and Dental Missions for the poor and underprivileged communities in the country to help alleviate the health conditions of Filipino families. Once a month, ANI taps its pool of volunteers, friends and employees to visit the different parts of Luzon and provide free professional services to selected beneficiaries.

Education - ANI also seeks to assist in strengthening and improving the country's sufficiency and security through its related long and medium-term CSR projects in agriculture. In partnership with Dumaguete-based Silliman University, ANI provides full scholarships to deserving students pursuing B.S. Agriculture to help address the shortage of professionals in agricultural research, development, and entrepreneurship. At present twenty three (23) scholars are being sent to school with the help of ANI.

Research and Development - Further, ANI continually works with foreign partners in the conduct of extensive field trials and testing of high-value and high-yielding varieties of fruits and crops in its farms. This initiative aims to support farming communities and the country in general, by developing and introducing innovative technologies. At present, ANI has ongoing trial projects for imported high-value varieties of agricultural crops, namely: (i) Potatoes in Benguet, Sorsogon and Bukidnon; (ii) Rice seeds in Bulacan; (iii) Strawberries in Benguet; (iv) Honeymelon and Honeydew Melons in Pampanga; and (v) Cassava in Tarlac.

Capability Building for Indigenous Peoples - Another significant CSR project which ANI has started is its partnership with the Indigenous Peoples communities in Pampanga and Tarlac for the development and management of almost 10,000 hectares of Ancestral Domain. Initially geared towards building the capabilities of the Aetas in farming and trading, ANI aims to utilize the partnership as a poverty alleviation vehicle that will create anchor enterprises, improve access to basic services, and promote environmental stewardship.

Disaster Relief - During emergencies, ANI provides assistance to affected families in its own humble way. Recently after a major earthquake struck Sechuan Province in China and caused countless death and destruction, ANI made a modest monetary contribution to aid in the relief and rescue efforts conducted. ANI likewise prepares itself to take part in local disaster rehabilitation programs as a way of helping uplift the lives of displaced and vulnerable families. In the recent typhoon Frank, ANI pledged 120,000 cans of coconut juice for typhoon victims of Aklan Province.

E. Rationale for ANI's Entry into the Agri-Business

ANI believes there is so much opportunity in the agricultural sector especially that the Philippines is, by nature, an agricultural nation. The presence of abundant farmlands and high-quality varieties of tropical fruits and fresh vegetables gives the country a huge advantage in terms of responding to the rising global demand for agricultural products. The good number of experienced large-scale, commercial farmers nationwide likewise assures the country a deep, reliable source of technical expertise on proven farming methods and aptitude for innovative approaches.

For the past decades, however, government initiatives have not been properly centred on the agricultural sector in spite of growing global demand for food products. There has also been a pronounced disparity in national priorities which has put agriculture in a low ranking despite the imminent damaging effects of climate change and population growth.

ANI, for its part, seeks to play a significant role in reviving and strengthening the state of Philippine agriculture for the benefit of all Filipinos. ANI seeks to promote agriculture as a vital tool for nation-building.

As a business proposition, agriculture is a viable business activity that provides consistent returns from conservative investments. Risks can generally be mitigated and diversified to ensure consistent supply and steady revenues for the Company. Agriculture is also considered recession-proof due to its being commodity-based which may likewise be used as a hedge against inflation.

By providing the country with food, ANI creates a tremendous socio-economic impact. The business responds to an absolute necessity, providing food for the people. The food and farming system is important to the balance of trade and employment of the population of the country. The farmlands support the economic base of many rural communities particularly in the provinces. And lastly, it is the agriculture sector that would provide the resources to respond to the increasing demand for bio fuel.

F. Competitive Strengths

1. Complete and strategic integration of operations

Since achieving the complete and strategic integration of all stages of its agribusiness operations, from farming, processing, up to export and local distribution, ANI has put itself in a very solid position of competitive advantage. Through such, ANI is able to benefit from zero-waste, in between stages, and unrivalled product pricing, to allow full marketing leverage against competitors. This has likewise allowed ANI to develop key, long-term marketing relationships with farmer-suppliers, organizations and cooperatives.

Through its backward and vertical integration, ANI's acquisition of FCA, FG, and the expansion of BCH provided for the strengthening of its source and supply chains for vegetables and fruits.

In food processing, ANI's acquisition in the second half of 2009 of Nutri-licious Marketing Corp., owner of the "Nutri-licious" brand of juices, and the "Mom's" brand of condiments, will mitigate the spoilage and wastage costs of its distribution and trading businesses. Meanwhile, subsidiaries, Fruitilicious and M2000 IMEX, which are engaged in the processing and manufacturing of fruit products and beverages, source their raw materials from other subsidiaries and enjoy quality assurance and best prices.

2. Constant innovation of products and services

ANI considers it tradition of product innovation as a key corporate strength that enables it to rapidly penetrate new markets and generate product awareness and sales. This is also a way in which the Company strives to establish a global marketing presence, and at the same time, enhance the Filipino image in the international business arena. As such, ANI has successfully developed and marketed several international "firsts" such as the Coconut juice and Tamarind juice in cans which gave way to the operation of the new subsidiary M2000 IMEX. It has likewise successfully commercialized locally, the new high-value, hybrid variety of the melon in the Philippines.

Before 2009 is over, ANI would have launched its e-commerce store, www.ani.com.ph, which will allow buyers from hotels, restaurants, catering companies, and canteens to book their orders on-line, with guarantee of a next-day-delivery. Also, ANI will be launching several franchise opportunities for its employees and the public as well.

Further, other new marketing initiatives include: (i) the FCA Pedicab (driven around residential communities professionally selling fruits and vegetables) which was launched on 23 November 2008, (ii) the FCA Wet Market Wholesale Shop (vegetables sold in a neat location, with neat packaging) which will be launched in the third (3^{rd}) quarter of 2009, and (iii) The Lucky Store (staple and seasonal fruits in trendy locations, with trendy packaging) which will be launched in mid-2009. All these would seek to maximize market reach across all segments through various channels of distribution.

3. Track record of performance

With over a decade of experience in handling fresh fruits and vegetables and gaining many years worth of learning in product innovation, ANI has a firm grasp of the markets in which it operates in. The Company has attained product acceptance in major world markets such as Hong Kong and China. It has catapulted ANI into being one of the top exporters of mangoes from the Philippines. The Company is even now among the few, accredited by the China government to export mangoes to their country.

Currently, ANI's businesses are accredited by: (i) the General Administration of Quality Supervision (AQSIQ) of China, allowing the company to export directly to mainland China; (ii) the USFDA for the export of canned juices to mainland USA; (iii) the Department of Agriculture – Bureau of Plant Industry for the importation of fruits, spices and other planting materials; (iv) the Department of Health – BFAD for the operation of the canning facility in Pulilan, Bulacan; and (v) the Department of Finance – Bureau of Customs for the importation and export of various products and materials.

ANI was recognized as one of PhilExport's Top 50 exporters in the country for the year 2007.

4. Exceptional human resource pool and philosophy

ANI attributes its continued growth in the industry to its reliable, creative and well-trained managers, staffs and employees. Its executives and operational managers have had more than a decade of experience in the business of farming, fresh produce distribution, and fruit and juice processing. They are supported by experienced and competent multi-lingual marketing staff and purchasers.

ANI's executive officers, owing to their being reputable leaders in their respective fields contribute to the cultivation of a sense of pride within the organization. More so by utilizing a hands-on approach to management, they are able to direct the Company to be successful in its undertaking through their expertise, guidance and leadership.

5. Unrivalled industry influence

ANI's core business and products are undoubtedly vital to national development and security. And since the Company's establishment, it has contributed greatly to the lives of the Filipino farmers and households through its products and advocacies. Making this possible is ANI's strategic alliances with government agencies, business organizations, universities, NGOs, and local and international media which were built over years of integrity and trust. These networks and alliances actually intertwined and sometimes overlapped, allowing ANI the capability to mobilize resources promptly and at a bigger scale, when needed.

To further enhance this particular strength and build a strong corporate brand, ANI intends to deepen the respective specialization and expertise of its subsidiaries and focus on a specific business area or market. LF would be groomed to be a preferred brand for both local and imported fruits and even go into innovative arrangements such as counter trading. Meanwhile, FG will be integrated into FCA so that brand building activities would be started, promoting the tagline, "Fresh Choice Always". On the other hand, FCA will be re-launched as a premium brand for veggie-safe and veggie-licious vegetables that will create more awareness among children and housewives and increase consumption of fruits and vegetables.

G. International and Domestic Accreditation

1. Department of Health – Bureau of Food & Drugs

Certificate of Product Registration for Coconut Vinegar, Mango Nectar, Coconut Juice Drink

- Certifies conformity with the requirements and standards for registration of food products per existing regulations pursuant to the Food, Drugs, Devices and Cosmetics Act (RA3720)
- Registration is valid until 2012

License to Operate for AgriNurture, Inc (Mabuhay 2000) and M2000 IMEX

- Authorizes the establishment to manufacture and export food products pursuant to the Food, Drugs, Devices and Cosmetics Act (RA3720)
- Registration is valid until September 2009

2. Department of Finance – Bureau of Customs

Importation License for AgriNurture, Inc (Mabuhay 2000) and First Class Agriculture is valid for one (1) year and renewable every year thereafter.

3. Department of Agriculture – Bureau of Plant Industry

Importation License for AgriNurture, Inc (Mabuhay 2000) and First Class Agriculture is valid for one (1) year and renewable every year thereafter.

4. United States – Food and Drug Administration

Food Facility Registration for AgriNurture, Inc. (Mabuhay 2000) and M2000 IMEX

- Certifies compliance to requirement that domestic and foreign facilities that manufacture, process, pack, or hold food for human or animal consumption in the United States to register with the FDA pursuant to the US' Public Health Security and Bioterrorism Preparedness and Response Act of 2002.
- The FDA accreditation is valid unless otherwise revoked.

5. People's Republic of China – General Administration of Quality Supervision, Inspection and Quarantine

Compliance to Phytosanitary requirements for the export of mangoes from Philippines to China for AgriNurture, Inc (Mabuhay 2000). The accreditation is valid unless otherwise revoked.

H. Product Lines

A brief description of the product lines of ANI and its subsidiaries is presented below:

PRODUCT		DESCRIPTION
Fresh Fruits	Mango	"Kinalabaw na Lamao" variety (Local and Export Distribution)
	Young Coconut	Shaved and packed (Export Market)
	Matured Coconut	Dehusked and sold individually (Local Distribution) Packed in 20kg. Boxes (Export Distribution)
	Banana	In bulk-packs (Export Distribution)
Fresh Vegetables	More than 100 varieties	Packed (Local and Export Distribution)
Frozen Fruits	Mango, Banana, Pineapple, Papaya, Calamansi	Fruits halves, dice, and purees – IQF'ed or blast frozen, packed in 1kg., 2kg., or 5kg plastic bags in 10 or 20kg boxes (Local and Export Distribution)
Dried Fruits	Mango, Pineapple, Papaya, Banana Chips	(Export Distribution)
Canned and Bottled Fruit Beverages	Mango, Pineapple, Calamansi, Kiwi juices, Tea Concentrates, Choco milk	Nutri-licious brand served in plastic cups and PET bottles in major restaurant/fastfood chains, airlines, kiosks, and retail outlets (Local Distribution)
	Mango, Tamarind juices	Nikka brand served in 250ml and 350ml tin cans (Export Distribution)
	Coconut juice	La Natural brand served in 350ml and 520ml tin cans (Export Distribution)
	Coconut juice	OEM Packing arrangement for Lipa, Florence and MarcaPiña brands (Local and Export Distribution)
	Coconut cream	Squeezed from fresh, matured coconuts either frozen in 5kg pack or canned in 400ml tin cans (Local and Export Distribution)
	Coconut Vinegar	Naturally fermented 100% coconut water from matured coconuts (Local and Export Distribution)
	Coconut Vinegar	OEM Packing arrangement for Kubo, Florence, and Marcapiña brands (Local and Export Distribution)

1. AgriNurture, Inc. (Parent Company)

Products of ANI are marketable both domestically and internationally. The following are related articles about the Company's products:

- Mango, the Philippines' national fruit, is considered one of the finest in the world. It is the most important root crop of the country based on export volume and value next to banana and pineapple. (Source: www.hvcc.da.gov)

- Banana is the leading fruit grown in the Philippines and a consistent top dollar earner. The prospect of Philippine bananas in the domestic and foreign market is still promising. (Source: www.hvcc.da.gov)

- The Philippines is the top exporter of juice concentrates and pineapple juice. Both fresh and processed export industry is increasing. (Source: www.hvcc.da.gov)

The Company intends to increase sales by incorporating e-commerce as a mode of boosting its sales and increasing its customer base.

From 2006 to 2007, ANI experienced a growth rate of 40% in terms of number of customers. The growth rate is attributable to ANI initially succeeding in exporting mangoes and other fruits to Hong Kong. ANI is now aiming to increase its pool of customers through e-commerce that is a more convenient mode to market its products. Penetration of market in China is an opportunity for ANI since the Company was named by the Department of Agriculture last May 2008 as one of the eight (8) companies that are accredited to export mangoes to China (Source: www.businessmirror.com).

In previous years, the Company had been indirectly exporting to customers in China through shipments to Hong Kong. ANI, through existing business networks and government support have started exporting mangoes, papaya, pineapple, and bananas to big customers in Greater China which includes, but not limited to, the following:

- Guangzhou Jiangnan Wholesale Market;
- Fruit King, Yitailong
- Nong Fu Guo Ping
- CarreFour
- Wal-Mart and Sam's Club
- Sugar Dynasty
- Maxims
- Hui Lao San
- Park & Shop
- Wellcome

Aside from Greater China, ANI has also been serving customers' orders in Singapore and Korea. Among the known customers of ANI in these countries are NTUC and Han Sang.

In 2007, ANI's products were mainly sourced out from outside suppliers. The probability of increasing supply of ANI products to satisfy the projected increase in demand is high. The crops subsector performed well last 2007. At current prices, the gross value of productions amounted to Php971.8 billion and posted a 9.37 % increase from 2006 record. Actual volume produced for Mango, Banana and Pineapple fruit can be seen in the following table (Source: www.bas.gov.ph).

Table 3: Volume Production in Agriculture, Philippines 2005-2006 (In Thousand Metric Tons)

Particulars	2005	2006	2007
Mango	984.34	919.03	1,022.44
Banana	6,298.24	6,794.56	7,482.47
Pineapple	1,788.21	1,833.91	2,016.41

In line with the increase in demand for the Company's products, sources of fresh produce were strategically located in various regions in the Philippines. Fruits and vegetables are sourced from various suppliers/ buying stations nationwide. These include Baguio, Quezon, Pampanga, Nueva Vizcaya, Quezon, Pangasinan, Nueva Ecija, Cagayan de Oro, Davao, Divisoria, Batangas, Cebu, Zambales, Bulacan, Isabela, Cavite, and Tarlac.

2. Fresh Foods Group

a. FCA

FCA, a wholly owned subsidiary of ANI, was registered with the SEC on 11 June 2002 primarily to engage in the trading of goods such as fruits and vegetables on wholesale basis.

Sales growth of FCA is dependent on the growth of SM Super Value, an exclusive customer of the company. Research showed that SM Prime Holdings intends to open three shopping malls to bring a total of thirty three (33) branches. The three (3) malls are SM City Marikina, SM City Baliuag in Bulacan and SM Supercenter Rosales in Pangasinan. Similarly, the group is also planning to open three new SaveMore outlets as part of its efforts to attract more customers with its low-priced products under the bonus house brand within the year. (Source: www.smprime.com)

In the aforementioned article, it was also disclosed that SM Supermarket took control of Makro Warehouse Club in 2007 through parent holding firm Rappel Holdings, Inc. Pilipinas Makro, Inc. (Makro) is an unlisted company engaged in the buying and selling of food and non-food items to registered customers at wholesale and retail warehouse club model. It currently operates fifteen (15) outlets in key areas in the country.

With steady growth in neighborhood (sari-sari) stores and convenience stores now estimated to number 600,000 nationwide, Makro plans to increase its outlets from the current fifteen (15) stores to twenty five (25) stores in five (5) years.

One of the growth opportunities that Makro considers is the sari-sari industry. This is in light of the current trend of overseas Filipinos setting up businesses in their respective neighborhoods; the easiest business to set up is the sari-sari store.

Makro's operation is tailored towards servicing the needs of its niche market or focused groups categorized in three types of businesses namely: (i) the resellers or retailers (the sari-sari store and convenience store owners); (ii) the HORECA (hotel, restaurant and caterers); and (iii) the service sectors (those that put up micro stores in offices and worksites to serve the requirements of office workers).

Agriculture grew by 4.68% during the period January to December 2007. At current prices, the gross value of agriculture production amounted to Php971.8 billion, posting a 9.37% from the 2006 record. The crops sector and sub-sector shared 47.56% in the total agriculture output, expanding 5.57%. Among the crops that were considered as growth drivers of the sub-sector were banana, pineapple, mango, cassava, tomato, onion, cabbage, eggplant and rubber. The sub-sectors' gross output value amounting to Php510.3 billion at current prices was 11.03% higher than the previous year's level. (Source: www.bas.gov.ph)

In line with the Company's increase in demand, source of fresh produce were strategically located in various regions in the Philippines. Fruits and vegetables are sourced out from various buying stations all over the Philippines like Baguio, Quezon, Pampanga, Nueva Vizcaya, Quezon, Pangasinan, Nueva Ecija, Cagayan de Oro, Davao, Divisoria, Batangas, Cebu, Zambales, Bulacan, Isabela, Cavite, and Tarlac.

b. Fruitilicious

Fruitilicious will operate a fruit freezing and processing facility to produce frozen and dried fruit products and by-products for local and international customers. It is located in Cagayan de Oro and is known for its products like halo-halo, nata de coco, coconut shreds, and mango bits. New properties such as a blast freezer will eventually decrease costs from Php2.00 per kilogram for blast freezing breezing outsourced to Php0.70 per kilogram. Fruitilicious is currently serving Nestle Ice Cream Division, CENMACO and ANI for frozen fruit products and pre mixes.

The market for ice cream in the Philippines increased an annual rate of 3.9% from 2001 to 2006. In 2006, the leading market player was Nestle S.A, with Unilever and Selecta-Wall, Inc. in second and third place, respectively. (Source: www.datamonitor.com/industries/research)

Since the Company and its major customers cater to demands of international clients, the global demand for frozen fruit products was considered. Based on a market study of AC Nielsen entitled "What's Hot around the Globe: Insights on Growth in Food & Beverages in 2006", the category of frozen fruit products experienced growth from year 2005 to 2006.

c. Fresh and Green

FG was organized under the laws of the Republic of the Philippines and was registered with the SEC on 04 June 2004.

FG was acquired by ANI on 01 January 2007. It is a wholly-owned subsidiary of FCA and is engaged primarily engaged in the commercial distribution of fresh vegetables and fruits to the SM Hypermarket chain. It supplies more than 100 varieties of vegetables and local fruits all over NCR.

Sales growth of FG is dependent on the growth of SM Hypermarket, an exclusive customer of the company. Research showed that SM Prime Holdings intends to build four (4) to five (5) malls annually for the next three (3) years in fourteen (14) locations including, among others, Marikina, Paranaque, Muntinlupa, Bulacan, Tarlac, Laguna, and Pangasinan. (Source: www.smprime.com)

d. Lucky Fruit

In the Philippines, food retailing industry involves a wide array of sellers from the sidewalk vendors, wet and dry markets, sari-sari stores, groceries, supermarkets, hypermarkets, warehouses, and discount clubs and convenience stores. Food means brisk business. Food is intricately linked with its culture and traditions. In the family, food accounts for 43% of total expenditures. Outside the home, eating has become lucrative for a retail business. (Source: www.pecc.org.)

To tap into the Philippines' food retailing industry, LF, which is an ANI subsidiary, has been trading and distributing commercial crops through key trade channels such as hotels, restaurants, public markets and catering companies.

3. Farming Group

a. Best Choice Harvest

BCH is a wholly-owned FCA subsidiary engaged in the management of farming activities in various provinces to serve the supply needs of ANI and its subsidiaries. It is also engaged in livestock integration and bio-fuel food stock development. BCH is also involved in the introduction, field-testing, and commercialization of new, imported crop varieties that are high yielding.

BCH shall undertake the planting of all lowland leafy and other crops that can be planted in case of rainy season. These projects shall form part of the long term objective of uplifting the standard and quality of life of the farmers. In line with this objective, the company shall undertake the following:

- Provide financial/material assistance to cover for needs such as seeds, chemicals and fertilizers.
- Promote and encourage projects such as those related to shelter or housing, raising levels of education, protection of women and minors and the promotion of health programs.
- Promote and use the application of appropriate new technologies in the development and production of the lowland vegetable and fruits.
- Promote the marketing of the lowland vegetables and fruits to foreign and local markets.
- Buy lowland vegetable and fruits from the farmers/ cooperatives at a premium agreed upon.

In return to the above undertakings of BCH, the farmer/farmer cooperatives in turn shall:

- Provide the land where the lowland vegetables and fruits are to be planted.
- Extend its full assistance and cooperation to BCH and recognizes its need to expand its lowland vegetables and fruits production.
- Be responsible in taking care of the farm so as to achieve maximum production per area.

4. Processed Food Products

a. M2000 IMEX

M2000 IMEX is a 100% owned subsidiary of ANI. It is engaged in the manufacturing and processing of Mango Nectar, Coco Juice, Coco Cream, and Coco Milk. It is also ANI's facility for commercial vinegar fermentation and veggie ball production. M2000 IMEX likewise provides toll-packing services for several local companies.

M2000 IMEX commenced its operations on January 2008 utilizing only one (1) of its Canning Line that generated total sales of approximately Php3 million on its first quarter of operations. Planned expansions of the company are specified below:

Additional two (2) canning lines are already in place. Lines 2 and 3 are expected to operate at the start of the third quarters of 2009 and 2010, respectively.

Line 2 is intended for canned fruits while Line 3 is intended for carbonated fruit drinks and pineapple juice all of which are mostly to be exported.

1. All canning lines are to be operated under the operating lease arrangements with ANI.

2. Products are to be sold in countries such as Qatar, Saudi Arabia, UAE, Japan, Hong Kong, and Canada.

b. Nutri-licious Marketing

At present, the Company is supplying the raw material requirements of Nutri-licious Marketing. In the second half of 2009, ANI intends to convert its advances made in favor of Nutri-licious Marketing into a 51% equity interest. Nutri-licious Marketing carries the brand name "Nutri-licious" and markets a variety of beverage and food products to local and international clients through business-to-business as well as business-to-consumer models. It has developed a franchising model for its expansion.

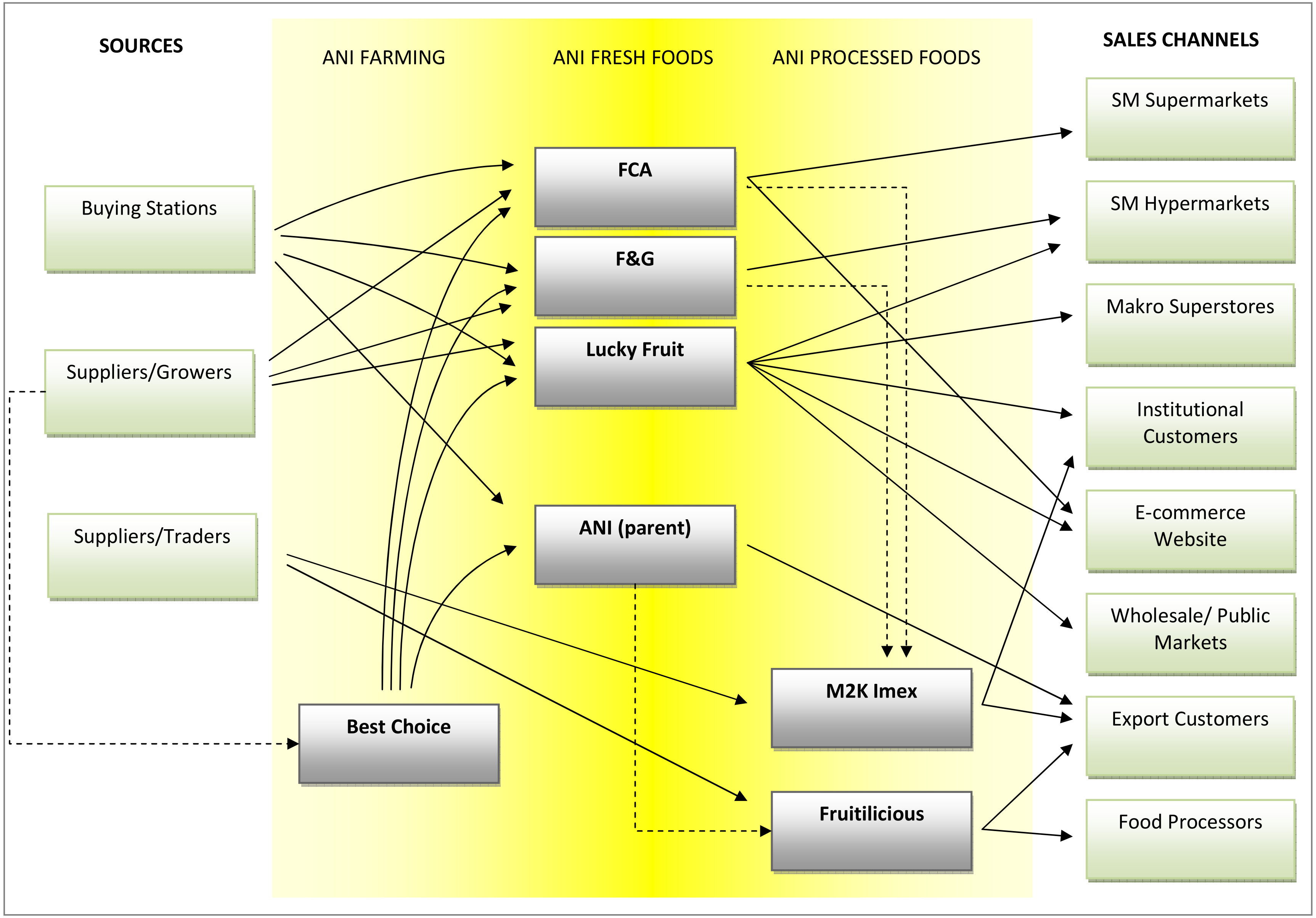
Nutri-licious Marketing caters to the following sales channel and key customers:

- Food Service or fast-food chains, hospitals, schools, and office canteens, kiosks and outlets in malls. Among the customers being served by the company are Jollibee, Chowking, Greenwich, Red Ribbon, Makro Asis Eurest, Burger Machine, Tropical Hut, Burger King, and Wendy's.

- Kiosks located in SM Supermarket, Landmark, Rustan's, Makro, Shopwise, and Royal Duty Free.

- Airline companies such as Philippine Airlines, and Cebu Pacific.

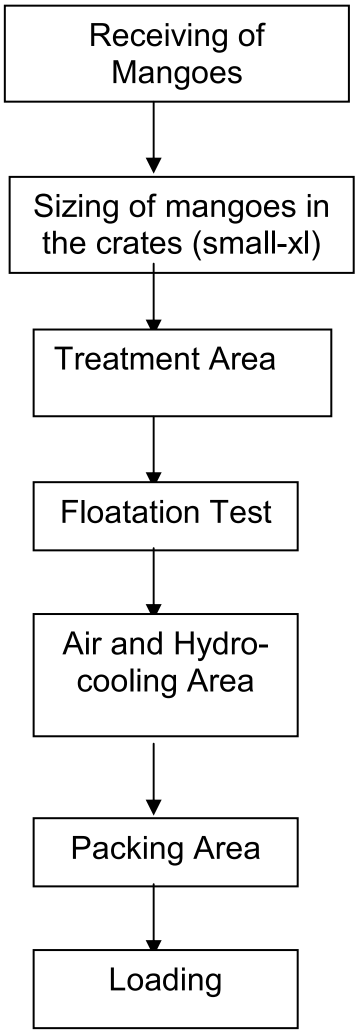
ANI Business Framework



The approval of the PSE is limited to the Listing By Way of Introduction of the Company's 178,536,602 Common Shares. The Company's applications for the planned public offering of its 101,463,398 Common Shares and 20,000,000 Warrants have not been filed with the PSE; hence, the same shall still be subject to separate approvals of the PSE.

I. Production Process

1. Extended Hot Water Treatment Process Flow



1. MANGO NECTAR IN CAN PROCESS FLOW

PROCESS STEP		DETAILED DESCRIPTION
Raw Material Receiving	CCP #1	Raw materials are inspected & checked against standard specifications.
↓ Mixing		Correct weight of raw materials as specified in the formulation. Adjust sugar to 12 – 13° Brix.
↓ Filtration		Passed through screen mesh to remove any extraneous materials
↓ Homogenization		Passed through a homogenizer to improve product consistency
↓ Pasteurization	CCP #2	Pasteurize for 5 minutes.
↓ Filling		Fill can 250 ml ± 2.4%
↓ Seaming		Good pressure ridge.
↓ Retort	CCP #3	Retort for 20 minutes.
↓ Cooling		Run water to cool down product temperature
↓ Drying & Coding		Each can is passed through an air blower and coded as specified.
↓ Boxing & Warehousing		Pack 24 cans per corrugated box. Store at ambient temperature.

M2000 IMEX COMPANY INC.

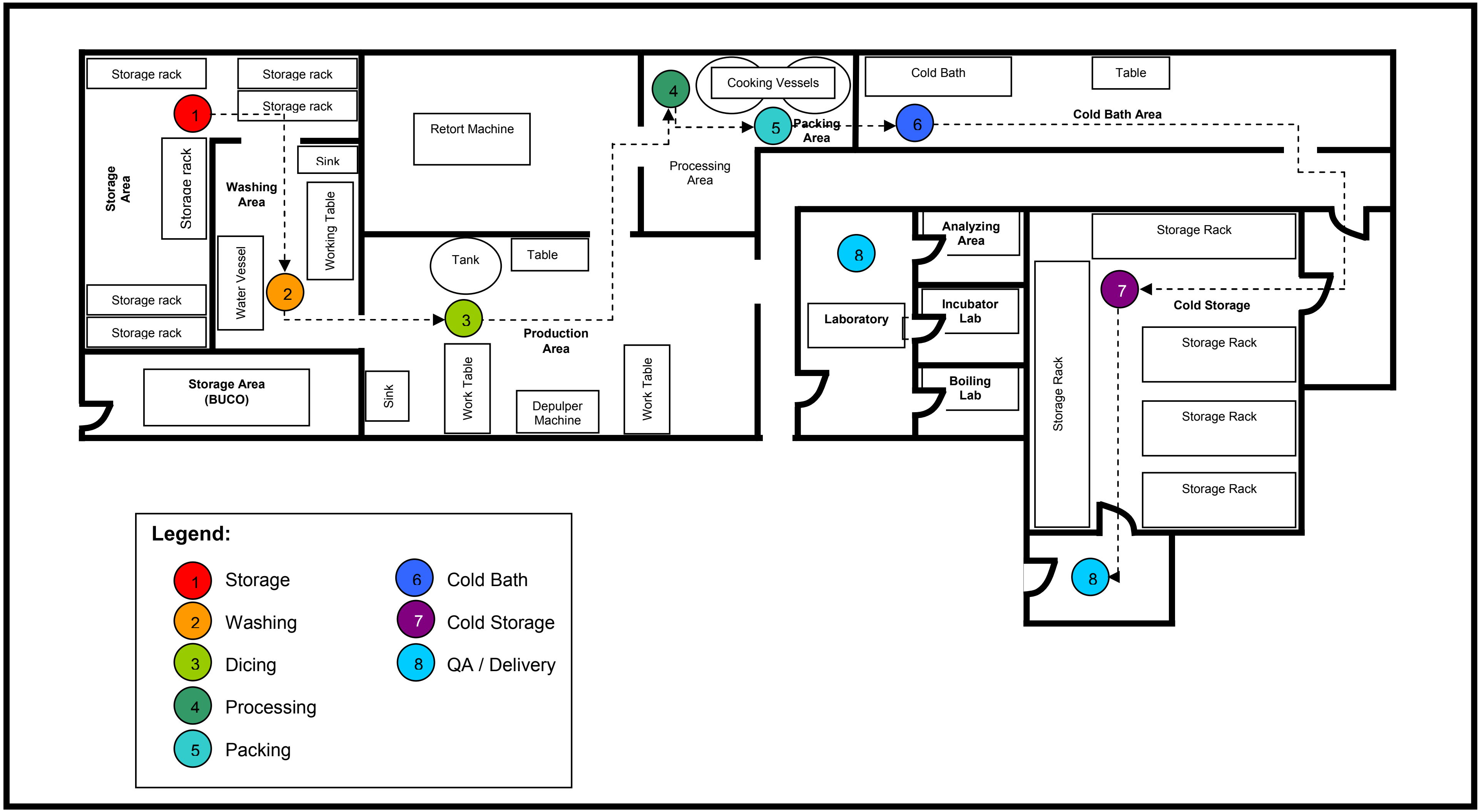
Plant Location: 54 Dampol 2nd A, Pulilan, Bulacan

LIST OF PRODUCTION EQUIPMENT (LEASED FROM ANI)	SPECIFICATION
1. Boiler (3 units)	Horizontal Fire Tube Boiler (bunker oil) Dia: 120mm, Length: 1800mm Heating Surface: 59m^2 Maximum Pressure: 8 kg/ cm^2 Steam Rate: 3000 kg/hr
2. Retort with Auto Sterilization Controller Sterilizing Vacuum Jacketed Kettle 4 units	Type TP 40 Dia: 200 cm, Length: 1800 cm Maximum Pressure: 7 kg/ cm^2 Capacity: 1800 cans @ 350 ml Tai Hsing Iron Work, Co. Ltd.
3. Pasteurizer – Heat Exchanger 2 units	Tubular, 3 Phase, 3 Hp Capacity: 35 to 60 L/ min
4. Magnetic Empty Can Cleaning Machine 1 unit	220V, 3 Phase, 3 Hp Capacity: 80 cans/ min With stainless steel conveyor
5. 1 unit Filling Machine	36-head 10 Hp, 220V 3 Phase induction motor pump Speed: 1750 RPM Yung-Yue Machinery Co., Ltd., Taiwan
6. 2 units Seaming Machine	Automatic 6-head Double Seamer 220V, 3 Phase, 10 Hp Yung-Yue Machinery Co. Ltd., Taiwan
7. 3 units Stainless Steel Tank with Agitator 3 units Motor Pump 1 unit Stainless Steel Holding Tank	Capacity: 1000L, with paddle, 1Hp each Speed: 3460 RPM, 3 Hp, 220 Volts
8. Homogenizer	Model YS 6000 6 tons/hr capacity 220V, 3 Phase Yuj Shing Machinery Industrial Ltd.
9. 1 unit Ink Jet Printing Machine	A Series Ink Jet Printer 220 V, Single Phase
10. 3 units Compressor	Pressure: 7 kg/ cm^2 5 Hp, 3 Phase , 1700 RPM Tokyo, Japan
11. Water Softener	Stainless Steel Tank , 2000L 1 unit Shallow well pump, 2 Hp, 220Volts Single Phase
12. Cooling Tower	2000 L capacity,with 2 units motor pump 5Hp, 3Phase, 220 Volts

The approval of the PSE is limited to the Company's Listing by Way of Introduction of its 178,536,602 Common Shares. The Company's applications for the planned public offering of its 101,463,398 Common Shares and 20,000,000 Warrants have not been filed with the PSE; hence, the same are still subject to separate approvals of the PSE.

1. **Current Process Flow**

FRUITILICIOUS, INC.
Cagayan de Oro Plant



The approval of the PSE is limited to the Company's Listing by Way of Introduction of its 178,536,602 Common Shares. The Company's applications for the planned public offering of its 101,463,398 Common Shares and 20,000,000 Warrants have not been filed with the PSE; hence, the same are still subject to separate approvals of the PSE.

J. Quality Assurance – Fresh Fruits And Vegetables

1. Supplier Identification/Accreditation
    a. Product standards orientation (requirements for size, weight, color, texture, and fertilizer/chemical application)
    b. Product sample evaluation (class A, B, or C)
    c. Delivery volume capacity of supplier (no minimum/maximum volume required)

2. Product delivery and receiving
    a. Random checking of quality of delivered goods; if 50% or higher reject rate, goods are not accepted and returned to supplier on-the-spot

3. Selection
    a. Piece by piece inspection for selected items such as okra, eggplant, Baguio beans, cabbage, womboc, and other leafy vegetables. Rejects are accounted and then returned to suppliers or sold to wet market vendors at the discretion of the suppliers.

4. Packing
    a. Goods being packed are inspected while being packed. Rejects found during this stage cannot be returned to supplier and are put aside for trimming/processing into valued added products.

5. Dispatching
    a. Goods being loaded are given final "look-through" for any other nonconformity to standards (size, packing, etc.)

6. Supermarket Display
    a. Regular inspections conducted by Merchandisers, Supervisors and Supermarket Quality Inspectors while goods are on display. Stocks are pulled out of the shelves and replaced daily.

K. Marketing and Sales

ANI has been the market leader for mango and vegetables and pioneer of tamarind and innovative coconut products. To maintain its status as a market leader, ANI is already launching an intensive marketing campaign for FCA as a premium brand for "veggie safe and veggie-licious" vegetables while Lucky Fruit, which was re-launched in early August of 2008, shall be focused on distribution of imported and local fruits. The intensive marketing campaign will create more awareness among children and housewives to increase consumption of fruits and vegetables. What FCA and Lucky Fruit can offer is guaranteed freshness and safety. FCA vegetables have been programmed to be delivered from farm to market in less than 24 hours and are guaranteed to be replaced daily in the shelves of supermarkets. FCA ambulant vendors shall also be deployed in all class A and B subdivisions from 5am to 6pm to bring convenience to households. In addition, an e-store, www.ani.com.ph, will be launched before the end of 2009 using billboards along NLEX, SLEX and EDSA.

The e-store shall allow hotel, restaurant, catering, and canteen operators to book their fruits and vegetables orders on-line with guarantee of delivery the next day.

FCA and FG which have been specializing in the field of vegetables will be opening fruit stores on major commercial business districts in Metro Manila. With the re-launching of Lucky Fruit in August of 2008, ANI's Fresh Products Group is targeted to become the biggest fruits and vegetables distribution group in the Philippines. Lucky Fruit shall be groomed to be the preferred brand for both local and imported fruits. ANI has many clients in a lot of countries that proposed counter trade (buying mango, pineapple, banana, and papaya from ANI and selling their apple, orange, pears, grapes, and kiwi back to Manila).

SEC data shows that close competitors' performance actually lags behind FCA, mainly since their sales are both for fruits and vegetables. Meanwhile, the other major fruit distributors in the supermarket business focus only on imported fruits.

L. Competition

As a diversified agro-commercial corporation, the Company does not know of any one particular competitor with the same (or similar) business model. The Company adopts the "farm-to-plate" model which, to this date, has not yet been successfully replicated by any other business entity. However, on a per area or division basis, the Company considers the following to be its competitors:

In the area of Fresh Foods Distribution, the Company faces competition from Dizon Farms, which also sells fruits and vegetables through similar sales channels. Dizon Farms is the Company's largest competitor in the Philippine Fresh Distribution market. Dizon Farms competes, mainly on the basis of brand awareness, by providing year-round supply of staple, seasonal, and imported fruits under their own brand. Dizon Farms likewise competes with the Company's vegetable products by providing similar varieties of lowland and upland varieties and at prices similar to the Company's. Competition from other fruits and vegetable suppliers may be considered minimal, since their in-store presence is not consistent across all branches/stores where the Company is present. More so, the volume capacity of these other suppliers cannot equal the current volume deliveries of the Company. The Company believes that its size and scale of operations, extensive sourcing networks, and market leadership provide the Company the competitive advantage against its competitors.

In the area of Processed Foods Manufacturing and Distribution, the Company faces competition from various well-known local firms. The long-standing brands Gina and Zest-O are traditionally-recognized in the canned fruit beverage industry particularly mango line. Their product lines have also expanded to include a multitude of packaging sizes and sub-products. Despite these factors, the Company believes it still remains competitive in the business for it has targeted its own market, one different from those catered by the aforementioned market players. Rather than being sold domestically, the Company's canned fruit beverages and products, are being exported to various markets in the Middle East, Asia-Pacific, US and European regions. More so, the Company has focused on a few, but innovative products to ensure better marketing and sales performance. So far, the Company has become: (i) the first exporter of the Mango Nectar in special sexy can, (ii) the first and only exporter of Coconut Juice in can, and (iii) the first and only exporter of Tamarind Juice in can. Through the Company's innovativeness and passion for delighting the global customer, it is believed that there exists even more opportunities for growth in this area.

As for farming, there already exist many businesses engaged in corporate farming activities similar to the Company's operations. The giants Del Monte and Dole have controlled much of the country's outputs with their large farm holdings in Mindanao. They have focused on the major export products of the country namely, bananas and pineapples. In Visayas and Luzon, on the other hand, there is no particular corporation that is known to be publicly engaged in mass-scale farming operations. Much of the agricultural produce actually comes from small farming households and/or cooperatives and which are sold through traditional trade channels. One of the core strengths of the Company, therefore, is its ability to link up and cluster all the small farmers per product type or per geographic area so that it is able to secure, for its distribution and processing businesses, steady and reliable supply of fresh produce.

M. Effect of Government Regulations on the Business of ANI

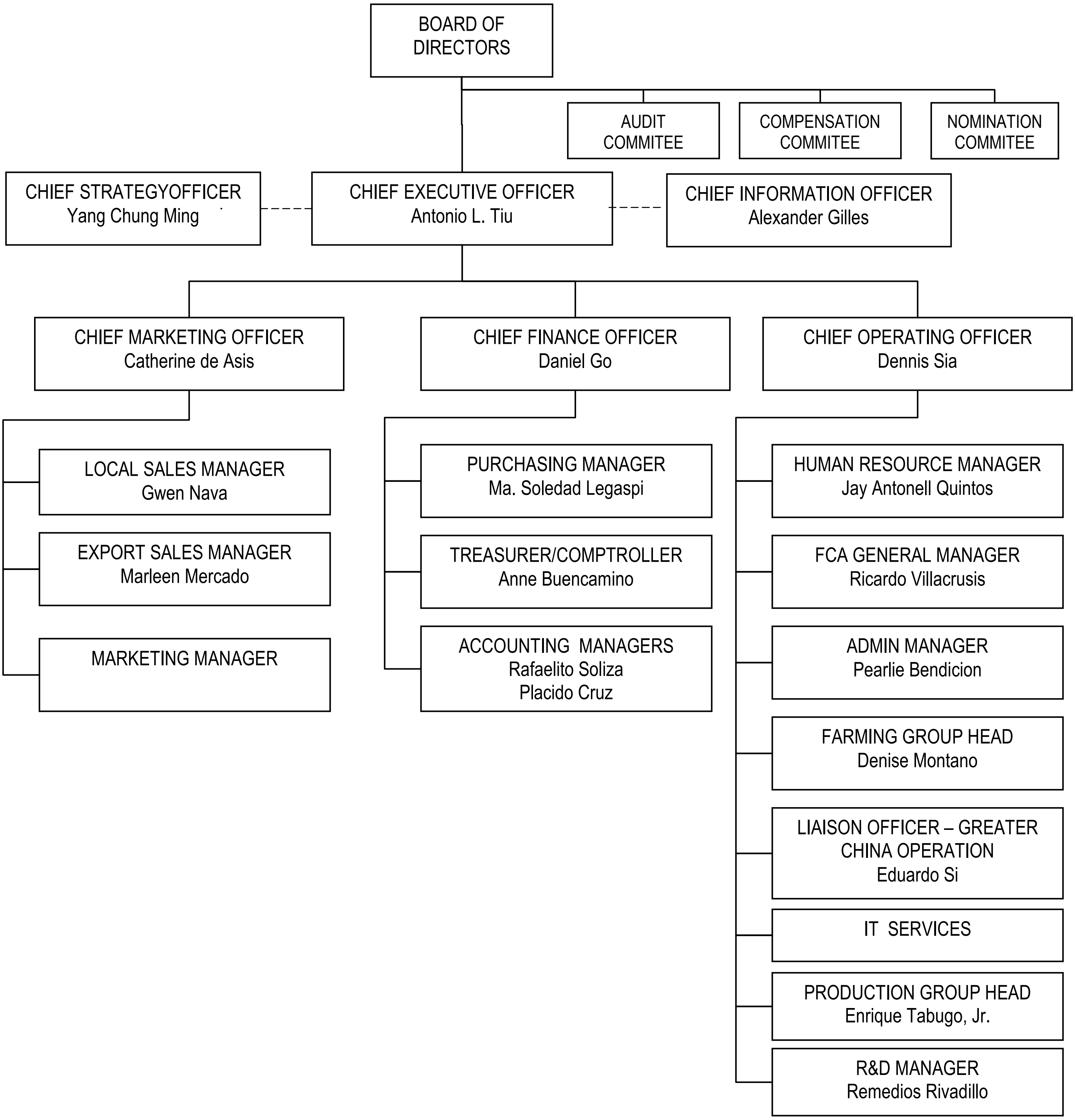
The Company's operations and products are subject to standards and regulations set forth by the government and regulatory agencies (DA, DOH-BFAD, DOLE, and DOF-Customs) which may introduce new rules and policies or implement changes in the enforcement of existing laws and regulations, which could directly affect the operations and profitability of the Company and/or may be costly to comply with. Although the Company endeavors to maintain compliance to the required operational licenses, accreditations, and certifications, there can be no assurance that the aforementioned agencies will not introduce more stringent rules and regulations in the future. These and other legal or regulatory changes could materially and adversely affect the Company's financial condition and results of operations.

N. Costs and Effects of Compliance with Environmental Laws

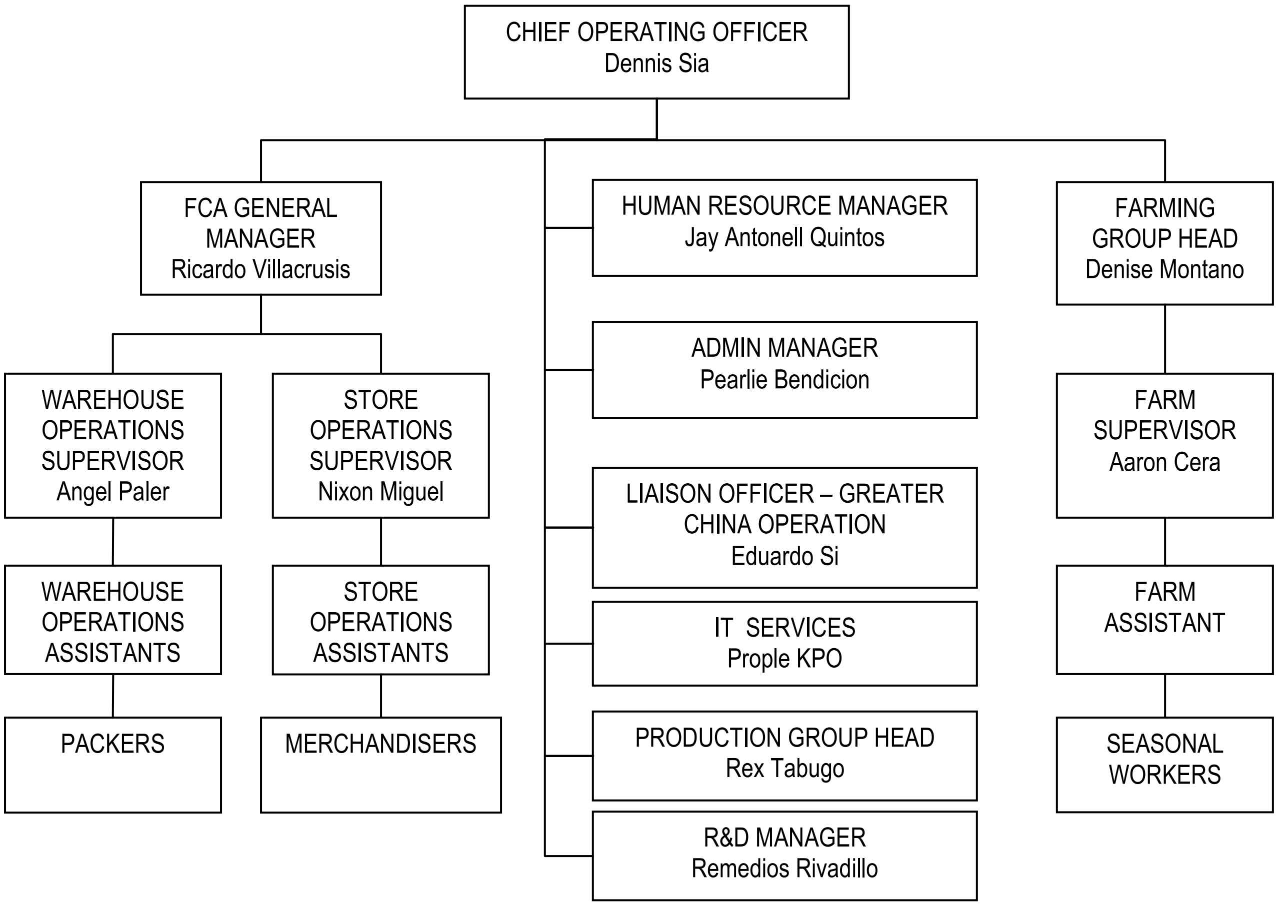
The DENR is the primary agency responsible for the conservation, management, development, and proper use of the country's environment and natural resources. As such, it also wields the authority to promulgate additional regulations of its own. Generally, compliance with environmental regulations usually requires the expenditure of significantly increased overhead for businesses. However, ANI believes that compliance to environmental laws would prove to be less expensive in the long run instead of paying stiff fines and risk business closure.

N. Organizational Structure

The following diagram presents the organizational structure of the Company:

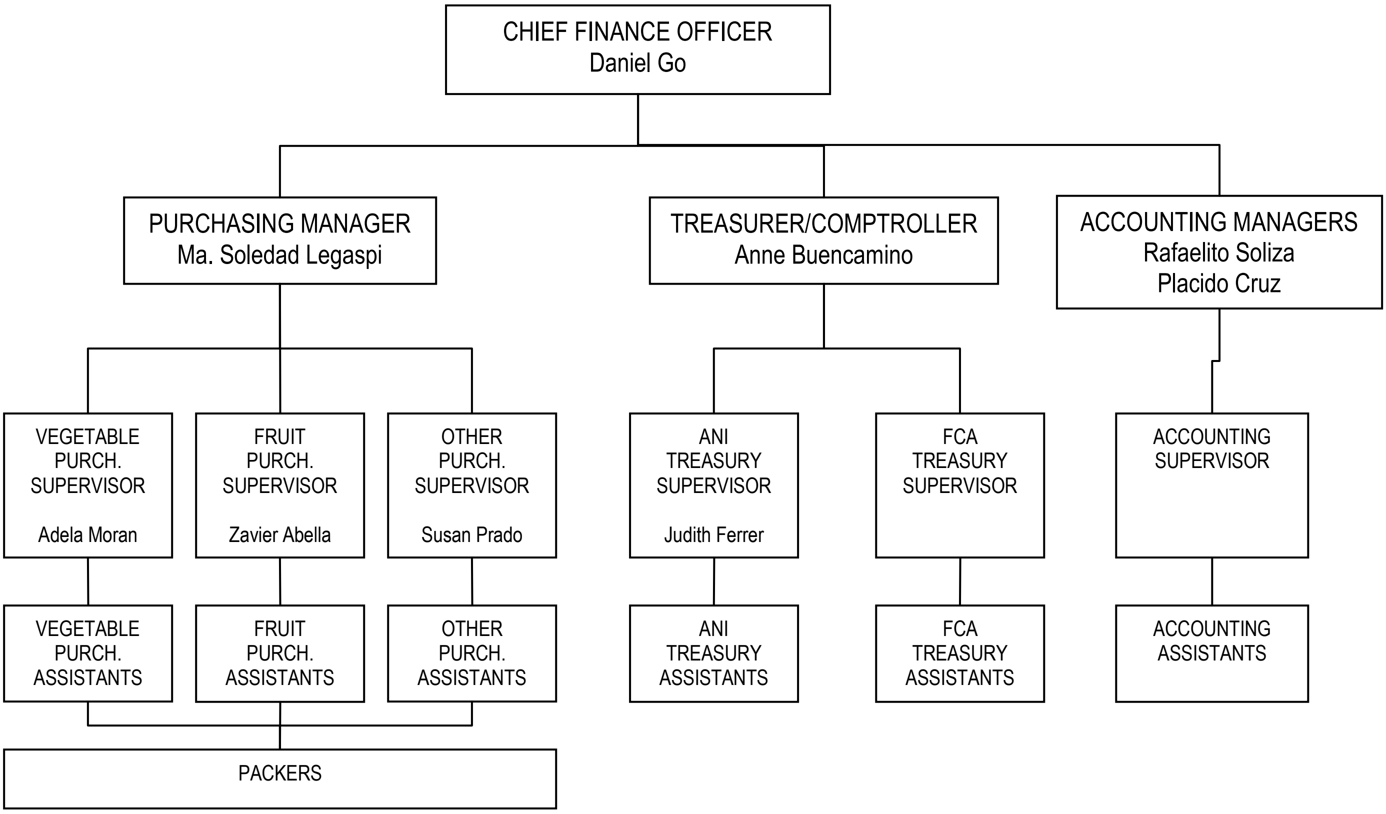

BOARD OF DIRECTORS
AUDIT COMMITEE
COMPENSATION COMMITEE
NOMINATION COMMITEE
CHIEF STRATEGYOFFICER
Yang Chung Ming
CHIEF EXECUTIVE OFFICER
Antonio L. Tiu
CHIEF INFORMATION OFFICER
Alexander Gilles
CHIEF MARKETING OFFICER
Catherine de Asis
CHIEF FINANCE OFFICER
Daniel Go
CHIEF OPERATING OFFICER
Dennis Sia
LOCAL SALES MANAGER
Gwen Nava
EXPORT SALES MANAGER
Marleen Mercado
MARKETING MANAGER
PURCHASING MANAGER
Ma. Soledad Legaspi
TREASURER/COMPTROLLER
Anne Buencamino
ACCOUNTING MANAGERS
Rafaelito Soliza
Placido Cruz
HUMAN RESOURCE MANAGER
Jay Antonell Quintos
FCA GENERAL MANAGER
Ricardo Villacrusis
ADMIN MANAGER
Pearlie Bendicion
FARMING GROUP HEAD
Denise Montano
LIAISON OFFICER – GREATER CHINA OPERATION
Eduardo Si
IT SERVICES
PRODUCTION GROUP HEAD
Enrique Tabugo, Jr.
R&D MANAGER
Remedios Rivadillo

The operations organizational structure of the Company is as follows:



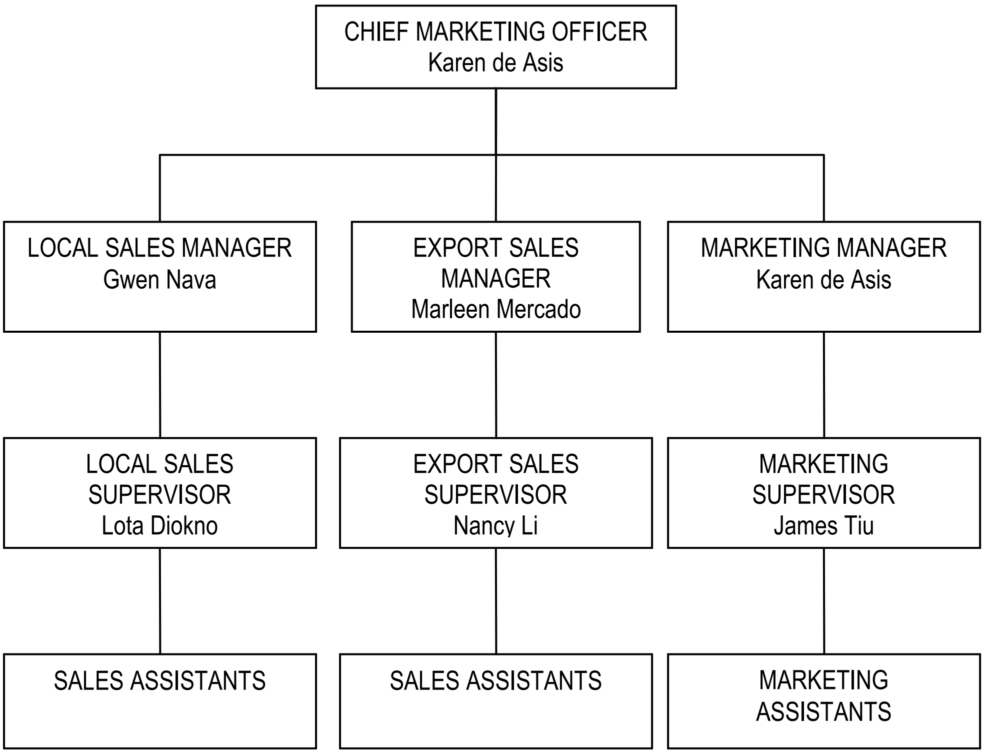
The approval of the PSE is limited to the Listing By Way of Introduction of the Company's 178,536,602 Common Shares. The Company's applications for the planned public offering of its 101,463,398 Common Shares and 20,000,000 Warrants have not been filed with the PSE; hence, the same shall still be subject to separate approvals of the PSE.

The organizational structure for the Finance Department is as follows:



The Chief Financial Officer is responsible for the Purchasing, Finance and Accounting Departments. Managers are assigned in each of these departments. The Accounting Manager is going to be in charge of monitoring and complying with the PSE's disclosure and other requirements once the Company becomes a publicly listed company.

The Sales and Marketing Department Organizational Structure is as follows:



P. Human Resources

The Company currently employs 720 people, 90 of which are contractual workers or those hired on a fixed-period basis, usually for a five (5)-month period. In addition, the Company has engaged the services of SmartServ to render production services. SmartServ is a Philippine corporation engaged in the manpower business. At present, SmartServ has deployed 366 employees to the Company's logistics and packaging activities.

The status of employment of these workers is contractual because the necessity for their services is irregular, *i.e.,* the number of workers required is dependent on the level of production activities in the plant. The production activity is in turn determined by matching the supply of the fruits and vegetables with the number of orders from the Company's customers.

Since the start of the Company's operations, the relationship between management and the employees has been cordial and complementary. It has been the consistent policy of the Company to treat its employees fairly and give the latter their dues. The incentive system implemented by the Company has likewise fostered the harmonious relationship between management and the employees as it rewards and recognizes the employees who excel in their respective fields.

The following table presents a breakdown of the Company's total manpower complement as of the date of this Prospectus.

Table 4: Breakdown of Manpower Complement

Category	Number of Persons
Officers	7
Managers	12
Supervisors	13
Rank and File	598
Contractual	90
Total	**720**

Q. Related Party Transactions

The Company's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

Below is a summary of the Company's related party transactions:

1. M2000 IMEX

Effective 01 January 2008, the Company's manufacturing operation of canned goods was transferred to M2000 IMEX. However, all expenses of M2000 IMEX are still advanced by the Company. Periodically, the Company allocates expenses equivalent to the amount incurred by M2000 IMEX.

In line with the conduct of its business, the Company has shared expenses with M2000 IMEX, namely:

- Cost of goods purchased;
- Management support;
- Administrative and general expenses;
- Selling and advertising expenses; and
- Finance, accounting and payroll processing support.

The total due to the Company (net) as of the periods ending 30 June 2008 and 31 December 2007 amounted to P16,288,483.00 and P6,046,575.00, respectively.

In addition, M2000 IMEX leases from the Company the machineries and equipments located along the National Highway, within Barangay Dampol 2nd-A, Pulilan, Bulacan beginning 01 January 2008 with a Php 20,000.00 monthly rental. The initial term of the lease is six (6) months. The lease may be extended for such period and subject to such terms and conditions mutually agreed upon by M2000 IMEX and the Company.

2. Lucky Fruit

The Company has been selling fresh mangoes to Lucky Fruit at normal market prices. The total receivables of the Company from Lucky Fruit as of 31 March 2008 arising from the series of sale transactions amounted to Php5,756,803.00.

3. FCA

The Company has been selling fresh mangoes to FCA at normal market prices. The total receivables of the Company to FCA as of 30 June 2008 arising from the series of sale transactions amounted to Php1,532,789.

On 27 December 2007, the Company and its subsidiaries were granted credit accommodations by Banco de Oro – EPCI, Inc. (the "Bank") amounting to P80.0 million. In relation to this, the Company, FCA, Fresh & Green, Best Choice have entered into a suretyship agreement with the Bank to act as sureties of each other. Subsequently, FCA has entered into several loan agreements with the Bank. The loans are secured with the assignment of the receivables of FCA and with the aforementioned suretyship. The Company, being a surety, jointly and severally and irrevocably:

(i) Secures the due and full payment and performance of the obligations incurred by FCAC;
(ii) Undertakes with the bank that upon non-payment or nonperformance of FCAC when the obligation falls due, shall without need for any notice, demand or any other act or deed, immediately be liable and pay as if the principal obligor.

As a surety, the Company has given the Bank a lien upon and all moneys or other properties as security for the full and due payment and performance of the above-mentioned obligation, which as of the date of this Prospectus amounts to approximately P60 million.

4. Best Choice

The Company has made advances to Best Choice to finance the latter's farming operations. The Company agreed that the advances would be settled through purchasing a portion of the future harvests of Best Choice.

5. Transaction Prices

The transaction prices in the foregoing items (1 to 4) were determined by the parties based on normal prevailing market prices.

6. Officers and Employees

The Company has also made advances to and from its officers and employees.

7. Transactions involving Directors, Executive Officer, Stockholder

There are no transactions involving the Company or any of its subsidiaries in which a director, executive officer, or stockholder owning 10% or more of the total outstanding shares of the Company and members of their immediate family had or is to have a direct or indirect material interest.

R. Properties

1. Parent Company

The Company is the registered owner of a parcel of land located at Pulilan Bulacan, Philippines with an area of approximately 4,995 square meters.

ANI owns the following filling and canning machineries and equipments located along the National Highway, within Barangay Dampol 2nd-A, Pulilan, Bulacan:

LIST OF PRODUCTION EQUIPMENT	SPECIFICATION
1. Boiler (3 units)	Horizontal Fire Tube Boiler (bunker oil) Dia: 120mm, Length: 1800mm Heating Surface: 59m^2 Maximum Pressure: 8 kg/ cm^2 Steam Rate: 3000 kg/hr
2. Retort with Auto Sterilization Controller Sterilizing Vacuum Jacketed Kettle 4 units	Type TP 40 Dia: 200 cm, Length: 1800 cm Maximum Pressure: 7 kg/ cm^2 Capacity: 1800 cans @ 350 ml Tai Hsing Iron Work, Co. Ltd.
3. Pasteurizer – Heat Exchanger 2 units	Tubular, 3 Phase, 3 Hp Capacity: 35 to 60 L/ min
4. Magnetic Empty Can Cleaning Machine 1 unit	220V, 3 Phase, 3 Hp Capacity: 80 cans/ min With stainless steel conveyor
5. 1 unit Filling Machine	36-head 10 Hp, 220V 3 Phase induction motor pump Speed: 1750 RPM Yung-Yue Machinery Co., Ltd., Taiwan
6. 2 units Seaming Machine	Automatic 6-head Double Seamer 220V, 3 Phase, 10 Hp Yung-Yue Machinery Co. Ltd., Taiwan
7. 3 units Stainless Steel Tank with Agitator 3 units Motor Pump 1 unit Stainless Steel Holding Tank	Capacity: 1000L, with paddle, 1Hp each Speed: 3460 RPM, 3 Hp, 220 Volts
8. Homogenizer	Model YS 6000 6 tons/hr capacity 220V, 3 Phase Yuj Shing Machinery Industrial Ltd.
9. 1 unit Ink Jet Printing Machine	A Series Ink Jet Printer 220 V, Single Phase
10. 3 units Compressor	Pressure: 7 kg/ cm^2 5 Hp, 3 Phase , 1700 RPM Tokyo, Japan
11. Water Softener	Stainless Steel Tank , 2000L 1 unit Shallow well pump, 2 Hp, 220Volts Single Phase
12. Cooling Tower	2000 L capacity,with 2 units motor pump 5Hp, 3Phase, 220 Volts

The Pasteurizer – Heat Exchanger, Seaming Machines and Homogenizer are currently mortgaged to ORIX METRO Leasing and Finance Corporation to secure the loan obtained by ANI from the latter covered by Promissory Note No. ML-24514.

2. FCA

Its subsidiary, FCA, is the registered owner of a parcel of land located at Barangay Arenas, Arayat, Pampanga, Philippines with an area of approximately10,000 square meters. The aforementioned land is presently improved with seven (7) buildings, namely: (i) Office Building with a total floor area of 240 square meters; (ii) Production Building with a total floor area of 1,875 square meters; (iii) Mixing Area/Bodega with a total floor area of 155 square meters; (iv) Canteen with a total floor area of 87 square meters; (v) Generator House; (vi) Residential Building with a total floor area of 181 square meters; and (vii) Guardhouse with a total floor area of 37 square meters.

3. BCH

The other parcels of land which are not owned by ANI but are being utilized by its subsidiary, BCHC, and upon which ANI has real rights are the following:

Location	AREA (in Has.)
Arayat, Pampanga *- MoA between ANI and the land owners/farmers wherein the Parties agree on a joint venture arrangement, i.e., the profit from the farming activity shall be distributed between ANI (60%) and the farmers (40%)*	20
Magalang, Pampanga *- MoA between ANI and the land owners/farmers wherein the Parties agree on a joint venture arrangement, i.e the profit from the farming activity shall be distributed between ANI (60%) and the farmers (40%)*	10
Subic, Zambales *- MoA between ANI and the land owners/farmers wherein the Parties agree on a joint venture arrangement, i.e the profit from the farming activity shall be distributed between ANI (60%) and the farmers (40%)*	7
Pampanga-Tarlac *- MoA between ANI and the farmers wherein ANI is given the right of first refusal to purchase all produce from the farm in exchange for ANI advancing the costs of the seedlings* *- MoA between ANI and the land owners/farmers wherein the Parties agree on a joint venture arrangement, i.e., the profit from the farming activity shall be distributed between ANI (60%) and the farmers (40%)*	50
La Trinidad, Benguet *- MoA between ANI and the farmers wherein ANI is given the right of first refusal to purchase all produce from the farm in exchange for ANI advancing the costs of the seedlings*	34
Sorsogon *- MoA between ANI and the farmers wherein ANI is given the right of first refusal to purchase all produce from the farm in exchange for ANI advancing the costs of the seedlings*	6

Location	AREA (in Has.)
Antipolo, Rizal *- MoA between ANI and the land owners/farmers wherein the Parties agree on a joint venture arrangement, i.e., the profit from the farming activity shall be distributed between ANI (70%) and the farmers (30%)*	10
Nueva Vizcaya *- MoA between ANI and the land owners/farmers wherein the Parties agree on a joint venture arrangement, i.e., the profit from the farming activity shall be distributed between ANI (60%) and the farmers (40%)*	5
Nueva Ecija *- MoA between ANI and the land owners/farmers wherein the Parties agree on a joint venture arrangement, i.e the profit from the farming activity shall be distributed between ANI (60%) and the farmers (40%)*	3
Sariaya, Quezon *- MoA between ANI and the land owners/farmers wherein the Parties agree on a joint venture arrangement, i.e., the profit from the farming activity shall be distributed between ANI (60%) and the farmers (40%)*	3

S. Legal Proceedings on Properties

There are no pending litigations or arbitration proceedings where ANI or any of its subsidiaries or affiliates is a party and/or of which any of their property or the property used by them is the subject matter and no litigation or claim of material importance is known to the Directors pending or threatened against the Company property used by the latter is the subject matter.

T. Market Information

Prior to this Offer, the Company's Secondary Common Shares, through their corresponding CHESS Depositary Interest, were listed, and have subsequently been traded, on 19 January 2009 at the NSX.

U. The Shareholders of the Company

The table below sets forth certain information as of the date of this Prospectus with respect to the registered ownership of the outstanding share:

1. The Ownership Structure of the Company as of the date of this Prospectus

Table 5: List of Shareholders as of 05 May 2009.

Shareholder	Nationality	Share owned Prior to the Offer	
		Number of Shares	Percent to Total
Antonio L. Tiu	Filipino	57,954,135	34.5160%
Yang, Chung-Ming	Chinese ROC	25,066,290	14.9288%
Yang, Ming Hsiang	Chinese ROC	18,777,179	11.1832%
Dennis Sia	Filipino	8,119,082	4.8355%
Kuo, Jung-Yuan	Chinese ROC	3,622,950	2.1577%

Tiu, Ken Kwen	Filipino	14,718,249	8.7658%
Eduardo Si	Filipino	1,534,656	0.9140%
Tiu, Ken Him	Filipino	10,536,210	6.2751%
Martin Subido	Filipino	471,154	0.2806%
Ma, Jen-I	Chinese ROC	966,777	0.5758%
Jaime L. Tiu	Filipino	3,194,460	1.9025%
James L. Tiu	Filipino	3,051,447	1.8174%
Tammy Lin	Filipino	1,502,457	0.8948%
Daniel Go	Filipino	2,658,622	1.5834%
Jacqueline Tiu	Filipino	1,502,457	0.8948%
Anita Syvoco	Filipino	1,082,753	0.6449%
Tiu, Peck	Filipino	67,000	0..03990%
Tiu, Ken Lai	Filipino	1,571,878	0.9362%
Tiu, Ken Swan	Filipino	821,702	0.4894%
Alfonso Go	Filipino	1	0.0000%
Leonor Briones	Filipino	1	0.0000%
Cristino Lim	Filipino	1	0.0000%
George Uy	Filipino	1	0.0000%
Marpet Dev't Corp.	Filipino	400,000	0.2382%
Peter Lim	Filipino	100,000	0.0596%
Hortencia Lim	Filipino	100,000	0.0596%
Clifford Yim	Chinese HKSAR	3,000,000	1.7867%
Li Kuan	Chinese PROC	66,667	0.0397%
Chung Feng Yu	Chinese ROC	17,067	0.0102%
Lin Huang, Yu Chin	Chinese ROC	25,600	0.0152%
Anne Lorraine Buencamino	Filipino	67,001	0..03990%
Henson Laurel	Filipino	33,334	0.0199%
Sherwin Yao	Filipino	135,000	0.0804%
Dunn Calubad	Filipino	4,667	0.0028%
Rosa Sia	Filipino	100,000	0.0596%
Concepcion Sison Escudero	Filipino	66,667	0.03971%
Sennen Uy	Filipino	20,000	0.0119%
May Rhodora Gallardo	Filipino	1,000,000	0.5956%
Janet Yu	Chinese	100,000	0.05956%
Jeffrey Hao	Filipino	42,000	0.02501%
Hsu, Wen-Yueh	Chinese ROC	42,000	0.02501%
Nansi Li	Chinese	57,000	0.03395%
Pamakabada Pty. Ltd.	Australian	56,667	0.03375%
Paul Wettan	Australian	56,667	0.03375%
Lance Imerson	Australian	56,667	0.03375%
Julie Allan	Australian	56,667	0.03375%
Gary Davies	Australian	56,667	0.03375%
Alexander Gilles	Filipino	64,667	0.03851%
Lee, Pei-feing	Chinese ROC	66,000	0.03931%
Lee, Ya-chuan	Chinese ROC	66,000	0.03931%
Paula Katrina Nora	Filipino	65,667	0.03911%
Lee, Yong-jong	Chinese ROC	66,000	0.03931%
Zavier Abella	Filipino	65,667	0.03911%
Raul Jimena	Filipino	65,667	0.03911%
Legaspi Soledad	Filipino	65,667	0.03911%
Lai Teng Hsiang	Chinese ROC	4,500,000	2.6801%
Public		- none -	- none -
TOTAL		**167,905,135**	**100%**

2. Recent Issuances of Securities Constituting Exempt Transactions

The issuance of the following shares pursuant to the increase in the authorized capital stock of the Corporation as approved by the SEC on 21 January 2008 is exempt from registration as provided under Section 10(i), Chapter III of the Securities Regulation Code:

Name	No. of Shares Subscribed	Paid-Up
Antonio L. Tiu	28,044,690	28,044,690
Yang, Chung-Ming	14,227,748	14,227,748
Yang, Ming Hsiang	11,240,248	11,240,248
Dennis Sia	4,260,020	4,260,020
Kuo Jung Yuan	1,871,804	1,871,804
Tiu, Ken Kwen	7,836,496	7,836,496
Eduardo Si	1,231,179	1,231,179
Tiu, Ken Him	5,247,281	5,247,281
Martin Subido	471,154	471,154
Ma, Jen-I	812,476	812,476
Jaime L. Tiu	846,560	846,560
James L. Tiu	1,432,647	1,432,647
Tammy Lin	738,264	738,264
Daniel Go	738,264	738,264
Jacqueline Tiu	738,264	738,264
Anita Syvoco	1,082,753	1,082,753
Tiu, Peck	13,042	13,042
Tiu, Ken Lai	976,834	976,834
Tiu, Ken Swan	690,276	690,276
TOTAL	**82,500,00**	**82,500,00**

The issuance of the following shares is likewise exempt from registration as provided under Section 10(k), Chapter III of the Securities Regulation Code:

Name	No. of Shares Subscribed	Paid-Up
Marpet Dev't Corp.	400,000	400,000
Peter Lim	100,000	100,000
Hortencia Lim	100,000	100,000
Clifford Yim	3,000,000	3,000,000
Li Kuan	20,000	20,000
Chung Feng Yu	17,067	17,067
Lin Huang, Yu Chin	25,600	25,600
Anne Lorraine Buencamino	30,001	30,001
Henson Laurel	33,334	33,334
Sherwin Yao	135,000	135,000
Dunn Calubad	4,667	4,667
Rosa Sia	100,000	100,000
Concepcion Sison Escudero	28,000	28,000
Sennen Uy	20,000	20,000
May Rhodora Gallardo	1,000,000	1,000,000
Lai Teng Hsiang	4,500,000	4,500,000
TOTAL	**9,513,669**	**9,513,669**

On 18 September 2008, the Company filed SEC Form 10.1 with the SEC for purposes of notifying the latter of these Exempt Transactions.

3. Recent Issuances Pursuant to Stock Purchase Plan

On 21 August 2008, the 10,631,467 Common Shares were allotted to and fully availed by the Company's directors, employees and consultants pursuant to a Stock Purchase Plan adopted and approved by the Company on 19 August 2008. The SEC recognized the allotment and availment of said Common Shares under the Stock Purchase Plan in its letter dated 12 March 2009.

V. LISTING BY WAY OF INTRODUCTION WITH THE PSE AND COMPLIANCE LISTING WITH THE NSX

The Company shall list 178,536,602 Common Shares, of which 167,905,135 Common Shares are already issued and outstanding and 10,631,467 Common Shares have been allotted to, and fully availed by, the Company's directors, employees and consultants under a Stock Purchase Plan, on behalf of the existing shareholders of the Company by way of introduction in the Second Board of the PSE.

Under Section 1, Part H, Article III of the PSE Revised Listing Rules, Listing by Way of Introduction is expressly allowed in instances "where securities for which listing is sought are already listed or traded or will simultaneously be listed on another stock exchange".

In this respect, and in compliance with Section 3, Part H, Article III of the PSE Revised Listing Rules, on 27 August 2007, the Company lodged its application for compliance listing with the NSX of 178,536,602 CHESS Depositary Interests (CDIs) relating to the 178,536,602 Common Shares. A CDI is a type of depositary receipt developed by NSX which allows investors to obtain the economic benefits of foreign financial products without actually holding legal title to those financial products.

The Company's CDI is created as follows: (i) an ANI Shareholder lodges his/her share certificate to the Company's stock transfer agent, STSI, and fills up the Transfer Form; (ii) STSI then transfers the share certificate to the Custodian Bank for custody and safekeeping; (iii) the Custodian Bank thereafter issues a receipt in the name of the ANI Shareholder but held by the Company as the CDI is issuer sponsored; (iv) the transfer agent of the Company in Australia, Link Market Services, Ltd., then creates uncertificated Depositary Receipt Holding in the name of the ANI Shareholder and issues a holding statement to the new Depositary Receipt Holder (the ANI Shareholder). (See Annex A: Creation of CHESS Depositary Interest Flowchart)

On 09 January 2009, the Company's application was approved by the NSX. While at present the Company does not have any concrete plans in undertaking future capital raising activities in Australia through the NSX, the Company may eventually consider the same depending on, among other things, the following: (i) improved market conditions; and (ii) increased presence in the Australia-New Zealand area.

It is on the strength of its listing in the NSX that the Company primarily anchors its application for Listing by Way of Introduction in the Second Board of the PSE.

On 15 April 2009, the Board of Directors of the PSE confirmed that the Company is qualified for Listing by Way of Introduction for its 178,536,602 Common Shares on the Second Board of the PSE.

1. The NSX

The NSX is an internationally recognized, fully operational and fully regulated main board stock exchange in Australia. Because the NSX Listing Rules are designed to accommodate the unique requirements of emerging companies, the securities listed on the NSX market cover a diverse range in size, activities and geographic location. Small to medium enterprises ("SME"), community-based organizations, debt securities, property and investment schemes, and even water trading companies are all catered for the NSX market. Companies listed on the NSX include, among others, the AU$23 Million Brumby's Bakeries business and Brewtopia Ltd, an international brewer and distributor of high quality beverages, trading alongside agricultural, mining and emerging technology companies, among others, with a combined market capitalization exceeding AU$800 Million. NSX Limited, the owner and operator of NSX, is itself listed on the Australian Stock Exchange.

The NSX Listing Rules follow well-accepted and recognized international standards, and embody the requirements which have to be met before securities may be listed on the NSX as well as the continuing obligations which an issuer must comply with once an application for listing has been granted. The NSX Listing Rules are primarily intended to ensure that investors have and can maintain confidence in the market and that applicants are *suitable* for listing. Further, the Listing Rules ensure that the issue and marketing of securities is conducted in a fair, open and orderly manner while giving potential investors sufficient information for them to make properly informed assessments of the applicant and the securities sought to be listed. With the detailed and clear NSX Listing Rules in place, fair and equal treatment of all holders of listed shares is achieved.

2. Compliance Listing with the NSX

At present, NSX has two (2) methods of listing securities, namely: (i) Compliance Listing; and (ii) Capital Raising Listing. In Capital Raising Listing, the Issuer, upon listing in the NSX, may immediately raise funds from listed securities. In Compliance Listing, on the other hand, the Issuer is barred from raising funds at least three (3) months before listing and three (3) months after listing. While there is a limited restriction in capital raising activities, Compliance Listing is the quickest and most cost effective means to obtain a listing. (http://www.nsxa.com.au/hot_to_list.asp)

2.1. Reasons for Compliance Listing with the NSX

The Company chose to list by way of Compliance Listing for the following reasons:

a. Market Timing Purposes

Current market conditions are not very conducive to Capital Raising Listing. If the Company pursues a public offering at this time, the share price will most likely be adversely affected and may even lose most of its value, with public investors possibly losing money.

b. Fast and Cost Effective Listing

Compliance Listing is the quickest and most cost effective means to obtain a listing and be part of the roster of listed companies in the NSX. It does not require the services of an underwriter so no underwriter fee is paid by the Company.

c. Prestige, Goodwill and Credibility in the Australian Market

Once the Company is listed in the NSX, it will enhance the Company's image and credibility since companies listed in the NSX are committed and subject to the NSX's high listing standards and levels of disclosure. The Company will be recognized in the Australian market, thus making it more accessible to investors. The Company will also have more efficient ways of doing business in Australia.

d. Establishes Value in Mergers and Acquisitions

Market price is established once the Company is listed. Thus, listing will make it easier to gauge the value of the Company and engage in mergers and acquisitions.

e. Increased Marketability and Attention of Investors in Australia

The high profile of a listing in Australia will attract investors in that country to the Company's shares. The Company can then, through transparency, inform the Australian investing public of the plans and growth of the Company, thereby increasing the demand for its shares. Suffice it to say, an increased share demand will likely lead to higher share prices.

f. Enhances Overall Marketability Due to Access to Analysts and Media Reports.

A listed company, when marketed, will attract following of research analysts from securities firms that do research on the Company. This will help sell the Company's shares. As a listed stock, the Company will likely appear in the websites of these securities firms and gain exposure in the business sections of newspapers for free. This is additional exposure for the stock.

g. Better Trade Credit

The Company will gain improved credit worthiness through listing in the NSX. Banks and creditors look for the ability to pay loans. Listing in NSX will open the doors to not just equity investors from Australia in the Company, but also the ability to borrow money in Australia with lower interest rates than the Philippines. Banks and creditors will have the added assurance that the listed shares can be used as additional collateral for their loans. The same applies to the Philippines.

2.2 Procedure and Due Diligence Required in Compliance Listing

Under the NSX Listing Rules, a company which intends to undertake Compliance Listing is required to lodge a formal letter of application signed by a duly authorized officer of the applicant and the sponsors together with an Information Memorandum.

The Information Memorandum is a disclosure document enclosed with the application letter similar to the prospectus attached to the Registration Statement (SEC Form 12-1) submitted to the SEC in connection with Philippine securities registration requirements. It contains a discussion of the following: (i) General Information about the Company; (ii) Share Capital and Ownership; (iii) Securities to be listed; (iv) History and Nature of the business of the Company; (v) Summary of Earnings; (vi) Tabulation of Balance Sheet; (vii) Child Entities; (viii) Properties; (ix) Litigation; (x) Management; (xi) Sponsors, Bankers, etc.; (xii) Statement of Non-Compliance; and (xiii) Declaration, stating among other things that, to the best of the Issuer's knowledge, information and belief: (a) all the qualifications for listing set out in Chapter 3 of Section IIA of the NSX Listing Rules have, in so far as applicable and required to be met and fulfilled prior to application, has been met or fulfilled in relation to the issuer and the securities of the issuer subject of the application; and (b) there are no other facts bearing on the issuer's application for listing which, in the issuer's opinion, should be disclosed to the Exchange.

The NSX requires and conducts extensive due diligence work in evaluating the applicants for compliance listing. Like the PSE, the NSX sets out conditions and requires substantial documents to support the Company's application and to prove its suitability for listing.

Among others, Chapter 3 of the NSX Listing Rules sets out the basic conditions which have to be met as a prerequisite to the listing of equity securities issued by a corporation, such as, but not limited to, the following:

(1) The issuer must be a corporation duly incorporated or otherwise established in accordance with the laws of the State or the Commonwealth of Australia, or registered under the Corporations Act of Australia to carry on business in Australia;

(2) The issuer must have an adequate track record under substantially the same management which must be of known character and integrity. For this purpose, an adequate track record will normally be at least two (2) financial years or as determined by the NSX. The NSX will also take into account the track record of the previous corporate structures of the applicants that differed from the applicant's current structure for the purposes of determining adequate track record;

(3) The latest financial period of the issuer for which audited accounts have been prepared which must not have ended more than twelve (12) months before the date of the disclosure document;

(4) An expected initial market capitalization of at least AU$500,000.00; and

(5) There must be an open market in the securities for which listing is sought. This requirement is not met if the spread is obtained by artificial means. For the purpose of calculating the number of holders, holders with securities valued at less than AU$2,000 will be disregarded

All of the foregoing requirements must be adequately reflected, presented and substantiated in the Information Memorandum to be submitted to the NSX as part of the listing application process. In this respect, please note that the Company has submitted to the NSX its own Information Memorandum.

In addition to the Information Memorandum, the NSX also requires the submission of several other documents to support the Issuer's application. (A detailed list of the supporting documents may be found in Section 4.5 of the NSX Listing Rules.) In compliance with these requirements, the Company has also lodged all of such supporting documents with the NSX.

Finally, the NSX further requires that an application for listing be endorsed and supported by an NSX-registered sponsor broker and a nominated adviser (or what is referred to as the "Nomad"). (See Section I, Chapter 2 of the NSX Listing Rules) The sponsor and the nominated adviser ensure that the Issuer receives fair and impartial guidance and advice as to the application of the NSX Listing Rules and that all the necessary documents supporting the application are lodged with the NSX. In this regard, the NSX application of the Company and its accompanying documents were also reviewed by Pritchard & Partners Pty. Ltd. as its sponsor broker [www.pritchards.com.au] and Deacons as its solicitor and nominated adviser [www.deacons.com.au]. Thus, aside from the legal due diligence conducted by Deacons, which is one of Australia's largest law firm, the Company's NSX application was also validated by Pritchard & Partners Pty. Ltd., which is a leading provider of stockbrokerage services to private clients, small and medium sized business and professional practices in Australia.

2.2 Settlement in the NSX

In selling securities traded in the NSX, the security holder must engage the services of an accredited NSX stockbroker (see http://www.nsxa.com.au/broker_list.asp). The request to sell the securities will then be posted and matched with the corresponding post from an interested buyer. Once the sale transaction is completed, the NSX will inform the listed company's transfer agent and the latter shall cancel the previous securities and issue a confirmation letter in favor of the buyer. With respect to payment, the buyer pays his/her stockbroker, who in turn, settles the amount with the NSX. The NSX, on its part, shall pay the stockbroker of the seller, and the stockbroker of the seller will be the one to pay the latter.

PART XI. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the financial statements included in this Prospectus. The Company cautions investors that its business and financial performance are subject to substantive risks and uncertainties. In evaluating the Company's business, investors should carefully consider all of the information contained in the "Risk Factors" of this Prospectus.

Overview

ANI started as a simple manufacturing and trading company of post-harvest facilities. In 2001, ANI shifted its business to exporting fresh fruits and processed juices. Through hard work and strict adherence to quality service and products, ANI was recognized by PhilExport as one of the Top 50 Exporters of the Philippines.

In 2007, ANI acquired ownership of FCA, the country's leading vegetable distributor in the country. ANI likewise started an aggressive investment program in farming through its subsidiary, BCH. These acquisitions and aggressive investments were in line with ANI's vision of establishing a strong farm-to-plate platform.

Thus, ANI's financial condition and results of operations as reported in the audited financial statements for 2006, 2007 and 2008 should be taken into context with the Company's aggressive forward and backward integration that started in 2007. (See Annex B: Audited Financial Statements as of 31 December 2008)

Table 6: Summary Financial Information

Financial Statement Accounts (in Php '000 except per share figures)	AUDITED		
	As of 31 Dec. 2006	As of 31 Dec. 2007	As of 31 Dec. 2008
Income Statement Accounts			
Net Sales	106,158	623,874	777,965
Gross Profit	18,301	113,624	134,024
Operating Income	1,175	13,641	23,858
Net Income after Income Tax	645	6,666	8,738
Balance Sheet Accounts			
Total Current Assets	15,470	259,051	365,536
Total Assets	18,394	335,523	523,332
Total Current Liabilities	9,070	195,185	316,252
Total Liabilities	9,070	208,966	332,458
Total Stockholder's Equity	9,324	126,557	190,874
Total Liabilities and Stockholders' Equity	18,394	335,524	523,332

A. 2008 Results of Operations

1. Net Sales

In 2008, there was a growth of 25% relative to shipments and deliveries in 2007. Net Sales of the Company for the period ending 31 December 2008 amounted to Php777.97 million.

The breakdown of the Company's sales for 2008 is presented in the table below.

Table 7: 2008 Sales Contribution of ANI and its Subsidiaries

Company	Sales Amount	% to Total Sales
ANI as Parent	P178,249,812	22.91%
FCA	331,535,620	42.62%
Fresh and Green Harvest	221,953,179	28.53%
Lucky Fruit	21,440,702	2.76%
IMEX	19,566,393	2.52%
Best Choice	26,136,059	3.36%
Total		
Less: Inter-Company Sales	(20,917,073)	-2.69%
Consolidated Sales	**P777,964,691**	**100.00%**

The approval of the PSE is limited to the Listing By Way of Introduction of the Company's 178,536,602 Common Shares. The Company's applications for the planned public offering of its 101,463,398 Common Shares and 20,000,000 Warrants have not been filed with the PSE; hence, the same shall still be subject to separate approvals of the PSE.

2. Gross Profit and Gross Profit Margin

The Company's gross profit breakdown for 2008 is presented in the table below.

Table 8: 2008 Gross Profit of ANI and its Subsidiaries

Company	Gross Margin Amount	% to Total Margins
ANI as Parent	P50,059,736	37.35%
FCA	43,857,312	32.72%
Fresh and Green Harvest	34,040,576	25.40%
Lucky Fruit	2,422,192	1.81%
IMEX	3,357,165	2.50%
Best Choice	286,804	0.21%
Consolidated Margins	**P134,023,785**	**100.00%**

3. Operating Expenses and Operating Income

ANI's operating expenses for the year 2008 amounted to Php110.17 million.

The major components of these expenses are presented below:

Table 9: 2008 Operating Expenses

Operating Expense Items	Amount (Php '000)	% of Total
Salaries, Wages, Fees, Allowance and Other Benefits	15,617,527	14.18%
Freight and trucking	24,200,000	21.97%
Transportation and travel	4,295,942	3.90%
Rental Expense	529,739	0.48%
Repairs and Maintenance	6,260,387	5.68%
Utilities and Communication	3,970,706	3.60%
Representation and Entertainment	1,812,885	1.65%
Taxes and Licenses	5,180,824	4.70%
Research and Development	162,358	0.15%
Advertising Expense	9,693,836	8.80%
Others	38,441,951	34.89%
Total Operating Expenses	110,166,155	100.00%

Aside from the usual operating expenses incurred by the Company for "Salaries", "Wages and Other Benefits", "Rent", and "Communication, Light and Water", most of ANI's operating expenses in 2008 were related to business development. Expenses related to increasing markets and sales include transportation and travels, representation and entertainment, advertising expenses, research and development, taxes and licenses, delivery costs and which collectively accounted for about 41.16% of the total operating expenses.

In 2008, ANI generated an operating income of approximately Php24 million. This translated to an operating margin of 3.07%, which was Php10.22 million higher than the operating margin in 2007.

The breakdown of the Company's operating expenses in 2008 is presented in the table below.

Table 10: 2008 Operating Expenses of ANI and its Subsidiaries

Company	Operating Expenses Amount	% to Total Operating Expenses
ANI as Parent	44,401,215	40.3%
FCA	31,657,784	28.74%
Fresh and Green Harvest	26,063,762	23.66%
Lucky Fruit	2,413,690	2.19%
IMEX	5,492,779	4.99%
Best Choice	127,274	0.12%
Consolidated OPEX	9,650	0.01%
	110,166,155	**100.00%**

4. Net Income

In 2008, ANI earned a total of Php8.7 million, or an improvement of approximately Php2.1 million from its net income in 2007.

B. 2008 Financial Condition, Liquidity, and Capital Resources

1. Assets

ANI's total assets in 2008 were posted at Php523.33 million. About 70% of the total assets consisted of current assets.

As of 31 December 2008, ANI reported Cash in the amount of Php8.4 million, which were primarily deposited in the following depositary banks: (i) ANI – Metropolitan Bank and Trust Co. (Metrobank), Bank of the Philippine Islands (BPI), Bank of Commerce (BOC), Land Bank of the Philippines (LBP), Mega International Commercial Bank Co. Ltd. (Mega-ICBC), Banco de Oro Universal Bank (BDO), Philippine National Bank (PNB), Rizal Commercial Banking Corp. (RCBC), and Philippine Business Bank (PBB); (ii) FCA – BDO, BPI, Mega-ICBC; (iii) FG – BDO; and (iv) LF – LBP, and BDO)

ANI's trade receivables, on the other hand, amounted to Php220 million, or an increase of almost 150% from the level in 2007, with a collection period of approximately 102 days. The trade receivables accounted to approximately 60% of ANI's current assets.

Inventories were at reported at Php34.15 million, or an increased of 109%, with an average days inventory of 19 days. The inventories accounted to almost 9.4% of the current assets

In 2008, the Company posted a current ratio of 1.16 times, and a quick ratio of 1.05 times.

The Company acquired additional property and equipment amounting to approximately Php88 million in 2008.

2. Liabilities

ANI's total liabilities as of 31 December 2008 were Php332.46 million. This account consisted of trade and other payables amounting to Php89.73 million, or approximately 26.42% of the total liabilities. Obligations due to related parties amounted to Php14.65 million.

Average credit extended by suppliers to the Company was 50 days.

3. Stockholders' Equity

ANI's stockholders' equity as of the end of 31 December 2008 amounted to Php190.87 million.

On 31 January 2008, the SEC approved the increase in authorized capital stock of the Company from Php10.0 million to Php300.0 million and a decrease in the par value per share from Php100 to Php1 per share. In addition, the Company was also authorized to issue 9.90 million shares out of the increase in the authorized capital stock in favor of the existing shareholders.

Subsequent to the approval of the SEC on the increase of authorized capital stock of the Company, the subscribed and paid shares of common stocks in 2007 were accordingly issued to the stockholders.

Total shares of stocks that were subscribed, paid and issued as of 31 December 2008 are detailed below:

Particulars	Number of Shares	Amount (Peso)
Issued and outstanding	167,905,135	167,905,135
Allotted to, and fully availed by, the Company's directors, employees and consultants under a Stock Purchase Plan	10,631,467	10,631,467

The Company's leverage for the year posted total liabilities to equity ratio of 1.74 times.

C. 2007 Results of Operations

1. Net Sales

As a result of the following acquisitions of ANI for the year 2007, ANI has consolidated Sales of Php623.87 Million for the year 2007:

The approval of the PSE is limited to the Listing By Way of Introduction of the Company's 178,536,602 Common Shares. The Company's applications for the planned public offering of its 101,463,398 Common Shares and 20,000,000 Warrants have not been filed with the PSE; hence, the same shall still be subject to separate approvals of the PSE.

- First Class Agriculture

  On 01 January 2007, ANI, the Parent Company acquired 60% of FCA's net assets.

- Fresh and Green

  The acquisition of FCA resulted to indirect ownership of the Parent Company over FG, a wholly owned subsidiary of FCA as of the date of ANI's acquisition of the latter.

Lucky Fruit is 100% directly owned by ANI. It was incorporated 11 May 2005 but was consolidated with Parent Company, ANI for the first time in the financial statements for the year 31 December 2007.

Below is the breakdown of sales contribution of Parent Company and its Subsidiaries for the year 2007:

Table 11: 2007 Sales Contribution of ANI and its Subsidiaries

Company	Sales Amount	% to Total Sales
ANI as Parent	154,803,961	24%
FCAC	282,383,300	44%
Fresh and Green Harvest	184,549,460	29%
Lucky Fruit	17,754,697	3%
Total	639,491,4178	100%
Less: Intercompany Sales	15,617,025	
Consolidated Sales	623,874,393	

ANI, as Parent Company, generated total revenues of Php154.8 million. Below is the breakdown of its Revenue:

Table 12: 2007 Analysis of Mangoes and Other Fruit Sales

<table>
<tr><th rowspan="2">Sales Breakdown</th><th colspan="2">Products</th><th rowspan="2">Total</th><th rowspan="2">Percentage vs. Total Sales</th></tr>
<tr><th>Mango</th><th>Other Fruit Products</th></tr>
<tr><td>Domestic Sales</td><td>Php19,944,395</td><td>Php1,586,513</td><td>Php21,530,908</td><td>14%</td></tr>
<tr><td>Export Sales</td><td>Php105,027,519</td><td>Php28,245,536</td><td>Php133,273,055</td><td>86%</td></tr>
<tr><td></td><td></td><td></td><td>Php154,803,963</td><td>100%</td></tr>
<tr><td>Domestic Sales</td><td>505,314 kgs</td><td>Various</td><td></td><td></td></tr>
<tr><td>Export Sales</td><td>1,999,084 kgs</td><td>106,271cases/
boxes/bundles</td><td></td><td></td></tr>
</table>

Based on the above historical information, the following were derived:

- 80% of the amounts of revenues were derived from the sale of mangoes.
- 86% of its products were sold abroad and 78% of the products

exported pertained to mangoes.

In year 2006, ANI has 57 customers where in most of this customers are based abroad. From this number of customers, it increased by 23 customers or 40% growth in year 2007.

As a major product of ANI for the year 2007, below are details pertaining to mango sales:

Table 13: Domestic and Export Mangoes

In Volume (kg)	2006	2007	Increase (Decrease)	% Change
Domestic Sales	466,856	505,314	38,458	8%
Export Sales	1,567,859	1,999,084	431,225	28%
	2,034,715	**2,504,398**	**469,683**	
In PHP				
Domestic Sales	24,688,920	19,944,395	(4,744,525.00)	-19%
Export Sales	78,764,964	105,027,519	26,262,555	33%
	103,453,884	**124,971,914**	**21,518,030**	

Based on available information in year 2007:

1.a. Export Sales

- Majority of the mango products were exported to Hong-Kong.
- That 98% of the export sales were sold to major customers, namely Hophing, Hiphing, Sunshine and Nong Fu Guo Ping of China having aggregate sales in peso of Php103, 070, 867.70.
- The remaining 2% were allocated to minor customers that resulted to an average purchase of Php652,217.45 per customer.
- Breakdown of export products sold in year 2007are as follows:

Table 14: Export Products in Year 2007

Particulars	Number of Customers	Amount (in Pesos)
Fresh Mangoes	8	105,529,798.16
Canned Juices	22	10,731,928.20
Traded Products	3	10,228,144.84
Frozen Fruits	2	3,024,667.90
Frozen Purees	1	1,849,324.85
Fresh Fruits and Vegetables	4	513,847.36
TOTAL	40	131,877,711.32

Based on the above information, 80% of the total export sales represents sale of fresh mangoes. Remaining 20% pertained to canned juices, frozen products, and other fruits and vegetables.

1.b. Local Sales

- 86% of the local customers are classified as major customers with aggregate sales of Php17,172,716.66 on which Php15,616,185.98 or 78% of the total to major customers were sold to Lucky Fruit, a subsidiary of the company.
- The remaining customers of 14% had an average purchase to ANI of Php92,389.28 per customer.
- For local sales, all products pertained to fresh produce.

2. Gross Profit and Gross Profit Margin

The Company generated a gross profit of Php113.52 million in 2007 which is equivalent to 18.21% of Net Sales. ANI's 2007 gross profit increased by Php96.32 million from the Php17.3 million in 2006. This is attributable to the consolidation of sales of ANI's subsidiaries.

Below are the gross margin contribution of ANI and its Subsidiaries:

Table 15: 2007 Gross Margin Contribution of ANI and its Subsidiaries

Company	Gross Margin Amount	% to Total Margins
ANI as Parent	26,936,045	24%
FCA	60,295,329	53%
Fresh and Green Harvest	24,564,790	22%
Lucky Fruit	1,828,396	2%
Consolidated Margins	113,624,560	100%

3. Operating Expenses and Operating Income

The consolidation of the Operating expenses of ANI and its subsidiaries in 2007 mainly attributes the increase from Php16.13 million in 2006 to Php99.98 million.

Below is the breakdown of the operating expenses of ANI and its subsidiaries:

Table 16: Operating Expenses

Operating Expense Items	Amount	% to Total
Salaries , Allowance and Other Benefits	51,941,644.00	51.95%
Freight and trucking	19,539,618.00	19.54%
Trans and travel	3,437,769.00	3.44%
Rental Expense	1,511,315.00	1.51%
Repairs and Maintenance	2,572,532.00	2.57%
Utilities and Communication	2,292,150.00	2.29%

Representation and Entertainment	1,955,145.00	1.96%
Taxes and Licenses	2,749,489.00	2.75%
Advertising Expense	4,274,346.00	4.28%
Others	9,709,465.00	9.71%
Total Operating Expenses	99,983,473.00	100%

Below is the contribution of ANI and its subsidiaries to the consolidated operating expenses in 2007.

Table 17: Operating Expenses Contribution per Company

Company	Operating Expenses Amount	% to Total OPEX
ANI as Parent	25,093,033.00	25%
FCA	51,100,691.00	51%
Fresh and Green Harvest	21,856,256.00	22%
Lucky Fruit	1,729,650	2%
IMEX Pre-Operating Costs	203,843	0%
Consolidated OPEX	99,983,473.00	100%

Table 18: Operating Income

Company	Operating Income Amount	% to Total Operating Income
ANI as Parent	1,843,012.00	14%
FCA	9,194,638.00	67%
Fresh and Green Harvest	2,708,534.00	20%
Lucky Fruit	98,745	1%
IMEX Pre-Operating Costs	(203,843)	-1%
Consolidated Operating Income	13,641,085.92	100%

4. Net Income

ANI's net income increased from Php0.646 million in 2006 to Php6.67 million in 2007. The net income is attributable to:

Equity Holders of the Parent	P 4,302,533
Minority Interests	2,263,689

D. 2007 Financial Condition, Liquidity, and Capital Resources

The Company's principal source of its capital requirements was the proceeds from borrowings from various banks amounting Php115.65 million. The second source was the equity infused by the shareholders at Php24.92 million. Also a source of capital was cash generated from operations, with a recorded EBITDA of Php13.22 million.

1. Assets

ANI's total assets in 2007 were posted at Php335.53 million. Almost 77.21% of total assets consisted of current assets. About 42.70% of the total current assets, on the other hand, were trade and other receivables.

ANI's net cash inflows during the year amounted to Php6.78 million. The Company utilized its part of its loan proceed in the acquisition of 60% of the assets of FCA for a consideration of Php50 million.

Trade receivables increased by Php81.78 million from 2006. This is the result of the acquisitions of FCA together with its subsidiary FG. The higher sales activity of the Company resulted in a lengthening of collection period from customers to an average of 25 days. Inventories also increased with an average days inventory of 6.19 days from 2.46 days.

In 2007, the Company posted a current ratio of 1.32 times, and a quick ratio of 0.50 times

The Company's property and equipment increased from Php3.06 million in 2006 to Php45.34 million in 2007, primarily on additional investments in machinery & equipment, delivery equipment and construction in progress.

On January 1, 2007, goodwill of Php30.06 million was recognized in the acquisition of FCA and FG. The subsidiaries were acquired at P 50.75 million for the subsidiaries' net assets of Php20.69 million.

2. Liabilities

ANI's total liabilities in 2007 were posted at Php208.97 million. This represents an increase by Php198.92 million from 2006 consisting of an increase in loans payable from P 7 million in 2006 to P 119.65 million in 2007. Also there is a significant increase in trade payable, from just Php1.63 million in 2006 into Php70.67 million in 2007. In 2005, days payable was recorded at an average of 24 days. This led to a cash conversion cycle of 7.19 days.

Total liabilities also increased in 2007 due to a Php16.64 million increase in obligations due to related parties.

3. Stockholders' Equity

ANI's stockholders' equity increased by Php117.30 in 2007 due to Deposits for future subscription of Php95.9 million and Minority Interest of Php17.1 million.

The Company's leverage increased from .97 to1.65 times.

E. 2006 Results of Operations

1. Net Sales

Total Sales for 2006 was Php106,157,780, broken down as follows:

Sales Breakdown	Products		Total	Percent age vs. Total Sales
	Mango	Other Fruit Products		
(in PHP)				
Domestic Sales	24,688,920		24,688,920	23%
Export Sales	78,764,964	2,685,076	81,468,859	77%
			106,157,779	100%
(in Volume)				
Domestic Sales	466,856 kgs			
Export Sales	1,567,859 kgs	7,598 cases		

Based on the above historical information sales figures of ANI, the following were derived:

- 98% of the amounts of revenues were derived from the sale of mangoes.
- 76% of its products were sold abroad and 96% of the products exported pertained to mangoes.

2. Gross Profit and Gross Profit Margin

The Company posted a gross profit of Php17.3 million, or a gross profit rate of 16%.

3. Operating Expenses, Operating Income and Margin

Table 19: Historical and Forecast Operating Expenses

Operating Expense Items (in P millions)	Amount	% to Total
Salaries , Allowance and Other Benefits	1,554,207	9.64%
Freight and trucking	8,752,946	54.28%
Trans and travel	1,179,365	7.31%
Rental Expense	648,350	4.02%
Repairs and Maintenance	836,449	5.19%
Utilities and Communication	780,751	4.84%
Representation and Entertainment	114,511	0.71%
Taxes and Licenses	85,535	0.53%
Advertising Expense	41,115	0.25%
Others	2,133,298	13.23%
Total	16,126,527	100.00%

Differences in decimal numbers are due to rounding off.

As a result of this, ANI generated a net operating income of Php645,682.00, which translates to an operating margin of 1.10%.

4. Net Income

ANI registered a net income before tax of Php988,650.00 in 2006. After considering the income tax of Php342,968.00, the Company ended the year with a Net Income after Tax of Php645,682.00. This represents a net margin of 0.6%.

F. 2006 Financial Condition, Liquidity and Capital Resources

The Company funded its capital requirements through a variety of sources. The principal source of working capital for 2006 was the Php7 million loan availed from Land Bank of the Philippines. Also a source of fund was the cash generated from operations.

1. Assets

ANI's total assets in 2006 were at P18.39 million. More than 84% of total assets consisted of current assets. Furthermore, about 38% of the current assets consisted of advances to ANI's affiliates.

These Advances are mainly subject for liquidation which pertains to different development activities entered into by the Company, relevant to the improvement of the socio-economic conditions of the indigenous people.

Cash and cash equivalents were recorded at Php3.86 million, equivalent to 25% of total current assets in 2004.

Trade receivables made up almost 15.28% of the Company's total assets in 2006 and amounted to P2.81 million. During the year, the Company posted trade receivables of P82.45 million that translated to an average collection period of 8.9 days. On the other hand, the Company's inventories made up more than 35.47% of the Company's total assets. This is equivalent to an average days inventory of 2.46 days.

The Company also invested about P1.6 million in fixed assets during the year, mostly on delivery and transportation equipment.

In 2006, the Company posted a current ratio of 1.7x and a quick ratio of .94x.

2. Liabilities

ANI's total liabilities in 2006 were posted at Php9.07 million. This account consisted of obligations due to Land Bank of the Philippines representing a working capital loan from the latter amounting Php7 million which is equivalent to 77.17 percent of total liabilities.

3. Stockholders' Equity

ANI's stockholders' equity in 2006 amounted to Php9.32 million. This account consisted of Php10 million in paid-in capital and a Deficit of Php676,145.00.

The Company's leverage for the year posted total liabilities to equity ratio of 0.97 times.

G. Financial Ratios

Below are the key financial ratios comparing the years ended 31 December 2006, 2007, and 2008.

Table 20: Key Financial Ratios

Financial Ratios	31 Dec. 2006	31 Dec. 2007	31 Dec. 2008
Net Sales Growth Rate (%)	124%	484%	28.59%
Operating Margin (%)	1%	2%	4.99%
Net Income Margin (%)	1%	1.07%	1.82%
Return on Equity (%)	7%	9.82%	6.36%
Liquidity Ratio (times)	1.65	1.33	2.12
Total Liabilities to Equity(times)	1.08	1.65	1.28

The following defines each ratio.

1. Net Sales Growth Rate

The net sales growth rate is the Company's increase in revenue for a given period. This growth rate is computed from the current net sales less net sales of the previous year, divided by the net sales of the previous year. The result is expressed in percentage.

2. Operating Margin

The operating margin reflects the Management's policies related to pricing its services vis-à-vis all expenses the Company incurred from doing business. This is computed by dividing operating income by net sales. The result is expressed in percentage.

3. Net Income Margin

The net income margin is the ratio of the Company's net income after tax versus its net sales for a given period. This is computed by dividing net income after tax by net sales. The result is expressed in percentage.

4. Return on Equity Ratio

The return on equity ratio is the ratio of the Company's net income to stockholders' equity. This measures the Management's ability to generate returns on investments. This is computed by dividing net income after tax by the total stockholders' equity. The result is expressed in percentage.

5. Liquidity Ratio

The liquidity ratio is the ratio of the Company's current resources versus its current obligations. This is computed by dividing the current assets by the current liabilities. The result is expressed in number of times.

6. Debt–to-Equity Ratio

The debt-to-equity ratio is used to measure debt exposure. It shows the relative proportions of all creditors' claims versus ownership claims. This is computed by dividing total liabilities by total stockholders' equity. The result is expressed in proportion.

7. Contingent Liabilities

The Company leases a parcel of land with improvements, where its warehouse and office buildings are located. The lease is for a period of 4 years and 5 months from 01 August 2005 up to 31 December 2009 at a monthly rental of Php0.05 million. The lease contract provides for an escalation clause of 10% of the annual rental charges at the lessor's discretion.

Total rent expense charged for 2008 and 2007 amounted to P0.5 million and P0.8 million, respectively.

H. Adoption of PFRS/PAS

The accounting policies adopted in the preparation of the Group's consolidated interim financial statements have been consistently applied in all years presented except as stated below.

Accounting Standard, Interpretations and Amendment Effective in 2008

The Company adopted the following relevant standard, amendment and interpretations to existing standards, which are effective for annual periods beginning on or after 01 January 2008:

Philippine Interpretation IFRIC 11, *PFRS 2 – Group and Treasury Share Transactions*

This interpretation was effective on 01 January 2008. This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme by the entity even if (a) the entity chooses or is required to buy those equity instruments (e.g. treasury shares) from another party, or (b) the shareholders of the entity provide the equity instruments needed. It also provides guidance on how subsidiaries, in their separate financial statements, account for such schemes when their employees receive rights to the equity instrument of the parent. The Group currently does not have any stock option plan and therefore, this interpretation did not have any impact to its interim financial statements.

Philippine Interpretation IFRIC 12, *Service Concession Agreements*

This interpretation was issued in November 2006 and became effective for annual periods beginning on or after 01 January 2008. This interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession agreements. The Group does not have any service concession arrangements and hence this interpretation does not have any impact to the Group.

Philippine Interpretation IFRIC 14, PAS 19, *The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction*

This interpretation was issued in July 2007 and became effective for annual periods beginning on or after 01 January 2008. This interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognized as an asset under PAS 19, *Employee Benefits*. This interpretation did not have any impact on the financial position of the Group, as it does not have any pension asset.

I. Manual of Corporate Governance

The Company's Corporate Governance Manual (the Manual) was approved by the stockholders and Board of Directors of the Company on 19 August 2008. The Manual is a supplement to the Company's Amended By-Laws.

1. Adoption and Implementation

The Company is already in the process of implementing the abovementioned Corporate Governance Manual. Two (2) independent directors have been elected and added to the Board. The Board of Directors had formed and selected among themselves members of the following committees: Audit, Nomination, and Compensation. The said Committees are currently preparing their respective work programs. Likewise, a Compliance Officer has already been appointed.

2. Independent Directors

The Amended By-laws requires the Company to have at least two (2) independent directors in its Board of Directors. The Manual requires that there must be at least one (1) independent director voting in the Company's Audit Committee, Nomination Committee, and Compensation Committee. Independent directors must hold no interests or relationships with the Company that may hinder their independence from the Company or its management, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Under the SEC Code of Corporate Governance, an independent director is required to attend board meetings for quorum requirements, unless he is duly notified of the meeting but deliberately and without justifiable cause fails to attend the meeting.

3. Compliance Officer

To ensure adherence to corporate principles and best practices, the Chairman of the Board shall designate a Compliance Officer who shall hold the position of a Vice President or its equivalent. He shall have direct reporting responsibilities to the Chairman of the Board. At present, the designated Compliance Officer is the Corporate Secretary: Martin C. Subido.

He shall perform the following duties:

- Monitor compliance with the provisions and requirements of the Manual;
- Appear before the SEC upon summons on similar matters that need to be clarified by the same;
- Determine violation/s of the Manual and recommend penalty for violation thereof for further review and approval of the Board;
- Issue a certification every January 30th of the year on the extent of the Corporation's compliance with the Manual for the completed year, explaining the reason/s of the latter's deviation from the same; and
- Identify, monitor and control compliance risks.

4. Audit Committee

The Company has an Audit Committee composed of three (3) members of the Board, at least one of whom must be an independent director. The independent director chairs the Audit Committee. At present, the Audit Committee is headed by Atty. Alfonso Go. Each member is required to have an adequate understanding of accounting and auditing principles in general and of the Company's financial management systems and environment in particular.

The Audit Committee's duties and responsibilities include, but are not limited to, the following:

- Checking all financial reports against their compliance with both the internal and financial management handbook and pertinent account standards, including regulatory requirements;
- Performing oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal, and other risks of the Company, and crisis management;
- Developing a transparent financial management system that will ensure the integrity of internal control activities throughout the Company through a procedures and policies handbook that will be used by the entire organization;
- Pre-approving all audit plans, scope and frequency one (1) month before the conduct of an external audit;
- Performing direct interface functions with the internal and external auditors;
- Elevating to international standards the accounting and auditing processes, practices and methodologies of ANI, and developing the following in relation to this reform;
- Creating a definitive timetable, congruent with that required by law, within which the system of ANI will be 100% International Accounting Standard (IAS) compliant; and

- Preparing an accountability statement that will specifically identify officers and/or personnel directly responsible for the accomplishment of such task.

5. Nomination Committee

The Company has a Nomination Committee composed of three (3) members of the Board, at least one of whom must be an independent director. The independent director chairs the Nomination Committee. At present, the Nomination Committee is headed by Prof. Leonor Briones. The Nomination Committee's duties and responsibilities include:

- Pre-screening and short-listing all candidates nominated to become a member of the Board, as well as those nominated to other positions requiring appointment by the Board; and
- Redefining the role, duties, and responsibilities of the CEO by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times.

6. Compensation Committee

The Company has a Compensation Committee composed of three (3) members of the Board, at least one of whom must be an independent director. The independent director chairs the Compensation Committee. At present, the Compensation Committee is headed by Prof. Leonor Briones. The Compensation Committee's duties and responsibilities include:

- Establishing a formal and transparent procedure for developing a policy on executive remuneration and for fixing remuneration packages of corporate officers and directors;
- Providing oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy, and control environment;
- Designating the amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Company successfully;
- Developing a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others shall compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict with the performance of their duties once hired;
- Disallowing any director from deciding on his or her own remuneration;
- Providing a clear, concise and understandable disclosure of the compensation of the Company's executive officers for the previous fiscal year and the ensuing year in the Company's required reports; and
- Reviewing the existing Human Resources Development or Personnel Handbook to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance with all statutory requirements that must be periodically met in their respective posts.

J. Management

The following discussion presents a brief discussion of the business experience of each of the Company's directors and principal officers for the past eight (8) years:

1. Board of Directors

Under the Amended By-Laws of the company, the directors have a term of one (1) year, subject to re-election. A director who was elected to fill any vacancy holds office only for the unexpired term of his / her predecessor. The independent directors should possess all the qualifications and none of the disqualifications of an independent director.

As of the date of this Prospectus, the composition of the Company's Board of Directors is as follows:

Table 21: Board of Directors

Name	Nationality	Position	Year Position Was Assumed
Antonio L. Tiu	Filipino	Chairman/Chief Executive Officer	2004
Dennis S. Sia	Filipino	Chief Operating Officer	2006
Yang Chung Ming	Chinese ROC	Chief Strategy Officer	1997
Cristino Lim	Filipino	Director	2008
George Uy	Filipino	Director	2008
Leonor Briones	Filipino	Independent Director/ Head of Nomination and Compensation Committee	2008
Alfonso Go	Filipino	Independent Director/ Head of Audit Committee	2008

On 21 January 2008, the SEC approved further amendments to the Company's Articles of Incorporation that increased the composition of the Company's Board of Directors from five (5) to seven (7), with two (2) acting as independent directors. These independent directors possess all the qualifications and none of the disqualifications of an independent director.

ANTONIO L. TIU, 33, Filipino, Chairman/CEO. Mr. Tiu is the President /CEO of Sunchamp Real Estate Development Co., a developer of housing projects in Olongapo City and SBMA. Prior to that, he was a part-time lecturer in International Finance at DLSU Graduate School from 1999 to 2001. Mr. Tiu has a Masters degree in Commerce specializing in International Finance from University of New South Wales, Sydney Australia and BS Commerce major in Management from De La Salle University, Manila. He is currently a candidate for a Doctorate degree in Public Administration at the University of the Philippines.

DENNIS S. SIA, 33, Filipino, Director, COO. Mr. Sia is currently the Chief Operating Officer of ANI and its subsidiaries. He previously served as Assistant Vice President for Sales and Marketing of M2000 IMEX in 2004 to 2005. He has a degree in BS Commerce Major in Business Management from De La Salle University, Manila.

YANG, CHUNG MING, 35, Chinese R.O.C., Director. Mr. Yang is the General Manager of Grateful Strategic Marketing Consultants Co., Ltd, and Tong Shen Enterprises, which are both Taiwan based firms. He has a degree in B.S. Computer Science from Chiang Kai Shek College, Philippines and has a Masters degree in Business Administration from the National Cheng-chi University in Taiwan.

CRISTINO T.C. LIM, 63, Filipino, Director. Mr. Lim is the President of Neco, Chemicals Philippines, Inc. He is the Vice President of the Filipino Chinese Chamber of Commerce., Inc. and of the Chinese Filipino Business Club.

GEORGE Y. UY, 48, Filipino, Director. Mr. Uy started his career with the United Laboratories and Squibb between 1969 and 1970. Together with professors from the Ateneo de Manila University, the University of the Philippines and the Manuel L. Quezon University, he founded the Optima Scientific Consultants, Inc. which is engaged in the design of pollution abatement systems and facilities in the textile, pulp and paper, distilling and steel industries.

Mr. Uy was one of the first proponents in the Philippines of the polypropylene woven bag plant using equipment from Europe, and a meat processing plant that uses equipment from Germany. It was the first meat processing factory with a license to export to Japan from the Philippines granted by the Japanese Ministry of Agriculture. In 1988, he joined forces with another businessman entrepreneur friend who was also involved in businesses in the Philippines and in China. The company is engaged in mass transport, telecommunications, and at one time as indentor of steel products. Currently he is also engaged in the biofuel program in the Philippines. He obtained his Bachelor's degree in 1970 and Masters degree in Chemistry in 1976 from the Ateneo de Manila University

LEONOR BRIONES, 68, Filipino, Director. Prof. Briones is a Director for Policy and Executive Development, National College of Public Administration and Governance, University of the Philippines System, Diliman. She is also a Professor and Faculty Member, Graduate Level in the same university. Prof. Briones was also the Treasurer of the Philippines, Bureau of Treasury from August 1998 to February 2001 and was concurrently the Presidential Adviser for Social Development, with Cabinet Rank, Office of the President.

ALFONSO GO, 70, Filipino, Director**.** Atty. Go was born on May 5, 1938 in Manila, Philippines. He graduated from University of the East in 1964 with a degree in Bachelor of Laws. Currently, he is a member of the Integrated Bar of the Philippines, and Philippine Institute of Certified Public Accountants. He is a practicing lawyer, accountant and director of AgriNurture Inc.

2. Principal Officers

As of the date of this Prospectus, the following are the other principal officers of the Company:

ALEXANDER GILLES, 47, Filipino, Chief Information Officer. Mr. Gilles is a financial analyst who has extensive experience in market research. He has worked in several multinational and/or prominent securities companies such as HSBC Securities, Anscor Hagedorn Securities, and Citibank Securities, wherein he was the head of equities research. In 1997, he passed the examination for the Chartered

Financial Analyst designation. In 2003, he earned a Masters degree in Applied Business Economics, from the University of Asia & the Pacific. In 2005, he served as an Economist for an asset management company in Makati. From February 2006 to May 2008, he worked in the business of outsourced research, which means writing research in Manila, for clients abroad. He also directs a financial advisory firm that raises capital for small and medium-scale enterprises.

Mr. Gilles is a professor in the MBA graduate school program of De La Salle University since 1999. He is also a professor at the University of Asia & the Pacific for the past five (5) years and a regular guest lecturer of the SEC on matters pertaining to "Certified Securities Representative". He also teaches at the review classes in Manila, for the Chartered Financial Analyst exams. He is a member of the CFA Society of the Philippines, and of the Rotary Club of Makati. He has also published the book entitled “Guide to Entrepreneurship”.

CATHERINE V. DE ASIS, 44, Filipino, Chief Marketing Officer. Dr. De Asis is an awardee of the 2003 Agora Award for Marketing Education. Dr. De Asis is best known in the industry as a brand strategist ably combining pragmatic and academic insights. Her industry expertise spans brand building and re-engineering old and mature brands, and elevating these to become hidden champions, if not strong challengers in their categories. She has extensive experience in healthcare, food, telecommunications, travel and trade, retail, fashion, personal care and property development. She teaches marketing and branding in the Philippine’s leading graduate schools of business. Dr. De Asis has recently authored a best selling strategic brand management book entitled, “Color Folders In The Mind: A Branding Story”.

3. Significant Employees

No single person is expected to make a significant contribution to the business since the Company considers the collective efforts of all its employees as instrumental to the overall success of the Company’s performance.

4. Family Relationships

There are no family relationships between and among the directors and officers of ANI. The directors owning nominal shares in the subsidiaries of ANI, on the other hand, have the following family relationships: (i) Antonio Tiu and James Tiu are siblings; (ii) Dennis Sia and Nanchi Lin Sia are husband and wife; (iii) Tammy Lin is the brother of Nanchi Lin Sia.

The family relationships among the shareholders of ANI, on the other hand, are as follows: (i) Antonio Tiu, James Tiu and Jaime Tiu are siblings; (ii) Antonio Tiu and Lee Ya Chuan are husband and wife; (iii) Lee Pei Feng is the mother of Antonio Tiu, James Tiu and Jaime Tiu; (iv) Tiu Ken Kwen, Tiu Ken Him, Tiu Ken Lai and Tiu Ken Swan are the uncles of Antonio Tiu, James Tiu and Jaime Tiu; (v) Tiu Peck is the grandfather of Antonio Tiu, James Tiu and Jaime Tiu; (vi) Nansi Li is the cousin of Antonio Tiu, James Tiu and Jaime Tiu; (vii) Dennis Sia is the brother-in-law of Tammy Lin; (viii) Yang Ming Hsiang and Yang Chung Ming are father and son. (ix) Ann Buencamino and James Tiu are husband and wife. Jacqueline Tiu is not related to any of the aforementioned members of the Tiu family.

5. Involvement in Legal Proceedings

There are no pending litigation or arbitration proceedings where ANI or any of its subsidiaries or affiliates is a party or of which any of their property is the subject and no litigation or claim of material importance is known to the Directors, pending or threatened, against the Company.

To the best of the Company's knowledge, there has been no occurrence during the past five (5) years up to the date of this Prospectus of any of the following events that are material to a evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter, or controlling person of the Company:

•any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two (2) years prior to that time;

•any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

•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 or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and

•being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC 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.

6. Executive Compensation

The following are the Company's top five (5) compensated executive officers:

Table 22: Top Five (5) Most Highly Compensated Executive Officers

Name of Officer	Position/ Title
Antonio L. Tiu	President/CEO
Dennis Sia	Chief Operating Officer
Peter Yang Chung Ming	Chief Strategy Officer
Daniel Go	Chief Finance Officer
Alexander Gilles	Chief Information Officer
Karen De Asis	Chief Marketing Officer

The following summarizes the executive compensation received by the CEO and the top four (4) most highly compensated officers of the Company for 2006, 2007, and 2008 (estimate). It also summarizes the aggregate compensation received by all the officers and directors, unnamed.

Table 23: Executive Compensation

	Year	Salaries (Amounts in P'000)	Bonuses/Other Income (Amounts in P'000)
CEO and the four (4) most highly compensated officers named above	2006	Php1,680	Php315
	2007	Php3,060	Php573
	2008 (*est.*)	Php6,960	Php1,305
Aggregate compensation paid to all other officers and directors as a group unnamed	2006	Php1,776	Php333
	2007	Php2,112	Php396
	2008 (*est.*)	Php3,240	Php607.5

7. Standard Arrangements and Other Arrangements

There are no standard arrangements with directors for any services provided as such. There are no other arrangements for compensation either by way of payments for committee participation or special assignments.

8. Employment Contracts, Termination of Employment, Change-in-Control Arrangements

There are no existing employment contracts with executive officers. Furthermore, there are no special retirement plans for executives.

There is also no arrangement for compensation to be received from the Company in the event of a change in control of the Company.

K. Warrants and Options Outstanding

At present, the Company has no issued and outstanding Warrants. However, the Company has allotted a total of 6,500,000 Warrants to its directors and officers.

L. Security Ownership of Certain Record and Beneficial Shareholders

1. Security Ownership of Certain Record and Beneficial Owners

As of the date of this Prospectus, there are approximately fifty six (56) shareholders. Subject to the approval of the Listing by Way of Introduction in the 2nd Board of the PSE, four hundred forty six (446) shareholders shall be added.

There are no beneficial owners of shares of stock in the Company.

The shareholdings of all the stockholders are pursuant to the payment of the subscription price. Said shareholdings do not relate to an acquisition, business combination or other reorganization.

In case the Primary Common Shares amounting to 101,463,398 shares are offered to the public within one (1) year from the Listing by Way of Introduction in the Second Board of the PSE, the following shall be the effect to the existing shareholders that have more than 5% shareholdings in the Company:

Stockholder	Nationality	No. of Shares	% Before Public Offering	% After Public Offering
Antonio L. Tiu	Filipino	57,954,135	34.5160%	19.3180%
Yang, Chung-Ming	Chinese R.O.C.	25,066,290	14.9288%	8.3554%
Yang, Ming Hsiang	Chinese R.O.C.	18,777,179	11.1832%	6.2591%
Tiu Ken Kwen	Filipino	14,718,249	8.7658%	4.9061%
Tiu, Ken Him	Filipino	10,536,210	6.2751%	3.5121%

2. Security Ownership of Management

As of the date of this Prospectus, the following is the security ownership of the Directors and Executive Officers of the Company.

Table 24: Security Ownership of Management

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percentage of Class
Common	Antonio L. Tiu *Chairman and CEO*	57,954,135 (Direct)	Filipino	34.5160%
Common	Dennis Sia *Director, COO*	8,119,082 (Direct)	Filipino	4.8355%
Common	Yang Chung Ming *Director, CSO*	25,066,290 (Direct)	Chinese R.O.C.	14.9288%
Common	Cristino Lim *Director*	1 (Direct)	Filipino	- nil -
Common	George Uy *Director*	1 (Direct)	Filipino	- nil -
Common	Leonor Briones *Independent Director*	1 (Direct)	Filipino	- nil -

The approval of the PSE is limited to the Listing By Way of Introduction of the Company's 178,536,602 Common Shares. The Company's applications for the planned public offering of its 101,463,398 Common Shares and 20,000,000 Warrants have not been filed with the PSE; hence, the same shall still be subject to separate approvals of the PSE.

Common	Alfonso Go *Independent Director*	1 (Direct)	Filipino	- nil -
Common	Daniel Go *CFO*	2,658,622 (Direct)	Filipino	1.58341%
Common	Alexander Gilles *CIO*	64,667 (Direct)	Filipino	.03851%
Common	Catherine de Asis *CMO*	n/a	n/a	n/a

3. Voting Trust

The Company knows of no persons holding more than five percent (5%) of shares under a voting trust or similar agreement.

4. Changes in Control

There are no existing provisions in the amended Articles of Incorporation and Amended By-Laws of the Company, which may cause delay, deferment, or in any manner prevent a change in control of the Company.

Neither the Company nor its shareholders, directors and officers, are parties to any contract or arrangement which may result in a change in the control of the Company.

M. Subsidiaries and Affiliates

The following discussion describes the subsidiaries and affiliates of the Company:

The Company has integrated several businesses in 2007. Starting 2008, it has renamed itself from "Mabuhay2000 Enterprises Incorporated" to "AgriNurture, Inc.",

1. First Class Agriculture

First Class Agriculture is a company engaged in the importation, plantation, and distribution of fresh fruits and vegetables to the SM Supermarket conglomerate and to wet markets. Its headquarters is located at Arayat, Pampanga.

2. Fresh and Green Harvest Agricultural Corp.

Fresh and Green is a company engaged in the distribution of fresh fruits and vegetables to the SM Hypermarket Group. Its headquarters is located at Arayat, Pampanga.

3. Lucky Fruit and Vegetable Products Inc.

Lucky Fruit is a company engaged in the trade of Philippine agricultural fruits for export to international markets and domestic service to the HORECA industry (hotels, restaurants, and catering) and the wet markets. The company is located in Masambong, Quezon City.

4. **M2000 IMEX**

M2000 IMEX is a company engaged in the manufacturing and processing of canned fruit juices and vinegar fermentation. Its plant is located in Pulilan, Bulacan.

5. **Nutri-licious Marketing**

Nutri-licious Marketing, to be acquired by ANI in the second half of 2009, carries the brand name “Nutri-licious” and markets a variety of products to both local and international clients through business-to-business as well as business-to-consumer models. The company is located in Pateros, Metro Manila and operates 64 outlets.

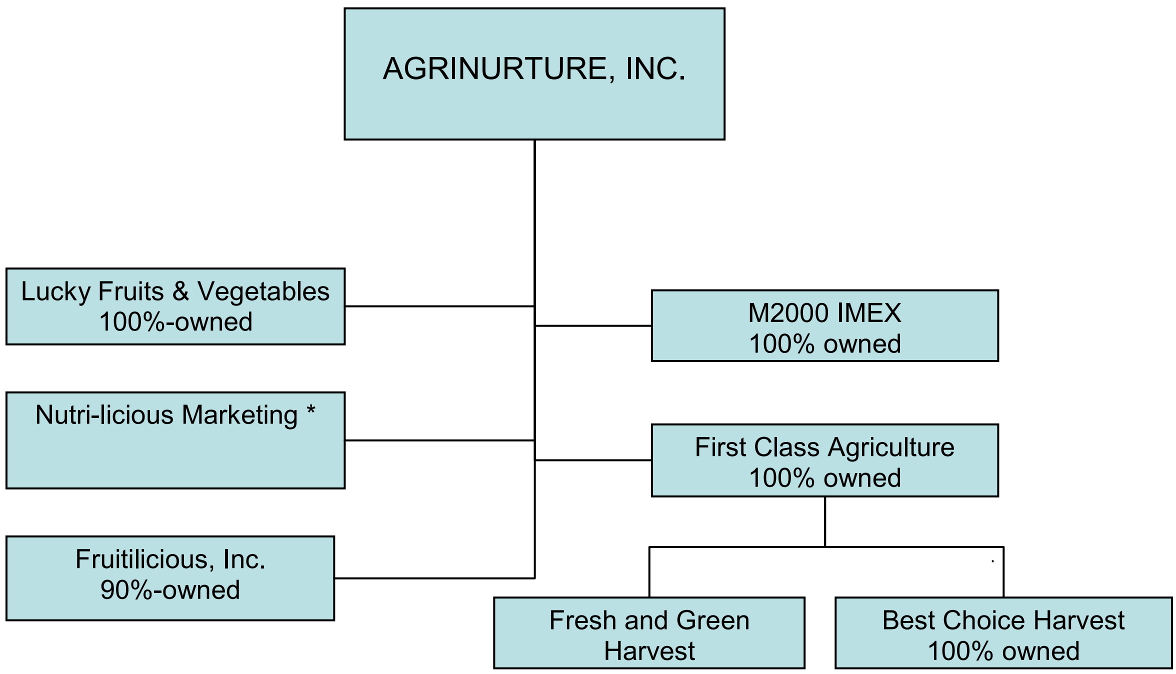
6. **Fruitilicious Inc.**

Fruitilicious is a company engaged in the processing and development of frozen and dried fruit products and by-products. It has a production plant facility located in Balulang, Cagayan de Oro. It also acts as consolidation depot for FCA vegetable sourcing in Mindanao.

7. **Best Choice Harvest**

Best Choice Harvest is a company engaged in mass scale farming of agricultural commodities to serve the supply needs of ANI’s subsidiaries. It is also engaged in livestock integration and bio-fuel feedstock. The company is located in Concepcion, Tarlac and manages farms all over Luzon, Visayas and Mindanao.

N. CORPORATE STRUCTURE



*In the second half of 2009, the Company intends to acquire 51% equity interest in Nutri-licious Marketing.

The approval of the PSE is limited to the Listing By Way of Introduction of the Company’s 178,536,602 Common Shares. The Company’s applications for the planned public offering of its 101,463,398 Common Shares and 20,000,000 Warrants have not been filed with the PSE; hence, the same shall still be subject to separate approvals of the PSE.

PART XII. MATERIAL CONTRACTS AND AGREEMENTS

A. Supply Agreements

The Company is sourcing a substantial portion of its agricultural products from farmers in strategically located areas in the Philippines under several Memoranda of Agreement (MOA), with a term of five (5) years, subject to an automatic renewal for another five (5) years. Under the MOA, the Company is the preferred and prioritized purchaser of the agricultural products.

The Company has also entered into agreements with various landowners wherein the Company contributes its industry and technological expertise in producing the agricultural products. The harvests from the joint venture undertaking are then sold to the Company thereby further ensuring the continuous supply needed in the Company's operations.

PART XIII. GENERAL CORPORATE INFORMATION

A. Primary Purpose

The primary purpose of the Company is to engage in the business of manufacturing, producing, growing, buying, selling, distributing, marketing, at wholesale only, insofar as may be permitted by law, all kinds of goods, commodities, wares and merchandise of every kind and description, including but not limited to food and agricultural products; to enter into all kinds of contracts for the export, import, purchase, acquisition, sale at wholesale only; and other disposition for its own account as principal or in a representative capacity as manufacturer's representative, upon consignment of all kinds of goods, wares, merchandise or products whether natural or artificial.

B. Term

The Company is to exist for fifty (50) years from and after 04 February 1997, its date of incorporation.

C. Capitalization

The authorized capital stock of the Company is Php300,000,000.00 divided into 300,000,000 Common Shares with a par value of Php1.00 per share.

D. Principal and Branch Office

The principal office of the Company is located at National Road, Pulilan, Bulacan, Philippines. The Company may also have a branch office or branch offices at such other place or places within or outside the Philippines as the Board of Directors may from time to time determine as the business of the Company may require. At present, the Company's Manila office is located at No. 35 Gasan Street, Masambong, SFDM, Quezon City, Philippines.

E. Stockholders' Meeting

Meetings of the stockholders shall be held at the principal office of the Company or at any place designated by the Board of Directors in the city or municipality where the principal office of the Company is located.

Stockholders may vote in all meetings either in person or by proxy given in writing, signed by the stockholders concerned, and presented to the Secretary not later than a day before the date of the stockholders' meeting for verification and record purposes. Revocation of proxies may either be in writing and signed by the stockholders concerned, duly presented to the Corporate Secretary prior to the scheduled meeting or by personal appearance of the stockholders at he meeting.

At a stockholders' meeting, every stockholder shall be entitled to one (1) vote for each share of voting.

The annual meeting of the stockholders for the election of directors and for the transaction of such other business as may come before the meeting shall be held on the last Saturday of December each year, at such time as may be fixed by the Board of Directors. If the annual meeting falls on legal holiday, then the meeting shall be held on the following day.

F. The Board of Directors

Unless otherwise provided by law, the powers, business, and property of the Company shall be exercised, conducted, and controlled by the Board of Directors.

The number of Directors shall be composed of seven (7) members, two (2) of which must be independent directors. The Directors shall be elected at the annual stockholders meeting, and their term of office shall be one (1) year and until their successors shall have been elected at the next annual stockholders meeting and have qualified in accordance with the By-Laws and under pertinent laws of the Philippines.

G. The Officers

The officers of the Company shall consist of the President, the Vice-President, the Treasurer, the Corporate Secretary. The Board may, from time to time, appoint such officers as it may determine to be necessary or proper. Any two (2) or more compatible positions may be held concurrently by the same person, except that no one shall act as President and Treasurer or President and Corporate Secretary at the same time.

H. Fiscal Year and Dividends

The fiscal year of the Company shall commence with the opening of business on the first day of January of each calendar year and shall close on the last day of December of the same calendar year.

Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law.

PART XIV. REGULATORY FRAMEWORK

Various government agencies in the Philippines regulate the different aspects of the Company's manufacturing, sales and export business.

The Bureau of Food and Drugs (under the Department of Health) administers and enforces the law, and issues rules and circulars, on safety and good quality supply of food, drug and cosmetic consumers; and regulation of the production, sale and traffic of the same to protect the health of the people.

Pursuant to this, food manufacturers are required to obtain a license to operate as such. The law further requires food manufacturers to obtain a certificate of product registration for each product.

The Department of Health also prescribed the Guidelines of Current Good Manufacturing Practices in Manufacturing, Packing, Repacking, or Holding Food for food manufacturers.

The Consumer Act of the Philippines, the provisions of which are principally enforced by the Department of Trade and Industry, seeks to protect consumers against hazards to health and safety and against deceptive, unfair and unconscionable sales acts and practices; and provide information and education to facilitate sound choice and the proper exercise of rights by the consumer.

This law imposes rules to regulate such matters as (i) consumer product and safety; (ii) the production, sale, distribution and advertisement of food, drugs, cosmetics and devices as well as substances hazardous to the consumer's health and safety; (iii) fair, honest consumer transactions and consumer protection against deceptive, unfair and unconscionable sales acts or practices; (iv) practices relative to the use of weights and measures; (v) consumer product and service warranties; (vi) compulsory labeling, and fair packaging; (vii) liabilities for defective products and services; (viii) consumer protection against misleading advertisements and fraudulent sales promotion practices; and (ix) consumer credit transactions.

The Standards of Trade Practices and Conduct in the Advertising Industry as formulated by the Philippine Advertising Board, a voluntary association of various companies and groups engaged in the fields of advertising, marketing and media in the Philippines, prescribe rules on the advertising activities of its members.

Under the SRC, the SEC has jurisdiction and supervision over all corporations, partnerships or associations that are grantees of primary franchises, license to do business or other secondary licenses. As the government agency regulating the Philippine securities market, the SEC issues regulations on the registration and regulation of securities exchanges, the securities market, securities trading, the licensing of securities brokers and dealers and reportorial requirements for publicly listed companies and the proper application of SRC provisions, as well as the Corporation Code, and certain other statutes.

PART XV. THE PHILIPPINE STOCK MARKET

Disclaimer: Information in this section has been extracted from publicly available documents which have not been prepared or independently verified by the Company or any of its subsidiaries, affiliates or advisors in connection with the listing.

A. Brief History

The Philippines initially had two (2) stock exchanges, the Manila Stock Exchange, which was organized in 1927, and the Makati Stock Exchange, which began operations in 1963. Each exchange was self-regulating, governed by its respective Board of Governments elected annually by its members.

Several steps initiated by the Government have resulted in the unification of the two (2) bourses into PSE. The PSE was incorporated in 1992 by officers of both the Makati and the Manila Stock Exchanges. In March 1994, the licenses of the two exchanges were revoked. While the PSE maintains two (2) trading floors, one in Makati City and the other in Pasig City, these floors are linked by an automated trading system which integrates all bids and ask quotations from the bourses.

In June 1998, the SEC granted the PSE "Self-Regulatory Organization" status, allowing it to impose rules as well as implement penalties on erring trading participants and listed companies. On 08 August 2001, PSE completed its demutualization, converting from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the SRC. The PSE has an authorized capital stock of Php36.8 million, of which Php15.3 million is subscribed and fully paid-up. Each of the 184 member-brokers was granted 50,000 common shares of the new PSE at a par value of Php1.00 per share. In addition, a trading right evidenced by a "Trading Participant Certificate" was immediately conferred on each member broker allowing the use of the PSE's trading facilities. As a result of the demutualization, the composition of the PSE Board of Governors was changed, requiring the inclusion of seven brokers and eight non-brokers, one of whom is the President.

On 15 December 2003, the PSE listed its shares by way of introduction at its own bourse as part of a series of reforms aimed at strengthening the Philippine securities industry.

Classified into financial, industrial, holding firms, property, services, and mining and oil sectors, companies are listed either on the PSE's First Board, Second Board or the Small or Medium Enterprises Board. Each index represents the numerical average of the prices of component stocks. The PSE has an index, referred to as the PHISIX, which as at the date thereof reflects the price movements of selected stocks listed on the PSE, based on traded prices of stocks from the various sectors. The PSE shifted from full market capitalization to free float market capitalization effective 03 April 2006, simultaneous with the migration to the free float index and the renaming of the PHISIX to PSEi. The PSEi includes thirty (30) selected stocks listed on the PSE.

With the increasing calls for good corporate governance, PSE has adopted an online disclosure system to improve the transparency of listed companies and to protect the investing public.

The table below sets out movements in the composite index from 1995 up to the end of 2007, and shows the number of listed companies, market capitalization, and value of shares traded for the same period:

Table 25: PSE Composite Index

Year	Composite Index at Closing	Number of Listed Companies	Aggregate Market Capitalization (in P billions)	Combined Value of Turnover (in P billions)
1995	2,594.2	205	P 1,545.7	P 379.0
1996	3,170.6	216	2,121.1	668.9
1997	1,869.2	221	1,261.3	588.0
1998	1,968.8	221	1,373.7	408.7
1999	2,142.9	226	1,938.6	713.9
2000	1,494.5	230	2,577.6	357.6
2001	1,168.1	232	2,142.6	159.5
2002	1,018.4	234	2,083.2	159.7
2003	1,442.2	236	2,973.8	145.4
2004	1,822.8	236	4,766.2	206.6
2005	2,096.0	237	5,948.37	383.5
2006	2,982.5	240	7,172.8	572.6
2007	3,621.6	244	7,978.5	1,338.3

Source: Philippine Stock Exchange, Inc.

B. Trading

The PSE is a double auction market. Buyers and sellers are each represented by stockbrokers. To trade, bids or ask prices are posted on the PSE's electronic trading system. A buy (or sell) order that matches the lowest asked (for highest bid) price is automatically executed. Buy and sell orders received by one broker at the same price are crossed at the PSE at the indicated price. Payment of purchases of listed securities must be made by the buyer on or before the third trading day (the settlement date) after the trade.

Trading on the PSE starts at 9:30 am and ends at 12:00 pm with a 10-minute extension during which transactions may be conducted, provided that they are executed at the last traded price and are only for the purpose of completing unfinished orders. Trading days are Monday to Friday, except legal holidays and days when the BSP clearing house is closed.

Minimum trading lots range from 10 to 5,000,000 shares depending on the price range and nature of the security traded. Odd-sized lots are traded by brokers on a board specifically designed for odd-lot trading.

To maintain stability in the stock market, daily price swings are monitored and regulated. Under current PSE regulations, when the price of a listed security moves up by 50% or down by 40% in one day (based on the previous closing price or last posted bid price, whichever is higher), the price of that security is automatically frozen by the PSE, unless there is an official statement from the company or a government agency justifying such price fluctuation, in which case the affected explanation, a trading halt is imposed by the PSE on the listed security the following day. Resumption of trading shall be allowed only when the disclosure of the company is disseminated, subject again to the trading ban.

C. Scripless Trading

In 1995, PDTC (formerly the Philippine Central Depository, Inc.) was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. On December 16, 1996, the PDTC was granted a provisional license by the SEC to act as a central securities depository. All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgment and upliftment of securities, pledge of securities, securities lending and borrowing and corporate actions including shareholders' meetings, dividend declarations and rights offerings. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book-entry system, while the cash element will be settled through the current settlement banks, Rizal Commercial Banking Corporation and Banco de Oro Unibank Inc.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which shareholders transfer legal title (but not beneficial title) over their shares of stock in favor of the PCD Nominee, a corporation wholly owned by the PDTC whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged into the PDTC. "Immobilization" is the process by which the warrant or share certificates of lodging holders are cancelled by the transfer agent and a Jumbo Certificate is issued in the name of the PCD Nominee. This trust arrangement between the participants and PDTC through the PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the SEC. No consideration is paid for the transfer of legal title to PCD Nominee. Once lodged, transfers of the beneficial title of the securities are accomplished via book-entry settlement.

Under the current PDTC system, only participants (e.g., brokers and custodians) will be recognized by the PDTC as the beneficial owners of the lodged equity securities. All lodgments, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant's aggregate holdings, in the PDTC system, and with respect to each beneficial owner's holdings, in the records of the participants. Beneficial owners are thus advised that in order to exercise their rights as beneficial owners of the lodged shares, they must rely on their participant-brokers and/or participant-custodians.

Any beneficial owner of shares who wishes to trade his interests in the shares must course the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP and into the PDTC system. Once it is determined on the settlement date (trading date plus three trading days) that there are adequate securities in the securities settlement account of the participant-seller and adequate cash or an appropriate bank limit in the system cash account of the participant-buyer, the PSE trades are automatically settled in the PDTC system, in accordance with the PDTC Rules and Operating Procedures. Once settled, the beneficial ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities.

If a shareholder wishes to withdraw his stockholdings from the PDTC system, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged by surrendering the jumbo certificate of PCD Nominee to a transfer agent which then issues a new stock certificate in the name of the shareholder and a new jumbo certificate of PCD Nominee for the balance of the lodged shares. The expenses for the upliftment are on the account of the uplifting shareholder.

The SCCP launched its Central Clearing and Settlement System ("CCSS") in May 2006. Under this system, the current securities infrastructure in the Philippines is composed of a depositary and a registry system wherein listed shares are traded and settled as book-entry shares. The difference between the depositary and the registry would be on the recording of ownership of the shares in the issuing corporation's books.

In the depository set-up, shares are simply immobilized, wherein customers' certificates are cancelled and a new jumbo certificate is issued in the name of PCD Nominee. Transfers among/between broker and/or custodian accounts, as the case may be, will only be made within the book entry system of PDTC. However, as far as the issuing corporation is concerned, the underlying certificates are in the nominee's name. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agents' books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing from the broker its current "de facto" custodianship role.

The option of whether a listed security should be "housed" in the depositary or registry is at the issuer's discretion. The migration from the depositary to the registry model aims to eliminate the legal and operational risks brought about by a depositary infrastructure. Likewise, the migration is expected to strengthen measures to protect public investors/shareholders and decrease transaction costs resulting from additional layers in the settlement process. The move will also prepare an infrastructure for a complete name-on registry system.

The PSE and the SCCP expect a natural migration to the registry model, with system and cost efficiency as the catalyst, and the market itself initiating the move. Once the CCSS is in place, custodians holding Philippine listed equity securities will have the following options:

- Stay with the depositary for all its securities, whereby PDTC acts as their implied "Custodian." For shares under the PDTC, custodians are direct PDTC account holders, however; with the shares still recorded in the PCD Nominee name as far as the corporation/transfer agent is concerned; for shares under the registry, the custodian appears to be a "client" under "PCD," such that shares are recognized or recorded with PCD as the master/controlling account.

- Be a system participant of the SCCP wherein the CCSS would offer to the custodians the interface to both the depositary and registry systems. In this option, for shares under the PDTC, custodians will still have the option to maintain their own accounts in the PDTC or have an omnibus account together with the broker accounts in the PDTC as shares are accounted for or segregated per account holder in the CCSS. This simplifies the custodian's interface into only one connectivity for both the depositary and the registry systems; for shares under the registry system, the custodian will have its own master account, having the control over its own account.

In the registry scenario, custodians are already recognized as the beneficiary holder of the securities on behalf of its clients. The custodian effectively is given a direct relationship with the issuing company wherein it receives the annual reports, dividends, and other communications and information directly. Prospectively, when the custodian is accredited as an indirect clearing member of the SCCP, straight-through processing of trades or settlement can already be done directly with the custodian or with its client.

D. Settlement

The Securities Clearing Corporation of the Philippines (SCCP) is a wholly-owned subsidiary of the Philippine Stock Exchange, Inc., and was organized primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. It is responsible for (a) synchronizing the settlement of funds and the transfer of securities through Delivery versus Payment (DVP) clearing and settlement of transactions of Clearing Members, who are also Trading Participants of the Philippine SEC; (b) guaranteeing the settlement of trades in the event of a Trading Participant's default through the implementation of its Fails Management System and administration of the Clearing and Trade Guaranty Fund (CTGF), and; (c) performance of Risk Management and Monitoring to ensure final and irrevocable settlement.

SCCP settles PSE trades on a 3-day rolling settlement environment, which means that settlement of trades takes place three (3) business days after transaction date (T+3). The deadline for settlement of trades is 12:00 noon of T+3. Securities sold should be in scripless form and lodged under PDTC's book entry system. Each Trading Participant maintains a Cash Settlement Account with one of the two existing Settlement Banks of SCCP which are Banco de Oro Unibank, Inc. and Rizal Commercial Banking Corporation. Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented its new clearing and settlement system called Central Clearing and Central Settlement (CCCS) on 29 May 2006. CCCS employs multilateral netting whereby the system automatically offsets "buy" and "sell" transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each Clearing Member. All cash debits and credits are also netted into a single net cash position for each Clearing Member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-Eligible trade cleared through it.

E. Issuance of Certificated Shares

On or after the listing of the shares on the PSE, any beneficial owner of the shares may apply to PDTC through his broker or custodian-participant for a withdrawal from the book-entry system and return to the conventional paper-based settlement. If a shareholder wishes to withdraw his stockholdings from the PDTC System, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged by surrendering the Jumbo Certificate of the PCD Nominee to a transfer agent which then issues a new stock certificate in the name of the uplifting shareholder and a new Jumbo Certificate to the PCD Nominee for the balance of the lodged shares. The expenses for upliftment are for the account of the uplifting shareholder.

Upon the issuance of certificated shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of beneficial ownership in the shares to certificated securities will be charged to the person applying for upliftment. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until certificated shares shall have been issued by the relevant company's transfer agent.

PART XVI. PHILIPPINE FOREIGN INVESTMENT, EXCHANGE CONTROLS, AND FOREIGN OWNERSHIP

A. Foreign Investment

Foreign investors are permitted to invest in the securities of a Philippine corporation unless otherwise limited by restrictions on foreign ownership imposed under the Constitution and Philippine statutes, as provided in the Foreign Investment Negative List. Among the principal restricted business activities is the ownership of land where foreign ownership is limited to 40% of the outstanding capital stock of the company owning land.

1. Registration of Foreign Investments

Under current BSP Regulations, an investment in listed Philippine Securities (such as Shares) must be registered with BSP if the foreign exchange needed to service the repatriation of capital and the remittance of dividends, profits and earnings which accrue thereon will be sourced from the banking system. The application for registration must be filed by a stockbroker/dealer or an underwriter with a trustee bank designated by the investor. A trustee bank may be any commercial bank or offshore banking unit in the Philippines appointed by the investor to register the investment, hold shares for the investor, and represent the investor on all necessary action in connection with his investments in the Philippines. Applications for registration must be accompanied by: (i) a purchase invoice, subscription agreement and/or proof of listing on the PSE, and (ii) a credit advice or bank certification showing the amount of foreign currency inwardly remitted. Upon submission of the required documents, BSP or the investor’s trustee bank will issue a Bangko Sentral Registration Document (“BSRD”).

Proceeds of divestments, or dividends or registered investments are repatriable or remittable immediately and in full through the Philippine commercial banking system, net of applicable tax without need of BSP approval. Remittance is allowed upon presentation of the BSRD, at the exchange rate applicable on the date of actual remittance. Pending registration or reinvestment divestment proceeds, as well as dividends or registered investments, may be lodged temporarily in interest bearing deposit accounts. Interest earned thereon, net of taxes, is also remittable in full. Remittance of divestment proceeds or dividends or registered investments may be reinvested in the Philippines if the investments are registered with BSP or the investor's trustee bank.

The foregoing is subject to the power of BSP, with the approval of the President of the Philippines, to restrict the availability of foreign exchange during an exchange crisis, when an exchange crisis is imminent or in times of national emergency. In addition, there can be no assurance that BSP regulations will not be made more restrictive.

The Receiving Agent will use its reasonable endeavors to effect such registration as soon as practicable following the Offer and, in any event, not later than the date of the listing of the Offer Shares on the PSE. In the event that the Receiving Agent receives Pesos as payment for a subscription or sale of the Offer Shares, the Receiving Agent shall have no responsibility for the registration of such subscription as a foreign investment. In the event of non-registration as a foreign investment, the repatriation of capital or the remittance of dividends may be made only by purchasing the necessary foreign exchange from sources others than banks. Access to the banking system is limited only to those investments that have been registered.

2. Restriction on Foreign Ownership

Foreign investors are allowed to invest in only a limited number of securities of Philippine corporations due to restrictions on foreign ownership imposed under the Constitution and by Philippine statutes, with respect to securities of corporations engaged in restricted business activities. The principal restricted business activities are the ownership of land, exploitation and development of natural resources, ownership of educational institutions, operation of public utilities, and advertising, mass media and rural banking activities.

Under the Foreign Investments Act of 1991, as amended, foreign investments in any Philippine corporation not engaged in a restricted business activity may not exceed 40% of a corporation's outstanding capital stock unless the Philippine corporation has a paid-in capital of at least US $200,000.

B. SEC Code of Corporate Governance

On 05 April 2002, the SEC promulgated the Code of Corporate Governance (SEC Memorandum Circular No. 2, Series of 2002) consistent with and in pursuit of the State's policy to promote corporate governance reforms aimed at raising investor confidence, developing the capital market, and helping the corporate sector and the economy achieve high, sustained growth actively. This Code applies to all corporations whose securities are registered or listed, corporations which are grantees of permits/licenses and secondary franchise from the SEC. It also applies to public companies and branches or subsidiaries of foreign corporations operating in the Philippines whose securities are registered or listed. Each of these corporations is required to promulgate and adopt its corporate governance rules and principles effective as of 01 January 2003.

The Code of Corporate Governance prescribes the detailed qualifications and disqualifications, duties, functions, and responsibilities of the Board of Directors and each member thereof, the Chairman, the Chief Executive Officer, and the corporate secretary. It also mandates the creation of specific board committees in aid of good corporate governance, to wit, an Audit and Compliance Committee, a Nomination Committee, and a Compensation Committee, and requires the Board to commit itself to the protection of the rights of stockholders.

The Securities Regulation Code requires corporations with equity securities listed in the stock exchange to have at least two (2) independent directors, or such independent directors constituting 20% of the members of the Board of Directors, whichever is lesser. The Code of Corporate Governance prescribes the same requirement. The Code of Corporate Governance defines an independent director as a person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having any relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. This means that apart from the directors' fees and shareholdings, he should be independent of management and free from any business or other relationship that could materially interfere with the exercise of his independent judgment.

C. Taxation and Exchange Controls

The information set out below pertaining to certain provisions of Philippine tax law is general in nature and is not exhaustive. Prospective investors should consult their own tax advisers with respect to the tax aspects of an investment in the Offer Shares.

The terms “resident alien”, “resident foreign corporation” and “non-resident foreign corporation” are used in the same manner as in the Philippine Tax Reform Act of 1997 (the “Tax Code”). A “resident alien” is an individual whose residence is within the Philippines and who is not a citizen thereof. A “resident foreign corporation” refers to a foreign corporation engaged in trade or business in the Philippines, while a “non-resident foreign corporation” refers to a foreign corporation not engaged in trade or business in the Philippines.

1. Corporate Income Tax

Generally, a tax of 35% for 2008 and 30% starting 2009 is imposed upon the taxable net income of domestic and resident foreign corporations from all sources (within and outside the Philippines). However, the President of the Philippines may, upon the recommendation of the Secretary of Finance and upon occurrence of certain conditions, allow domestic and resident foreign corporations the option to be taxed at the rate of 15% based on the gross income as it is defined in the Tax Code.

Gross interest income from Philippine currency bank deposits and yield or any other monetary benefit from deposit substitutes, trust funds and similar arrangements as well as royalties from sources within the Philippines are, however, subject to a final withholding tax of 20% of the gross amount of such income.

2. Tax on Dividends

Under the Tax Code, cash and property dividends received from a domestic corporation by individual stockholders who are either citizens or residents of the Philippines are subject to tax at the rate of 10%.

Cash and property dividends received by domestic corporations or resident foreign corporations from domestic corporations are not subject to tax.

Cash and property dividends received by non-resident alien individuals engaged in trade or business in the Philippines from domestic corporations are generally subject to a 20% tax on the gross amount thereof while cash and property dividends received by non-resident alien individuals not engaged in trade or business in the Philippines are generally subject to tax at the rate of 25% of the gross amount of dividends, subject, however, to the applicable preferential tax rates under tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign individuals.

Cash and property dividends received from a domestic corporation by a non-resident foreign corporation are generally subject to tax at the rate of 35% subject to applicable preferential tax rates under tax treaties enforced between the Philippines and the country of domicile of such non-resident foreign corporations. The 35% rate on dividends paid to a non-resident foreign corporation may however, be reduced to 15% rate under the Tax Code if (i) the country in which the non-resident foreign corporation is domiciled imposes no tax on foreign sourced dividends or (ii) the country of domicile of the non-resident foreign corporation allows a credit against the tax due from said corporation equivalent to 20% for taxes deemed to have been paid in the Philippines.

3. Taxes on Capital Gains

Net capital gains realized by a resident or non-resident other than a dealer in securities during each taxable year from the sale, exchange or disposition of shares outside the facilities of the PSE, unless an applicable treaty exempts such gains from tax or provides for preferential rates, are generally subject to tax as follows:

Amount	Rate
Gains not exceeding ₽100,000	5%
Gains over ₽100,000	10%

For block share transactions and those that are not coursed through the automated order matching system of an Exchange system but instead has been prearranged by and among the Broker Dealer's clients is subject to a final tax of either 5% or 10% on net capital gains,

4. Taxes on Transfer of Shares Listed and Traded Through the PSE

A sale or other disposition of shares of stock listed and traded through the facilities of the PSE by a resident or a non-resident holder, other than a dealer in securities, is generally subject to a stock transaction tax at the rate of 1/2 of 1% of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed of which shall be paid by the seller or transferor. In addition, a tax of 12% based on gross receipts from brokering services is imposed on the commission earned by the PSE registered broker which is generally passed on to the client.

5. Documentary Stamp Tax

The original issue of shares is subject to documentary stamp tax of Php2.00 for each Php200.00, or a fractional part thereof, of the par value of the shares issued. The subsequent transfer of shares is subject to a documentary stamp tax of Php1.50 for each Php200.00, or a fractional part thereof of the par value of the shares transferred.

6. Estate and Gift Taxes

Subject to certain exceptions, the transfer of shares upon the death of an individual holder to his heirs by way of succession, whether such holder was a citizen of the Philippines or an alien, regardless of residence, will be subject to Philippine estate taxes at progressive rates ranging from 5% to 20%, if the net estate is over Php200,000.00. On the other hand, individual and corporate holders, whether or not citizens or residents of the Philippines, who transfer shares by way of gift or donation will be liable to Philippine donor's tax on such transfers at progressive rates ranging from 2% to 15% of the net gifts during the year exceeding Php100,000.00. The rate of tax with respect to net gifts made to a stranger (i.e. one who is not a brother, sister, spouse, ancestor, lineal descendant or relative by consanguinity within the fourth degree of relationship) is a flat rate of 30%.

7. Taxation Outside the Philippines

Shares of stock in a domestic corporation are considered under Philippine law as situated in the Philippines and the gain derived from their sale is entirely from Philippine sources; hence the transfer of such shares by sale, exchange, gift (donation), or succession, is generally subject to the taxes as above stated.

The tax treatment of a non-resident holder of the Offer Shares by a jurisdiction outside the Philippines will vary depending upon such holder's particular situation. This prospectus does not fully discuss the tax consideration on non-resident holders of the Offer Shares under laws other than those of the Philippines. Each prospective holder should consult with his own tax adviser as to the particular tax consequences to such holder of purchasing, owning and disposing of the Offer Shares, including the applicability and effect of any state, local and international tax laws.

EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS/HER TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE COMMON SHARES AND WARRANTS, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL AND NATIONAL TAX LAWS.

PART XVII. INFORMATION ON THE INDEPENDENT AUDITOR

The Company, upon approval of the Board of Directors and the stockholders, appointed BDO Alba Romeo as its external auditor. The external auditor examined, verified and reported on the earnings and expenses of the Company.

Apart from the audit and audit-related fees in the amounts of Php529,000.00 for 2006 and Php1,210,000.00 for 2007, no other services were rendered or fees billed by the Company's auditors as of the years ended 31 December 2006 and 2007. BDO Alba Romeo does not have any direct or indirect interest in the Company.

PART XVIII. LEGAL AND OTHER MATTERS

Legal matters in connection with the Offer have been passed upon by the Law Firm of SUBIDO PAGENTE CERTEZA MENDOZA & BINAY with address at 3rd Flr. Value Point Executive Bldg., 227 Salcedo Street, Legaspi Village, Makati City, Philippines.

Copies of the following documents may be inspected during business hours at the Company's principal office:

a. Articles of Incorporation and By-Laws of the Company as amended;
b. Audited Financial Statements of the Company for the years ended 2005, 2006, 2007, and 2008.

PART XIX. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following are the ESTIMATED expenses related to the Offer:

Offer Expenses	Amounts (PHP)
SEC Filing & Research Fees	353,500.00
Taxes	1,214,634.00
PSE Fees	
a. Processing Fee	56,000.00
b. Listing Fee for the Listing By Way of Introduction	3,890,312.55
Underwriting Fees[1]	1,200,000.00
Printing & Publication	100,000.00
Legal & Professional Fees	500,000.00
Out of Pocket Expenses	100,000.00
ESTIMATED TOTAL	7,414,446.55

The expenses of the security holders are shouldered by the Company.

[1] The stated Underwriting fee is a mere estimate based on industry standards. The Company shall enter into an underwriting agreement only when it will offer to the public its Primary Common Shares within one (1) year from the Listing By Way of Introduction in the PSE, under such terms and conditions still be agreed upon.

PART XX. COMPLIANCE WITH LEADING PRACTICE IN CORPORATE GOVERNANCE

To measure or determine the level of compliance of the Board of Directors and top-level management with its Manual on Corporate Governance (the "Manual"), the Company shall establish an evaluation system composed of the following:

- Self-assessment system to be done by Management;
- Yearly certification of the Compliance Officer on the extent of the Company's compliance to the Manual;
- Regular committee report to the Board of Directors; and
- Independent audit mechanism wherein an audit committee, composed of three (3) members of the Board, regularly meets to discuss and evaluate the financial statements before submission to the Board, reviews results of internal and external audits to ensure compliance with accounting standards, tax, legal and other regulatory requirements.

To ensure compliance with the adopted practices and principles on good corporate governance, the Company has designated the Corporate Secretary as Compliance Officer. The Compliance Officer shall: (i) monitor compliance with the provisions and requirements of the Manual; (ii) perform evaluation to examine the Company's level of compliance; and (iii) determine violations of the Manual and recommend penalties for violations thereof for further review and approval by the Board of Directors.

Aside from this, the Company has an established plan of compliance which forms part of the Manual. The plan enumerates the following means to ensure full compliance:

- Establishing the specific duties, responsibilities and functions of the Board of Directors;
- Constituting committees by the Board and identifying each committee's functions;
- Establishing the role of the Corporate Secretary;
- Establishing the role of the external and internal auditors; and
- Instituting penalties in case of violation of any of the provisions of the Manual.

To date, there has been no deviation from the Company's Manual.

PART XXI. ADDITIONAL INFORMATION PERTAINING TO THE COMPANY'S PRIMARY COMMON SHARES AND WARRANTS TO BE APPLIED FOR LISTING AT THE PSE WITHIN ONE (1) YEAR FROM THE LISTING BY WAY OF INTRODUCTION OF THE COMPANY'S SECONDARY COMMON SHARES

A. Use of Proceeds

To reiterate, there will be no capital-raising in current application for listing lodged with the PSE as the Company will not receive any proceeds from the Listing by Way of Introduction of the Secondary Common Shares in the Second Board of the PSE. The Company likewise does not expect to receive any proceeds from the Warrants which shall have an issue price of Php0.00.

In the case of the Primary Common Shares, to be offered to the public within one (1) year after the Listing by Way of Introduction in the Second Board of the PSE, the estimated gross proceeds based on a minimum offer price of Php1.00 per share is Php101,463,398.

The following are the ESTIMATED expenses related to the Offer:

Offer Expenses	Amounts (PHP)
SEC Filing & Research Fees	353,500.00
Taxes	1,214,634.00
PSE Fees a. Processing Fee b. Listing Fee for the Listing By Way of Introduction[2]	 56,000.00 3,890,312.55
Underwriting Fees[3]	1,200,000.00
Printing & Publication	100,000.00
Legal & Professional Fees	500,000.00
Out of Pocket Expenses	100,000.00
ESTIMATED TOTAL	7,414,446.55

After deducting the foregoing estimated expenses, the estimated net proceeds amounts to Php94,048,951.45, based on the estimated minimum offer price of Php1.00 per share.

USE	ESTIMATED AMOUNT	ESTIMATED TIME FRAME
Purchase of fruits and vegetables	P 34,048,951.45	4th Quarter of 2010
Acquisition of new canning equipment, laboratory equipment, drying and freezing equipment and cold storage facilities	30,000,000.00	1st Quarter of 2011
Additional investment on farm machinery and equipment such as tractor, drip irrigation, green house, seedling, fertilizers, and post harvest facilities	30,000,000.00	1st Quarter 2011
TOTAL	**94,048,951.45**	

**These uses of proceeds are subject to change as may be deemed appropriate or necessary by the Board of Directors subject to the prevailing circumstances at the time of the public listing.*

The net proceeds shall be used primarily for the working capital of the Company considering its key business activity, i.e., the buying, selling, processing, canning, and export of mangoes and other fruits and the distribution of fruits and vegetables, is a working capital-intensive business. Mangoes, and other fruits and vegetables,

2 The Listing Fee shall depend on the most recent closing price of the Company's securities in the NSX, which will be used as the Company's opening price.
3 The stated Underwriting fee is a mere estimate based on industry standards. The Company shall enter into an underwriting agreement only when it will offer to the public its Primary Common Shares within one (1) year from the Listing By Way of Introduction in the PSE, under such terms and conditions still be agreed upon.

are key product inputs. They are normally purchased from farmers in cash, or, at times even on cash-before-delivery basis. Thus, a key driver to the Company's growth is access to working capital funds to expand and increase its ability to purchase fruits and vegetables and other primary inputs.

In the event that the actual expenses relating to the Offer differ from the above estimates and in the event that the offer price is adjusted, the actual net proceeds to the Company from the Offer may be higher or lower than the expected net proceeds set forth above. Any increase or decrease in the net proceeds to the Company shall be addressed by making a corresponding increase or decrease, as the case may be, to the Company's provision for working capital requirements and capital expenditures.

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the minimum Offer Price of Php1.00 per share; the Company's current plans; and anticipated expenditures. Actual use of the net proceeds may vary from the foregoing discussion and management may find it necessary or advisable to reallocate the net proceeds for other similar corporate purposes.

At present and based on the minimum Offer Price of Php1.00 per share:

a. No material amounts of other funds are necessary to accomplish the specified purpose/s for which the offering is made.

b. No material amounts of the proceeds will be used: (i) to discharge debt; and (ii) to reimburse any officer, director, employee or shareholder for service rendered, assets previously transferred, money loaned or advanced or otherwise.

No material amount of the proceeds shall be used to acquire assets or finance the acquisition of other business.

B. Determination of Offer Price

In determining the Offer Price of the Common Shares in the public offering to be made within one (1) year from listing, various factors shall be considered, such as, prevailing stock market conditions, the estimates of the business potentials and earnings prospects of the Company as assessed by the Company's Management, and relating the said factors to the current market valuations of comparable companies listed in the PSE.

On the other hand, in determining the Exercise or Conversion Price of the Warrants, the Company considered the following factors:

1. Value-based formula: Based on ANI's projected earnings figures in their projected financial statements

2. ANI share estimated Price Earnings (P/E) Ratio of 7.84 for 2009

    a. 2009: Net Income = Php454,619,706 = 2.55 EPS

The approval of the PSE is limited to the Listing By Way of Introduction of the Company's 178,536,602 Common Shares. The Company's applications for the planned public offering of its 101,463,398 Common Shares and 20,000,000 Warrants have not been filed with the PSE; hence, the same shall still be subject to separate approvals of the PSE.

Outstanding Shares 178,536,602[4]

Exercise Price of Php20 = P/E Ratio of 7.84

3. Use of Black Scholes model[5] to determine the price of the warrant

Black Scholes					
Input			**Output**		
				Calls	**Puts**
Strike Price	20		**Option value**	0	13.1612
Par Value	1		**Delta**	0.0001	-0.9999
Time to expiration (days)	1800		**Theta**	0	0.0027
Volatility (%)	30		**Vega**	0	
Annual interest rate (%)	7		**Rho**	0	-0.6984
			Gamma	0.0008	

C. Dilution

The Company does not expect to receive any proceeds from the Warrants which are to be issued at Php0.00, there will be no increase or decrease of the net tangible book value per share of the Company.

D. Warrants

The Company shall register 20,000,000 Warrants relating to 20,000,000 Common Shares under the following terms and conditions: (i) the Warrants are European Call Options with an Expiry Date at the end of the 5th year from issuance and listing; (ii)

[4] This includes the 10,631,467 Common Shares which have been allotted to the Company's directors, employees and consultants under a Stock Purchase Plan, the issuance of which is subject to the approval of the SEC

[5] The Black Scholes Model is one of the most important concepts in modern financial theory. It was developed in 1973 by Fisher Black, Robert Merton and Myron Scholes and is still widely used today, and regarded as one of the best ways of determining fair prices of options.

It is a model of price variation over time of financial instruments such as stocks that can, among other things, be used to determine the price of a European call option. The model assumes that the price of heavily traded assets follow a geometric Brownian motion with constant drift and volatility. When applied to a stock option, the model incorporates the constant price variation of the stock, the time value of money, the option's strike price and the time to the option's expiry.

The Black Scholes Model has become the standard method of pricing options. The Black Scholes formula calculates the price of a call option to be:

$$C = SN(d_1) - Xe^{-rT} N(d_2)$$

where

C = price of the call option
S = price of the underlying stock
X = option exercise price
r = risk-free interest rate
T = current time until expiration
N() = area under the normal curve
$d_1 = [\ln(S/X) + (r + \sigma^2/2) T] / \sigma T^{1/2}$
$d_2 = d_1 - \sigma T^{1/2}$

the issue price of the Warrant is Php0.00; (iii) the strike price of the Warrant is Php20.00 per share; the conversion ratio is one (1) Warrant to one (1) Common Share.

The holders of the Warrants has the right but not the obligation to exercise his/her right to conversion and delivery of the underlying common share/s after five (5) years from the date of issuance of the Warrant/s (the “Exercise Period”), at a Strike Price of Php20.00 per share at the time of exercise.

The holders of the Warrants can exercise the Warrant by filing a request form in the office of the Company. Exercise of the Warrant requires filling-out, disclosing and presenting the following information and documents:

- Duly accomplished Notice of Conversion form
- Warrant certificate or the electronic equivalent
- Payment of the strike price of Php20.00 per share
- 2 valid identification cards

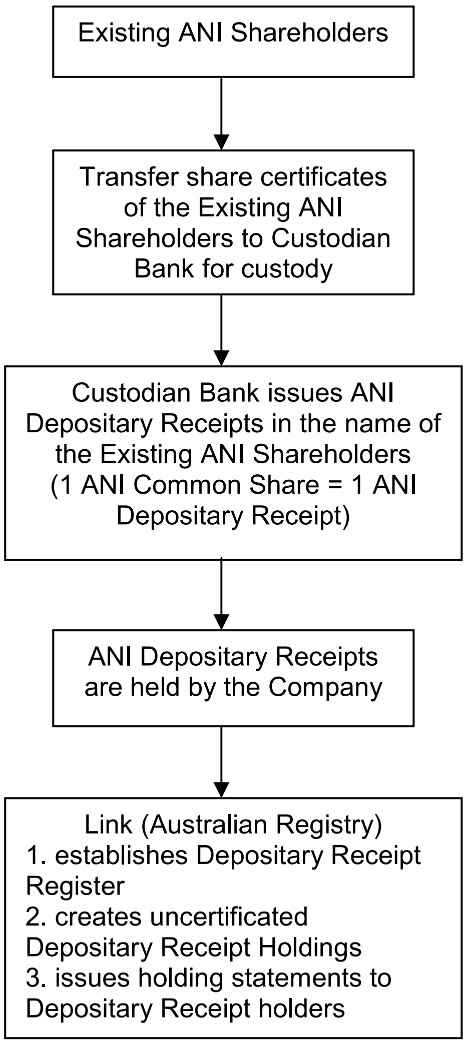
At present, the Company has no issued and outstanding Warrants. However, 6,500,000 Warrants have been allotted to officers and directors of the Company and which shall be issued upon approval thereof by the SEC. These Warrants are to be listed within one (1) year after approval of the Company’s Listing by Way of Introduction subject to approval by the PSE.

ANNEX A

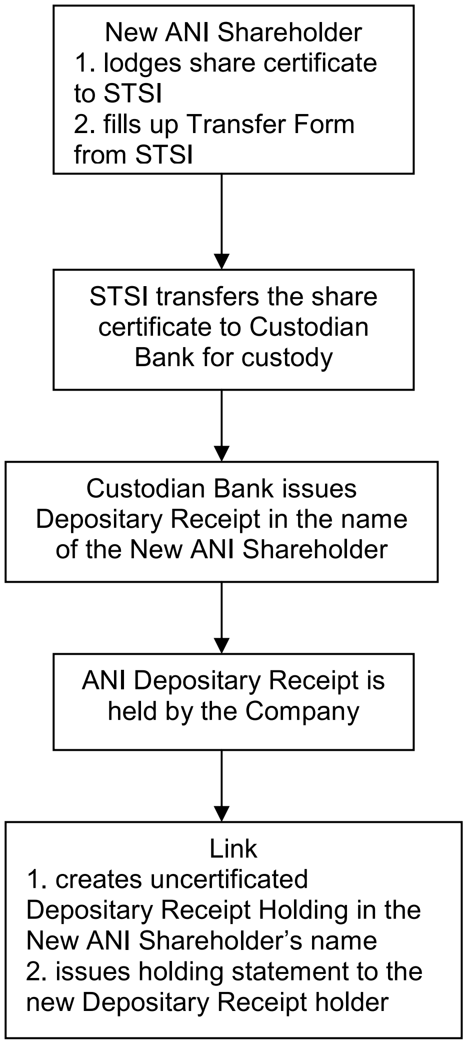
CREATION OF
CHESS DEPOSITARY INTEREST
FLOWCHART

AGRINURTURE, INC.

I. Creation of Depositary Receipts by the Existing Shareholders



II. Creation of Depositary Receipts by the Future Shareholders



ANNEX B

AUDITED FINANCIAL STATEMENTS
AS OF
31 DECEMBER 2008

COVER SHEET

0	1	9	9	7	0	1	8	4	8

SEC Registration Number

A G R I N U R T U R E , I N C .

A N D S U B S I D I A R I E S

(Company's Full Name)

N o . 5 4 N a t i o n a l R o a d

D a m p o l I I - A P u l i l a n

B u l a c a n

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

Antonio L. Tiu	413-5566
Contact Person	Company Telephone Number

1 2 / 3 1
Month *Day*
Calendar Year

A F S - 0 8

Month *Day*
Annual Meeting

Secondary License Type, If Applicable

M R D
Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

AgriNurture Inc.
35 Gasan St., Masambong SFDM, Q.C., Philippines 1115
Tel: (632) 413-6677 (632) 413-5566 Fax: (632)-413-8899

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **AGRINURTURE, INC, & SUBSIDIARIES** is responsible for all information and representations contained in the consolidated financial statements for the years ended December 31, 2008 and 2007. The consolidated financial statements have been prepared in conformity with Philippine Financial Reporting Standards and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition, and liabilities are recognized. The management likewise discloses to the Company's external auditor: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process, and report financial data; (ii) material weaknesses in the internal controls; and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

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

ALBA ROMEO & CO, the independent auditor appointed by the Stockholders, has examined the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing and expressed its opinion on the fairness of presentation upon completion of such examination, in its report to the Board of Directors and stockholders.

ANTONIO TIU
Chairman of the Board/CEO

DANIEL GO
Chief Financial Officer

SUBSCRIBED AND SWORN TO, before me, this MAY 05 2009 day of ___, Affiant exhibited to me this Community Tax Certificate No. 1127579 issued on 1-5-09, at Q.C.

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Page No. 64
Book No. LXIV
Series of 2009

ATTY. RENATO R. DEVERA
Notary Public
Until December 31, 2010
IBP No. 745826-Lifetime-Q.C.
Bar Roll No. 19289
TIN No. 120-434-403
PTR No. 1172109-QC-1-5-09
MCLE No. II-0014402

BDO Alba Romeo & Co
Certified Public Accountants

7th Flr. Multinational Bancorporation Centre
6805 Ayala Avenue, Makati City, Philippines
Tel. Nos.: (632) 844-2016
Facsimile: (632) 844-2045
http://www.bdoalbaromeo.com
Branches: Bacolod / Cagayan de Oro / Cebu

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
AGRINURTURE, INC. AND SUBSIDIARIES
No. 54 National Road, Dampol II-A
Pulilan, Bulacan, Philippines

We have audited the accompanying consolidated financial statements of **AGRINURTURE, INC. AND SUBSIDIARIES**, which comprise the consolidated balance sheets as of December 31, 2008 and 2007, the consolidated statements of income, cash flows and changes in equity for each of the three years then ended December 31, 2008 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained and the reports of the other auditor are sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **AGRINURTURE INC. AND SUBSIDIARIES** as of December 31, 2008 and 2007, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

FOR THE FIRM: BDO ALBA ROMEO & CO.

GIDEON A. DE LEON
Partner
PTR No. 1782269 A, January 5, 2009, Cagayan de Oro City
CPA Reg. No. 23029
TIN No. 110-291-260
SEC Accreditation No. 0036-AR-2 (Individual)
SEC Accreditation No. 007 (Firm)
BIR Certificate of Accreditation AN 08-001682-10-2009 (April 7, 2009 to 2012)

Makati City, Philippines
April 24, 2009

AGRINURTURE, INC. AND SUBSIDIARIES

(Formerly Mabuhay 2000 Enterprises, Inc.)

CONSOLIDATED BALANCE SHEETS

December 31, 2008 and 2007

	Notes	2008	2007
ASSETS			
Current Assets			
Cash		**P8,397,521**	P11,064,779
Trade and other receivables	4	**220,461,635**	87,909,220
Note receivable	9	**58,000,000**	50,000,000
Due from stockholders	15	**5,182,925**	81,449,381
Advances to projects	21	**31,997,768**	9,167,441
Inventories	5	**34,150,232**	16,323,174
Prepayments and other current assets		**7,344,877**	3,137,144
Total Current Assets		**365,534,958**	259,051,139
Non-current Assets			
Property and equipment, net	6	**133,380,179**	45,337,380
Deferred tax assets	16	**945,608**	293,075
Goodwill	21	**19,509,913**	30,103,896
Other non-current assets		**3,924,462**	738,113
Total Non-current Assets		**157,760,162**	76,472,464
TOTAL ASSETS		**P523,295,120**	P335,523,603
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	7	**P89,725,054**	P70,674,718
Current portion of long-term notes payable	8	**211,241,383**	106,376,923
Due to stockholders	15	**14,652,684**	17,441,630
Income tax payable		**633,751**	692,184
Total Current Liabilities		**316,252,872**	195,185,455
Non-current Liabilities			
Long-term notes payable	8	**15,680,391**	13,276,122
Pension liability	13	**525,294**	383,296
Deferred tax liability	16	**-**	121,563
Total Non-current Liabilities		**16,205,685**	13,780,981
Total Liabilities		**332,458,557**	208,966,436
Equity			
Equity Attributable to Equity Holders of the Parent			
Share capital - P1 par value in 2008 and P100 in 2007			
Authorized - 300,000,000 shares in 2008; 10,000,000 in 2007			
Issued - 178,536,602 shares in 2008; 100,000 in 2007	9	**178,536,602**	10,000,000
Deposits for future stock subscriptions	9	**-**	95,898,440
Retained earnings			
Appropriated	9	**19,000,000**	-
Unappropriated		**(6,700,039)**	3,562,842
		190,836,563	109,461,282
Equity Attributable to Minority Interests		**-**	17,095,885
Total Equity		**190,836,563**	126,557,167
TOTAL LIABILITIES AND EQUITY		**P523,295,120**	P335,523,603

See accompanying Notes to Consolidated Financial Statements.

AGRINURTURE, INC. AND SUBSIDIARIES
(Formerly Mabuhay 2000 Enterprises, Inc.)

CONSOLIDATED STATEMENTS OF INCOME
For the Years Ended December 31, 2008, 2007 and 2006

	Notes	2008	2007	2006
Sales		**P777,964,691**	P623,874,393	P106,887,850
Cost of Sales	10	**643,940,906**	510,249,833	88,856,264
Gross Profit		**134,023,785**	113,624,560	18,031,586
Operating Expenses	11	**110,166,155**	100,857,585	16,909,415
Operating Income		**23,857,630**	12,766,975	1,122,171
Other Expenses, Net	14	**(10,357,077)**	(1,872,131)	(186,339)
Income Before Income Tax		**13,500,553**	10,894,844	935,832
Provision for Income Tax	16			
Current		**4,763,434**	4,310,888	387,776
Deferred		**-**	(82,266)	(27,233)
		4,763,434	4,228,622	360,543
NET INCOME		**P8,737,119**	P6,666,222	P575,289
Attributable To				
Equity Holders of the Parent		**8,737,119**	4,302,533	582,136
Minority Interests		**-**	2,363,689	(6,847)
		P8,737,119	P6,666,222	P575,289
EARNINGS PER SHARE	17	**P0.06**	P0.43	P0.06

See accompanying Notes to Consolidated Financial Statements.

AGRINURTURE, INC. AND SUBSIDIARIES
(Formerly Mabuhay 2000 Enterprises, Inc.)

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2008, 2007 and 2006

	Notes	2008	2007	2006
Cash Flows from Operating Activities				
Income before income tax		**P13,500,553**	P10,894,844	P935,832
Adustments for -				
Depreciation and amortization	6,12	**4,295,220**	2,236,735	322,195
Provision for retirement benefits cost	11,13	**141,998**	128,311	254,986
Unrealized foreign exchange gain		-	(347,325)	-
Goodwill		**10,593,983**	-	-
Interest expense	8,14	**13,880,886**	2,862,966	823,524
Interest income	14	**(36,620)**	(15,621)	(91,707)
Operating income before working capital changes		**42,376,020**	15,759,910	2,244,830
Changes in working capital accounts				
Decrease (increase) in				
Trade and other receivables		**(132,552,417)**	(100,280,134)	(2,802,105)
Note receivable		**(8,000,000)**	-	-
Inventories		**(17,827,058)**	(15,090,750)	(1,054,433)
Due from stockholders		**76,266,456**	(81,403,296)	(46,085)
Advances to projects		**(22,830,327)**	(1,613,397)	(7,554,044)
Prepayments and other current assets		**(4,207,733)**	(2,939,105)	(126,194)
Increase (decrease) in				
Trade and other payables		**19,050,336**	69,236,636	153,938
Due to stockholders		**(2,788,946)**	16,644,847	796,783
Cash used for operations		**(50,513,669)**	(99,685,289)	(8,387,310)
Interest paid		**(13,880,886)**	(2,862,966)	(823,524)
Interest received		**36,620**	15,621	91,707
Income taxes paid		**(5,595,963)**	(3,984,212)	(30,772)
Net cash used in operating activities		**(69,953,898)**	(106,516,846)	(9,149,899)
Cash Flows from Investing Activities				
Additions to property and equipment	6	**(92,338,017)**	(23,533,825)	(1,909,892)
Additional investment in subsidiary		**(17,095,885)**	-	-
Increase in other non-current assets		**(3,186,350)**	(738,113)	-
Net cash used in investing activities		**(112,620,252)**	(24,271,938)	(1,909,892)
Cash Flows from Financing Activities				
Proceeds from borrowings		**109,402,671**	115,653,045	7,000,000
Repayments on borrowings		**(2,133,942)**	(3,000,000)	(1,972,000)
Deposits for future stock subscriptions		-	24,918,440	-
Proceeds from issuance of share capital		**72,638,162**	-	-
Net cash provided by financing activities		**179,906,891**	137,571,485	5,028,000
Net Increase (Decrease) in Cash		**(2,667,259)**	6,782,701	(6,031,791)
Cash, January 1		**11,064,779**	4,282,078	10,313,869
Cash, December 31		**P8,397,520**	P11,064,779	P4,282,078

See accompanying Notes to Consolidated Financial Statements.

AGRINURTURE, INC. AND SUBSIDIARIES

(Formerly Mabuhay 2000 Enterprises, Inc.)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2008, 2007 and 2006

-

		Equity Attributable to the Equity Holders of the Parent Company					
		Share Capital (Issued and Outstanding)	**Deposits for Future Stock Subscriptions**	**Retained Earnings (Deficit)**		**Minority Interest**	**Total**
	Notes			**Appropriated**	**Unappropriated**		
Balances at January 1, 2006		P10,000,000	P-	P-	(P1,321,827)	P-	P8,678,173
Additions with the acquisition of IMEX						7,500	7,500
Additions with the acquisition of LFVPI						125	125
Net income for the period		-	-	-	582,136	(6,847)	575,289
Balances at December 31, 2006		P10,000,000	P-	P-	P(739,691)	P778	P9,261,087
Balances at January 1, 2007		P10,000,000	P-	P-	(P739,691)	P778	P9,261,087
Acquisition of equity interest of FCAC		-	-	-	-	14,731,418	14,731,418
Deposits for future stock subscriptions	9		95,898,440				95,898,440
Net income for the period		-	-	-	4,302,533	2,363,689	6,666,222
Balances at December 31, 2007		P10,000,000	P95,898,440	P-	P3,562,842	P17,095,885	P126,557,167
Balances at January 1, 2008		P10,000,000	P95,898,440	P-	P3,562,842	P17,095,885	P126,557,167
Issuance of common shares		72,638,162	-	-	-	-	72,638,162
Transfer of deposits for future stocks subscriptions to share capital	9	95,898,440	(95,898,440)	-	-	-	-
Acquisition of remaining equity interest of FCAC		-	-	-	-	(17,095,885)	(17,095,885)
Appropriation for future dividends	9	-	-	19,000,000	(19,000,000)	-	-
Net income for the period		-	-	-	8,737,119	-	8,737,119
Balances at December 31, 2008		**P178,536,602**	**P-**	**P19,000,000**	**P(6,700,039)**	**P-**	**P190,836,563**

See accompanying Notes to Consolidated Financial Statements.

AGRINURTURE, INC. AND SUBSIDIARIES
(Formerly Mabuhay 2000 Enterprises, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 1 – CORPORATE INFORMATION

Incorporation

AgriNurture, Inc. (the Parent Company) formerly known as Mabuhay 2000 Enterprises, Inc., and its subsidiaries (collectively referred herein as the Group) were incorporated under the laws of the Republic of the Philippines.

The Parent Company registered with the Securities and Exchange Commission (SEC) per Registration No. 0199701848 on February 4, 1997 to carry on the business of manufacturing, producing, growing, buying, selling distributing, marketing at wholesale only insofar as may be permitted by law, all kinds of goods, commodities, wares and merchandise of every kind and description and to enter into all kinds of contracts for the export, import, purchase, acquisition, sale at wholesale only and other disposition for its own account as principal or in representative capacity as manufacturer's representative, upon consignment of all kinds of goods, wares, merchandise or products, whether natural or artificial.

The details of incorporation and principal activities of the subsidiaries are as follows:

Name of Subsidiary	Percentage of Ownership	Date of SEC Registration	Registered Address	Principal Activity
First Class Agriculture Corporation (FCAC)	100% directly owned	June 11, 2002	Provincial Road, Barangay Arenas, Arayat, Pampanga	Trading agricultural goods
Fresh & Green Harvest Agricultural Company, Inc. (FG)	100% indirectly owned through FCAC	June 4, 2004	Block 176 Lot 5 Phase 3 Guagua Ext B, Madapdap Resettlement Center, Mabalacat, Pampanga	Trading agricultural goods
M200 IMEX Company Inc. (IMEX)	100% directly owned	May 11, 2005	No. 54 National Road, Dampol II-A Pulilan, Bulacan, Philippines	Manufacturing *- pre-operating stage in 2007* *- operating in 2008*
Lucky Fruit and Vegetable Products, Inc. (LFVPI)	100% directly owned	May 11, 2005	No.35 Gasan Street, Masambong, SFDM, Quezon City	Trading agricultural goods

Best Choice Harvest Agricultural Corp. (BCHAC)	100% indirectly owned through FCAC		Sitio Gugu, Brgy Sta. Rosa, Concepcion City, Tarlac	Management of Farming Activities
Fruitilicious Company, Inc. (FCI)	89.20% directly owned	February 11, 2008	Balongis, balulang, Cagayan de Oro	Processing, manufacturing and trading of frozen agricultural products *-non-operating in 2008*

The Parent Company's registered business address is at National Road, Pulilan, Bulacan, Philippines and its principal place of business is at No. 35 Gasan Street, Masambong, SFDM, Quezon City.

Status of Operations

Business Acquisitions
On January 1, 2007, FCAC declared ownership over 100% of the paid-up capital of FG and BCHAC by virtue of the fulfillment of the conditions for unconditional transfer of ownership from FG's and BCHAC's incorporators to FCAC as embodied in various Deeds of Trusts previously executed by and between parties concerned.

Furthermore, the Parent Company and FCAC (the Parties) executed a Memorandum of Understanding (MOU), which provides for the firm commitment of the former to acquire 100% equity interest on FCAC and all its subsidiaries. The following are the significant mutual covenants agreed upon by the Parties:

- The negotiation and execution of mutually acceptable Memorandum of Agreement (MOA) for the acquisition by ANI of the shares of FCAC's shareholders on or before December 31, 2007;

- Upon signing of the MOU, all decisions in the ordinary course of business of FCAC shall only be made with the consent of the Parent Company; and

- As consideration for the foregoing, the Parent Company shall pay FCAC and its shareholders goodwill money upon execution of the MOA.

Moreover, the Parent Company and the shareholders of FCAC executed a voting trust agreement (VTA), whereby the shareholders holding 60% of the total issued and outstanding shares of stock of FCAC assigned their voting rights to the Parent Company. By virtue of the VTA, the Parent Company obtained control over the financial and operating policies of the FCAC and its subsidiaries.

On December 28, 2007, the Parent Company, FCAC and its major shareholder, executed the aforementioned MOA, which provides for the agreed consideration in acquiring the 100% equity interest in FCAC. The following are the significant mutual covenants agreed upon by the parties:

- The Parent Company shall acquire 100% equity interest in FCAC including all of the latter's 100% owned subsidiaries, FG and BCHAC for a consideration of P56.5 million;

- The said consideration shall be paid as follows: (a) P50 million cash for the net worth of FCAC, receipt of which was already acknowledged and: (b) the remaining P6.5 million shall be paid on or before March 31, 2008; and

- Upon payment of P50 million, FCAC shall assign in favor of the Parent Company, 60% equity interest in FCAC including all its subsidiaries. The remaining 40% shall be assigned to the Parent Company upon payment of the remaining P6.5 million.

In March 2008, the Parent Company has fully paid for the remaining 40% equity interest in FCAC and all its subsidiaries.

On January 2, 2008, the majority of the stockholders and BOD of the Parent Company resolved to approve the following amendments to the Parent Company's Articles of Incorporation:

a) Change in the registered business name from Mabuhay 2000 Enterprises, Inc. to its current name; and
b) Change in the registered business address of the Parent Company, from 7th Floor Escolta Twin Tower, Escolta St., Binondo, Manila City to its current address.

The SEC approved the aforementioned amendments on February 15, 2008.

Compliance Listing of Securities with a Foreign Stock Exchange - the National Stock Exchange of Australia (NSX)
On January 09, 2009, the Parent Company's application for compliance listing with the NSX has been approved with its secondary common shares being listed and have subsequently been traded.

Initial Listing of Securities with a Local Stock Exchange – the Philippine Stock Exchange, Inc (PSE).
On April 15, 2009, the PSE has approved the application of the Parent Company's initial listing by way of introduction of 178,536,602 common shares, with par value of one peso: P1 per share, in the Second Board of the PSE at an opening price based on the closing price of the Parent Company's shares in the NSX on the trading day immediately preceding the listing date subject to the compliance by the Parent Company with all the requirements set forth by the PSE.

Listing by way of introduction is a listing process that does not involve a public offering of the Parent Company's securities.

Approval of Consolidated Financial Statements

The accompanying consolidated financial statements of the Group for the period ended December 31, 2008 were authorized and approved for issuance by the BOD on April 24, 2009.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

Basis of Preparation

Basis of Measurement
The accompanying consolidated financial statements of the Group have been prepared on historical cost basis.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs) issued by the Financial Reporting Standards Council. PFRSs consist of the following:

(a) PFRSs - correspond to International Financial Reporting Standards;
(b) Philippine Accounting Standards (PASs) – correspond to International Accounting Standards; and
(c) Philippine Interpretations to existing standards – correspond to Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretation Committee of the International Accounting Standards Board; these include Interpretation developed by the Philippine Interpretation Committee.

Functional and Presentation Currency
The accompanying consolidated financial statements are presented in Philippine peso, which is also the functional currency of the Group.

Basis of Consolidation

The consolidated financial statements of the Group comprise the separate financial statements of the Parent Company and its subsidiaries. The financial statements of the subsidiaries are prepared in the same reporting period as the Parent Company, using consistent accounting policies.

All intra-company balances, receivables and payables, income and expenses, profits and losses resulting from intra-company transactions that are recognized in the separate financial statements of the Parent Company and its subsidiaries are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continue to be consolidated until the date that such control ceases.

Minority interest represents the portion of profit or loss and net assets of FCA, FG, BCHAC, IMEX and LFVPI in 2007 not held by the Group and are presented separately in the consolidated statements of income and within the equity section in the consolidated balance sheets and consolidated statements of changes in equity, separately from the Parent Company's shareholders' equity.

Minority interest represents the interest in a subsidiary, which is not owned, directly or indirectly through subsidiaries, by the Group. If losses applicable to the minority interest in a subsidiary exceed the minority interest's equity in the subsidiary, the excess, and any further losses applicable to the minority interest, are charged against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses.

If the subsidiary subsequently reports profits, the majority interest is allocated all such profits until the minority interest's share of losses previously absorbed by the majority interest has been recovered.

Business Combinations

Acquisitions of subsidiaries are accounted for using the purchase method. The cost of an acquisition is measured at fair values of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

Any excess of the cost of the business combination over the Group's interest in the net fair values of the identifiable assets, liabilities and contingent liabilities represents goodwill, and recognized in the consolidated balance sheets on the date of acquisition. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

On the other hand, any excess of the Parent Company's interest in the fair values of the identifiable assets and liabilities and contingent liabilities acquired over the cost of business combination is recognized in the consolidated statements of income on the date of acquisition.

Acquisition of the minority interests are accounted for using the parent entity extension method, whereby the difference between the consideration and the book value of the share on net assets acquired is recognized as goodwill in the consolidated statements of income.

Transfers of assets between commonly controlled entities are accounted for under historical cost accounting.

Group's Adoption of New Accounting Standards, Interpretations and Amendments to Existing Standards

The accounting policies adopted in the preparation of the Group's consolidated financial statements have been consistently applied in all periods presented except as stated below.

<u>Accounting Standard, Amendments and Interpretations Effective in 2008</u>
The Group adopted the following relevant standard, amendment and interpretations to existing standards, which are effective for annual periods beginning on or after January 1, 2008, that are relevant to its operations:

- PAS 39 and PFRS 7 (Amendment), *Reclassification of Financial Assets*
  The amendments to the standards, which became effective on July 1, 2008, permitted an entity to reclassify non-derivative financial assets (other than those designated at FVPL by the entity upon initial recognition) out of the FVPL in particular circumstances. The amendment also permitted an entity to transfer from AFS category to the loans and

receivables category a financial asset that would have met the definition of loans and receivables (if the financial assets had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. In the event of reclassification, additional disclosures are required under PFRS 7. The Group assessed that the amendment to these standards have no impact on its consolidated financial statements since it has not reclassified its financial assets to a new category.

- Philippine Interpretation IFRIC 14, PAS 19, *The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction*
  This interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognized as an asset under PAS 19, *Employee Benefits*. This interpretation does not have any impact on the financial position of the Group, as it does not have any pension asset.

The following interpretations to existing standards are effective in 2008, but are not yet relevant to the Group's operations:

- Philippine Interpretation IFRIC 11, *PFRS 2 – Group and Treasury Share Transactions*
  This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme by the entity even if (a) the entity chooses or is required to buy those equity instruments (e.g. treasury shares) from another party, or (b) the shareholders of the entity provide the equity instruments needed. It also provides guidance on how subsidiaries, in their separate financial statements, account for such schemes when their employees receive rights to the equity instrument of the parent. The Group currently does not have any stock option plan and therefore, this interpretation have no impact to its consolidated financial statements.

- Philippine Interpretation IFRIC 12, *Service Concession Agreements*
  This interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession agreements. The Group does not have any service concession arrangements and hence this interpretation have no impact to the Group's consolidated financial statements.

<u>Standards and Amendment to Existing Standards Subsequent to 2008</u>
The Group is also aware of the following standards and amendments to existing standards that have been approved and are effective subsequent to 2008:

- Philippine Financial Reporting Standard (PFRS) 8, *Operating Segments* (Effective January 1, 2009)
  The Standard applies to listed companies. It will replace PAS 14, Segment Reporting and requires an entity to adopt the 'management approach' to reporting on the financial performance of its operating segments. Generally, the information to be reported would be what management uses internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group is currently assessing the impact of this standard in its consolidated financial statements and will adopt once it becomes effective.

- Amendments to PFRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments* (Effective January 1, 2009)
  The amendments improve the disclosure requirements about fair value measurements and reinforce existing principles for disclosures about the liquidity risk associated with financial instruments. It introduces a three-level hierarchy for fair value measurement disclosures and requires entities to provide additional disclosures about the relative reliability of fair value measurements. These disclosures will help to improve comparability between entities about the effects of fair value measurements. As of the reporting date, the management could not yet measure the likely effect of adopting these amendments in the future.

- Revised PFRS 3, Business Combinations, and PAS 27, *Consolidated and Separate Financial Statements* (Effective July 1, 2009)
  The changes to PFRSs have been relatively small. The revised PFRS 3 reinforces the existing PFRS 3 model but remedies problems that have emerged in its application. Management believes that this interpretation would not have any significant impact in the Group's financial statements when it becomes effective in the future.

- Amendments to PFRS 2, Share-based Payment – *Vesting Conditions and Cancellations* (Effective January 1, 2009)
  The amendments deal with two matters. They clarify that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. They also specify that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group is currently assessing the impact of this standard in its consolidated financial statements and will adopt once it becomes effective.

- Revised Version of PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards* (Effective July 1, 2009)
  The revised version has an improved structure but does not contain any technical changes and therefore, would not have any effect on the Group when it becomes effective. It was restructured to make it easier for the reader to understand and to allow it to accommodate more easily any future changes that might be necessary.

- PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards and PAS 27, Consolidated and Separate Financial Statements* (Effective January 1, 2009)
  The amendments are relevant to first-time adopters of PFRS and thus, are not applicable to the Group. It will allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements; and it removes the definition of the cost method from IAS 27 and replacing it with a requirement to present dividends as income in the separate financial statements of the investor.

- Amendments to PAS 39, *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* (Effective for annual periods beginning on or after July 1, 2009)
  The amendments provide additional guidance on what can be designated as a hedged item. It focused on developing application guidance to illustrate how the principles underlying hedge accounting should be applied in those situations. These amendments would most likely not affect the Group when it becomes effective as it does not usually enter into hedging activities.

- Amendments to PAS 32, *Financial Instruments: Presentation, and PAS 1, Presentation of Financial Statements (revised 2007) – Puttable Financial Instruments and Obligations Arising on Liquidation* (Effective January 1, 2009)
  The amendments are intended to improve the accounting for particular types of financial instruments that have characteristics similar to ordinary or common shares but are at present classified as financial liabilities. The amendments to PAS 32 address this issue and provide that puttable financial instruments will be presented as equity only if all of the following criteria are met: the holder is entitled to a pro-rata share of the entity's net assets on liquidation; the instrument is in the class of instruments that is the most subordinate and all instruments in that class have identical features; the instrument has no other characteristics that would meet the definition of a financial liability; and the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the entity (excluding any effects of the instrument itself). Profit or loss or change in recognized net assets for this purpose is as measured in accordance with relevant PFRSs. Management believes that this interpretation would not have any significant impact in the Group's financial statements when it becomes effective since it has not issued any puttable financial instruments and obligations.

- PAS 23 (Amendment), *Borrowing Cost* (Effective on January 1, 2009) - requires capitalization of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements in the Standard, the Group will adopt this as a prospective change. Accordingly, borrowing costs will be capitalized on qualifying assets with a commencement date after January 1, 2009. No changes will be made for borrowing costs incurred to this date that have been expensed.

- Revised PAS 1, Presentation *of Financial Statements* (Effective January 1, 2009)
  The changes made will require information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. This will enable readers to analyze changes in a Group's equity resulting from transactions with owners in their capacity as owners (such as dividends and share repurchases) separately from 'non-owner' changes (such as transactions with third parties). Management believes that such revision would most likely have no significant impact to the Group when it becomes effective.

- Philippine Interpretation IFRIC–18, *Transfers of Assets from Customers* (Effective to transfers of assets from customers received on or after 1 July 2009)
  The Interpretation is particularly relevant for the utility sector and therefore, would not have a significant impact on the Group when it becomes effective. The interpretation clarifies: the circumstances in which the definition of an asset is met; the recognition of the asset and the measurement of its cost on initial recognition; the identification of the separately identifiable services (one or more services in exchange for the transferred asset), the recognition of revenue; and the accounting for transfer of cash from customers.

- Philippine Interpretation IFRIC–17, *Distributions of Non-cash Assets to Owners* (Effective for annual periods beginning on or after 1 July 2009)
  It will standardize practice in the accounting treatment of distribution of non-cash assets to owners. The Interpretation clarifies that: a dividend payable should be recognized when the dividend is appropriately authorized and is no longer at the discretion of the entity; an entity should measure the dividend payable at the fair value of the net assets to be distributed; and an entity should recognize the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss. Management believes that the Group is not yet in a financial position to distribute any asset to its owners.

- Philippine Interpretation IFRIC-16, *Hedges of a Net Investment in a Foreign Operation* (Effective for annual periods beginning on or after October 1, 2008)
  The Interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and that apply hedge accounting in accordance with IAS 39. It does not apply to other types of hedge accounting. Management believes that this interpretation would not have any significant impact in the Group's financial statements when it becomes effective in the future.

- Philippine Interpretation IFRIC –15, *Agreements for the Construction of Real Estate* (Effective January 1, 2012)
  The Interpretation applies to the accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors and therefore, would most likely not have any impact on the Group when it becomes effective. It provides guidance on the recognition of revenue among real estate developers for sales of units, such as apartments or houses, 'off plan', i.e., before construction is complete. It also provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11, *Construction Contracts*, or IAS 18, *Revenue*, and when revenue from the construction should be recognized.

The following principal and relevant accounting policies have been consistently applied:

Financial Instruments

<u>Initial Recognition</u>
Financial assets and financial liabilities are recognized in the consolidated balance sheets when the Group becomes a party to the contractual provisions of the instrument.

Financial instruments are recognized initially at fair value plus transaction costs except for those designated at fair value through profit and loss (FVPL).

Classification of Financial Instruments

The Group classifies its financial assets in the following categories: held-to-maturity (HTM) investments, available-for-sale (AFS) investments, financial assets at fair value through profit and loss (FVPL), and loans and receivables. Financial liabilities are classified as financial liabilities at FVPL and other liabilities. The classification depends on the purpose for which the investments are acquired and whether they are quoted in an active market. Management determines the classification of its financial assets and liabilities at initial recognition and, where allowed and appropriate, reevaluates such designation at every reporting date.

The Group does not have financial assets and liabilities designated as FVPL, HTM and AFS investments.

Determination of Fair Value

The fair value of financial instruments traded in active markets is based on their quoted market price or dealer price quotation (bid price for long positions and asking price for short positions). When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in the economic circumstances since the time of the transaction. If the financial instruments are not listed in an active market, the fair value is determined using appropriate valuation techniques which include recent arm's length market transactions, net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

Financial Assets

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at cost or amortized cost, less impairment in value. Amortization is determined using the effective interest rate method. Gains and losses are recognized in consolidated statements of income when the loans and receivables are derecognized or impaired, as well as through amortization process. Unearned discount is recognized as income over the life of the loan using the effective interest rate method.

The Group's trade and other receivables, note receivables and due from related parties as shown and disclosed in Notes 4 and 9 are included in this category.

Financial Liabilities

Other Financial Liabilities

This classification pertains to financial liabilities that are not held for trading or not designated as at FVPL upon the inception of the liability. Included in this category are the Group's trade and other payables, notes payable, and due to related parties as shown and disclosed in Notes 7, 8, and 15.

The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

Derecognition of Financial Assets and Liabilities

A financial asset, where applicable, part of a financial asset or part of a group of similar financial assets is derecognized when: a) the rights to receive cash flows from the asset have expired; b) the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or c) the Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

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

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

Impairment of Financial Assets

Assessment of Impairment

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. It assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The determination of impairment losses for financial assets is inherently subjective because it requires material estimates, including the amount and timing of expected recoverable future cash flows. These estimates may change significantly from time to time, depending on available information.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES – *continued*

Evidence of Impairment

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

Impairment of Assets Carried at Amortized Cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of loss shall be recognized in the consolidated statements of income.

Reversal of Impairment Loss

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

Classification of Financial Instruments Between Debt and Equity

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest relating to a financial instrument or a component that is a financial liability is reported as expense.

A financial instrument is classified as debt if it provides for a contractual obligation to: (a) deliver cash or other financial assets to another entity; or (b) exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or (c) satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Offsetting of Financial Instruments

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

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES – ***continued***

Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is determined using standard cost, which approximates actual cost determined on the first-in, first-out basis.

NRV is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

The Group directly writes off inventory obsolescence due to spoilage, damage, and bad quality.

Property and Equipment

Property and equipment, except land, are initially measured at cost less any subsequent accumulated depreciation, amortization and any impairment in value. The initial cost of property and equipment consists of its purchase price, import duties, taxes and directly attributable costs of bringing the asset to its working condition for its intended use. Land is stated at cost less any impairment in value.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when the expenditure have resulted in an increase in future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. Expenditures for repairs and maintenance are charged to operations during the period in which these are incurred.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation, amortization and any impairment loss are removed from the accounts and any resulting gain or loss is credited or charged to current operations.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the following property and equipment:

Property and Equipment	Estimated Life
Building	15 years
Store and warehouse equipment	3 - 5 years
Delivery and transportation equipment	3 - 12 years
Machinery and equipment	3 - 12 years
Office furniture and fixtures	3 - 12 years
Leasehold improvements	5 years

Leasehold improvements are amortized over the term of the lease or estimated useful lives of the improvements, whichever is shorter.

Construction in-progress represents leasehold improvements under construction and is stated at cost. This includes cost of construction, renovation, and other direct costs. Construction in-progress is not depreciated until the relevant assets are completed and put into operational use.

The useful lives, residual value and depreciation and amortization methods are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment. The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statements of income.

Impairment of Non-Financial Assets

At each financial reporting date, the Group reviews the carrying amounts of non-current assets to determine whether there is any indication of impairment. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to its recoverable amount. The recoverable amount of the assets is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Any impairment loss is recognized in the consolidated statements of income.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of impairment loss is credited to current operations.

Provisions and Contingencies

The Group recognizes a provision if a present obligation (legal and constructive) has arisen as a result of a past event, payment is probable and the amount can be reliably measured. The amount recognized is the best estimate of the expenditure required to settle the present obligation at balance sheet date, that is, the amount the Group would rationally pay to settle the obligation to a third party.

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The additional specific recognition criteria for each type of revenue is as follows:

Sale of goods
Sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which is normally upon delivery of goods and acceptance by the customers.

Interest income
Interest income is recognized as the interest accrue, taking into account the effective yield on the asset.

Operating Leases

Leases which do not transfer to the Group substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in the consolidated statements of income on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Pension Benefits Cost

The amount recognized as net pension liability is the net of the present value of the defined benefit obligation at the balance sheet date minus the fair value at the balance sheet date, of plan assets out of which the obligations are to be settled directly. The Group's pension benefits costs are actuarially determined using the projected unit credit actuarial valuation method. This method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Upon introduction of a new plan or improvement of an existing plan, past service costs are recognized on a straight-line basis over the average period until the amended benefits become vested. To the extent that the benefits are already vested, past service cost is immediately expensed. Actuarial gains or losses are recognized as income or expense when the cumulative unrecognized actuarial gains and losses at the end of the previous reporting year exceeded 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognized over the expected average remaining working lives of the employees participating in the plan. Gains or losses on the curtailment or settlement of pension benefits are recognized when the curtailment or settlement occurs.

Borrowing Costs

Borrowing costs of ordinary loans from local banks and financing institutions are recognized in the consolidated statements of income in the period in which these are incurred.

Foreign Exchange Transactions

Transactions in foreign currencies are recorded in Philippine peso based on the exchange rates prevailing at the date in which the transaction took place. Foreign currency denominated monetary assets and liabilities of the Group are translated using the prevailing exchange rate as of balance sheet date. Gains or losses arising from these transactions and translation are credited or charged to income for the period.

Related Parties

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Individuals, associates or companies that directly or indirectly control or are controlled or under common control are considered related parties.

Income Taxes

Current income tax

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

Deferred income tax

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

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess minimum corporate income tax (MCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward of unused tax credits and NOLCO can be utilized.

The carrying amount of deferred income tax assets is reviewed at each financial reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES – *continued*

Earnings Per Share (EPS)

Basic EPS is computed by dividing net income by the weighted average number of common shares outstanding during the year, with retroactive adjustments for any stock dividends declared.

Business Segments

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 20 to the consolidated financial statements.

Events After the Financial Reporting Date

Post year-end events up to the date of the auditor's report that provide additional information about the Group's position at financial reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements, when material.

Note 3 – SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in compliance with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments, estimates and assumptions are based on management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from these estimates and assumptions used. The effect of any change in estimates will be reflected in the consolidated financial statements when these become reasonably determinable.

Determination of functional currency
Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency is determined to be the Philippine peso. It is the currency that mainly influences the sale of goods and expenses of the Group.

Classification of financial instruments
The Group classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated balance sheets.

Determination of fair value of financial instruments
The Group carries certain financial assets and liabilities at fair value, which requires use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group utilized different valuation methodologies and assumptions. Any changes in fair value of these financial assets and liabilities would affect profit and loss and equity.

The fair value of financial assets and liabilities as of December 31, 2008 amounted to P292,042,081 and P331,299,512, respectively, as shown in Note 19.

The fair value of financial assets and liabilities as of December 31, 2007 amounted to P230,423,380 and P207,769,393, respectively, as shown in Note 19.

Estimation of useful lives and residual value of property and equipment
The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase recorded operating expenses and decrease non-current assets.

The carrying value of property and equipment amounted to P133,380,179 and P45,337,380 as of December 31, 2008 and 2007, respectively, as disclosed in Note 6.

Asset impairment
The Group determines whether its property and equipment is impaired at least annually. In determining the fair value of property and equipment, the Group relies on the determination of an independent firm of appraisers, which involves significant assumptions and estimates. Future events could cause management to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Group’s financial condition and results of operations. While management believes that the assumptions made are appropriate and reasonable, significant changes in assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

No impairment losses were recognized on property and equipment in 2008 and 2007, as disclosed in Note 6.

Estimation of liability for retirement benefits
The determination of the Group’s obligation and cost of pension and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 12 and include, among others, discount rate and salary increase rate.

Note 3 – SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS – *continued*

In accordance with PFRS, actual results that differ from the assumptions used are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

The estimated liability for retirement benefits amounted to P525,294 and P383,296 as of December 31, 2008 and December 31, 2007, respectively, as shown in Note 13.

Recognition of deferred income taxes

The Group reviews its deferred income tax assets and liability at each balance sheet date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets and liability to be utilized.

Total deferred income tax assets (liability) amounted to P945,608 and (nil) as of December 31, 2008 and P293,075 and (P121,563) as of December 31, 2007, respectively, as shown in Note 16.

Note 4 – TRADE AND OTHER RECEIVABLES

This account consists of:

	2008	2007
Trade receivables	**P129,779,992**	P84,403,164
Other receivables	**90,681,643**	3,506,056
	P220,461,635	P87,909,220

Trade receivables are normally due within 15-30 days and do not bear any interest. All trade receivables are subject to credit risk exposure.

Other receivables include due from officers and employees as disclosed in Note 15.

The Group did not provide for any allowance for doubtful accounts since it believes that the entire amount is collectible within the normal credit period.

Note 5 – INVENTORIES

This account consists of:

	2008	2007
At cost:		
Finished goods	**P5,258,905**	P1, 527,788
Raw materials	**2,046,400**	378,893
Vegetables and fruits	**15,563,050**	-
Packaging materials and other supplies	**11,281,877**	14,416,493
	P34,150,232	P16,323,174

Note 6 – PROPERTY AND EQUIPMENT, Net

The details of the Group's property and equipment, net are as follows:

	Land	Building	Store and Warehouse Equipment	Delivery and Transportation Equipment	Machinery and Equipment	Office Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
Cost									
At January 1, 2008	P2,417,000	P2,939,835	P4,079,291	P8,886,331	P23,173,053	P2,741,071	P2,804,830	P5,489,311	P52,530,722
Additions	18,500,000	53,750,056	1,456,984	1,435,226	47,815,826	1,020,277	-	1,786,859	125,765,228
Disposals					(34,301,374)				(34,301,374)
At December 31, 2008	20,917,000	56,689,891	5,536,275	10,321,557	36,687,505	3,761,348	2,804,830	7,276,170	143,994,576
Accumulated Depreciation and Amortization									
At January 1, 2008	-	391,980	1,308,011	1,770,817	426,520	1,090,691	2,205,323	-	7,193,342
Depreciation and amortization expense	-	195,989	959,312	1,196,939	1,250,202	549,296	143,482	-	4,295,220
Disposals					(874,165)				(874,165)
At December 31, 2008	-	587,969	2,267,323	2,967,756	802,557	1,639,987	2,348,805	-	10,614,397
Net Book Value									
At December 31, 2008	**P20,917,000**	**P56,101,922**	**P3,268,952**	**P7,353,801**	**P35,884,948**	**P2,121,361**	**P456,025**	**P7,276,170**	**P133,380,179**
Net Book Value									
At December 31, 2007	P2,417,000	P2,547,855	P2,771,280	P7,115,514	P22,746,533	P1,650,380	P599,507	P5,489,311	P45,337,380

Portion of the Group's land, building and machinery and equipment were used to secure loans obtained by the Group as disclosed in Note 8.

Note 6 – PROPERTY AND EQUIPMENT, Net – *continued*

Construction in-Progress

This pertains to the capitalizable expenses incurred by a Subsidiary amounting to P7,276,170, and P5,489,311 as of December 31, 2008 and 2007, respectively, in connection with the future transfer and use of a real property. The real property is a collateral to an indebtedness by a third party to the Parent which was subsequently foreclosed.

Management reviewed the carrying value of its property and equipment as of December 31, 2008 and 2007 for any impairment. Based on its evaluation, there were no indications that these assets are impaired.

Note 7 – TRADE AND OTHER PAYABLES

This account consists of:

	2008	2007
Trade payables	**P43,226,875**	P55,075,325
Customers' deposit	**1,258,298**	12,936,797
Accrued expenses	**823,800**	1,092,145
Other payables	**44,416,081**	1,570,451
	P89,725,054	P70,674,718

Trade payables are normally due within 30 days and do not bear any interest.

Other payables include due to officers as disclosed in Note 15.

Note 8 – NOTES PAYABLE

This account pertains to the outstanding balances of loans obtained by the Group, from various banks and a financing institution, for its working capital requirements. The details of which are as follows:

	2008	2007
Banco De Oro (BDO)	**P90,000,000**	P74,750,000
Bank of Commerce (BOC)	**29,770,267**	-
Mega International Commercial Bank (MICB)	**28,499,973**	-
Bank of the Philippine Islands (BPI)	**26,099,482**	19,351,556
Metropolitan Bank and Trust Co. (MBTC)	**20,000,000**	-
Land Bank of the Philippines (LBP)	**8,735,672**	10,000,000
Rizal Commercial Banking Corporation (RCBC)	**8,998,069**	3,383,387
Orix Metro Leasing Finance Corporation (ORIX)	**14,818,311**	12,168,102
	226,921,774	119,653,045
Non-current portion	**(15,680,391)**	(13,276,122)
Current portion	**P211,241,383**	P106,376,923

The pertinent provisions of the loan agreements with the lenders are as follows:

Lenders	Annual Interest Rate 2008	Annual Interest Rate 2007	Term	Security
BDO*	7.75% - 8.5%	–	1 to 6 months	Suretyship agreement and line of credit
MICB	7.50%	–	3 years	Real estate mortgage of FCAC's land and building
BPI	9.25% to 10.5%	9.25% to 10.5%	6 months/5 years	Unsecured in 2008; Receivables of Parent Company and land and building of FCAC in 2007
MBTC	9.0%	–	5 months	Unsecured
LBP*	8.75%	8.75%	6 months	Unsecured
RCBC	8% to 9.5%	8% to 9.5%	1 month to 3 years	Transportation equipment of Parent Company
EWBC*	8.68	–	1 month	Unsecured
ORIX**	Floating rate	–	3 years	Machinery and equipment of Parent Company

** Subject to quarterly repricing at the prevailing market interest rates.*

*** Equivalent to Philippine Dealing Exchange Rate of 9.16% or an average one-year rate plus 7.63% per annum, and is subject to annual repricing.*

Interest expense charged to operations amounted to P13,880,886, P2,862,966, and P823,524 in 2008, 2007 and 2006, respectively, as shown in Note 14.

Note 9 – EQUITY

Increase in Authorized Capital Stock of the Parent Company
The capital stock of the Parent Company consists only of common shares. All shares are equally eligible to receive dividends and repayment of capital and each share is entitled to one vote at the shareholders' meeting.

In 2007, the stockholders made the following payments and assignments of assets to the Parent Company for their future subscription of shares of stock.

a.) A portion of a secured note receivable amounting to P50,000,000 of the total note receivable of P108,356,522, which is based on the consideration given by the stockholder to the seller, was assigned by a major stockholder to the Parent Company on December 27, 2007;
b.) Machinery and equipment amounting to P20.98 million; and
c.) Cash payment of P24.91 million.

On January 21, 2008, the SEC approved the increase in authorized share capital of the Parent Company from P10 million to P300 million and a decrease in the par value per share from P100 to P1 per share. In addition, the Parent Company was also authorized to issue 9.90 million shares out of the increase in the authorized share capital in favor of the existing shareholders.

Subsequent to the SEC approval on the increase in authorized share capital of the Parent Company, the subscribed and paid common shares of stock in 2007 were accordingly issued to the stockholders, including the transfer of the deposits made which amounted to P95,898,440.

Total shares of stocks that were subscribed, paid and issued as of December 31, 2008 and 2007 are detailed below:

	2008		2007	
	Number of Shares	**Amount**	Number of Shares	Amount
Authorized – P1 par value per share in 2008 and P100 par value per share in 2007	**300,000,000**	**P300,000,000**	100,000	P10,000,000
Issued and outstanding	**178,536,602**	**P178,536,602**	100,000	P10,000,000

Out of the shares outstanding, P10,631,467 is allotted to and fully paid for by the Group's directors, employees and consultants under the Stock Purchase Plan. The said Plan is still subject for approval by the SEC.

Appropriation of Retained Earnings of FCAC
FCAC appropriated an accumulated retained earnings of P5,000,000 each, in 2004 and 2005 for expansion projects which was reverted as unappropriated retained earnings in 2007, upon accomplishment of the said project.

On March 10, 2008, the BOD of FCAC approved the appropriation of accumulated retained earnings amounting to P19,000,000 for future dividend declaration.

Note 10 – COST OF SALES

The breakdown of this account for the years ended December 31 is as follows:

	2008	2007	2006
Inventories, January 1	**P16,323,174**	P1,232,424	P177,991
Purchases	**661,767,964**	525,340,583	89,910,697
Total merchandise available for sale	**678,091,138**	526,573,007	90,088,688
Inventories, December 31	**(34,150,232)**	(16,323,174)	(1,232,424)
	P 643,940,906	P510,249,833	P88,856,264

Note 11 – OPERATING EXPENSES

The breakdown of this account for the years ended December 31 is as follows:

	2008	2007	2006
Deliveries	**37,404,836**	P19,539,618	P8,752,946
Salaries, wages and other employee benefit	**17,189,772**	44,123,274	1,373,128
Advertising and promotions	**9,693,836**	4,274,346	-
Professional fees	**6,493,742**	1,158,668	-
Repairs and maintenance	**6,260,387**	2,572,532	-
Taxes and licenses	**5,180,823**	2,749,489	-
Transportation and travel	**4,779,106**	3,437,769	1,179,365
Depreciation and amortization (Note 6)	**4,295,220**	2,236,735	-
Communications, light and water	**3,970,706**	2,292,150	-
Bank charges	**3,831,949**	874,112	-
Representation and entertainment	**1,812,885**	1,955,145	-
SSS, Philhealth and Pag-ibig contributions	**1,477,150**	2,209,333	-
Security services	**1,021,000**	647,867	-
Office supplies	**981,065**	1,035,853	-
Rent (Note 12)	**529,739**	1,511,315	-
Commission	**472,993**	1,828,886	-
Insurance	**282,785**	-	-
Research and development costs	**162,358**	-	-
Retirement benefits cost (Note 13)	**141,998**	128,310	-
Separation Pay	**-**	3,651,841	-
Miscellaneous	**4,183,805**	4,630,342	5,603,976
	P110,166,155	P100,857,585	P16,909,415

Note 12 – LEASES

The Parent Company leases a parcel of land with improvements thereon, where its warehouse and office buildings are located. The lease is for a period of 4 years and 5 months from August 1, 2005 up to December 31, 2009 at a monthly rental of P50,000. The lease includes an annual 10% escalation clause at the lessor's discretion.

Further, FCAC leases a marketing office located at No. 1240 Unit 16A 2nd floor ANPN Plaza, North EDSA, Balintawak, Quezon City. The lease contract is for a period of one year which expired on September 5, 2008.

As of December 31, 2008, the future minimum lease payments under the non-cancelable operating lease amounts to P600,000.

Note 13 – RETIREMENT BENEFITS

The Group does not have a formal retirement plan yet for its employees. The most recent actuarial valuation of the Parent Company's retirement plan was performed by an independent actuary on October 9, 2007. Actuarial valuations are made every two years to update the retirement benefit costs and the amount of contributions.

Movement in the net pension liability recognized in the consolidated balance sheets is as follows:

	2008	2007
Net pension liability, beginning	**P383,296**	P254,986
Retirement expense	**141,998**	128,310
Net pension liability, ending	**P525,294**	P383,296

Reconciliation of the present value of defined benefit obligations is as follows:

	2008	2007
Present value of obligation, beginning	**P737,506**	P626,347
Current service cost	**44,374**	42,261
Interest cost	**81,126**	68,898
Present value of obligation, ending	**P863,006**	P737,506

Note 13 – RETIREMENT BENEFITS - *continued*

Total expense recognized in the consolidated statements of income in respect of this defined benefit plan is as follows:

	2008	2007	2006
Current service cost	**P44,374**	P42,261	P42,261
Interest cost	**81,126**	68,898	31,367
Net actuarial loss	**16,498**	17,151	4,182
Provision for retirement benefits cost	**P141,998**	P128,310	P77,810

The amount included in the present value of obligation arising from the Parent Company's obligations in respect of its defined retirement benefit plan is as follows:

	2008	2007
Present value of defined benefit obligations	**P863,006**	P737,506
Unrecognized actuarial gains	**(337,712)**	(354,210)
	P525,294	P383,296

The key actuarial assumptions used as at the balance sheet dates are:

	2008	2007	2006
Discount rate	**11.00%**	11.00%	11.00%
Salary increase rate	**5.00%**	5.00%	5.00%
Average remaining working life of plan members	**17 years**	18 years	19 years

Note 14 – OTHER INCOME (EXPENSES), Net

The breakdown of the account is as follows:

	2008	2007	2006
Rental income	**P137,480**	P-	P545,478
Interest income	**36,620**	15,621	91,707
Realized foreign exchange gain (loss), net	**28,087**	300,830	-
Other income	**3,321,622**	674,384	-
Interest expense	**(13,880,886)**	(2,862,966)	(823,524)
	(P10,357,077)	(P1,872,131)	(P186,339)

Other income pertains to income from commission on sale of other products and other miscellaneous income.

Note 15 – RELATED PARTY TRANSACTIONS

Below are the details of all intra-company balances, receivables and payables, income and expenses, profits and losses resulting from intra-company transactions that are recognized in the separate financial statements of the Parent Company and its subsidiaries, which are eliminated in full in the accompanying consolidated financial statements.

a. Credit Accommodations of Parent Company and FCAC

On December 27, 2007, the Parent Company was granted credit accommodations by Banco de Oro – EPCI, Inc. amounting to P10.0 million and 15.0 million as of December 31, 2008 and 2007, respectively, which is to be shared between the Parent Company and its subsidiary, FCAC. In relation to this, the Parent Company and FCAC have entered into a suretyship agreement with the bank to act as sureties of each other. The Parent Company, being a surety, jointly and severally and irrevocably:

(i) Secures the due and full payment and performance of the obligations incurred by FCAC; and

(ii) Undertakes with the bank that upon nonpayment or nonperformance of FCAC when the obligation falls due, it shall, without need for any notice, demand or any other act or deed, immediately be liable and pay as if the principal obligor.

As a surety, the Parent Company also pledged, as security for the full and due payment and performance of the obligation, all its moneys and other properties.

As of 2008, FCAC has entered into several loan agreements with BDO, resulting to the recognition of an outstanding liability amounting to P80,000,000 and P74,750,000 as of December 31, 2008 and 2007, respectively. These loans are secured by the assignment of receivables of FCAC and the suretyship agreement mentioned above.

b. Due from and to Officers and Employees

As of December 31, 2008, due from and to officers and employees amounts to P75,173 and P16,115,327, respectively; while as of December 31, 2007, due from and to officers and employees amounted to P93,032 and P1,100,000, respectively. These represent advances made in carrying out the day-to-day operations of the Group and are subject to liquidation upon utilization.

c. Due from and to Stockholders

Due from and to stockholders are interest-free and settlement can be made through cash payment, offsetting or assignment of stockholders' assets to the Group. As of December 31, 2008, due from and to stockholders amounts to P5,182,925 and P14,652,684, respectively; while as of December 31, 2007, due from and to stockholders amounted P81,449,381 and P17,441,630, respectively. The Group has not recorded any impairment of receivables from stockholders as of December 31, 2008 and 2007. The assessment is undertaken through examining the financial position of the stockholders.

d. Compensation of key management personnel

Compensation of key management personnel of the Group amounted to P1,260,000, P6,450,000 and 9,390,000 for the years ended December 31, 2008, 2007 and 2006.

Note 16 – INCOME TAXES

a.) The Group's deferred tax assets and deferred tax liability as of December 31 are as follows:

	2008	2007
Deferred tax assets		
Pension liability	**P158,633**	P134,154
NOLCO	**786,975**	-
MCIT	**-**	158,921
	P945,608	P293,075
Deferred tax liability		
Unrealized foreign exchange gain	**P-**	P121,563

b.) The reconciliation between the provision for income tax computed at statutory rate and the Group's actual provision for income tax is shown below:

	2008	2007	2006
Income before income tax	**P13,500,554**	P10,894,844	P1,038,865
Provision for income tax computed at the statutory tax rate of 35%	**P4,725,194**	P3,813,195	P363,603
Tax effects of -			
Interest income subject to final tax	**(12,817)**	(11,136)	(3,060)
Tax arbitrage	**42,341**	5,218	-
Other nondeductible expenses	**8,716**	350,000	-
Provision for income tax	**P4,763,434**	P4,157,277	P360,543

c.) New Tax Laws

Republic Act (RA) No. 9337

RA No. 9337 was enacted into law amending various provisions in the existing 1997 National Internal Revenue Code. Among the reforms introduced by the said RA, which became effective on November 1, 2005, are as follows:

i. Increase in the corporate income tax rate from 32% to 35% with a reduction thereof to 30% beginning January 1, 2009;
ii. Grant of authority to the Philippine President to increase the 10% VAT rate to 12%, effective January 1, 2006, subject to compliance with certain economic conditions. VAT rate increased to 12% effective February 1, 2006;
iii. Revised invoicing and reporting requirements for VAT;
iv. Expanded scope of transactions subject to VAT; and
v. Provided thresholds and limitations on the amounts of VAT credits that can be claimed.

Note 16 – INCOME TAXES – *continued*

Revenue Regulation (RR) No. 12-2007

Under National Internal Revenue Code, a minimum corporate income tax (MCIT) of 2% of the gross income as of the end of the taxable year is imposed beginning the fourth taxable year immediately following the registration of the Parent Company and subsidiaries with the Bureau of Internal Revenue (BIR).

The MCIT puts a floor limit to the income tax payable. In the event the income tax due computed under the regular tax rate of 35% on net taxable income becomes lower than 2% of gross income, the MCIT of 2% of gross income shall be the income tax due. Any excess of the MCIT over the regular income tax shall be carried forward and credited against the regular income tax for the three immediately succeeding taxable years.

On October 17, 2007, however, the BIR issued RR No. 12-2007 which amends certain provisions of RR No. 9-98 relative to the due date within which to pay the MCIT imposed on domestic and resident foreign corporations pursuant to Sections 27(E) and 28(A) of the Tax Code, as amended.

Accordingly, MCIT shall be computed at the time of filing the quarterly corporate income tax so that if MCIT is higher than the quarterly normal income tax, then MCIT becomes the tax due for the quarter. In the payment of said quarterly MCIT, any excess MCIT from the previous year/s shall not be allowed to be credited. However, any expanded withholding tax, quarterly income tax payments under the normal income tax and MCIT paid in the previous taxable quarter/s are allowed to be applied against the quarterly MCIT due.

The quarterly MCIT paid in the quarterly ITR shall be credited against the normal income tax at year-end should the normal income tax due becomes higher than the computed annual MCIT. However, should the computed annual MCIT due becomes higher than the annual normal income tax due, only the quarterly MCIT payments of the current taxable quarters, the quarterly normal income tax payments in the quarters of the current taxable year, the expanded withholding taxes in the current year and excess expanded withholding taxes in the prior year may be credited against the annual MCIT due. Any excess MCIT from the previous year/s shall not be allowed to be credited as this can only be applied against normal income tax.

NOTE 17 – EARNINGS PER SHARE

Basic EPS is computed as follows:

	2008	2007	2006
Net income attributable to equity holders of the Parent Company	**P8,737,119**	P4,302,533	P582,136
Weighted average number of shares outstanding	**150,447,168**	10,000,000	10,000,000
	P0.06	P0.43	P0.06

Note 18 – FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's business activities are exposed to a variety of financial risks, which include credit risk, liquidity risk and market risk. Management ensures that it has sound policies and strategies in place to minimize potential adverse effects of these risks on the Group's financial performance.

<u>Risk Management Structure</u>
The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Group. It has also the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Group's approach to risk issues in order to make relevant decisions.

<u>Financial Risk Management Objectives and Policies</u>

The Group is exposed to a variety of financial risks, which result from its operating, investing and financing activities. The Group's principal financial instruments comprise of cash, trade receivables and payables, notes receivables and payables and due from and to related parties. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as other receivables and payables, which arise directly from operations.

Financial risk management of the Group is coordinated by the management of the subsidiaries with its Parent Company. Group policies and guidelines cover credit risk, liquidity risk and market risk. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Group's results of operations and financial position. The Group actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties principles.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from deposits with banks, as well as credit exposure to receivables from third and related parties.

The Group trades only with recognized, creditworthy third parties. FCAC and FG are exposed to credit risk due to dependence on one customer. However, this sole customer of FCAC and FG is credit worthy and has already established good business relationships. Also, it is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

For banks, the Group has maintained its business relationships with accredited banks, which are considered in the industry as universal banks. The receivables from stockholders are accordingly collected in accordance with the group's credit policy.

Note 18 – FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *continued*

The Group's exposure to credit risk arises from default of other counterparties, with a maximum exposure equal to the carrying amounts as follows:

	2008	2007
Cash	**P8,397,521**	P11,064,779
Loans and receivables		
Trade and other receivables (Note 4)	**220,461,635**	87,909,220
Note receivable (Note 9)	**58,000,000**	50,000,000
Due from stockholders (Note 15)	**5,182,925**	81,449,381
	P292,042,081	P230,423,380

Aging analyses of financial assets are as follows:

December 31, 2008

		Neither impaired nor past due on the reporting date	Past due but not yet impaired			Impaired
	Carrying amount	Current	1 to 60 days	61 to 90 days	91 to 120 days	More than 120 days
Cash	P8,397,521	P8,397,521	P-	P-	P-	P-
Trade and other receivables (Note 4)	220,461,635	150,708,206	11,882,620	5,677,897	52,192,912	-
Note receivable (Note 9)	58,000,000	58,000,000	-	-	-	-
Due from stockholders (Note 15)	5,182,925	2,800,900	-	-	2,382,025	-
	P292,042,081	**P219,906,627**	**P11,882,620**	**P5,677,897**	**P54,574,937**	**P-**

December 31, 2007

		Neither impaired nor past due on the reporting date	Past due but not yet impaired			Impaired
	Carrying amount	Current	1 to 60 days	61 to 90 days	91 to 120 days	More than 120 days
Cash	P11,064,779	P11,064,779	P-	P-	P-	P-
Trade and other receivables (Note 4)	87,909,220	75,695,452	6,533,366	196,172	5,484,230	-
Note receivable (Note 10)	50,000,000	50,000,000	-	-	-	-
Due from stockholders (Note 15)	81,449,381	81,449,381	-	-	-	-
	P230,423,380	P218,209,612	P6,533,366	P196,172	P5,484,230	P-

Note 18 – FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *continued*

The credit quality of the Group's financial assets is evaluated using internal credit rating. Financial assets are considered as high grade if the counterparties are not expected to default in settling their obligations, thus credit risk exposure is minimal. These counterparties include banks, customers and related parties who pay on or before due date.

Liquidity risk

Liquidity risk refers to the risk that the Group will not be able to meet its financial obligations as they fall due and because of lack of funding to finance its growth and capital expenditures and working capital requirements.

The Group's approach to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed. In addition, the Group continually supports the short-term funding and financing requirements of the subsidiaries.

The following summarizes the maturity profile of the Group's non-derivative financial liabilities based on contractual undiscounted payments:

	December 31, 2008				
	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
Trade and other payables (Note 7)	P89,350,054	P375,000	P-	P-	**P89,725,054**
Notes payable (Note 8)	113,499,973	25,009,386	88,412,415	-	**226,921,774**
Due to stockholders (Note 15)	14,652,684	-	-	-	**14,652,684**
	P217,552,711	**P25,384,386**	**P88,412,415**	P-	**P331,299,512**

**The Group has the option to rollforward these loans payable, which are normally due within 3 months or less.*

	December 31, 2007				
	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
Trade and other payables (Note 7)	P66,559,359	P2,739,118	P1,376,241	P-	P70,674,718
Notes payable (Note 8)	106,376,923	-	-	13,276,122	119,653,045
Due to stockholders (Note 15)	17,441,630	-	-	-	17,441,630
	P190,377,912	P2,739,118	P1,376,241	P13,276,122	P207,769,393

Note 18 – FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *continued*

Market risks

Market risk refers to the risk that changes in market prices, such as interest rates, foreign exchange rates and other market prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group is subject to various market risks, including risks from changes in interest rates and foreign currency exchange rates. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

a. Interest rate risks

   Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

   The Group's financial instrument that is exposed to interest risk is its loans that are based on prevailing market rate, subject to quarterly repricing. These are concession rates given by the bank in consideration for the Group's operational and financial difficulties.

   The following tables show information about the Group's financial instruments that are exposed to interest rate risk and presented by maturity profile:

	December 31, 2008					
	Within 1 year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	Total
Fixed Rate						
Loans Payable						
MICB	P28,499,973	P-	P-	P-	P-	P28,499,973
BPI	26,099,482	-	-	-	-	26,099,482
Floating Rate						
Loans Payable						
BDO	90,000,000	-	-	-	-	90,000,000
MBTC	20,000,000	-	-	-	-	20,000,000
LBP	8,735,672	-	-	-	-	8,735,672
BOC	29,770,267					29,770,267
RCBC	8,135,989	862,080	-	-	-	8,998,069
ORIX		14,818,311	-	-	-	14,818,311
	P 211,241,383	**P 15,680,391**	**P-**	**P-**	**P-**	**P 226,921,774**

	December 31, 2007					
	Within 1 year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	Total
Fixed Rate						
Loans Payable						
BPI	P7,000,000	P-	P-	P-	P-	P7,000,000
Floating Rate						
Loans Payable						
BDO	74,750,000	-	-	-	-	74,750,000
BPI	12,351,556	-	-	-	-	12,351,556
LBP	10,000,000	-	-	-	-	10,000,000
RCBC	2,275,367	1,108,020	-	-	-	3,383,387
ORIX	-	-	12,168,102	-	-	12,168,102
	P106,376,923	P1,108,020	P12,168,102	P-	P-	P119,653,045

b. Foreign exchange risk

The Group's exposure to foreign exchange risk results from its business transactions denominated in foreign currency.

Information on the Group's foreign currency-denominated monetary assets and its Philippine peso equivalent are as follows:

	2008		2007	
	H.K. Dollar	**Peso Equivalent**	H.K. Dollar	Peso Equivalent
Assets				
Cash	**HK$ 15,400**	**P96,461**	HK$-	P-
Trade receivable (included under Trade and other receivables in the balance sheets)	**2,987,355**	**18,304,420**	1,270,602	6,744,103
Total	**HK$3,002,755** *	**P18,398,881**	HK$1,270,602 *	P6,744,103

** Amounts were translated using foreign exchange rates from the Bangko Sentral ng Pilipinas.*

	2008		
	U.S. Dollar	**H.K. Dollar**	**Peso Equivalent**
Assets			
Trade receivable (included under Trade and other receivables in the balance sheets)	**US$67,214**	**HK$1,872**	**P3,028,701**
	US$67,214 *	**HK$1,872***	**P3,028,701**

** Amounts were translated using foreign exchange rates from the Philippine Dealing and Exchange Corporation.*

The translation of these foreign currency-denominated monetary assets yielded net foreign exchange gain, which amounted to P160,398 in 2008 and P4,774 in 2007.

Note 18 – FINANCIAL AND CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *continued*

Capital Risk Management

The primary objective of the Group's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The BOD has overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Group's business operations and industry.

The Group monitors capital on the basis of the debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is equivalent to total liabilities shown in the consolidated balance sheets. Total equity comprises all components of equity including share capital, additional paid-in capital and retained earnings. Debt to equity ratio of the Company is 1.66% and 1.65% as of December 31, 2008 and 2007, respectively.

There were no changes in the Group's approach to capital management during the periods.

The Group is not subject to externally imposed capital requirements.

Note 19 – FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The carrying values and fair values of financial assets and financial liabilities are presented below:

	2008	2007
	Carrying Value/Fair Value	**Carrying Value/Fair Value**
Financial assets		
Cash in bank	**P8,397,521**	P 11,064,779
Trade and other receivables (Note 4)	**220,461,635**	87,909,220
Note receivable (Note 9)	**58,000,000**	50,000,000
Due from stockholders (Note 15)	**5,182,925**	81,449,381
	P292,042,081	P230,423,380
Financial liabilities		
Trade and other payables (Note 7)	**P89,725,054**	P70,674,718
Notes payable (Note 8)	**226,921,774**	119,653,045
Due to stockholders (Note 15)	**14,652,684**	17,441,630
	P331,299,512	P207,769,393

Note 19 – FINANCIAL INSTRUMENTS – *continued*

The carrying amounts of cash, trade and other receivables, due from and to related parties, trade and other payables, and short-term notes payable approximate their fair values due to the relatively short-term maturities of the financial instruments.

The fair value of the long-term notes payable is based on the discounted value of the expected future cash flows using the applicable rate.

NOTE 20 – BUSINESS SEGMENTS

For management purposes, the Group is organized into two main segments – fresh foods and processed foods. The operating businesses are organized and managed separately according to the nature of the products produced and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The fresh foods segment is primarily engaged in the trading and distribution of fresh fruits and vegetables on a wholesale basis. The processed foods products segment is engaged in the manufacturing and processing of fruit products.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, inventories and property and equipment, net of provisions. Segment liabilities include all operating liabilities and consist principally of accounts, and other payables and accrued liabilities. Segment assets and liabilities do not include deferred income taxes.

Inter-segment Transactions

Segment revenues, expenses and performance include sales and purchases between business segments. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Such transfers are eliminated in consolidation.

NOTE 20 – BUSINESS SEGMENTS – *continued*

Business Segment Data

The following table presents revenue and expense information and certain asset and liability information regarding business segments for the years ended December 31, 2008, 2007 and 2006:

	Fresh Foods (in '000)			Processed Foods (in '000)			Eliminations (in '000)			Consolidated (in '000)		
	2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006
Sales	**P798,881**	P639,491	P107,603	**P19,566**	P-	P-	**(P20,917)**	(P15,617)	(P715)	**P777,964**	P623,874	P106,887
Cost of sales	**648,648**	525,866	89,571	**16,209**	-	-	**(20,917)**	(15,617)	(715)	**643,940**	510,249	88,856
Operating income (loss)	**130,666**	13,844	1,225	**3,357**	(203)	(103)	**-**	-	-	**134,023**	13,641	1,122
Other income (expense)	**94,311**	2,746	(186)	**5,493**	-	-	**-**	-	-	**99,804**	2,746	(186)
Net income (loss)	**P10,139**	P6,870	P678	**(P1,387)**	(P203)	(P103)	**P-**	P-	P-	**P8,752**	P6,667	P582
Segment Assets	**P620,377**	P408,754	P13,034	**P62,533**	P6,338	P12	**(P159,578)**	(P79,570)	P-	**P523,332**	P335,522	P13,046
Segment Liabilities	**P388,639**	P259,794	P9,323	**P64,178**	P6,633	(P103)	**(P120,359)**	(P57,461)	P-	**P332,458**	P208,966	P9,426

NOTE 21 – BUSINESS ACQUISITIONS

The acquisitions of the following subsidiaries have been accounted for using the purchase method of accounting:

Acquirer	Acquiree	Date Acquired	% of Ownership
Parent Company	FCAC	January 1, 2007	100%
FCAC	FG and BCHAC	January 1, 2007	100%
Parent Company	FCAC	January 1, 2008	100%
Parent Company	IMEX	January 1, 2008	100%

Accordingly, the 2008 consolidated financial statements include the results of operations of FCAC and FG for the year ended December 31, 2008.

The Parent Company's acquisition on LFVPI and IMEX in 2005, resulted to the recognition of goodwill amounting to P33,175. The additional investment made by the Parent Company to IMEX in 2007, gave rise to the recognition of additional goodwill of P12,600.

On January 1, 2008, the Parent Company acquired the remaining 60% equity interest in IMEX, which resulted to the recognition of additional goodwill of P7,450. The fair value of the assets and liabilities of IMEX as of the date of acquisition were as follows:

	Recognized on Acquisition	**Carrying Value**
Cash	P12,500	P12,500
Advances to related parties	586,794	586,794
Prepayments and other current assets	250,388	250,388
CIP	5,489,311	5,489,311
Advances from related parties	(6,633,369)	(6,633,369)
Fair value of net identifiable assets and liabilities	(P294,376)	(P294,376)

NOTE 21 – BUSINESS ACQUISITIONS – *continued*

On January 1, 2007, the Parent Company acquired 60% equity interest in FCAC, FG and BCHAC (Note 1). Subsequently, the Parent Company acquired the remaining 40% equity interest in FCAC, FG and BCHAC. The total acquisition cost amounted to P56,504,838 and the total fair value of the assets and liabilities at the respective dates of acquisition amounted to P39,198,435, resulting to a total goodwill of P17,306,403.

The fair value of the assets and liabilities of which, as of the dates of acquisition, were as follows:

At January 1, 2007

	Recognized on Acquisition	**Carrying Value**
Cash	P50,016	P50,016
Trade and other receivables	40,032,838	40,032,838
Advances to related parties	27,869,590	27,869,590
Inventories	1,000,187	1,000,187
Prepayments and other current assets	937,760	937,760
Property and equipment, net	10,092,267	10,092,267
Goodwill from acquisition of FG	2,150,409	2,150,409
Trade and other payables	(23,533,840)	(23,533,840)
Advances from related parties	(12,002,770)	(12,002,770)
Loans payable	(9,767,912)	(9,767,912)
Fair value of net identifiable assets and liabilities	36,828,545	36,828,545
Percentage of ownership	60%	-
	P22,097,127	P36,828,545

NOTE 21 – BUSINESS ACQUISITIONS – *continued*

At January 1, 2008

	Recognized on Acquisition	Carrying Value
Cash	P10,459,336	P10,459,336
Trade and other receivables	60,484,218	60,484,218
Advances to related parties	114,679,582	114,679,582
Inventories	10,842,754	10,842,754
Prepayments and other current assets	156,811	156,811
Property and equipment, net	12,397,710	12,397,710
Goodwill from acquisition of FG	2,150,409	2,150,409
Trade and other payables	(50,964,449)	(50,964,449)
Advances from related parties	(30,212,562)	(30,212,562)
Loans payable	(87,101,556)	(87,101,556)
Income tax payable	(138,983)	(138,983)
Fair value of net identifiable assets and liabilities	42,753,270	42,753,270
Percentage of ownership	40%	-
	P17,101,308	P42,753,270

The acquisition of the 40% minority interest in 2008 resulted to an adjustment in the provisional values of the net assets acquired in 2007. The adjustment was recorded as reduction to the goodwill account in the amount of P10,601,308 in 2008.

NOTE 22 – MEMORANDUM OF AGREEMENT

On February 15, 2007, a Memorandum of Agreement was executed by and among the Parent Company, Education Parks for Sustainable Development Foundation, a non-stock and non-profit organization, Bamban Aeta Tribal Association (B.A.T.A.), and National Commission for Indigenous People (NCIP), a national government agency.

The agreement provides for the establishment of the joint governing council for the B.A.T.A. sustainable development project. To hasten and facilitate a more effective and binding interaction among the four parties, a Joint Governing Council (JGC) shall be established to be represented as follows: two to be named by B.A.T.A.; two by the Foundation; two by the Parent Company; and one by the NCIP. This JGC shall evaluate, approve and provide guidance and direction in the management of the various component projects, which shall be introduced and implemented by various participating entities, which are willing to partake of the different development activities relevant to the improvement of the socio-economic conditions of the indigenous people.

NOTE 23 – SUBSEQUENT EVENTS

As disclosed in Note 1, the Parent Company's applications for listings of its securities with the National Stock Exchange of Australia (NSX) and the Philippine Stock Exchange, Inc. (PSE) have been approved on January 9, 2009 and April 15, 2009, respectively.

Immediately following compliance with the requirements set forth by the latter, the SEC shall declare registration of the following:

	Number of Shares	Amount
a) Common shares		
To be listed by way of introduction in the Second Board of the PSE on behalf of the existing stockholders		
Issued and outstanding	167,905,135	P167,905,135
Allotted to Parent Company's directors, employees and consultants under a stock purchase plan	10,631,467	10,631,467
	178,536,602	178,536,602
To be offered to the public within one (1) year from the subject listing, by way of primary share offer from the Parent Company's unissued authorized share capital	101,463,398	101,463,398
Underlying common shares	20,000,000	20,000,000
	300,000,000	P300,000,000

b) Warrants

Relating to 20,000,000 underlying common shares	P20,000,000

The Company shall list the warrants in the PSE within one (1) year from the listing by way of introduction of the underlying common shares at an issue price of P0.00 per warrant, with expiry date at the end of the 5th year from issuance and listing, and a strike price of P20 per share at the time of exercise and a conversion ratio of 1 warrant to 1 common share.

Although the Parent Company has no issued and outstanding warrants, it has allotted initially a total number of 6,500,000 warrants to its directors and officers.

NOTE 24 – FINANCIAL STATEMENT PRESENTATION

Certain 2007 consolidated financial statement data were reclassified to conform with the current year's financial statement presentation.

ANNEX C

DISCLOSURES OF THE COMPANY
ON THE LONG TERM NOTES PAYABLE
AND FINANCE/INTEREST EXPENSE

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DISCLOSURES OF THE COMPANY ON THE LONG TERM NOTES PAYABLE AND FINANCE/INTEREST EXPENSE

I. Long Term Notes Payable

In the audited consolidated financial statements of AgriNurture, Inc. (the "Company") for the year 2008, it was reported that as of 31 December 2008, the "*Current portion of the long-term notes payable*" and the "*Long-term notes payable*" amounted to P211,241,383 and P15,680,391, respectively.

Further to disclosures made in Note 8 of the audited consolidated financial statements and pursuant to PAS 16 and PFRS 7, the carrying amounts of the properties and equipment pledged as collaterals for the long term notes payable are as follows:

Land	P 2,417,000
Building	2,547,855
Transportation Equipment	1,971,920
Machinery Equipment	34,670,693

	P41,607,468
	=========

There are no covenants in all outstanding loans.

II. Finance/Interest Expense

For the year 2008, the Company incurred finance/interest expense in the amount of P13,880,886, which was reported under the account "*Other Income (Expenses), Net*" as follows:

Rental income	P 137,480
Interest income	36,620
Realized foreign exchange gain (loss), net	28,087
Other income	3,321,622
Interest expense	(13,880,886)

	(P10,357,077)
	==========

Certified by:

ANTONIO L. TIU
President and CEO