

COMPILATION OF MATERIAL FINDINGS ON 2010 AFS OF LISTED COMPANIES

COMPONENTS OF FINANCIAL STATEMENTS	FINDINGS	NO. OF COMPANIES	PERCENTAGE (%) TO TOTAL
Auditor's Report	A verification of the parent company's 2010 AFS, shows that there is no legal matter paragraph in the Auditor's Report to cover the "Supplementary Schedule of Retained Earnings Available for Dividend Declaration" (SEC Memorandum Circular No. 8, Series of 2011 and PSA 700, as redrafted).	1	4%
Schedules required under SRC Rule 68.1	The Schedules A to I required under SRC Rule 68.1 if applicable, should have been provided by the entity.	2	8%
	The Schedule I (Capital Stock) required under SRC Rule 68.1 was not provided by the entity.	1	4%
Statement of Management Responsibility (SMR)	The SMR is not notarized (SRC Rule 68.1).	1	4%
	The SMR is not signed by the company's Chief Financial Officer (SRC Rule 68.1).	1	4%
Reconciliation of Retained Earnings for Dividend Declaration	Based on the Schedule of Unappropriated Retained Earnings, the Unappropriated Retained Earnings as of December 31, 2010 is in excess of 100% of the paid-in capital stock. However, there is no disclosure of any appropriation or restriction on the excess retained earnings to comply with Section 43 of the Corporation Code.	1	4%
	There is no reconciliation of retained earnings required under Annex "A" of SEC Memorandum Circular No. 11, Series of 2008.	4	32%

NOTES TO FINANCIAL STATEMENTS	FINDINGS	NO. OF COMPANIES	PERCENTAGE (%) TO TOTAL
Receivables	There are no disclosures on the compliance with impairment policy under Section 9 (f) of The Financing Company Act (FCA) of 1998.	1	4%
Financial Assets and Liabilities	The initial recognition policies on financial assets are not disclosed (PAS 39).	1	4%
Inventories	Incomplete disclosures on inventories, i.e., cost formula used (PAS 2).	2	8%
Investments in Subsidiaries	The entity's accounting for investment in subsidiaries in separate financial statements is not disclosed (PAS 27).	1	4%
Investments in Associates	A verification of the separate financial statements of associates show that there are no disclosures on any proposed increased in capital stock, i.e., Board and stockholders' approval, amount of	1	4%

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	increase on said capital stocks, whether an application for said increase is to be filed or already filed with SEC, and reason for the delay of approval of the said increase with SEC (PAS 1, as revised). The said disclosures should have justified the recognition of the "Deposits for future stock subscriptions" as additional investments in associates instead of "Advances to associates".		
Investment Property	Incomplete disclosures, i.e., methods and significant assumptions applied in determining the fair value of investment property, direct operating expenses arising from investment property that did not generate rental income during the period (PAS 40)	2	8%
Liabilities	Incomplete disclosures on "Loans payable", i.e., maturity period and security on credit facilities with certain local banks, security obtained on loans from a foreign bank, and carrying amount of land held as security for an existing long-term loan (PAS 16, PAS 39 and PFRS 7).	1	4%
	Incomplete disclosures on "Long-term Loans", i.e., interest rate, terms and conditions relating to Deed of Assignment over Special Savings Account placement (PAS 39 and PFRS 7).	1	4%
	There are no disclosures on "Non-trade payable" (PAS 1, as revised, PAS 39 and PFRS 7).	1	4%
Equity	Incomplete disclosures on Appropriated Retained Earnings, i.e., date of approval of the appropriation, detailed plan including timeline for expansion and acquisition of other companies (PAS 1, as revised)	1	4%
	There are no disclosures on "Subscription receivable" which has been recorded as such for the last three years (PAS 1, as revised)	1	4%
Revenue	There is no disclosure of the nature and amount of each item comprising "Sale of goods-net" (PAS 1, as revised).	1	4%
Leases	Incomplete disclosures, i.e., general description of leasing arrangements (other than customers' deposits) and future minimum lease payments as a lessor (PAS 17).	2	8%
Related Party Transactions	Incomplete disclosures, i.e., terms and conditions on "Due from Related Parties", and security or collateral and maturity period on "Due to a Related Party" (PAS 24).	1	4%
	Incomplete disclosures, i.e., nature of related party relationship, terms and conditions and guarantees	1	4%

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	on "Advances to subsidiaries" (PAS 24).		
	Incomplete disclosures, i.e., nature and amounts of the transactions, terms and conditions, and guarantees on Advances to/from Related Parties, and key management personnel compensation (PAS 24).	2	8%
	Incomplete disclosures, i.e., maturity period or period of settlement (PAS 24).	1	4%
Financial Risk Management	Incomplete discussion, i.e., meaning of each type of grade on credit risk, carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated, estimate of fair value of collateral held by the entity as security on impaired financial assets, nature and carrying amount of the obtained assets held as collateral for financial assets, and the entity's policies in disposing for such assets or for using them in its operations (PFRS 7).	1	4%