

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS :

Please be informed that the Annual Meeting of the stockholders of EURO-MED LABORATORIES PHIL., INC. will be held on 15 June 2011 at 10:00 a.m. at the Quezon Hall, Philippine Columbian Association, Plaza Dilao, Paco, Manila, Philippines.

The Agenda for the meeting shall be as follows :

1. Call to Order;
2. Proof of Notice of Meeting;
3. Certification of Quorum;
4. Reading and Approval of the Minutes of the Previous Meeting of the Shareholders;
5. Report of Management for the Fiscal Year 2010;
6. Ratification of all Acts, Proceedings, Transactions and Resolutions of the Board of Directors and Officers of the Corporation from the date of the last Annual Shareholders' Meeting to the present;
7. Declaration of 7% Stock Dividend;
8. Election of Directors for 2011-2012;
9. Appointment of External Auditor;
10. Other Matters; and
11. Adjournment.

Only stockholders of record at the close of business hours on 16 May 2011 are entitled to receive notice of, and to vote at, the meeting and at any adjournment thereof.

All stockholders are cordially invited to attend the meeting in person. Kindly bring this notice and any form of identification (i.e. driver's license, passport) in order to facilitate registration. In case you cannot be personally present at the meeting, please date, sign and deliver your proxy to the Office of the Corporate Secretary at PPL Building, United Nations Avenue corner San Marcelino St., Manila, Philippines.

Manila, 14 April 2011.

JANICE R. ONG
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE



1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement

2. Name of Registrant as specified in its charter EURO-MED LABORATORIES PHIL., INC.

3. Philippines

Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number 148022

5. BIR Tax Identification Code 360-000-288-655-V

6. 1000 United Nations Avenue corner San Marcelino Street, Manila 1007

Address of principal office

Postal Code

7. Registrant's telephone number, including area code (02) 524-0091 to 98

8. 15 June 2011 ; 10:00a.m. ; Philippine Columbian Association, Quirino Ave. Paco, Manila

Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders
no later than 24 May 2011

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA
(information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class

Number of Shares of Common Stock
Outstanding or Amount of Debt Outstanding

Common

3,843,122,000

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

Yes No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein :

Philippine Stock Exchange - common

PRELIMINARY INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. **Date, Time & Place of Meeting of Security Holders** The annual shareholders' meeting of Euro-Med Laboratories Phil., Inc. (hereinafter the "Company" or "Euro-Med") shall be held on

Date	15 June 2011
Time	10:00 a.m.
Place of Meeting	Quezon Hall, Philippine Columbian Association Plaza Dilao, Paco, Manila, Philippines
Mailing Address of the Principal Office of the Company	PPL Building United Nations Avenue corner San Marcelino St. Manila, Philippines

This Information Statement and a copy of the Company's Management Report are to be sent out to qualified shareholders of record approximately on 24 May 2011.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY

Item 2. **Dissenter's Right of Appraisal**

Any dissenting stockholder may exercise his right of appraisal pursuant to Title X of the Corporation Code of the Philippines.

Title X of the Corporation Code of the Philippines allows a stockholder to exercise his right to dissent and demand payment of the fair value of his shares in certain instances, to wit: (1) in case an amendment to the articles of incorporation will change or restrict the rights of such stockholder or otherwise extend or shorten the term of the company; (2) in case of the sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the company's properties; or (3) in cases of merger and consolidation.

The matters to be discussed in the Meeting as specified in the attached Notice of Annual Meeting of Shareholders are not such as will give any dissenting shareholder any appraisal or similar right.

B. CONTROL AND COMPENSATION INFORMATION

Item 3. **Voting Securities and Principal Holders Thereof**

Shareholders of record at the close of business on 16 May 2011 (the "Record Date") shall be entitled to notice of, and to vote at, the Meeting. As of the Record Date, there are a total of Three Billion Eight Hundred Forty Three Million One Hundred Twenty Two Thousand (3,843,122,000) shares of Euro-Med's common stock issued and outstanding, each with a par value of One Peso (P1.00) per share, held by 574 shareholders.

Each shareholder voting in the election of directors may cumulate such shareholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such shareholder's shares are entitled, or may distribute such votes on the same principle among as many candidates as the shareholder chooses, provided that votes cannot be cast for more than the total number of directors to be elected at the meeting. However, no shareholder may cumulate votes for any candidate unless the candidate's name has been placed in nomination prior to the voting and at least one shareholder at the meeting has given notice of the intention to cumulate votes prior to the voting. Each share has one vote on all other matters.

Security Ownership of Certain Record Owners

As of 31 March 2011, the Company has verified only four (4) shareholders owning of record, more than five percent (5%) in the aggregate, of the outstanding stock of the Company, *to wit*:

<u>Title of Class</u>	<u>Name/Address of Record Owner and Relationship with Issuer</u>	<u>Name of Beneficial Owner and Relationship with Record Owner</u>	<u>Citizenship</u>	<u>No. of Shares Held and Nature of Beneficial Ownership</u>	<u>% of Ownership</u>
Common	U.S. Automotive Co., Inc. * PPL Building United Nations Avenue, cor. San Marcelino Street, Manila Major stockholder	Yap Family Stockholder/Director/ Officer	Filipino	2,244,623,469(R)**	58.41%
Common	USAUTOCO, Inc. * PPL Building United Nations Avenue, cor. San Marcelino Street, Manila Major stockholder	Yap Family Stockholder/Director/ Officer	Filipino	799,537,520 (R)**	20.80%
Common	Philippine Trust Company United Nations Avenue corner San Marcelino Street, Manila	Yap Family Stockholder/Director/ Officer	Filipino	341,225,505 (R)**	8.88%
Common	Evergreen Stock Brokerage & Securities, Inc. * 6/F Tower I Exchange Plaza Ayala Avenue corner Paseo de Roxas, Makati City	various clients	Filipino	279,182,544 (R)**	7.26%

**These companies are expected to issue their respective proxies in favor of Dr. Enrique C. Yap, the Executive Vice President of the Company.*

***These amounts are exclusive of the shares to be distributed as stock dividends as approved by the Board of Directors in their meeting last 12 April 2011.*

Security Ownership of Management

The entire capital stock of the Company consists of common shares. The directors merely own qualifying shares while the officers of the Company have no significant shareholdings therein. The following table presents the shareholdings of the incumbent directors and officers of the Company as of 31 March 2011.

<u>Title of Class</u>	<u>Name of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Citizenship</u>	<u>% of Ownership</u>
Common	William G. Padolina	19,218 (R)**	Filipino	0.0005%
Common	Edwin D. Feist	10,847 (R)**	Australian	0.0003%
Common	Georgiana S. Evidente	1,200,983 (R)**	Filipino	0.0313%
Common	Enrique C. Yap	53,630,478 (R)**	Filipino	1.3955%
Common	Evangeline V. Baviera	38,920 (R)**	Filipino	0.0010%
Common	Johnny C. Yap	34,561,420 (R)**	Filipino	0.8993%
Common	Teodora D. Tan	10,847 (R)**	Filipino	0.0003%
Common	Janice R. Ong	48,046 (R)**	Filipino	0.0013%
Common	All other directors and officers as a group unnamed	2,827,338 (R)**	Filipino	0.0736%

*****These amounts are exclusive of the shares to be distributed as stock dividends as approved by the Board of Directors in their meeting last 12 April 2011.***

Voting Trust Agreement

There are no Voting Trust Agreements among holders of 5% or more shares.

Change in Control

There are no arrangements which may result in a change in control of Registrant.

Item 4. Board of Directors/Executive Officers

In accordance with the provisions of the Corporation Code of the Philippines, the shareholders, and not the Company itself, will nominate and elect the directors and officers of the Company. Hence, the registrant herein, Euro-Med, is not nominating any person to the Board of Directors.

The following constitute the duly elected and incumbent Board of Directors of the Company:

1. Dr. William G. Padolina *
2. Mr. Edwin D Feist *
3. Mrs. Georgiana S. Evidente
4. Dr. Enrique C. Yap
5. Dr. Evangeline V. Baviera
6. Mr. Johnny C. Yap
7. Dr. Teodora D. Tan

**** The Company's independent directors as required by Section 38 of the Securities Regulation Code.***

In its meeting on 12 April 2011, the Nomination Committee reported to the Board its approval of the nomination of the following as directors for the year 2011-2012:

1. Dr. William G. Padolina *
2. Mr. Edwin D. Feist *
3. Mrs. Georgiana S. Evidente
4. Dr. Enrique C. Yap
5. Dr. Evangeline V. Baviera
6. Dr. Johnny C. Yap
7. Dr. Teodora D. Tan

In the same meeting mentioned above, the Chairman of the Nomination Committee confirmed that the nominees are qualified and eligible for directorship in the Company. Dr. William G. Padolina and Mr. Edwin D. Feist are nominated by U.S. Automotive Co., Inc. as independent directors in order to comply with the requirements of the Securities Regulation Code. Dr. Padolina and Mr. Feist possess all the qualifications and none of the disqualifications of an independent director as set forth in the Securities Regulation Code. There is no relationship between anyone of Dr. Padolina and Mr. Feist on the one hand and U.S. Automotive Co., Inc. on the other. The Nomination Committee is composed of:

1. Dr. Enrique C. Yap (Chairman)
2. Mr. Johnny C. Yap
3. Dr. William G. Padolina *

The Audit Committee is composed of:

1. Dr. William G. Padolina * **(Chairman)**
2. Mr. Edwin D. Feist *
3. Dr. Enrique C. Yap
4. Dr. Teodora D. Tan
5. Dr. Evangeline V. Baviera

The following are the duly elected and incumbent Executive Officers of the Company:

Honorary Chairman Emeritus	-	Dr. Tomas P. Maramba, Jr.
Chairman of the Board	-	Dr. William G. Padolina
Vice Chairman of the Board	-	Mr. Edwin D. Feist
Vice Chairman & Executive Vice President	-	Dr. Enrique C. Yap
President	-	Mrs. Georgiana S. Evidente
Executive Vice President	-	Dr. Evangeline V. Baviera
Exec. Vice President, Treasurer and Asst. Corporate Secretary	-	Dr. Johnny C. Yap
Senior Vice President	-	Mr. Jose A. Emitterio
Senior Vice President	-	Mr. Carlos G. Atendido
Senior Vice President	-	Mr. Celso A. Velasquez
Senior Vice President	-	Mr. Arnold D. Ong
Assistant Treasurer	-	Dr. Teodora D. Tan
Assistant Treasurer	-	Mrs. Ma. Bernadette M. Doctor
Assistant Treasurer	-	Mr. Enrique Raymond I. Yap
Corporate Secretary	-	Mrs. Janice R. Ong
Assistant Corporate Secretary	-	Mr. Michael Vincent Y. Yap
Vice President	-	Mrs. Rosanna Marie S. Suñga
Vice President	-	Ms. Angelica R. Garcia
Vice President	-	Ms. Leonida C. Martin
Vice President	-	Mrs. Isleen Y. Sy
Vice President	-	Mr. Virgilio V. Leyeza, Jr.
Vice President	-	Mrs. Dinah D. Trivilegio
Vice President	-	Mrs. Ma. Lourdes L. Molina
Vice President	-	Mr. Danilo M. Lorico
Chief Accountant	-	Mrs. Sandra N. Pineda

DR. TOMAS P. MARAMBA, JR.
Honorary Chairman Emeritus

Dr. Tomas P. Maramba, Jr. is a Filipino, married and graduated from the College of Medicine, University of the Philippines, with the degree of Doctor of Medicine in 1956. In 1975, he completed his Master's Degree in Hospital Administration from the Institute of Public Health of the same university. He took postgraduate training at the Philippine General Hospital in Manila; D.C. General Hospital in Washington D.C.; University of Kansas Medical Center in Kansas City; and the Medical College of Georgia in Augusta, Georgia. The American Board of Pathology and the Philippine Board of Pathology have certified him, both in Anatomic Pathology and Clinical Pathology. Dr. Maramba has extensive experience in the field of Medicine in the specialties of Anatomic Pathology and Laboratory Medicine, Public Health, Regulation of Health Services, Hospital Administration and Quality Management. He was formerly Head of the Departments of Pathology of Rizal Provincial Hospital, Lungsod ng Kabataan and Lung Center of the Philippines. He established and headed the Rizal Cancer Registry and reorganized and headed the Philippine Cancer Society Tumor Registry. In the government, he served as Director of the Bureau of Research and Laboratories, Undersecretary for the Office of Standards and Regulation, Acting Chairman of the Dangerous Drugs Board, Vice-Chairman of the Philippine Council for Health Research and Development, and Program Manager of the National Blood Services Program of the Department of Health. He is a former President of the Philippine Society of Pathologists, Philippine Blood Coordinating Council, Philippine Society of Oncologists, Philippine Society for Quality in Health Care, Asian Network for Clinical Laboratory Standardization and Harmonization and Philippine Council for Quality Assurance in Clinical Laboratories. He is a former member of the Board of Governors, Philippine National Red Cross and former Associate Professor and Professorial Lecturer at the Department of Health Policy and Administration, College of Public Health, University of the Philippines, Manila. He is currently President Emeritus of the Philippine Society for Quality in Health Care, President of the Philippine Council for Accreditation of Healthcare Organizations and Consultant for the National Voluntary Blood Services Program in the Department of Health. He is the Chairman of the Department of Pathology and Head of the Quality Management Department at the Dr. Victor R. Potenciano Medical Center and Associate Pathologist and Head of the Blood Bank Section of the United Doctors Medical Center. On 12 May 2010, Dr. Tomas P. Maramba, Jr., retired as Chairman of the Board of Euro-Med Laboratories Phil., Inc. and was thereupon appointed as Honorary Chairman Emeritus.

	Age	Director Since
1. DR. WILLIAM G. PADOLINA Chairman of the Board	64	1999

Dr. William G. Padolina, a married Filipino, graduated magna cum laude from the University of the Philippines, Los Baños with the degree of Bachelor of Science in Agricultural Chemistry in 1968. Subsequently as a Fulbright-Hays Scholar, he obtained his Ph.D in Botany/Phytochemistry in 1973 from the University of Texas at Austin. Upon his return from studies abroad, he continued teaching at the Institute of Chemistry, University of the Philippines Los Baños where he became a full Professor of Chemistry in 1987. He was a Consultant for Euro-Med Laboratories Phil., Inc. from 1990 to 1992. Dr. Padolina was appointed as an Undersecretary, Acting Secretary and Secretary of Department of Science and Technology from September 1992 to January 1999. Currently, he is the Deputy Director General for Operations of the International Rice Research Institute in Los Baños, Laguna. On 17 May 2010, he was appointed as Chairman of the Board of Euro-Med Laboratories Phil., Inc.

2. MR. EDWIN D. FEIST Vice Chairman	62	2010
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Mr. Edwin D. Feist, a married Australian, has over 42 years of international experience in the health care industry working in 3 continents: North America, Asia, Australia and New Zealand. Starting out as a sales representative, Mr. Feist progressed to senior executive positions responsible for international markets with Bristol Myers Squibb-Mead Johnson and Abbott Laboratories. He joined Abbott in November 1994 as President and General Manager of Abbott Philippines and is credited with growing and transforming Abbott's business in the Philippines from a predominantly hospital focused business to a diversified business with pediatric and medical nutrition in the Philippines, Australia, New Zealand and other Asian countries. Prior to Abbott, Mr. Feist held several executive management positions with Bristol Myers-Squibb-Mead Johnson including: Division Manager Pharmaceutical-Nutrition Division, Australia, Vice President Marketing, Bristol Myers Philippines; President and General Manager, Mead Johnson Philippines; Vice President Business Development, Mead Johnson Latin America. As an industry leader, Mr. Feist was President of the Pharmaceutical and Health Care Association of the Philippines (PHAP) for eight consecutive years and also a three-year director of the American Chamber of Commerce in the Philippines. He is currently the President of the American Chamber Foundation of the Philippines. On 17 May 2010, he was appointed as Vice Chairman of Euro-Med Laboratories Phil., Inc.

3. DR. ENRIQUE C. YAP* Vice Chairman/Director and Executive Vice President	60	1994
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Enrique C. Yap, a married Filipino, graduated from De La Salle College in 1972 with the degree of Bachelor of Arts. He has extensive domestic and international business and management experience in the fields of shipping, real estate, publishing and investments. He became a Director and Executive Vice President of Euro-Med in 1994. Currently, he holds the position of Director of the Manila Bulletin Publishing Corporation, Director and Vice President of Usautoco, Inc., Director and Vice President of U.S. Automotive Co., Inc., Director of Phil-Progress Securities Corporation, President of Philtrust Realty, Inc. and Chairman of the Board of 102 E. De Los Santos Realty Co., Inc., a subsidiary of Euro-Med Laboratories Phil., Inc. On September 21, 2007, Angeles University Foundation conferred upon him the degree of Doctor of Business Management, *honoris causa*. On January 01, 2009, Dr. Yap was elected as Vice Chairman of Euro-Med Laboratories Phil., Inc.

4. MRS. GEORGIANA S. EVIDENTE Director and President	50	1993
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Mrs. Georgiana S. Evidente, a married Filipino, holds a degree of Bachelor of Arts in Communication Arts from Maryknoll College in Quezon City. She joined the Company in 1990 and assisted in the completion of the Cavite plant. In 1991, she was promoted to Vice President and was responsible for setting up the nationwide marketing and distribution network of the Company. Through her management and marketing efforts, Euro-Med's domestic sales grew to what it is today and export sales were developed. She is the President and Chief Executive Officer of the Company and has over 20 years of marketing and management experience.

- 5. DR. EVANGELINE V. BAVIERA** **56** **1996**
Director and Executive Vice President

Dr. Evangeline V. Baviera, a married Filipino, graduated in 1976 from the University of the Philippines with the degree of Bachelor of Science in Pre-Medicine. She completed her course in Medicine at the University of the East Ramon Magsaysay Memorial Medical Center in 1980. After graduation, she took her specialization in Pediatrics in the hospital of the same university. In 1986, she became a faculty member of the Department of Pharmacology. She served as a consultant to the Bureau of Food and Drugs from 1988 to 1990. She was the Chairman of the Department of Pharmacology, De La Salle University Health Science Campus in Dasmariñas, Cavite from 1990 to 1992. In 1990, she joined Euro-Med as a medical consultant and subsequently became the Medical Director. She was promoted to Vice President in 1992 and Senior Vice President in 1997. She became a Director in 1996. Dr. Baviera is the head of all plant operations. She was promoted to Executive Vice President in 2004.

- 6. DR. JOHNNY C. YAP*** **38** **1994**
Director, Executive Vice President,
Treasurer and Asst. Corp. Secretary

Johnny C. Yap, a single Filipino, graduated from De La Salle University in 1993 with the degree of Bachelor of Science in Management of Financial Institutions. He was consistently in the Dean's List and was awarded Best in Thesis for his work, "Derivation of the Security of the Market Line". He joined the Company in 1993 and subsequently became a Director, Assistant Treasurer and Assistant Corporate Secretary. At present, he is a Director and the Treasurer of the Company. He is also a Director of Centro Escolar University (CEU). In January 01, 2009, he was promoted to Executive Vice President of Euro-Med Laboratories Phil., Inc. On March 21, 2010, Foundation University, Dumaguete conferred upon him the degree of Doctor of Humanities. He is currently the Chairman of the Board of CafeFrance Corp., a wholly owned subsidiary of Euro-Med Laboratories Phil., Inc.

- 7. DR. TEODORA D. TAN** **74** **1990**
Director and Assistant Treasurer

Dr. Teodora D. Tan, a Filipino, graduated from the Manila Central University with a Bachelor's Degree in Liberal Arts. Subsequently, she obtained her degree of Doctor of Medicine from the same university and passed the Board Examination for Medicine in 1959. Since then, she has been a general practitioner. She joined Euro-Med in 1990 as a Director and currently holds the position of Assistant Treasurer.

- 8. MRS. JANICE R. ONG** **40**
Corporate Secretary

Mrs. Janice R. Ong, a married Filipino, graduated from St. Scholastica's College with a degree of Bachelor of Arts in Mass Communication. After graduation, she joined Banco de Oro. In January 1992, she joined Euro-Med as Secretary to the Executive Vice President. She was promoted to Manager in 1999 and was elected by the Board of Directors as Corporate Secretary on September 01, 2007. Mrs. Janice Ong is the spouse of Mr. Arnold D. Ong, a Senior Vice President of the Company.

- 9. MR. MICHAEL VINCENT Y. YAP*** **34**
Assistant Corporate Secretary

Mr. Michael Vincent Y. Yap, a married Filipino, graduated from the University of the Philippines, Manila in 2002 with a degree of Bachelor of Science in Industrial Pharmacy. He placed 19th in the Pharmacy Board Exam. He joined the Company in April 1998 up to the present. In January 2009, he was promoted to Assistant Corporate Secretary. Mr. Michael Vincent Y. Yap is the son of Dr. Enrique C. Yap.

- 10. MRS. MA. BERNADETTE M. DOCTOR** **45**
Assistant Treasurer

Mrs. Ma. Bernadette M. Doctor, a married Filipino, graduated from De la Salle University Manila in 1987 with a degree of Bachelor of Science in Commerce major in Accounting. She passed the CPA Board examination in 1988. She joined Security Diners International Corp. in the same year. In 1990, she transferred to Republic-Asahi Glass Corporation. She then joined Euro-Med in 1993 as an Executive Assistant. She was promoted to Credit & Collection Manager in 1994 and subsequently became Assistant Treasurer in 2004.

11. MR. ENRIQUE RAYMOND I. YAP* 32
Assistant Treasurer

Mr. Enrique Raymond I. Yap, single, Filipino, graduated from De La Salle University in 2002 with a degree of Bachelor of Science in Accountancy, became a Certified Public Accountant in 2003 and attended various courses at Harvard University and the Asian Institute of Management. He became a licensed stock broker in 1996 and joined Euro-Med in 2003 as a financial analyst. In January 2009, he was promoted to Assistant Treasurer. He is also a Director and Vice President/Nominee of Phil-Progress Securities Corp. and also a Director, Treasurer and Assistant Corporate Secretary of Hemotek Renal Center, Inc., a wholly owned subsidiary of Euro-Med Laboratories Phil., Inc. Mr. Enrique Raymond I. Yap is the son of Dr. Enrique C. Yap.

12. MR. JOSE A. EMITERIO 60
Senior Vice President

Mr. Jose A. Emitterio, a married Filipino, graduated from the University of the East with a degree of Bachelor of Science in Commerce, major in Accounting in 1972. Subsequently, he passed the board examination for Certified Public Accountant (CPA) in 1973. He worked with a bank for nine (9) years in various positions, the latest of which was as a branch manager until his resignation in 1983. In 1984, he became a faculty member of the Department of Accountancy in National College of Business and Arts (NCBA) and engaged in public accountancy. He joined the Company in 1992 as its Chief Accountant. He was promoted to Vice President in 1998 and to Senior Vice President in 1999, the position he occupied until his resignation in January 2004. He rejoined the Company in January 2007 as Senior Vice President.

13. MR. CELSO A. VELASQUEZ 59
Senior Vice President

Mr. Celso A. Velasquez, a married Filipino, graduated from Far Eastern University in 1973. He started working in the pharmaceutical industry as medical representative of Glaxo Phils. in 1974. His successful stint as medical representative led to his promotion to district manager, handling Manila and suburbs, Southern Luzon areas and others. He was eventually promoted to regional sales manager for Visayas and Mindanao. He joined Euro-Med Laboratories as a District Manager in 1991 and after three (3) months, he was appointed as Regional Sales Manager. After two years, he was promoted to national sales manager, a position he has held until his promotion as Vice President/National Sales Manager effective September 01, 1998. In 2004, he was promoted to Senior Vice President.

14. MR. CARLOS G. ATENDIDO 58
Senior Vice President

Mr. Carlos G. Atendido, a married Filipino, graduated from the Philippine School of Business Administration with a degree of Bachelor of Science in Business Administration major in Accounting. His first job was as a sales assistant of a family-owned corporation, Pag-Asa Steel Works, Inc. while finishing his college education. In 1980, he worked as a medical representative of Astra Pharmaceuticals (Phils.) Inc. He was then promoted to district manager and finally as a product manager. On September 1991, he joined Euro-Med Laboratories as Branch Manager handling Western Visayas area. After a year, he was assigned in Metro Manila to start the export operation and in 1997, he became the Head of the Export Department. The export marketing operations expanded and in 1998, he was promoted to Vice President for Export Sales and became Senior Vice President in 2004.

15. MR. ARNOLD D. ONG 40
Senior Vice President

Mr. Arnold D. Ong, a married Filipino, graduated from the De La Salle University with the degree of Bachelor of Science in Computer Science. After graduation he started his career as a computer programmer. In 1992, he worked as a supervisor and later became a plant manager for Plastic Sheets Incorporated. He joined Euro-Med in June 1993 as a purchasing assistant. He was promoted to Assistant Vice President for Special Projects and to Vice President on January 02, 2002. On January 01, 2009, he was promoted to Senior Vice President.

16. MRS. ROSANNA MARIE S. SUÑGA 44
Vice President

Mrs. Rosanna Marie S. Suñga, a married Filipino, graduated from University of the Philippines, Diliman with the degree of Bachelor of Arts in Mass Communication. After graduation, she joined an airline industry for eight years in the field of customer service and airline operations. In 1997, she joined Euro-Med as Executive Assistant and subsequently became Personnel Manager in 1999. She was promoted to Vice President on July 01, 2004.

17. MRS. ISLEEN Y. SY 35
Vice President

Mrs. Isleen Yu-Sy, a married Filipino, graduated from the University of the Philippines in 1997 with the degree of Bachelor of Science in Pharmacy. In June 1999, she joined Euro-Med as a purchasing assistant and was promoted to materials manager in January 2001. She earned her Master's Degree in Business Administration in 2004 from the University of the Philippines. In January 01, 2009, she was promoted to Vice President.

18. MS. LEONIDA C. MARTIN 40
Vice President

Ms. Leonida C. Martin, Filipino, graduated from University of the Philippines in 1994 with the degree of Bachelor of Science in Chemical Engineering. She joined Euro-Med in February 1996 as a Chemical Engineer. In September 2001, she became the Operations Manager of Unifill and Bottled Water Lines and was also appointed as Safety & Pollution Control Officer for Euro-Med. In 2004, she took up her Master's Degree in Environmental Engineering from the University of the Philippines. In June 2006, she was promoted to plant manager for the Euro-Med Mandaluyong Plant. On January 01, 2009, she was promoted to Vice President.

19. MS. ANGELICA R. GARCIA 42
Vice President

Ms. Angelica R. Garcia, Filipino, graduated from the Assumption College in 1992 with the degree of Bachelor of Science in Commerce. She was previously connected with Qantas as Airport Operations Coordinator from 1995 to 2004. In May 2004, she joined Euro-Med as National Distribution Manager. On January 01, 2009, she was promoted to Vice President.

20. MRS. DINAH D. TRIVILEGIO 34
Vice President

Mrs. Dinah D. Trivilegio, married, Filipino, graduated as a gold medalist from Centro Escolar University in 1993 with the degree of Bachelor of Science in Pharmacy. She joined Euro-Med in 1997 as a production pharmacist. In January 2000, she was promoted to Assistant Production Manager, Cavite Plant and to Research & Development Manager in November 2000. In February 2007, she was appointed as Quality Assurance Manager & Research Development Manager for the Mandaluyong Plant. In October 2007, she was promoted to Quality Assurance Manager, Cavite Plant and to Vice President in January 01, 2009.

21. MR. VIRGILIO V. LEYEZA, JR. 43
Vice President

Mr. Virgilio Villanueva Leyeza, Jr., a Filipino, graduated from the Adamson University in 1989 with a degree of Bachelor of Science in Computer Engineering. After graduation, he started working in Microcircuits Corporation as a technician. He joined Euro-Med in 1990 as a computer engineer. In June 2007, he was promoted to chief engineer, Cavite Plant and promoted to Vice President on 01 November 2009.

22. MRS. MA LOURDES L. MOLINA 52
Vice President

Mrs. Ma. Lourdes Leynes Molina, a Filipino, graduated from the University of the Philippines in 1979 with a degree of Bachelor of Science in Business Administration, major in Finance. She started working in Bank of the Philippine Islands as a research assistant for the Corporate Planning Department and became an account specialist for the Corporate Banking Division in 1980. She was promoted to Assistant Manager of the Corporate

Banking Division in 1981 and Senior Assistant Manager in 1985. In 1995, she was promoted to Assistant Vice President of the Commercial Banking Division I. She joined Dao Heng Bank as Vice President, Division/Market Head Commercial Lending Market in December 1995. In September 2009, she joined Euro-Med for familiarization and was promoted to Vice President last 01 October 2009. She is currently the President of CafeFrance Corp., a subsidiary of Euro-Med Laboratories Phil., Inc.

23. MR. DANILO M. LORICO
Vice President

59

Mr. Danilo Marquez Lorico, a Filipino, graduated Cum Laude from Jose Rizal College in 1973 with a degree of Bachelor of Science in Accounting. He joined AsianBank in 1983 until 2000 with a rank of Vice President Internal Audit. In 2000, he joined GMA Rural Bank as Vice President/Chief Operating Officer. In 2001, he became Vice President and Chief Finance Officer in Arms Corporation. He joined Euro-Med in 2009 as Consultant and was promoted to Vice President on 01 April 2010.

** Messrs. Enrique C. Yap and Johnny C. Yap are related by consanguinity. Mr. Michael Vincent Y. Yap and Mr. Enrique Raymond I. Yap are sons of Dr. Enrique C. Yap.*

*** None of the directors has had any bankruptcy petition filed by or against any business of which such director was a general partner or executive officer either at the time of the bankruptcy or within five years of that time; nor any conviction by final judgment, in a criminal proceeding, domestic or foreign, or been subject to a pending criminal proceeding, domestic or foreign, nor been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking services; nor been found by a domestic or foreign court of competent jurisdiction (in a civil action), the commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated securities or commodities law, and the judgment has been reversed, suspended or vacated.*

**The business experience provided for each of the directors and officers mentioned above refer to the period relating to the last five (5) years from date hereof.*

Legal Proceedings

Please refer to the accompanying Annual Management Report (Annual Report to Stockholders).

Significant Employees

Each of the Company's employees is valued for their respective contribution to the development and success of the Company. No single or group of employees is particularly significant to the operations of the Company.

Certain Relationships and Related Transactions

Except for the transactions disclosed in Note 27 of the Audited Financial Statements of the Company, there are no other transactions or proposed transactions with or involving the Company or any of its subsidiaries during the last two (2) years in which a director, executive officer or stockholder who owns ten percent (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 therein.

The purpose and economic substance of the aforementioned related transactions, as well as their effect on the financial statement and their special risks or contingencies, are as follows:

- 1) Lease with U.S. Automotive Co., Inc., a majority stockholder of the Company.

The lease is for office space used by the Company as offices of its Board of Directors, Board Committees, Executive Officers and various departments namely: Special Projects, Personnel, Legal, Internal Audit, Purchasing, Sales, Treasury and Accounting. The rental expense is included in the Company's selling, general and administrative expenses. The management does not see any risk or contingency in this transaction since the lease is on an annual basis and is being renewed based on mutual agreement of both parties taking into consideration current market rates in the area. The rent for the period January to December 2010 and 2009 amounted to ₱13,046,440 and ₱7,310,577 respectively.

2) Lease with 102 E. Delos Santos Realty Co., Inc., a 100% owned subsidiary.

The lease is for a land owned by the subsidiary where the Company's Mandaluyong Plant is situated. The plant consists of an office building, a recreation hall, a cafeteria, production facilities, laboratories and a warehouse. The rent is presented as part of the manufacturing overhead of the parent company (Euro-Med) and as revenue in the financial statements of the subsidiary (102 EDSA Realty). However, it is eliminated in the consolidated statements of income and expenses. The management does not see any risk or contingency in this transaction since the lease is on an annual basis and is being renewed based on mutual agreement of both parties taking into consideration current market rates in the area. The rent for the period January to December 2010 and 2009 amounted to ₱15,252,318 and ₱15,233,517 respectively.

3) Purchase of labels from Philippine Label Pack Corporation, a corporation wherein some major stockholders are related by consanguinity to one (1) of the Company's directors/executive officers.

Labels are used in the manufacturing process of Company products. These are attachments to the products indicating size, contents and other pertinent facts on the item. Purchases of labels form part of the material cost of the Company's production costs. The management does not see any risk or contingency in this transaction since purchases are made on a per purchase order basis at competitive prices to other suppliers and depending on the needs of the manufacturing plant. Purchases for the period January to December 2010 and 2009 amounted to ₱12,468,144 and ₱11,522,979 respectively.

4.) Transactions with Hemotek Renal Center, Inc.

The Company has made advances to its 100% wholly owned subsidiary, Hemotek Renal Center, Inc.; nil in 2010 and ₱121,500,000 in 2009 respectively, related party sales of ₱16,717,105 for the year 2010 and ₱6,825,808 for the year 2009 and accounts receivable of ₱11,108,841 in 2010 and ₱7,163,237 in 2009.

5.) Transactions with CafeFrance Corp.

The Company has made advances to CafeFrance Corp., a 100% subsidiary which was incorporated in August 2010 amounting to P40,000,000 in 2010.

6.) The Company engages in regular bank transactions with Philtrust Bank, an affiliated local commercial bank.

7.) The Company avails the advertising services of Manila Bulletin Publishing Corporation, an affiliate under common control.

Item 5. Compensation of Directors and Top Executive Officers

	2009			2010			2011 (Projected)		
	Salary	Bonus	Others	Salary	Bonus	Others	Salary	Bonus	Others
Georgiana S. Evidente President									
Enrique C. Yap Executive Vice Pres.									
Evangeline V. Baviera Executive Vice Pres.	9,630,000	1,637,500	1,282,500	9,683,400	3,477,450	1,286,950	9,706,800	2,701,480	1,288,900
Johnny C. Yap Exec. Vice Pres./Treas.									
Sandra N. Pineda Chief Accountant									
All directors and officers as a Group unnamed	18,957,500	3,875,500	2,792,500	19,499,140	6,648,910	3,035,410	19,593,840	5,400,800	3,192,820

Standard Arrangements. Except for per diems of ₱30,000 for the Chairman, ₱20,000 for the Vice Chairman and ₱10,000 per Director per board meeting, there are no other standard arrangements pursuant to which directors of the Company are compensated or are expected to be compensated directly or indirectly, for any service provided directly or indirectly to the Company during the Company's last fiscal year and the ensuing year.

Item 6. Independent Public Accountants

The Company's financial statements were audited by Mercado, Calderon, Jaravata & Co. CPAs, for the years 2010, 2009 and 2008. The aforementioned audit firm was appointed during the stockholders meeting on June 18, 2008, June 17, 2009 and July 21, 2010 and is expected to be re-nominated at the meeting to be held on June 15, 2011. The principal accountant in charge of the Company's Account is Napoleon A. Calderon. In accordance with SRC Rule 68 (3)(b)(iv), there is no need at this time to change the audit partner for the Company. The Company's financial statements for the year 2005 were audited by Guzman, Bocaling & Co., CPAs. There were no disagreements with the former independent auditors on any matter of accounting principles or practices, financial statement disclosure or auditing scope of procedure.

Representatives of the auditing firm, Mercado, Calderon, Jaravata & Co. CPAs, are expected to be present at the meeting and will have the opportunity to respond to appropriate questions and to make a statement if they so desire.

C. ISSUANCE AND EXCHANGE OF SHARES

Item 7. Authorization or Issuance of Securities

(a) Declaration of Stock Dividends

Presented for the consideration of the stockholders is the recommendation to declare stock dividends from the Company's unrestricted retained earnings as of 31 December 2010. The Company's financial statements as of 31 December 2010 show that the Company posted ₱307,968,181.00 in unrestricted retained earnings before the declaration of stock dividends. As proposed, a 7% stock dividend equivalent to Two Hundred Sixty Nine Million Eighteen Thousand Five Hundred Forty (269,018,540) common shares with a total par value of Sixty Nine Million Eighteen Thousand Five Hundred Forty Pesos (₱269,018,540.00) shall be declared from said unrestricted retained earnings.

In support of said declaration of stock dividends, should the same be approved by the stockholders, the Board of Directors of the Company, at its board meeting held on 12 April 2011 approved the additional issuance of Two Hundred Sixty Nine Million Eighteen Thousand Five Hundred Forty (269,018,540) common shares with a par value of One Peso (₱1.00) per share from its authorized but unissued capital stock.

All common shares issued, including the stock dividend to be issued, have the same dividend, voting, pre-emptive and other shareholder rights. None of such shares are entitled to any stock option or are subject to redemption or calls. The corporate by-laws do not have any provision that would delay or prevent a change in the control of the Company.

Said dividend shall be payable as soon as the necessary approvals shall have been obtained from the Securities and Exchange Commission and the Philippine Stock Exchange.

Item 8. Financial and Other Information

Please refer to the accompanying Annual Management Report (Annual Report to Stockholders).

D. OTHER MATTERS

Item 9. Action with Respect to Reports

The minutes of the previous Annual Stockholders' Meeting held on 21 July 2010 was prepared by the Corporate Secretary, Janice R. Ong, and is submitted to the shareholders for approval. A copy of the minutes of the meeting shall be made available for inspection and review during the Meeting at the Registration Table found at the entrance of Quezon Hall of the Philippine Columbian Association.

SUMMARY OF MINUTES OF THE 2010 ANNUAL MEETING

At the Annual Meeting of shareholders of Euro-Med Laboratories Phil., Inc. held on 21 July 2010 at 10:00 a.m. at the Philippine Columbian Association, Quirino Avenue, Paco, Manila in which a quorum was present throughout:

The minutes of the previous stockholders' meeting was approved.

The following were elected to the Board of Directors for the year 2010-2011:

Dr. William G. Padolina (Independent Director)
Mr. Edwin D. Feist (Independent Director)
Mrs. Georgiana S. Evidente
Dr. Enrique C. Yap
Dr. Evangeline V. Baviera
Mr. Johnny C. Yap
Dr. Teodora D. Tan

The acts of the Board of Directors and the Management for the previous year were ratified by the shareholders.

The shareholders unanimously approved the declaration of a 8.46710895% stock dividend from the unrestricted retained earnings of the Company as of 31 December 2009. The shareholders also approved the additional issuance of Three Hundred Million (300,000,000) shares with a par value of One Peso (₱1.00) per share from its authorized and unissued capital stock.

The shareholders approved the increase of authorized capital stock of the Corporation from Three Billion Eight Hundred Million Pesos (₱3,800,000,000.00) to Five Billion Pesos (₱5,000,000,000.00) and to apply the stock dividend in support of the increase.

The stock dividend shall be payable to stockholders after all the necessary approvals shall have been obtained from the Securities and Exchange Commission and the Philippine Stock Exchange.

Mercado, Calderon, Jaravata & Co.CPAs were appointed as the External Auditors of the Company for the year 2009-2010. The principal accountant in charge of the Company's account is Napoleon A. Calderon.

The shareholders ratified previous guarantees and authorized any future guarantees by the Corporation for any obligations of its subsidiaries with any financial institution, corporation or entity.

Item 10. Matters Not Required To Be Submitted

Also submitted for approval of the stockholders are the acts, proceedings and resolutions approved by the Board of Directors and officers of the Company for the fiscal year ending 31 December 2010. A copy of the Management Report (Annual Report) and the audited financial statement of the Company are circulated together with this Information Statement and shall be made available to all stockholders of record at the Registration Table found at the entrance of Quezon Hall of the Philippine Columbian Association. Should any shareholder of record wish for a copy of the Management Report (Annual Report) before the meeting, the Company shall provide the same free of charge upon written request of said stockholder.

Please refer to Annex "A" for the summary of the acts, proceedings and resolutions of the Board of Directors and Officers for ratification.

Item 11. Voting Procedures

(a) Election of Directors

For the election of directors, the seven (7) nominees garnering the highest number of votes shall be elected Directors. The stockholder may vote such number of shares for as many persons as there are Directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of Directors to be elected, or he may distribute them on the same principle among as many candidates as he shall see fit; provided the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of Directors to be elected.

(b) Approval of the Stock Dividend

For the approval of the stock dividend, the affirmative vote of stockholders representing at least 2/3 of the Company's outstanding capital stock shall be required.

(c) All others

The affirmative vote by the stockholders representing at least a majority of stockholders present at the meeting shall be sufficient to carry the vote for any other matters.

All votes shall be cast and counted by a show of hands or by *viva voce*, or upon motion by any stockholder, by balloting. The vote shall be counted by the Corporate Secretary or Assistant Corporate Secretary.

UNDERTAKING

THE COMPANY HEREBY UNDERTAKES TO PROVIDE SRC FORM 17-A TO ANY SHAREHOLDER REQUESTING FOR THE SAME, FREE OF CHARGE, UPON RECEIPT OF A WRITTEN REQUEST FROM ANY SUCH INTERESTED SHAREHOLDER. ANY SUCH WRITTEN REQUEST MAY BE SENT TO THE MAILING ADDRESS AT PPL BUILDING, UNITED NATIONS AVENUE CORNER SAN MARCELINO STREET, MANILA, PHILIPPINES.

After a reasonable inquiry and to the best of my knowledge and belief, I hereby certify that the information set forth in this report is true, complete and correct.

This report is signed on 14 April 2011 at Manila.

EURO-MED LABORATORIES PHIL., INC.

By:

JANICE R. ONG
Corporate Secretary

ANNEX "A"

SUMMARY OF THE ACTS AND PROCEEDINGS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND OFFICERS FOR RATIFICATION

- 1.) Bank Resolution
- 2.) Authorization to Bid
- 3.) Authorization to Bid
- 4.) Authorization to Bid
- 5.) Authorization to Bid
- 6.) Authorization to Bid
- 7.) Authorization to Bid
- 8.) Authorization to Bid
- 9.) Authorization to Bid
- 10.) Authorization to Bid
- 11.) Authorization to Bid
- 12.) Authorization to Bid
- 13.) Authorization to Bid
- 14.) Authorization to Bid
- 15.) Appointment of Audit Committee Members
- 16.) Appointment of Nomination Committee Members
- 17.) Nominations Committee's guidelines and criteria governing the conduct of nomination
- 18.) Appointment of Officer
- 19.) Bank Resolution
- 20.) Bank Resolution
- 21.) Authorization to Bid
- 22.) Authorization to Bid
- 23.) Authorization to Bid
- 24.) Authorization to Bid
- 25.) Authorization to Bid
- 26.) Authorization to Bid
- 27.) Authorization to Bid
- 28.) Authorization to Bid
- 29.) Authorization to Bid
- 30.) Authorization to Bid
- 31.) Authorization to Bid
- 32.) Authorization to Bid
- 33.) Authorization to Bid
- 34.) Purchase all Intellectual Properties and Rights of Hospira 0.4% Lidocaine Hydrochloride in 5% Dextrose Solution for I.V. Infusion
- 35.) Annual Meeting of Shareholders and Record Date
- 36.) Approval and Issuance of Audited Financial Statements for the year ended 31 December 2009
- 37.) Nomination Committee's selection of nominees of directors for year 2010-2011
- 38.) Authorization to Bid
- 39.) Authorization to Bid
- 40.) Authorization to Bid
- 41.) Authorization to Bid
- 42.) Authorization to Bid
- 43.) Authorization to Bid
- 44.) Authorization to Bid
- 45.) Guarantee any obligations of Hemotek Renal Center, Inc.
- 46.) Appointed representative of Hemotek Renal Center Inc.'s in any of its stockholders meeting
- 47.) Postponement and Set New Date of Annual Meeting of Shareholders and Record Date
- 48.) Retirement of Chairman of the Board
- 49.) Appointment of new Chairman of the Board
- 50.) Appointment of Vice Chairman/Independent Director
- 51.) Appointment of new Audit Committee Members
- 52.) Approval of Audit Committee's Explanation on SEC Letter dated 16 April 2010
- 53.) Authorization to Bid
- 54.) Authorization to Bid
- 55.) Guarantee any obligations of Hemotek Renal Center, Inc. in relation to its bank opening
- 56.) Board Declaration of Stock Dividend and Increase of Authorized Capital Stock
- 57.) Authorization to Bid
- 58.) Authorization to Bid
- 59.) Authorization to Bid
- 60.) Authorization to Bid
- 61.) Authorization to Bid
- 62.) Authorization to Bid
- 63.) Authorization to Bid
- 64.) Authorization to Bid
- 65.) Application for Registration as an Eligible Supplier
- 66.) Bank Resolution
- 67.) Authorization to Bid

- 68.) Authorization to Bid
- 69.) Authorized signatories in any deeds of sale and/or disposal of assets
- 70.) Authorization to Bid
- 71.) Authorization to Bid
- 72.) Authorization to Bid
- 73.) Authorization to Bid
- 74.) Create and organize a new subsidiary engage in food and/or restaurant service
- 75.) Authorized signatories in acquisition of assets
- 76.) Authorized signatories in acquisition of assets
- 77.) Guarantee any obligations of Hemotek Renal Center, Inc. in relation to its bank opening
- 78.) Bank Resolution
- 79.) Authorization to Bid
- 80.) Authorization to Bid
- 81.) Authorization to Bid
- 82.) Authorization to Bid
- 83.) Authorization to Bid
- 84.) Authorization to Bid
- 85.) Authorization to Bid
- 86.) Authorization to Bid
- 87.) Authorization to Bid
- 88.) Authorization to Bid
- 89.) Authorization to Bid
- 90.) Application for Registration as an Eligible Supplier
- 91.) Authorization to Bid
- 92.) Authorization to Bid
- 93.) Application for Registration as an Eligible Supplier
- 94.) Authorization to Bid
- 95.) Authorization to Bid
- 96.) Appointment of Corporation Officers for year 2010-2011
- 97.) Appointment of Audit Committee Members
- 98.) Appointment of Nomination Committee Members
- 99.) Authorization to Bid
- 100.) Authorization to Bid
- 101.) Authorization to Bid
- 102.) Application for Registration as an Eligible Supplier
- 103.) Authorization to Bid
- 104.) Authorization to Bid
- 105.) Bank Resolution
- 106.) Authorization to Bid
- 107.) Authorization to Bid
- 108.) Application for Registration as an Eligible Supplier
- 109.) Authorization to Bid
- 110.) Authorization to Bid
- 111.) Authorized signatory in Waiver, Quitclaim and Release in sale and transfer of motor vehicle
- 112.) Authorization to Bid
- 113.) Authorization to Bid
- 114.) Authorization to Bid
- 115.) Authorization to Bid
- 116.) Authorization to Bid
- 117.) Authorization to Bid
- 118.) Authorization to Bid
- 119.) Authorization to Bid
- 120.) Authorization to Bid
- 121.) Authorization to Bid
- 122.) Authorization to Bid
- 123.) Authorization to Bid
- 124.) Authorization to Bid
- 125.) Authorization to Bid
- 126.) Application for Registration as an Eligible Supplier
- 127.) Create and organize a new subsidiary engaged in food and/or restaurant service under the business name of CafeFrance Corp.
- 128.) Authorization to Bid
- 129.) Authorized Representative to claim and receive fund checks from Meralco
- 130.) Authorization to Bid
- 131.) Authorization to Bid
- 132.) Authorization to Bid
- 133.) Authorization to Bid
- 134.) Application for Registration as an Eligible Supplier
- 135.) Authorized signatory for processing of its Certificate of Accreditation as Importer
- 136.) Application for Registration as an Eligible Supplier
- 137.) Application for Registration as an Eligible Supplier
- 138.) Authorization to Bid
- 139.) Authorized Officer to sign, execute and deliver any contracts, agreements, papers and deeds in connection with the acquisition of certain trademarks, product registrations, rights, products and/or assets from Stiefel U.S.A., Stiefel Philippines Inc. and/or GlaxoSmithKline Philippines Inc.

- 140.) Authorization to bid
- 141.) Authorization to bid
- 142.) Authorization to bid
- 143.) Authorization to bid
- 144.) Authorization to bid
- 145.) Authorization to bid
- 146.) Authorization to bid
- 147.) Authorization to bid
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- 149.) Authorization to bid
- 150.) Authorization to bid
- 151.) Authorization to bid
- 152.) Authorization to bid
- 153.) Authorization to bid
- 154.) Authorization to bid
- 155.) Authorization to bid
- 156.) Authorization to bid
- 157.) Authorization to bid
- 158.) Authorization to bid
- 159.) Authorized signatories to sign and transact business with Philippine Depository and Trust Corporation
- 160.) Authorization to bid
- 161.) Bank Resolution
- 162.) Authorization to bid
- 163.) Authorization to bid
- 164.) Authorization to bid
- 165.) Authorization to bid
- 166.) Authorized signatories to open bank account
- 167.) Authorization to bid
- 168.) Authorization to bid
- 169.) Authorization to bid
- 170.) Authorization to bid
- 171.) Authorization to bid
- 172.) Authorization to bid
- 173.) Authorization to bid
- 174.) Authorization to bid
- 175.) Authorization to bid
- 176.) Authorization to bid
- 177.) Authorization to bid
- 178.) Authorization to bid
- 179.) Authorization to bid
- 180.) Authorization to bid
- 181.) Authorization to bid
- 182.) Authorization to bid
- 183.) Authorization to bid
- 184.) Authorization to bid
- 185.) Authorization to bid
- 186.) Authorization to bid
- 187.) Authorized signatory to sign documentary requirements for accreditation and biddings of national and local government hospitals
- 188.) Authorization to bid
- 189.) Authorization to bid
- 190.) Guarantee any obligations of Hemotek Renal Center, Inc. in relation to bank credit accommodations/facilities
- 191.) Authorization to bid
- 192.) Authorization to bid
- 193.) Authorization to bid
- 194.) Bank Resolution
- 195.) Bank Resolution
- 196.) Authorization to bid
- 197.) Authorized Representative to renew business permit with Lungsod ng Davao
- 198.) Authorization to bid
- 199.) Authorization to bid
- 200.) Authorization to bid
- 201.) Authorization to bid

MANAGEMENT REPORT

Item 1. NATURE AND SCOPE OF BUSINESS

A. In General

Euro-Med Laboratories Phil., Inc. (Euro-Med) was incorporated and registered with the Securities and Exchange Commission (SEC) on January 29, 1988. Upon receipt of the licenses and product registration approvals from the Bureau of Food and Drugs (BFAD), Euro-Med began commercial production in 1991. The parent Company (Euro-Med) is engaged in the manufacture of pharmaceutical products such as large and small volume parenterals and other solutions. Large volume parenterals (LVP) are more commonly known as intravenous fluids. Intravenous fluids are defined as any fluid applied directly into the vein. LVP are packaged in containers of more than 100 mL while small volume parenterals (SVP) are injections that are packaged in containers of 100 mL or less. SVP may also be used as a solvent for other drugs. The Company also manufactures sterile water for injection, and other solutions such as ophthalmic, inhalation, irrigation and dialysis. The Company is the largest manufacturer of high quality intravenous fluids in the Philippines.

B. Its Subsidiaries

1. 102 E. Delos Santos Realty Co., Inc. (102 EDSA/the Subsidiary), a 100% owned firm acquired in May 2000. The subsidiary is engaged in the rental of property. The subsidiary's only real property, a 10,936 square meter lot located at the corner of E. Delos Santos Ave. and Madison Street, Mandaluyong City, is being rented to the parent company that expired on June 30, 2009 and was renewed for another one (1) year period which expired on June 30, 2010. Consequently, the income of the subsidiary is wholly dependent on the parent company.
2. Hemotek Renal Center, Inc. (Hemotek /the Subsidiary), a 100% owned firm, was incorporated in June 2008 and is engaged as a dialysis center.
3. CafeFrance Corp. (CafeFrance/the Subsidiary), a 100% owned firm, was newly incorporated in August 2010 and is engaged to operate restaurants, bakeries, food services, catering, food production and other related services.

Item 2. DIRECTORS AND OFFICERS

Please refer to pages 4-8 of the Information Statement.

Item 3. MANAGEMENT DISCUSSION AND ANALYSIS

A. Calendar Year 2010 Compared to Calendar Year 2009

The Company's operations have no seasonal aspects that had a material effect on its financial condition or results of operations. The Company operates regularly for twelve (12) months during the year and does its maintenance jobs during Sundays and holiday breaks. There are no known trends, demands, material commitments for capital expenditures, events, or uncertainties that will have a material impact on the Company's liquidity or have a favorable or unfavorable impact that is material on the net sales/revenue/ income from continuing operations. There are no known

events that will trigger direct or contingent financial obligations that is material to the Company, including any default or acceleration of an obligation. There are no off-balance sheet transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The Company's top five (5) key performance indicators are:

- 1.) The Company's net sales decreased by 8.1 % from ₱ 4,376.6 Million in 2009 to ₱ 4,021.6 Million in 2010. The decrease in sales is attributable to the decrease in distributed products as the distribution agreement has ended. The decrease from its distribution line has minimal impact on the gross profit margin. The domestic sales of distributed products decreased by 33.7% from ₱ 2,036.0 Million in 2009 to ₱ 1,348.6 Million in 2010, while export sales increased by 10.5% from ₱ 463.6 Million in 2009 to ₱ 512.4 Million in 2010. The increase in sales indicator was chosen by Management as it disclosed the level of performance which the Company has attained against the targeted growth. The percentage change is computed by dividing the peso increase in sales by the peso sales during the comparable period of the previous year.
- 2.) The gross profit on sales increased by 9.2% from ₱ 1,172.7 Million for the year 2009 to ₱ 1,280.6 Million for the year 2010. Cost of goods manufactured and sold decreased by 14.5% from ₱ 3,203.9 Million in 2009 to ₱ 2,740.9 Million in 2010 due to higher cost of sales on distributed products. As a percentage of net sales, cost of goods manufactured and sold decreased from 73.2% in 2009 to 68.1% in 2010. The gross profit indicator provides information about product selling prices relative to production costs. The percentage change in gross profit is computed by dividing the peso increase in gross profit by the peso gross profit during the comparable period of the previous year.
- 3.) Income from operations (income before finance income/costs and miscellaneous income) increased by 4.0% from ₱ 606.9 Million for the year 2009 to ₱ 631.0 Million for the year 2010. Operating expenses (administrative, selling and distribution) increased by 14.8% from ₱ 565.8 Million in 2009 to ₱ 649.6 Million in 2009. The increase was due to the increased variable operating expenses i.e. commissions, transportation and travelling, rentals, electricity and taxes. As a percentage of net sales, operating expenses was 12.9% in 2009 and 16.1% in 2010. Changes in income from operations and operating expenses are Management's indicators for the degree of control over the Company's expenditures on administrative, selling and distribution. The percentage change in income from operations is calculated by dividing the peso increase in operating income by the peso operating income during the comparable period of the previous year. The percentage change in operating expenses is calculated by dividing the peso increase in operating expenses by the peso operating expenses during the comparable period of the previous year.
- 4.) Net Finance cost/income (finance income, finance costs and other income) increased by 15.8% from ₱ 176.7 Million in 2009 to ₱ 204.6 Million in 2010 due to the decrease in foreign exchange gain in 2010. Changes in net finance costs/income indicator provides information on significant elements of other income and other expenditures from the Company's continuing operations. The percentage change is calculated by dividing the peso increase of net finance costs/income by the peso finance costs/income during the comparable period of the previous year.
- 5.) Provision for income tax decreased by 1.9% from ₱ 130.4 Million in 2009 to ₱ 127.8 Million in 2010. The net income decreased by 0.4% from ₱ 299.8 Million in 2009 to ₱ 298.6 Million in 2010. Changes in net income are indicators of the adequacy of amount to satisfy stockholders' dividend and rate-of-return expectations. The percentage change in net income is calculated by dividing the peso increase in net income by the peso net income during the comparable period of the previous year.

The Company's total assets increased by 8.8% from ₱ 6,837.0 Million in 2009 to ₱ 7,439.9 Million in 2010. Current ratio increased by 23.6% from 1.30:1 in 2009 to 1.60:1 in 2010. Debt ratio remain the same at 0.43:1 in 2009 and 2010, as well as the equity ratio at 0.57:1 in 2009 and 2010.

The increase in cash and cash equivalents was due to the proceeds of notes payable and collections of advances to subsidiary. The decrease in inventory was due to the decrease in the inventory of distributed products as the distribution agreement had ended. The increase in other current assets and other non-current assets was due to the increase in prepaid marketing development expense, advances to suppliers and deferred tax assets. The decrease in trade accounts payable was due to the payments in purchases of local raw materials and services from suppliers. The increase in acceptances payable was due to the trust receipts on letters of credit for the importation of raw materials and locally distributed products. The increase in total notes payable was due to new loans availed by the Company. The total decrease in total installment contract payable was due to payments made during the year. The decrease in other current liabilities was due to the decrease in agency payable. The increase in retirement liability was due to recognition of additional retirement expense for the year 2010. The decrease in deferred credits was due to amortization of prepaid rent. The increase in retained earnings was due to the net income earned during 2010.

Projection

The Company expects a decrease in sales in 2011 by approximately 1% due to the decrease in distributed products as the distribution agreement with one of the principal has ended. However, the decrease from its distribution line has minimal gross profit margin. The Company is continuously expanding its present product line to include specialty products for inhalation, ophthalmic, irrigation and other health care purposes. Likewise, the Company expects to open new export markets in other countries and increase the number of products being exported.

The gross profit ratio is expected to increase from 31% of sales in 2010 to approximately 33% of sales in 2011 due to the increase in gross profit from higher sales of manufactured products. The expected gross profit in 2011 is about P1.3 billion.

The expected net income for 2011 is approximately ₱299 Million, the same amount in 2010. As a percentage of sales, the net income ratio is approximately 7% to 8% of net sales.

B. Calendar Year 2009 Compared to Calendar Year 2008

The Company's operations have no seasonal aspects that had a material effect on its financial condition or results of its operations. The Company operates regularly for twelve (12) months during the year and does its maintenance jobs during Sundays and holiday breaks. There are no known trends, demands, material commitments for capital expenditures, events, or uncertainties that will have a material impact on the Company's liquidity or have a favorable or unfavorable impact that is material on the net sales/revenue/ income from continuing operations. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. There are no off-balance sheet transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The Company's top five (5) key performance indicators are:

- 1.) The Company's net sales increased by 73.6% from ₱ 2,521 Million in 2008 to ₱ 4,376 Million in 2009. The growth in sales is attributable to the increase in domestic sales and export sales. The domestic sales increase, which mainly came from distributed products resulted to an increase of 87.9% from ₱ 2,082.4 Million in 2008 to ₱ 3,913.0 Million in 2009, while export sales increased by 5.7% from ₱ 438.7 Million in 2008 to ₱ 463.6 Million in 2009. The increase in sales indicator was chosen by Management as it disclosed the level of performance the Company has attained against the targeted growth. The percentage change is computed by dividing the peso increase in sales by the peso sales during the comparable period of the previous year.

- 2.) The gross profit on sales increased by 3.9% from ₱ 1,131.4 Million for the year 2008 to ₱ 1,175.3 Million for the year 2009. Cost of goods manufactured and sold increased by 130.4% from ₱ 1,389.7 Million in 2008 to ₱ 3,201.4 Million in 2009 due to higher cost of sales on distributed products. As a percentage of net sales, cost of goods manufactured and sold increased from 55.1% in 2008 to 73.1% in 2009. The gross profit indicator provides information about product selling prices relative to production costs. The percentage change in gross profit is computed by dividing the peso increase in gross profit by the peso gross profit during the comparable period of the previous year
- 3.) Income from operations (income before finance income/costs and miscellaneous income) decreased by 1.7% from ₱ 628.1 Million for the year 2008 to ₱ 617.6 Million for the year 2009. Operating expenses (administrative selling and distribution) increased by 10.8% from ₱ 503.3 Million in 2008 to ₱ 557.7 Million in 2009. The increase was due to the increased variable operating expenses i.e. commissions, transportation and travelling and product distribution costs related to the increase in product sales. As a percentage of net sales, operating expenses is 20% in 2008 and 13% in 2009. Changes in income from operations and operating expenses are Management's indicators for the degree of control over the Company's expenditures on administrative, selling and distribution. The percentage change in income from operations is calculated by dividing the peso increase in operating income by the peso operating income during the comparable period of the previous year. The percentage change in operating expenses is calculated by dividing the peso increase in operating expenses by the peso operating expenses during the comparable period of the previous year.
- 4.) Net Finance cost/income (finance income, finance costs and other income) decreased by 3.8% from ₱ 183.8 Million in 2008 to ₱ 176.7 Million in 2009 due to increase of finance income/gain in 2009. Changes in net finance costs/income indicator provides information on significant elements of other income and other expenditures from the Company's continuing operations. The percentage change is calculated by dividing the peso increase of net finance costs/income by the peso finance costs/income during the comparable period of the previous year.
- 5.) Provision for income tax decreased by 15% from ₱ 157.1 Million in 2008 to ₱ 133.6 Million in 2009 due to lower income tax rate of 30% in 2009 compared to 35% in 2008. The net income increased by 7.0% from ₱ 287.2 Million in 2008 to ₱ 307.3 Million in 2009. Changes in net income are indicators of the adequacy of amount to satisfy stockholders' dividend and rate-of-return expectations. The percentage change in net income is calculated by dividing the peso increase in net income by the peso net income during the comparable period of previous year.

The Company's total assets increased by 10% from ₱ 6,169.89 Million in 2008 to ₱ 6,833.8 Million in 2009. Current ratio increased by 16% from 1.12:1 in 2008 to 1.30:1 in 2009. Debt ratio increased by 3% from 0.41:1 in 2008 to 0.43:1 in 2009, while the equity ratio decreased by 3% from 0.59:1 in 2008 to 0.57:1 in 2009.

The increase in cash and cash equivalents was due to the collection of receivables. The increase in trade and other receivables was due to the increase in sales. The increase in inventory was due to increase in finished goods which are being distributed by the Company. The increase in other current assets and other non-current assets was due to the increase in prepaid marketing development expense and deposits to suppliers. The increase in trade accounts payable was due to purchases of local distributed products from suppliers. The decrease in acceptances payable was due to payments made on trust receipts for the importations of raw materials. The decrease in income tax payable was due to a lower income tax rate of 30% in 2009 compared to 35% in 2008. The net decrease in installment contract payable was due to payments made during the year. The increase in notes payable was due to new availments of loans from banks credit lines. The increase in other current liabilities were due to the increase in agency payable. The decrease in deferred credits was due to amortization of prepaid rent. The increase in shareholders' equity was due to the net income earned during 2009.

Projection

The Company expects an increase in sales in 2010 by approximately 15% from its local and export sales. Majority of the increase, however, would come from its distribution business line with high cost of sales. The Company is continuously expanding its present product line to include specialty products for inhalation, ophthalmic, irrigation and other health care purposes. The Company expects to open new export markets in other countries and increase the number of products being exported.

The gross profit ratio is expected to decrease from 27% of sales in 2009 to approximately 26% of sales in 2010 due to higher cost of sales of products being distributed by the Company. The expected gross profit in 2010 is about P1,287 Million.

The net income for 2010 is expected to increase by approximately 8%. As a percentage of sales, the net income ratio is expected to remain the same at 7% in 2010 and 2009. The expected net income in 2010 is approximately P333 Million.

Liquidity and Capital Resources

The Company's primary need for funds is to finance its operations and capital expenditures. Historically, the Company relied on its internally generated funds, revolving Omnibus Credit Lines and long term debts from various banks.

Capital expenditures for the years 2007, 2008 and 2009 were ₱ 84.8 Million, ₱ 96.30 Million and ₱ 183.5 Million, respectively. These capital expenditures related primarily to the expansion programs of the Company for land, buildings, machinery and equipment.

Working capital and capital expenditures for the years 2007, 2008 and 2009 were financed through internally generated funds and short term and long-term borrowings from various commercial banks.

The Company has Omnibus Credit Lines in the aggregate amount of about ₱ 2.0 billion on a clean basis from various commercial banks. These credit lines provide for cash borrowings (Peso or Dollar), Export/Domestic Bills Purchase Lines, Bankers Acceptances and Letters of Credit (with no margin deposit at opening). Availments are for a period of 180 to 360 days, with interest payable/reviewable monthly or every 60 to 90 days in arrears at prevailing bank loan rates.

C. Calendar Year 2008 Compared to Calendar Year 2007

The Company's operations have no seasonal aspects that had a material effect on its financial condition or results of its operations. The Company operates regularly for twelve (12) months during the year and does its maintenance jobs during Sundays and holiday breaks. There are no known trends, demands, material commitments for capital expenditures, events, or uncertainties that will have a material impact on the Company's liquidity or have a favorable or unfavorable impact that is material on the net sales/revenue/ income from its continuing operations. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. There are no off-balance sheet transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The Company's top five (5) key performance indicators are:

- 1.) The Company's net sales increased by 6.3% from ₱ 2,372 Million in 2007 to ₱ 2,521 Million in 2008. The growth in sales is attributable to the increase in domestic sales and export

sales. Domestic sales increased by 5.8% from ₱ 1,967.9 Million in 2007 to ₱ 2,082.4 Million in 2008, while Export sales increased by 8.5% from ₱ 404.4 Million in 2007 to ₱ 438.7 Million in 2008. The increase in sales indicator was chosen by Management as it discloses the level of performance the Company has attained against the targeted growth. The percentage change is computed by dividing the peso increase in sales by the peso sales during the comparable period of the previous year.

- 2.) The gross profit on sales increased by 5.4% from ₱ 1,073.1 Million for the year 2007 to ₱ 1,131.4 Million for the year 2008. Cost of goods manufactured and sold increased by 6.9% from ₱ 1,299.2 Million in 2007 to ₱ 1,389.7 Million in 2008. As a percentage of net sales, cost of goods manufactured and sold increased from 54.7% in 2007 to 55.1 in 2008. The gross profit indicator provides information about product selling prices relative to production costs. The percentage change in gross profit is computed by dividing the peso increase in gross profit by the peso gross profit during the comparable period of the previous year.
- 3.) Income from operations (income before finance income/costs and miscellaneous income) increased by 9.2% from ₱ 631.1 Million for the year 2007 to ₱ 628.1 Million for the year 2008. Operating expenses (administrative, selling and distribution) increased by 13.8% from ₱ 442.1 Million in 2007 to ₱ 503.3 Million in 2008. The increase was due to the increased variable operating expenses i.e. commissions, transportation and traveling and product distribution costs related to the increase in product sales. As a percentage of net sales, operating expenses is 18.6% in 2007 and 19.9% in 2007. Changes in income from operations and operating expenses are Management's indicators for the degree of control over the Company's expenditure on administrative, selling and distribution. The percentage change in income from operations is calculated by dividing the peso increase in operating income by the peso operating income during the comparable period of the previous year. The percentage change in operating expenses is calculated by dividing the peso increase in operating expenses by the peso operating expenses during the comparable period of the previous year.
- 4.) Finance income/Charges (finance income, finance costs and other income) decreased by 21.9% from ₱ 224.1 Million in 2007 to ₱ 183.8 Million in 2008 due to reduction/payment of notes payable in 2008. Changes in finance income/charges indicator provide information on significant elements of other income and other expenditures from the Company's continuing operations. The percentage change is calculated by dividing the peso increase of finance income/charges by the peso income/charges during the comparable period of the previous year.
- 5.) Provision for income tax increased by 10.3% from ₱ 142.5 Million in 2007 to ₱ 157.1 Million in 2008. The net income increased by 8.6% from ₱ 264.5 Million in 2007 to ₱ 287.2 Million in 2008. Changes in net income are indicators of the adequacy of amount to satisfy stockholders' dividend and rate-of-return expectations. The percentage change in net income is calculated by dividing the peso increase in net income by the peso net income during the comparable period of the previous year.

The Company's total assets increased by 7.7% from ₱ 5,730.9 Million in 2007 to ₱ 6,173.4 Million in 2008. Current ratio increased by 12% from 1.00:1 in 2007 to 1.12:1 in 2008. Debt ratio decreased from 0.42:1 in 2007 to 0.41:1 in 2008, while the equity ratio increased from 0.58:1 in 2007 to 0.59:1 in 2008.

The decrease in cash and cash equivalents was due to payments of loans. The increase in trade and other receivables was due to the increase in sales. The increase in inventory was due to increase in finished goods distribution stocks. The increase in other current assets and other non-current assets was due to the increase in prepaid marketing development expense and advances and deposits to suppliers. The increase in accounts payable was due to purchases of local finished goods and services from suppliers. The increase in acceptances payable was due to trust receipts booking for importations of raw materials. The increase in income tax payable was due to higher taxable income in year 2008. The decrease in other current liabilities was due to the decrease in accrued expenses and agency payable. The increase in capital stock and the reduction in retained earnings were due

to the declaration of stock dividends. The increase in shareholders' equity was due to the net income earned during 2008.

Projection

The Company expects to increase its sales in 2009 by approximately 45% from its local and export sales. Majority of the increase, however, would come from its distribution business line with high cost of sales. The Company is continuously expanding its present product line to include specialty products for inhalation, ophthalmic, irrigation and other health care purposes. The Company expects to open new export markets in other countries and increases the number of products being exported.

The gross profit ratio is expected to decrease from 44% of sales in 2008 to 31% of sales in 2009 due to higher cost of sales of products being distributed by the Company. The expected gross profit in 2009 is about P1,171 Million.

The net income for 2009 is expected to increase by approximately 5%. As a percentage of sales, the net income ratio is expected to decrease from 11% of sales in 2008 to about 8% of sales in 2009. The expected net income in 2009 is approximately P 299 Million.

Item 4 MARKET INFORMATION

Euro-Med's common shares are publicly listed with the Philippine Stock Exchange. The high and low sales prices of the shares are:

2008		High	Low	
1 st Quarter	₱	2.00	₱	2.00
2 nd Quarter	₱	2.00	₱	1.98
3 rd Quarter	₱	1.54	₱	1.54
4 th Quarter	₱	1.88	₱	1.76
2009		High	Low	
1 st Quarter	₱	1.76	₱	1.76
2 nd Quarter	₱	1.74	₱	1.70
3 rd Quarter	₱	1.70	₱	1.70
4 th Quarter	₱	1.70	₱	1.70
2010		High	Low	
1 st Quarter	₱	1.70	₱	1.20
2 nd Quarter	₱	1.76	₱	1.06
3 rd Quarter	₱	1.80	₱	1.50
4 th Quarter	₱	1.75	₱	1.50

The market price per share of Euro-Med is ₱ 1.69 as of March 28, 2011 (the latest practicable trading date before submission of the report).

2.) Holders

As of March 31, 2011, the Company has on record, a total of 574 stockholders with a total of 3.543 Billion issued and outstanding shares. The top twenty (20) stockholders are as follows:

<u>Stockholder's Name</u>	<u>Total Shares</u>	<u>%</u>
1. U. S. Automotive Co., Inc.	2,244,623,469	58.41%
2. USAUTO CO, Inc.	799,537,520	20.80%
3. Evergreen Stock Brokerage & Securities, Inc.	279,182,544	7.26%
4. PCD Nominee Corp. (FIL)	6,86,227	0.02%
5. Philippine Trust Company	341,225,505	8.88%
6. Yap, Enrique C.	53,630,478	1.40%
7. Yap, Johnny C.	34,561,420	0.90%
8. Yap, Emilio C.	33,360,437	0.87%
9. Yap, Nichol C..	33,360,437	0.87%
10. Maramba, Tomas P.	1,200,983	0.03%
11. Evidente, Georgiana S.	1,200,983	0.03%
12. Yap, Enrique Raymond I.	997,980	0.03%
13. Cohu, Marshall Cohu ITF: Marc C. Allan	768,626	0.02%
14. Seaboard-Eastern Insurance Co., Inc.	597,331	0.02%
15. Cohu, Marshall Cohu ITF: Dianne Bernice C.	576,470	0.02%
16. Cohu, Marshall Cohu ITF: Danica Marie C.	576,470	0.02%
17. Goldclass Inc.	254,886	0.01%
18. Bueser, Angelita B.	244,041	0.01%
19. Yap, Michael Vincent Y.	240,202	0.01%
20. Emitterio, Jose A.	192,158	0.01%

The Company has not entered into any acquisition, business combination or other reorganization that would affect the amount and percentage of the present holding of the Company's common equity owned beneficially by:

- i. more than five percent (5%) beneficial owner of Company's common equity;
- ii. each director and nominee; and
- iii. all directors and officers as a group, and the Company's present commitments to such persons with respect to the issuance of shares

3.) Dividends

The Company declared the following dividends for the past three (3) years:

<u>Year</u>	<u>Kind</u>	<u>Amount</u>	<u>Rate</u>	<u>Record Date</u>
2008	Stock	₱ 322.10 Million	10%	July 14, 2009
2009	None			
2010	Stock	₱ 300.00 Million	8.47%	July 21, 2010

The Company has not restricted any portion of its retained earnings for future expenses, contingencies or other purposes.

4.) Recent sales of unregistered or exempt securities, including recent issuance of securities constituting an exempt transaction.

For the past three (3) years the registrant has not sold securities which were not registered under the Code. There were no sales of reacquired securities, as well as securities issued in exchange for property, service and other securities, resulting from the modification of outstanding securities.

The Company has issued Three Hundred Million (300,000,000) shares on July 21, 2010 as an exempt transaction under Section 10.1(d) of Securities Regulation Code. The issuance is exempt since the subject securities were distributed to existing stockholders by way of stock dividend pursuant to the record date fixed by the Securities and Exchange Commission for the payment of stock dividend for the increase of capital stock dated September 29, 2010.

The Company has issued Three Hundred Twenty Two Million One Hundred Two Thousand (322,102,000) shares on July 14, 2009 as an exempt transaction under Section 10.1(d) of Securities Regulation Code. The issuance is exempt since the subject securities were distributed to existing stockholders by way of stock dividend pursuant to SEC Resolution No. 122 Series of 2009 dated July 14, 2009.

The Company has issued Two Hundred Ninety Two Million Eight Hundred Twenty Thousand (292,820,000) shares on July 11, 2008 as an exempt transaction under Section 10.1(d) of Securities Regulation Code. The issuance is exempt since the subject securities were distributed to existing stockholders by way of stock dividend pursuant to SEC Resolution No. 146 Series of 2008 dated July 21, 2008.

Item 5 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

The Company's financial statements for the years 2008, 2009 and 2010 were audited by MCJ & Co., CPA's, the audit firm appointed by the stockholders in its meeting held on June 17, 2009 and July 21, 2010. There were no disagreements with accountants on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure.

Item 6 EXTERNAL AUDIT FEES AND SERVICES

a.) Audit and Audit Related Fees

The aggregate fees billed by the Company's external auditors for the years 2009 and 2010 amounted to ₱164,000 and ₱244,000 respectively. These amounts cover the cost of the regular audit of the Company's annual financial statements in connection with statutory and regulatory filings for those covered years. These fees also include consultation on minor accounting matters and minor tax matters, such as queries on new BIR regulations, computation of VAT, and etc. Any work that will involve our external auditors to represent the Company in cases with the Bureau of Internal Revenue and other regulatory bodies are considered major accounting and tax matters which shall be billed commensurate with the number of hours spent by the auditors working on such consultation.

b.) Tax fees - None

c.) All other fees - None

d.) The above-stated fees are approved by the Company's Audit Committee based on a written engagement letter subject to the mutual agreement of both parties.

Item 7 CORPORATE GOVERNANCE

1.) Evaluation System

The Company's Manual on Corporate Governance was submitted to the Securities and Exchange Commission on 30 August 2002. The Corporate Governance -Self-Rating Form (CG-SRF) was also submitted to the SEC on 30 July 2003. The Company has established an evaluation procedure,

which determines and measures compliance with the said manual. The evaluation system is a self-rating approach whereby each director and top-level management is given a self-assessment form consisting of questionnaires wherein they assess themselves as to their level of compliance to the Company's Manual and their contribution to the effectiveness of the Board of Directors. The Company has submitted its Certificate of Compliance on the provision of its Manual on Corporate Governance for year 2008 on February 17, 2009, and for year 2009 on January 21, 2010. The Company submitted its accomplished 2009 Corporate Governance (CG) Survey pursuant to SEC Memorandum Circular No. 12, series 2009 on October 14, 2009.

2.) Compliance with the Adopted Leading Practices

The Board conducts an annual review of this Manual and determines whether there is a need to amend in order to fully comply with leading practices on good corporate governance. Majority of our directors have attended the Corporate Governance Seminar conducted by the Institute of Corporate Directors held on February 2008 and 01 April 2008.

3.) Deviation from the Company's Manual of Corporate Governance

At present, the Company has no knowledge of any deviation committed by any of its personnel from the Company's Manual.

4.) Improvement of the Company's Manual of Corporate Governance

There are no immediate plans of amending the Company's Manual of Corporate Governance. If the Board, however, determines that there is a need to amend the said Manual to fully comply with leading practices on good corporate governance, then the same shall be amended and improved accordingly.

THE COMPANY UNDERTAKES TO PROVIDE WITHOUT CHARGE TO EACH STOCKHOLDER, UPON WRITTEN REQUEST BY THE STOCKHOLDER, A COPY OF THE COMPANY'S ANNUAL REPORT OR SEC FORM 17-A. PLEASE DIRECT ALL SUCH REQUESTS TO THE CORPORATE SECRETARY, MS. JANICE R. ONG, 1000 U.N. AVENUE CORNER SAN MARCELINO ST., MANILA, PHILIPPINES.