

COVER SHEET

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SEC Registration Number

DA VINCI CAPITAL HOLDINGS, INC.

(Company's Full Name)

ORIENT SQUARE BUILDING, F. ORTIGAS,
JR. ROAD, ORTIGAS CENTER, PASIG,
CITY

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

CANDY H. DACANAY-DATUON

(Contact Person)

(02) 523-3055

(Company Telephone Number)

1 2

Month

3 1

Day

SEC FORM 17-A

(Form Type)

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowing

Domestic

Foreign

SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

DA VINCI CAPITAL HOLDINGS, INC.
Orient Square Building, Ortigas, Jr. Road,
Ortigas Center, Pasig City

April 15, 2014

Securities and Exchange Commission
SEC Building, EDSA, Mandaluyong City

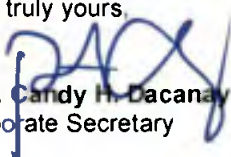
Attention: **Director Vicente Graciano P. Felizmenio, Jr.**
Markets and Securities Regulation Division

Subject: **SEC 17-A ANNUAL REPORT FOR CY 2013**

GENTLEMEN:

Please see attached SEC 17-A Annual Report for the year 2013 of Da Vinci Capital Holdings, Inc.

Very truly yours,


Atty. Candy H. Dacanay-Datuon
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE



- 1. For the year ended December 31, 2013
- 2. SEC Identification Number 24015 3. BIR Tax Identification Number 000-282-553
- 4. Exact name of issuer as specified in its charter DA VINCI CAPITAL HOLDINGS, INC. (FORMERLY: MARIWASA MANUFACTURING, INC.)
- 5. Province, Country or other jurisdiction of incorporation or organization: PHILIPPINES
- 6. SEC Identification Number: 24015
- 7. Address of Principal Office and Postal Code: Orient Square Building, F. Ortigas Road, Ortigas Center, Pasig City
- 8. Issuer's telephone number, including area code: (02) 523-3055
- 10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class

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

Common Stock

1,124,999,969

11. Are any or all of the securities listed on the Philippine Stock Exchange?

Yes [/] No []

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [/] No []

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [/] No []

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

DOCUMENTS INCORPORATED BY REFERENCE

14. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

Annex "A" - Consolidated Audited Financial Statements;

Annex "B" - Supplementary Schedules

BUSINESS AND GENERAL INFORMATION

Item 1. Business

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently a shell company and without operation.

Products

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently a shell company and without operation.

Competition

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently a shell company and without operation.

Distribution Channels/Customers

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently a shell company and without operation.

Principal Suppliers and Availability of Raw Materials

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently a shell company and without operation.

Related Party Transactions

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently a shell company and without operation.

Intellectual Property

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently a shell company and without operation.

Employees

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently a shell company and without operation.

Labor Agreement

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently a shell company and without operation.

Research and Development

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently a shell company and without operation.

Effect of Existing or Probable Governmental Regulations on the Business

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently a shell company and without operation.

Costs and Effects of Compliance with Environmental Laws

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently a shell company and without operation.

Risks related to the Corporation

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently a shell company and without operation.

Item 2. Properties

The Corporation does not have any property.

Item 3. Legal Proceedings

As of December 31, 2013, there are no other pending legal proceedings to which the Corporation or its subsidiary is a party or of which any of their respective properties are subject.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted during the period covered by this report to a vote of security holders.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Common Equity and Related Stockholder Matters

Market Information

The Corporation's common shares are listed in the Philippine Stock Exchange and have not been delisted from the Exchange. The following table shows the high and low prices (in PHP) of Da Vinci Capital Holdings, Inc.'s shares in the Philippine Stock Exchange for the year 2013:

2013	High	Low
January	-	-
February	-	-
March	-	-
April	5.00	3.45
May	3.59	1.70
June	1.70	1.00
July	1.24	1.01
August	1.16	1.01
September	1.06	1.02
October	1.04	1.00
November	1.01	0.00
December	0.96	0.00

Holder. There are approximately 1,050 registered holders of common shares as of December 31, 2013 owning atleast one board lot per 100 share (based on number of accounts registered with the Stock Transfer Agent).

The top 20 stockholders as of March 31, 2014 are as follows:

	<u>Name</u>	<u>No. of Shares Held</u>	<u>% to Total</u>
1.	DEUTSCHE REGIS PARTNERS, INC.	956,203,336	85.00%
2.	CENTENNIAL GUARANTEE ASSURANCE CORPORATION	16,099,311	1.43%
3.	WESTLINK GLOBAL EQUITIES, INC..	11,168,000	0.99%
4.	ABACUS SECURITIES CORPORATION	10,333,792	0.92%
5.	COL Financial Group, Inc.	9,413,296	0.84%
6.	ASTRA SECURITIES CORPORATION	8,665,600	0.77%
7.	A & A SECURITIES, INC.	7,197,200	0.64%
8.	TOWER SECURITIES, INC.	6,175,000	0.55%
9.	TGN REALTY CORP.	5,897,775	0.52%
10.	BERNAD SECURITIES, INC.	5,478,000	0.49%
11.	BPI SECURITIES CORPORATION	4,679,020	0.42%
12.	FIRST METRO SECURITIES BROKERAGE CORP.	4,581,700	0.41%
13.	ANSALDO, GODINEZ & CO., INC.	4,535,300	0.40%
14.	NIEVES SECURITIES, INC.	3,983,400	0.35%
15.	STRATEGIC EQUITIES CORP..	3,818,000	0.34%
16.	SB EQUITIES, INC.	3,159,000	0.28%
17.	PAN ASIA SECURITIES CORP.	2,858,000	0.25%
18.	NEW WORLD SECURITIES CO., INC.	2,669,000	0.24%
19.	EASTERN SECURITIES DEVELOPMENT CORPORATION	2,605,500	0.23%
20.	WEALTH SECURITIES, INC.	2,494,000	0.22%

Dividends Per Share

There were no dividends declared for the years ended December 31, 2013.

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

There was no recent sale of unregistered or exempt securities, including recent issuance of securities constituting an exempt transaction.

Item 6. Management Discussion and Analysis or Plan of Operations

The discussion and analysis of our financial condition and plan of operations should be read in conjunction with our audited financial statements and the related notes as of December 31, 2013, 2012, and 2011, which are included in this report.

This discussion contains forward-looking statements that reflect the management's current views with respect to future events that might affect the Corporation and its future financial performance.

The financial analysis tools used as key performance indicators for the Corporation's operations and in determining its profitability and liquidity are the following:

1. *Percentages analysis* to show the relationship of each income statement component to total sales on comparable basis.
2. *Financial Highlights* to summarize the operating results for the last three years that include sales growth analysis, return on sales, return on assets, return on equity, current ratio, and debt to equity ratio.

Percentage Analysis

	2013	2012	2011
Net Sales	0.00%	100.00%	100.00%
Cost of Goods Sold	0.00%	-80.35%	-75.77%
Gross Profit	0.00%	19.65%	24.23%
Operating Expenses	0.00%	-11.12%	-12.59%
Net Operating Income	0.00%	8.53%	11.64%
Other charges (net)	0.00%	-0.32%	-3.37%
Income before income tax	0.00%	8.21%	8.27%
Provision for income tax	0.00%	-0.62%	-3.10%
Net Income	0.00%	7.59%	5.18%

Note that in the statement of comprehensive income, the result of operations of MSCI is presented as "Net Income from Assets Held for Disposal" brought about by classification of the Corporation's investment in MSCI shares as held for disposal in 2011.

Note further that for 2012, percentage analysis is based on the results of operations of MSCI for the three-month period only, and the one-year period of the Corporation.

Operating Results for year end December 31, 2013 VS December 31, 2012

Effective March 15, 2012, MSCI ceased to be a subsidiary of the Corporation following the implementation of the Mariwasa Group Reorganizational Plan. From January 1, 2012 up to March 15, 2012, the Corporation recognized income from discontinued operations (net income from assets held for disposal) amounting to ₱75.1 million. The Corporation then posted total net income of ₱60.9 million for the year ended December 31, 2012.

At present, the Corporation does not have any operations.

Financial Highlights: (Based on the Corporation's Consolidated Financial Statements)

Increase/(Decrease)		2013	2012	2011	Average
Sales growth	1	0.00%	-71.33%	-3.71%	-25.01%
Return on sales (ROS)	2	0.00%	7.59%	5.18%	4.26%
Return on assets (ROA)	3	0.00%	256.70%	5.22%	87.31%
Return on equity	4	0.00%	259.22%	15%	91.41%
Current ratio	5	0.00	0.00	1.50	0.50
Debt-equity ratio	6	0.08	0.01	1.93	0.67

Note that in the consolidated statement of comprehensive income, the sales is presented as "Net Income from Assets Held for Disposal" brought by classification of the Corporation's investment in MSCI shares as held for disposal in 2011.

Note further that the sales and net income used in the computation include the results of operations of MSCI for three-month period only.

2012 and 2011 Analytical Discussion

Sales Growth

¹ The percentage change in sales value over prior year sales.

² Represents percentage (%) of net income over net sales.

³ Represents percentage (%) of net income over total assets.

⁴ Represents percentage (%) of net income over stockholders' equity.

⁵ Represents the ratio of current assets over current liabilities. It also represents the Corporation's liquidity.

⁶ Represents the percentage (%) of total liabilities over total stockholders' equity.

Sales, which represent the three-month sales of MSCI, decreased by 71.33%. MSCI ceased to be a wholly owned subsidiary of the Corporation upon effectivity of the Reorganization in March 2012.

Profitability

The Corporation's return on sales (ROS) was 7.59% for the year 2012 compared to 5.18% for 2011. The improvement in ROS is due to the lower expenses accrued from continuing operations compared to the sales from its discontinued operations.

Solvency

The Corporation's current ratio for the year 2012 was nil as compared to 2011's 1.73. As of December 31, 2012, the Corporation does not have current assets resulting from the Mariwasa Group Reorganization Plan.

2013 and 2012 Analytical Discussion

Sales Growth

Sales decreased by 100.00%. MSCI ceased to be a wholly owned subsidiary of the Corporation upon effectivity of the Reorganization in March 2012.

Profitability

The Corporation's return on sales (ROS) was 0% for the year 2013 compared to 7.59% for 2012. The improvement in ROS is due to the lower expenses accrued from continuing operations compared to the sales from its discontinued operations.

Solvency

The Corporation's current ratio for the years 2013 and 2012 was nil. As of December 31, 2013, the Corporation does not have current assets resulting from the Mariwasa Group Reorganization Plan.

Liquidity refers to the ability of an enterprise to generate adequate amount of cash to meet its needs for cash. A discussion on liquidity can be found in the "Other Reporting Disclosures" section. Further, Note 17 of the Audited Financial Statements also discusses the Company's Financial Risk Management Objectives and Policies.

Material Changes in the Financial Statements

The following are the summary of items that has material change in the financial statements:

	2013	2012	2011	Average
Cash and cash equivalents	-	-	-100%	-33%
Receivables (net)	-	100%	-90%	-63%
Inventories	-	-	-100%	-33%
Other current assets	-	-	-97%	-32%
Assets held for disposal	-	100%	100%	-
Property, plant and equipment	-	-	-100%	-33%
Accounts payable and accrued expenses	629%	-99%	-92%	146%
Current portion of long term debt	-	100%	63%	-12%
Liabilities directly associated with assets held for disposal	-	100%	100%	-

Long term debt	-	-	-100%	-38%
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Material Changes in the Financial Statements in 2012 and 2011

Receivables

This pertains to dividend receivable of ₱14.3 million in 2011 that has been received by the Corporation in 2012, and was subsequently invested by the Corporation in MSCI as additional paid-in capital.

Assets Held For Disposal

As of December 31, 2012, assets held for disposal is nil as a result of the Mariwasa Group Reorganizational Plan implemented in March 2012. Assets held for disposal pertains to investment in MSCI shares. MSCI shares were used to redeem the Convertible Subordinated Debentures (CSDs) of the Corporation.

Accounts Payable and Accrued Expenses

This pertains to the expenses accrued up to December 31, 2012 representing professional fees to third parties that render services to the Corporation for reportorial requirements with the SEC and the PSE.

Current portion of long-term debt

Current portion of long-term debt is nil as of December 31, 2012 as the CSDs were redeemed in exchange for the investment in shares of stock in MSCI.

Others

The Corporation's transactions with its subsidiary and other related parties helped the Corporation to endure periods of inconveniences. There were no new relationships created during 2010 with unconsolidated entities.

Material Changes in the Financial Statements in 2013 and 2012

Accounts Payable and Accrued Expenses

This pertains to the expenses accrued up to December 31, 2013 representing professional fees and other expenses to third parties that render services to the Corporation for reportorial requirements with the SEC and the PSE.

Plan of Operations

As of December 31, 2013, the Corporation has yet to identify a feasible investment opportunity. When the Corporation identifies such a viable project, it will then pursue capital raising activities either by way of a rights offering, public offering or private placement transaction. Since there is no operation and no business opportunity at this time, the Corporation's stockholders have advanced and are willing to advance monies to satisfy the cash requirements of the Corporation.

Other Reporting Disclosures

The Corporation's and MSCI's operations are not seasonal or cyclical in nature. Depending on the construction industry and market demand for ceramic tiles, production volume and sales for the 2011 operation may turn out to be significantly higher or lower compared to that for 2010.

As a result of the BOD approval last November 25, 2011 regarding Mariwasa Group Reorganizational Plan, one of its steps, as previously stated, is the full redemption or payment of the Corporation's CSDs and interest thereon within the first quarter of 2012 by way of conveyance of MSCI shares, subject to the Corporation and MSCI being able to secure the consent of the restructuring creditors. Other than this, there are no events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of an obligation.

The Corporation and MSCI in relation to the stability of "Biomass Hot Air Generator and Gasifier Fuel Switch Project" have committed to acquire land and construction of rice hull warehouse in year 2012. Other than this there are no material commitments for capital expenditures.

Note that in the consolidated statement of comprehensive income, the sales is presented as "Net Income from Assets Held for Disposal" under Discontinued Operations brought by classification of the Corporation's investment in MSCI shares as held for disposal in 2011. Other than this, there are no any significant elements of income or loss that did not arise from the Corporation's continuing operations.

There are no:

- (i.) Known trends or events, which may have material effect on the Company's short-term or long-term liquidity;
- (ii.) Issuances, repurchases, and repayment of equity securities;
- (iii.) Segment revenue and segment result for business segment or geographical segments;
- (iv.) Changes in the composition of the Corporation during the interim period;
- (v.) Changes in contingent liabilities or contingent assets;
- (vi.) Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period;
- (vii.) Material changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years;
- (viii.) Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Corporation with unconsolidated entities or other persons created during the reporting period;
- (ix.) Known trends or events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

Item 7. Financial Statements

The consolidated financial statements and applicable schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this report.

Financial Soundness Indicator

Below are the financial ratios that are relevant to the group for the period ended December 31, 2013 and 2012.

		2013	2012
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	-	-
Solvency Ratio	$\frac{\text{Long term debt}}{\text{Equity}}$	-	-

Asset-to-equity Ratio	$\frac{\text{Asset}}{\text{Equity}}$	1.08	1.01
Interest Rate Coverage Ratio	$\frac{\text{EBITDA}}{\text{Interest Expense}}$	-	12.19
Profitability Ratio	$\frac{\text{Net Income (Net Loss)}}{\text{Equity}}$	-6.6%	259.22%

Note that for 2012, the computation is based on the results of operations of MSCl for the three-month period only, and the one-year period of the Corporation.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

During the past two completed calendar years, there had been no changes in, or disagreements with, the independent auditors on accounting and financial disclosures.

For the year 2013, the Company engaged the services of R.S. Bernaldo & Associates.

Audit and Audit Related Fees

The Corporation spent ₱50,000 and ₱220,000 as payment for external audit services of R.S. Bernaldo & Associates and Sycip Gorres Velayo & Co., respectively, for each of the years 2013 and 2012, respectively. The engagement included the expressing of opinion regarding the presentation and conformity of the financial statements with the Philippine Financial Reporting Standards and review of income tax returns filed with the Bureau of Internal Revenue. The Mariwasa Group also engaged with the independent accountant for a special audit of the financial statements of MSCl as of and for the nine-month period ended September 30, 2011 and special audit of the financial statements of MSHI as of and for the three-month period ended March 31, 2012. Aside from the engagements or other services mentioned above, there are no other engagements that the Mariwasa Group entered into with the independent accountant.

In relation to the audit of the Corporation's annual financial statements, the Corporation's Corporate Governance Manual provides that the audit committee shall, among other activities (i) perform oversight functions over the Internal Audit Office and external auditors; (ii) monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security; (iii) review the reports submitted the external auditors; (iv) ensure that other nonaudit work provided by the external auditors are not in conflict with their functions as external auditors; and (v) ensure the compliance of the Company with acceptable auditing and accounting standards and regulations.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors

Lucio L. Co, Filipino, 58 years old, is the elected Chairman of the Company. He is the Chairman of publicly listed companies, Puregold Price Club, Inc., since 1998, and Cosco Capital, Inc., since 2012. He is also currently the Chairman of Puregold Finance, Inc., Puregold Duty Free Subic, Inc., Puregold Realty Leasing and Management, Inc. and President of Bellagio Holdings, Inc., Ellimac Prime Holdings, Inc., Forbes Corporation, LCKK & Sons Realty Corporation, Puregold Duty Free, Inc., and Puregold Properties, Inc. He is

also a member of the Board of Trustees of Adamson University. Mr. Co has been an entrepreneur for the past 40 years.

Mr. Co will serve as executive director of the Company for one year until his successor is elected and qualified.

Ma. Editha D. Alcantara, Filipino, 42 years old, is a Director of the Company. She is currently the Treasurer of Blue Ocean Foods, Inc., KB Space Holdings, Inc., Maxent Investments, Inc., and Premier Freeport, Inc. and Company E Corporation. She also serves as Director for Cosco Price, Inc. and President for PSMT Philippines, Inc. and Vice President and Treasurer for Invescap, Incorporated. Alcantara is a graduate of Philippine University of the Philippines with a degree of Bachelor of Economics and Politics in 1992.

Mrs. Alcantara will serve as executive director of the Company for one year until her successor is elected and qualified.

Maritez Tacus, Filipino, 51 years old, is a Director of the Company. She is currently the President of Etro Management Corporation, acting as Director for Invescap, Incorporated, Jurist Realty, Inc. Kuleto's Restaurant, Inc., Treasurer for Lucida Management Corporation, and Corporate Secretary for Entenso Equities, Inc. and Fertuna International Trading, Inc. Tacus is a graduate of Far Eastern University with a degree of Bachelor of Science in Management.

Ms. Tacus will serve as non-executive director of the Company Company for one year until her successor is elected and qualified.

Maridel Behagan, Filipino, 47 years old, is a Director of the Company. She is currently the Treasurer of Etro Management Corporation and Fertuna International Trading. She is also Director for Invescap, Incorporated.

Ms. Behagan will serve as non- executive director of the Company.

Jocelyn Rodulfa, Filipino, 47 years old, is a Director of the Company. She is currently acting as Director for 999 Shopping Mall, Dearborn Realty Corporation, Invescap, Incorporated, Jurist Realty, Inc., Puregold Properties, Inc., and Star Alliance, Inc. She is now the President of Maxent Investments, Inc.

Ms. Rodulfa will serve as non-executive director of the Company Company for one year until her successor is elected and qualified.

Atty. Angelo Patrick F. Advincula, Filipino, 43 years old, is the independent director of the Company. He is a Partner in Zambrano and Gruba law firm, and he specializes in Commercial Law, Commercial Litigation and Arbitration, Government Policy and Taxation. He is presently engaged as Consultant of the Japan Bank of International Cooperation and also involved in tax structuring, preparation of tax-exempt vehicles, giving advice to multi-national clients, handling tax assessments and VAT refund cases. Advincula graduated from the University of the Philippines in 1996 and was admitted to the Philippine Bar in 1997.

Atty. Advincula will serve as independent director of the Company Company for one year until his successor is elected and qualified.

Atty. Antero Jose M. Caganda, Filipino, 43 years old, is the independent director of the Company. He is a Partner at Zambrano and Gruba law firm with specialty in Corporate Law, Tax Advisory and Banking. He graduated with a Juris Doctor Degree from the Ateneo Law School in 1994 and was admitted to the Philippine Bar in 1995.

Atty. Caganda will serve as independent director of the Company Company for one year until her successor is elected and qualified.

Significant Employees

We submit that this portion is not applicable because Da Vinci Capital Holdings, Inc. is currently a shell company and without operation.

Family Relationships

No family relationships among members of the Board.

Involvement in certain Legal Proceedings

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

Item 10. Executive Compensation

For the year 2013, there were no bonuses and other compensation received by the Directors from the Corporation. Also, no employment contracts exist between the Corporation and its executive officers. There are no other standard arrangements existing between the Corporation and any of the Directors and officers of the Corporation.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Market Information

The Corporation's common shares are listed in the Philippine Stock Exchange and have not been delisted from the Exchange. The following table shows the high and low prices (in PHP) of Da Vinci Capital Holdings, Inc.'s shares in the Philippine Stock Exchange for the year 2013:

2013	High	Low
January	-	-
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July	1.24	1.01
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October	1.04	1.00
November	1.01	0.00
December	0.96	0.00

Holders. There are approximately 1,050 registered holders of common shares as of December 31, 2013 owning at least one board lot per 100 share (based on number of accounts registered with the Stock Transfer Agent).

The top 20 stockholders as of March 31, 2014 are as follows:

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18.	NEW WORLD SECURITIES CO., INC.	2,669,000	0.24%
19.	EASTERN SECURITIES DEVELOPMENT CORPORATION	2,605,500	0.23%
20.	WEALTH SECURITIES, INC.	2,494,000	0.22%

Dividends Per Share

There were no dividends declared for the years ended December 31, 2013.

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

There was no recent sale of unregistered or exempt securities, including recent issuance of securities constituting an exempt transaction.

Shareholdings of Directors

Each Director is holding 1 common share of the Company.

Item 12. Certain Relationships and Related Transactions

After the Change in Control, there has not been any related transaction and as of to date, the Corporation does not have any subsidiary. However, prior to the Change in Control, the Corporation and its subsidiary, in the normal course of business, had significant transactions with related companies. Transactions with Mariwasa Siam Ceramics, Inc. ("MSCI") pertain to sale of items of property and equipment to MSCI in previous years and operating expenses paid by MSCI on its behalf with outstanding balance of ₱8,097,389 as of December 31, 2011 (nil as of March 31, 2012). Balances as at year-end were unsecured and usually settled in cash. There have been no guarantees provided or received for such related party receivable. As of December 31, 2012, the Corporation has not recorded any impairment of receivables relating to amount owed by related parties.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

Exhibits

ANNEX "A" – Audited Financial Statements

The following are the summary of the SEC Form 17-C filed to SEC by the Company:

Date of Report	Date Filed with SEC	Particulars
May 3, 2013	May 3, 2013	During the special meeting of the Board of Directors of the Company on May 3, 2013, the Board Unanimously approved the postponement of the annual stockholders' meeting from May to a later date to be determined by the Board, in order for the newly elected Directors and officers to organize themselves and to allow sufficient preparation time for the new Management.
May 8, 2013	May 8, 2013	During the special meeting of the Board of Directors of Da Vinci Capital Holdings, Inc. (formerly Mariwasa Siam Holdings, Inc., hereinafter referred to as the "Company") held on May 6, 2013, Atty. Caroline G. Exconde was elected as the Company's Assistant Corporate Secretary.
May 8, 2013	May 9, 2013	During the special meeting of the Board of Directors of the Company on May 8, 2013, the Board of Directors of the Company unanimously approved the following updated membership in the Company's various Board Committees: <ul style="list-style-type: none">- Nomination Committee: Chairman – Lucio L. Co Members: Ma. Editha D. Alcantara and Angelo Patrick F. Advincula- Compensation Committee: Chairman – Lucio L. Co Members: Ma. Editha D. Alcantara and Angelo Patrick F. Advincula- Audit Committee:

		<p>Chairman – Antenor Jose M. Caganda Members: Ma. Editha D. Alcantara and Maridel Behagan</p> <ul style="list-style-type: none"> - Executive Committee: Chairman – Lucio L. Co Members: Ma. Editha D. Alacantara, Maridel Behagan, Angelo Patrick F. Advincula and Antenor Jose M. Caganda.
July 18, 2013	July 18, 2013	<p>During the special meeting of the Board of Director of the Company, Ms. Elaine Mariz Mendoza tendered her resignation as Director of the Company, Accordingly, Ms. Marites Tacus was elected as Director of the Company.</p>
July 18, 2013	July 18, 2013	<p>In relation to the current report submitted by Da Vinci Holdings, Inc. (the"Company") on May 3, 2013 and in response to SEC letter dated May 27, 2013, stated below are the qualifications, business experience for the last 5 years and status of directorship of the following directors of the Company:</p> <ul style="list-style-type: none"> - Lucio L. Co – Filipino, 58 years old, is elected Chairman of the Company. He is the Chairman of publicly listed companies, Puregold Price Club, Inc., since 1998, and Cosco Capital, Inc., since 2012. He is also currently the Chairman of Puregold Finance, Inc. Puregold Duty Free Subic, Inc., Puregold Realty Leasing and Management, Inc. and President of Bellagio Holdings, Inc., Ellimac Prime Holdings, Inc., Forbes Corporation, LCKK & Sons Realty Corporation, Puregold Cuty Free, Inc., and Puregold Properties, Inc. He is also a member of the Board of Trustees of Adamson University. Mr. Co has been an entrepreneur for the past 40 years. Mr. Co will serve as executive director of the Company. - Ma. Editha D. Alcantara – Filipino, 42 years old, is a director of the Company. She is currently the Treasurer of Blue Ocean Food, Inc. KB Space Holdings, Inc. Maxent Investments, Inc., and Premier Freeport, Inc. and Company E Corporation. She also serves as Director for Cosco Price, Inc. and President for PSMT Philippines, Inc. and Vice-President and Treasurer for Invescap, Incorporated. Ms. Alcantara is a gradute of Polytechnic University of the Philippines with a degree of Bachelor of Economics and Politics in 1992. Ms. Alcantara will serve as executive director of the Company. - Marites Tacuz – Filipino, 51 years old, is a director of the Company. She is currently the President of Etro Management Corporation, acting as Director for Invescap, Incorporated, Jurist Realty, Inc. Kuleto's Restaurant, Inc., Treasurer for Lucida Management Corporation and Corporate Secretary for Entenso Equities, Inc. and Fertuna International Trading, Inc. Ms. Tacuz is a graduate of Far Eastern University with a degree of Bachelor of Science in

		<p>Management. Ms. Tacus will serve as non-executive director of the Company.</p> <ul style="list-style-type: none"> - Maridel Behagan – Filipino, 47 years old, is a director of the Company. She is currently the Treasurer of Etro Management Corporation and Fertuna International Trading. She is also Director of Invescap, Incorporated. Ms. Behagan will serve as non-executive director of the Company. - Jocelyn Rodulfa – Filipino, 47 years old, is a Director of the Company. She is currently acting as Director for 999 Shopping Mall, Dearborn Realty Corporation, Invescap, Incorporated, Jurist Realty Inc., Puregold Properties, Inc. and Star Alliance, Inc. She is now the President of Maxent Investments, Inc. Ms. Rodulfa will serve as non-executive director of the Company. - Atty. Angelo Patrick F. Advincula – Filipino, 43 years old, is the independent director of the Company. He is a Partner in Zambrano and Gruba law firm, and he specializes in Commercial Law, Commercial Litigation and Arbitration, Government Policy and Taxation. He is presently engaged as Consultant of the Japan Bank of International Cooperation and also involved in tax structuring, preparation of tax-exempt vehicles, giving advice to multinational clients, handling tax assessments and VAT refund cases. Advincula graduated from the university of the Philippines in 1996 and was admitted to the Philippine Bar in 1997. Atty. Advincula will serve as independent director of the Company. - Atty. Antero Jose M. Caganda – Filipino, 43 years old, is the independent director of the Company. He is a Partner at Zambrano and Gruba law firm with specialty in Corporate Law, Tax Advisory and Banking. He graduated with a Juris Doctor Degree from the Ateneo Law School in 1994 and was admitted to the Philippine Bar in 1995. Atty. Caganda will serve as independent director of the Company.
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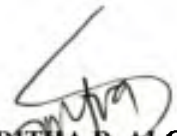
Signatures

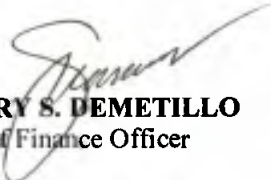
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Manila, on 15th day of April 2014.

DA VINCI CAPITAL HOLDINGS, INC.
(Formerly, Mariwasa Siam Holdings, Inc.)
Issuer

Pursuant to the requirements of the Revised Securities Act, this annual report has been signed by the following person in the capacities and on the dates indicated:

By:


MA. EDITHA D. ALCANTARA
Vice-President

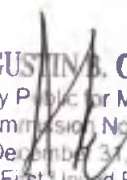

MARY S. DEMETILLO
Chief Finance Officer


ATTY. CANDY H. DACANAY-DATUON
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 15th day of April 2014, in the City of Manila, affiant exhibiting to me their TIN numbers:

Name	TIN Number
Ma. Editha D. Alcantara	171-668-333
Mary S. Demetillo	152-885-512
Candy H. Dacanay-Datuon	233-200-394

Doc. No. 288
Page No. 79
Book No. XIX
Series of 2014.


ATTY. AGUSTINE B. CABREDO
Notary Public for Manila
Notarial Commission No. 2013-109
Until December 31, 2014
Rm. 409, First United Bldg. Co.,
Escolta, Manila
Roll No. 26047
PIR No. 2450249 / 1-2-14 / Manila
IBP Life Member 05097
MCLE No. IV 0000822

DA VINCI CAPITAL HOLDINGS, INC.

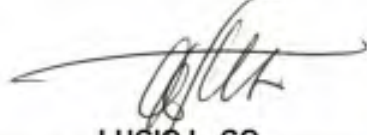
Orient Square Building, F. Ortigas, Jr. Road
Ortigas Center, Pasig City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **DA VINCI CAPITAL HOLDINGS, INC. (FORMERLY MARIWASA SIAM HOLDINGS, INC.)** is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2013 and 2012, including the additional components attached therein, in accordance with the Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

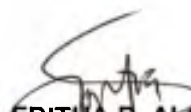
The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

R.S. Bernaldo & Associates and Sycip Gorres Velayo & Co., the independent auditors, appointed by the stockholders, for the years ended December 31, 2013 and 2012, respectively, have examined the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.



LUCIO L. CO

Chairman of the Board and President



MA. EDITHA D. ALCANTARA

Vice-President and Treasurer

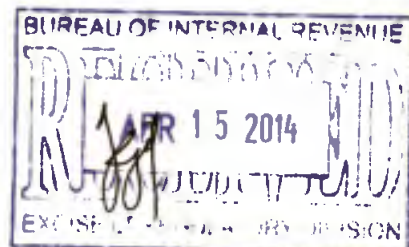
APR 11 2014

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2014 affiants exhibiting to me their respective SSS ID, as follows:

Name	SSS ID NO.
Lucio L. Co	03-2846635-5
Ma. Editha D. Alcantara	33-1178661-2

Doc. No. 446
Page No. 95
Book No. LXXXVI
Series of 2014

ATTY. DOLORSINDO I. PANER
NOTARY PUBLIC - UNTIL DEC. 31, 2015
360 A. J. VILLEGAS ST. MALATE, MANILA TEL. 527 7923
PTR NO. 2502603 - 01/02/14 BP NO. 941388 - 10/01/13
COMM NO. 2014-0277 ROLL NO. 21002
TIN NO. 118-201-698-00
MCLE CO. LICENSE 2013-2014 - 27 JULY 13



INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
DA VINCI CAPITAL HOLDINGS, INC.
(Formerly Mariwasa Siam Holdings, Inc.)
Orient Square Building, F. Ortigas, Jr. Road
Ortigas Center, Pasig City

Report on the Financial Statements

We have audited the accompanying financial statements of **DA VINCI CAPITAL HOLDINGS, INC. (Formerly Mariwasa Siam Holdings, Inc.)**, which comprise the statement of financial position as of December 31, 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

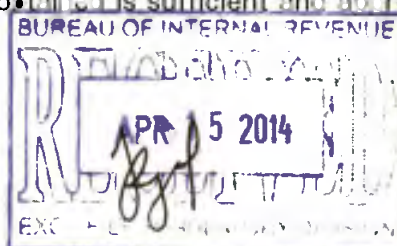
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



RSBA
20
YEARS

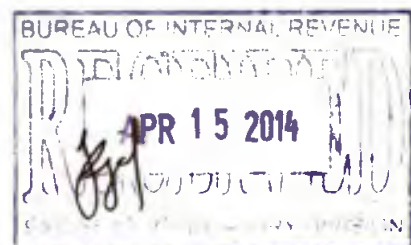


Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **DA VINCI CAPITAL HOLDINGS, INC. (Formerly Mariwasa Siam Holdings, Inc.)** as of December 31, 2013, and its financial performance and cash flows for the year then ended in accordance with Philippine Financial Reporting Standards.

Other Matter

The financial statements of the Company as of December 31, 2012, were audited by other auditor whose report dated April 12, 2013 expressed an unqualified opinion on those statements.



Report on the Supplementary Information Required Under Revenue Regulations

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 and 19-2011 in Notes 24 and 25, respectively, are presented for purposes of filing with the Bureau of Internal Revenue and are not a required part of the basic financial statements. Such information is the responsibility of the Management of **DA VINCI CAPITAL HOLDINGS, INC. (Formerly Mariwasa Siam Holdings, Inc.)**. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.S. BERNALDO & ASSOCIATES

BOA/PRC No. 0300

Valid until December 31, 2015

SEC Group A Accredited

Accreditation No. 0153-FR-1

Valid until September 13, 2014

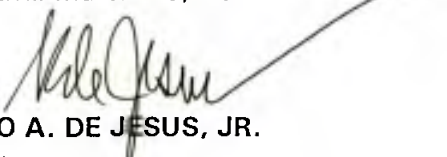
BSP Group B Accredited

CDA CEA No. 0013-AF

Valid until November 17, 2016

IC Accreditation No. F-2013/002-O

Valid until March 26, 2016



ROMEO A. DE JESUS, JR.

Partner

CPA Certificate No. 86071

SEC Group A Accredited

Accreditation No. 1135-A

Valid until July 5, 2014

BIR Accreditation No. 08-004744-1-2012

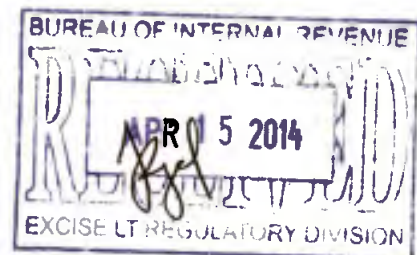
Valid from April 10, 2012 until April 9, 2015

Tax Identification No. 109-227-897

IC Accreditation No. SP-2013/006-O

Valid until March 26, 2016

April 4, 2014

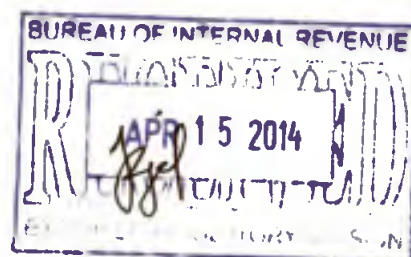


DA VINCI CAPITAL HOLDINGS, INC.
(Formerly Mariwasa Siam Holdings, Inc.)
STATEMENT OF FINANCIAL POSITION
 December 31, 2013
(With Comparative Figures for 2012)
 (In Philippine Peso)



	NOTES	2013	2012
A S S E T			
Non-current Asset			
Prepayments and other assets	8	23,717,000	23,717,000
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Current Liabilities			
Accounts payable	10	1,439,000	-
Accrued expenses	11	281,000	231,000
TOTAL LIABILITIES		1,720,000	231,000
STOCKHOLDERS' EQUITY			
Capital Stock	13	25,875,000	25,875,000
Additional Paid-in Capital	13	46,033,000	46,033,000
Deficit		(49,911,000)	(48,422,000)
TOTAL STOCKHOLDERS' EQUITY		21,997,000	23,486,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		23,717,000	23,717,000

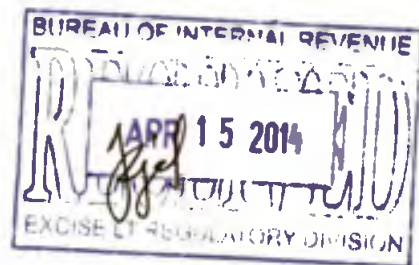
(See Notes to Financial Statements)



DA VINCI CAPITAL HOLDINGS, INC.
(Formerly Mariwasa Siam Holdings, Inc.)
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2013
(With Comparative Figures for 2012 and 2011)
(In Philippine Peso)

	NOTES	2013	2012	2011
DIVIDEND INCOME	14	-	-	71,333,000
OPERATING EXPENSES	15	(1,489,000)	(8,157,000)	(8,991,000)
FINANCING CHARGES	16	-	(5,441,000)	(25,289,000)
LOSS ON DISPOSAL OF AVAILABLE-FOR-SALE FINANCIAL ASSETS	6	-	(34,824,000)	-
OTHERS		-	-	53,000
PROFIT (LOSS) BEFORE TAX		(1,489,000)	(48,422,000)	37,106,000
INCOME TAX	17	-	-	1,000
PROFIT (LOSS)		(1,489,000)	(48,422,000)	37,105,000
EARNINGS (LOSS) PER SHARE				
Basic Earnings (Loss) per Share	16	(0.06)	(1.87)	0.03

(See Notes to Financial Statements)



DA VINCI CAPITAL HOLDINGS, INC.

(Formerly Mariwasa Siam Holdings, Inc.)

STATEMENTS OF CHANGES IN EQUITY

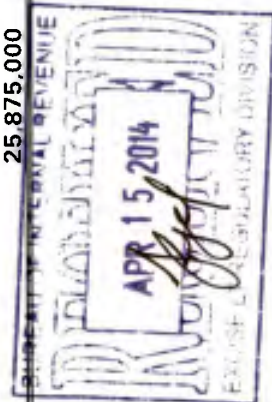
For the Year Ended December 31, 2013

(With Comparative Figures for 2012 and 2011)

(in Philippine Peso)

	Notes	Capital Stock	Additional Paid-in Capital	Equity Component of Subordinated Debentures	Deficit	Total
Balance, December 31, 2010		1,125,000,000	152,796,000	300,980,000	(659,351,000)	919,425,000
Profit		-	-	-	37,105,000	37,105,000
Balance, December 31, 2011	13	1,125,000,000	152,796,000	300,980,000	(622,246,000)	956,530,000
Decrease in capital stock and creation of reduction surplus	13	(1,099,125,000)	1,099,125,000	-	-	-
Wipe out of deficit against existing additional paid-in capital	13	-	(152,796,000)	-	152,796,000	-
Wipe out of deficit against reduction surplus	13	-	(525,230,000)	-	525,230,000	-
Return of excess reduction surplus wiped out against deficit	13	-	55,780,000	-	(55,780,000)	-
Return of capital out of remaining reduction surplus	13	-	(629,675,000)	-	-	(629,675,000)
Redemption of convertible subordinated debentures	9	-	-	(254,947,000)	-	(254,947,000)
Reclassification of equity component of convertible subordinated debentures		-	46,033,000	(46,033,000)	-	-
Loss		-	-	-	(48,422,000)	(48,422,000)
Balance, December 31, 2012		25,875,000	46,033,000	-	(48,422,000)	23,486,000
Loss		-	-	-	(1,489,000)	(1,489,000)
Balance, December 31, 2013		25,875,000	46,033,000	-	(49,911,000)	21,997,000

(See Notes to Financial Statements)



DA VINCI CAPITAL HOLDINGS, INC.
(Formerly Mariwasa Siam Holdings, Inc.)

STATEMENT OF CASH FLOWS

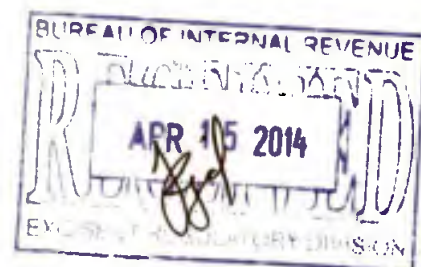
For the Year Ended December 31, 2013

(With Comparative Figures for 2012 and 2011)

(In Philippine Peso)

	NOTES	2013	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (Loss) before tax		(1,489,000)	(48,422,000)	37,106,000
Adjustments for:				
Loss on disposal of assets	6	-	34,824,000	-
Financing charges	16	-	5,441,000	25,289,000
Dividend income	14	-	-	(71,333,000)
Operating cash flows before changes in working capital		(1,489,000)	(8,157,000)	(8,938,000)
Decrease in operating assets:				
Advances to a related party		-	7,926,000	3,433,000
Prepayments and other current assets		-	-	2,830,000
Increase (Decrease) in operating liabilities:				
Accounts payable		1,439,000	-	-
Accrued expenses		50,000	231,000	(417,000)
Cash generated from operations		-	-	(3,092,000)
Income taxes paid		-	-	(1,000)
Net cash used in operating activities		-	-	(3,093,000)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additional investment in MSCI	7	-	(14,289,000)	-
Decrease in amount advanced to MSCI	7	-	-	3,093,000
Net cash from (used in) investing activities		-	(14,289,000)	3,093,000
CASH FLOW FROM FINANCING ACTIVITY				
Dividends received		-	14,289,000	-
NET DECREASE IN CASH		-	-	-
CASH AT BEGINNING OF YEAR		-	-	-
CASH AT END OF YEAR		-	-	-

(See Notes to Financial Statements)



DA VINCI CAPITAL HOLDINGS, INC.

(Formerly Mariwasa Siam Holdings, Inc.)

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

(With Comparative Figures for 2012)

1. CORPORATE INFORMATION

Da Vinci Capital Holdings, Inc. *(Formerly Mariwasa Siam Holdings, Inc.)* (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 5, 1963 and its shares are listed in the Philippine Stock Exchange. The principal activities of the Company are to purchase, subscribe for or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness and other securities, contracts or obligations of any corporation or corporations, association or associations, domestic or foreign, engage in, but not limited to, the business of real estate, manufacturing, trading and agribusiness, and to pay, in whole or in part, in cash or by exchanging therefor, stocks, bonds and other evidences of indebtedness or securities of this or any other corporation, and while the owner or holder of any such real or personal property, stocks, bonds, debentures, notes, evidences of indebtedness or other securities, contracts or obligations, to receive, collect and dispose of the interest, dividends and income arising from such property and to possess and exercise in respect therefor all the rights, powers and privileges of ownership, including all voting powers on any stock so owned, without however engaging in dealership in securities or in stock brokerage business, to the extent permitted by law, to aid, either by loans or by guaranty of securities or in any other manner, any corporation, domestic, or foreign, any share of stock, or any bond, debenture, evidence of indebtedness or other security whereof are held by this corporation or in which it shall have interest, and to do any act designed to protect, preserve, improve or enhance the value of any property at any time held or controlled by this corporation or in which it at that time may be interested.

Mariwasa Siam Ceramics, Inc. (MSCI), a former subsidiary, is primarily engaged in the manufacture of ceramic tiles. MSCI ceased to be a wholly-owned subsidiary of the Company effective March 15, 2012, following the implementation of the Mariwasa Group Reorganizational Plan.

On January 25, 2013, the Board of Directors (BOD) approved the change of the corporate name from Mariwasa Siam Holdings, Inc. to Da Vinci Capital Holdings, Inc. The change in corporate name was approved by the majority vote of the stockholders during its annual stockholders meeting on March 8, 2013. This was later approved by the SEC on April 26, 2013.

The Company is 85% owned by Invescap Incorporated, 14.48% owned by other domestic corporations and 0.52% owned by Filipino individuals.

The Company's registered address is located at Orient Square Building, F. Ortigas, Jr. Road, Ortigas Center, Pasig City.

1.01 Status of Operations

1.01.01 Status of Operations

Following the implementation of the Mariwasa Group Reorganization Plan which was completed in March 2012 as discussed below, the Company will continue to operate and look for other investment opportunities.

Reorganization

On November 25, 2011, the BOD approved the Mariwasa Group Reorganizational Plan which consists of the following sequential steps:

- a. Full redemption of the Company's convertible subordinated debentures (CSDs) in the aggregate full principal amount of P454,518,000 and full payment of all accrued interest as of the early redemption date within the first quarter of 2012 by way of conveyance to the holders thereof of such number of shares in MSCI owned and held by the Company sufficient in value based on the audited book value per share of MSCI as of September 30, 2011 or P1.88 per share, as may be adjusted by approximately P0.02 per share due to subsequent events, to fully redeem the said debentures and fully pay for accrued interest thereon, subject to the Company and MSCI being able to secure the consent of the restructuring creditors.
- b. Reduction of the Company's authorized capital stock through the following actions:
 - Decrease its authorized capital stock from P1,500,000,000 divided into 1,200,000,000 common shares with par value of P1.00 per share and 3,000,000,000 preferred shares with par value of P0.10 per share; to P327,600,000 divided into 1,200,000,000 common shares with par value of P0.023 per share and 3,000,000,000 preferred shares with par value of P0.10 per share;
 - Decrease its subscribed capital from P1,125,000,000 to P25,875,000;
 - Wipe out all its deficit as of September 30, 2011 to the extent of P678,026,000, subject to adjustment;
 - Return to the shareholders any remaining capital surplus created due to such decrease in proportion to their shareholding in the Company in the form of MSCI shares;
 - Amend the Article Seventh of the Amended Articles of Incorporation in accordance with the planned reorganizational plan
- c. Prepayment of the creditors of the Mariwasa Group in relation to MSCI's restructured loan through the refinancing of such restructured loan, which refinancing will be undertaken entirely by MSCI.

On the same day, the BOD authorized to invest the dividends that it will receive from MSCI and SMT Holdings, Inc. (SHI) amounting to P71,333,000 as additional paid-in capital of MSCI, subject to:

- The Company's receipt from MSCI and SHI of the dividends in the amount at least equal to the aforesaid investment, and
- The Company and MSCI being able to secure the consent of the restructuring creditors.

On February 16, 2012, SEC approved the Company's application for reduction of its authorized capital stock and the wipe out of the deficit of the Company as of September 30, 2011 amounting to P678,026,000 against the existing additional paid-in capital of P152,796,000 and part of the reduction surplus amounting to P525,230,000 subject to the condition that the difference between the actual deficit wiped out shall be reverted to additional paid-in capital, as disclosed in Note 12.

On March 6, 2012, the Company executed a deed of transfer of MSCI's shares to implement the return of capital surplus to the Company's stockholders, as disclosed in Note 12.

On March 15, 2012, the CSDs were redeemed and on said date, MSCI ceased to be a subsidiary of the Company.

After the implementation of the reorganization, the Company will continue to operate and look for other investment opportunities.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Philippine Financial Reporting Standards Council (FRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). The term "PFRS" in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FRSC and adopted by SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Company. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

2.01 New and Revised PFRSs Applied with No Material Effect on the Financial Statements

The following new and revised PFRSs have also been adopted in these financial statements. The application of these new and revised PFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- PFRS 7 (Amended), *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*

The amendment requires disclosing information that will enable users to evaluate the effect or potential effect of netting arrangements on an entity's financial position. The amendments are effective for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods. An entity shall provide the disclosures required by those amendments retrospectively.

- PFRS 13, *Fair Value Measurement*

The Standard explains how to measure fair value for financial reporting. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It emphasizes that fair value is market-based not an entity-specific measurement; hence an entity's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value. It was developed to eliminate inconsistencies of fair value measurements dispersed in various existing PFRSs. It clarifies the definition of fair value, provides a single framework for measuring fair value and enhances fair value disclosures.

PFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

- PAS 1, *Presentation of Items of Other Comprehensive Income (OCI)*

To improve the presentation of items of OCI, amended PAS 1 requires entities to group items presented in the OCI on the basis whether they would be reclassified to (recycled to) profit or loss subsequently.

The amendments did not address which items should be presented in the OCI and did not change the option to present OCI items either before or net of tax.

Those amendments are effective for annual periods beginning on or after July 1, 2012. Earlier application is permitted.

- PAS 19 (Revised), *Employee Benefits*

Significant changes to this standard include removal of corridor approach; immediate recognition of past service costs; presentation of remeasurements on defined benefit plans in other comprehensive income; new recognition criteria on termination benefits; and improved disclosure requirements.

The amended standard comes into effect for accounting periods beginning on or after January 1, 2013. Earlier application is permitted.

- PIC Q&A No. 2013-03 *PAS 19 –Accounting for Employee Benefits under a Defined Contribution Plan subject to Requirements of Republic Act (RA) 7641, The Philippine Retirement Law*

This Interpretation provides guidance in accounting for post-employment benefits for an entity which has opted to provide a defined contribution plan as its only post-employment benefit plan despite the minimum retirements benefits required to be provided to employees under RA 7641.

This Interpretation is effective for annual financial statements with period beginning January 1, 2013 and should be applied retrospectively.

- *Improvements to PFRS (2011)* – Effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted.

PAS 1, Presentation of Financial Statements – The improvements in this PFRS clarifies that when an entity changes an accounting policy, or makes a retrospective restatement or reclassifications it shall present:

- a) the opening statement of financial position should be presented as at the beginning of the required comparative period; and
- b) related notes are not required to accompany this opening statement of financial position.

The objective of financial reporting was also updated to reflect the conceptual framework.

PAS 16, Property, Plant and Equipment – It clarifies that servicing equipment should be classified as property, plant and equipment when it is used during more than one period and as inventory otherwise.

PAS 32, Financial Instruments: Presentation – It clarifies that income tax relating to distributions to holders of an equity instrument and income tax relating to transaction costs of an equity transaction should be accounted for in accordance with PAS 12, *Income Taxes*.

PAS 34, Interim Financial Reporting – It clarifies that the requirements in PAS 34 relating to segment information for total assets for each reportable segment in order to enhance consistency with the requirements in PFRS 8, *Operating Segments*. The amendment clarifies that total assets for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total assets for that segment from the amount disclosed in the last annual financial statements.

2.02 New and Revised PFRSs in Issue but Not Yet Effective

The Company will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS to have significant impact on the financial statements.

- PFRS 9, *Financial Instruments: Classification and Measurement*

PFRS 9, *Financial Instruments*, issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

PFRS 9 requires all recognised financial assets that are within the scope of PAS 39, *Financial Instruments: Recognition and Measurement*, to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

The most significant effect of PFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under PFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under PAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognized in profit or loss.

PFRS 9 is effective for annual periods beginning on or after January 1, 2015, with earlier application permitted.

- PAS 32 (Amended), *Financial Instruments: Presentation – Offsetting of Financial Assets and Liabilities*

The amendment provided additional application guidance for offsetting in accordance with PAS 32. The amendments clarified the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. These amendments are effective for annual periods beginning on or after January 1, 2014 and should be applied retrospectively. Earlier application is permitted.

- PAS 36 (Amended), *Impairment of Assets*

The amendment requires to disclose the recoverable amount of impaired assets. It clarifies that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

The amendment is to be applied retrospectively for annual periods beginning on or after January 1, 2014. Earlier application is permitted for periods when the entity has already applied IFRS 13.

- IFRIC 21, *Levies*

This interpretation provides guidance on how to account levies that are within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. It clarifies that the obligating event that gives rise to a liability to pay a levy is the activity that triggers payment of the levy, as identified by the legislation.

This interpretation is effective for annual periods beginning on or after January 1, 2014 and it shall be applied retrospectively. Earlier application is permitted.

3. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

3.01 Statement of Compliance

The financial statements have been prepared in conformity with PFRS and are under the historical cost convention, except for certain financial instruments that are carried at amortized cost.

3.02 Functional and Presentation Currency

Items included in the financial statements of the Company are measured using Philippine Peso (₱), the currency of the primary economic environment in which the Company operates (the "functional currency").

The Company chose to present its financial statements using its functional currency.

4. SIGNIFICANT ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets that are subsequently measured at amortized cost, and where the purchase or sale are under a contract whose terms require delivery of such within the timeframe established by the market concerned are initially recognized on the trade date.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company does not have financial assets as of the reporting dates.

4.01.01 Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating finance income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts, through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis.

4.01.02 Amortized Cost

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of effective interest rate.

4.01.03 Loans and Receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4.01.04 Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- the lender, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the lender would not otherwise consider; or
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including (i) adverse changes in the payment status of borrowers in the group (e.g. an increased number of delayed payments or an increased number of credit card borrowers who have reached their credit limit and are paying the minimum monthly amount); or (ii) national or local economic conditions that correlate with defaults on the assets in the group (e.g. an increase in the unemployment rate in the geographical area of the borrowers, a decrease in property prices for mortgages in the relevant area, a decrease in oil prices for loan assets to oil producers, or adverse changes in industry conditions that affect the borrowers in the group).

Other factors may also be evidence of impairment, including significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates.

For certain categories of financial asset, such as assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

4.01.05 Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

4.02 Investments in Subsidiaries

A subsidiary is an entity, including an unincorporated entity such as a partnership that is controlled by another entity known as parent. Control is the exposure or rights, to variable returns from the involvement with an investee and the ability to affect that return through its power over an investee.

Investments in subsidiaries are accounted under the cost method. Under the cost method, the Company recognizes as income the dividends received that are distributed from net accumulated earnings of the investee since the date of acquisition by the investor. Dividends received that are in excess of the earnings subsequent to the date of acquisition are not income and therefore considered as return or reduction of investment.

If the Company loses control of a subsidiary, the Company recognizes any investment retained in the former subsidiary at its fair value at the date when control is lost or recognizes any resulting difference as a gain or loss in profit or loss attributable to the Company. Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

4.03 Impairment of Assets

At each reporting period, the Company assesses whether there is any indication that any assets other than financial assets that are within the scope of PAS 39, *Financial Instruments: Recognition and Measurements* may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as an income.

4.04 Borrowing Costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.05 Financial Liabilities and Equity Instruments

4.05.01 Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

4.05.02 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The Company's financial liabilities include advances from stockholders and accrued expenses.

4.05.03 Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value inclusive of directly attributable transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with finance cost recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating finance cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

4.05.04 Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.05.05 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

4.06 Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.07 Employee Benefits

4.07.01 Short-term Benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences and non-monetary benefits.

4.08 Provisions

Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate.

4.09 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

4.09.01 Dividend Income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

4.10 Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Company.

The Company recognizes expenses in the statement of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

4.11 Related Parties and Related Party Transactions

A related party is a person or entity that is related to the Company that is preparing its financial statements. A person or a close member of that person's family is related to Company if that person has control or joint control over the Company has significant influence over the Company, or is a member of the key management personnel of the Company or of a parent of the Company.

An entity is related to the Company if any of the following conditions applies:

- The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- The entity is controlled or jointly controlled by a person identified above.
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Company and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

4.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

4.12.01 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4.12.02 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carryover (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4.12.03 Current and Deferred Tax for the Period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in other comprehensive income or directly in equity, in which case the tax is also recognized outside profit or loss.

4.13 Events after the Reporting Period

The Company identifies subsequent events as events that occurred after the reporting date but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Company's position at the reporting date, adjusting events, are reflected in the financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are disclosed in Note 4, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policy

5.01.01 Classification of Investment in SMT Holdings, Inc. (SHI)

The Company does not have beneficial interest and control over SHI and thus, did not classify the investee as a subsidiary in its 2011 statement of financial position. The investment in SHI is classified as available-for-sale financial asset and carried at cost as there is no reliable basis of its fair value.

5.01.02 Classification of Non-current Asset Held for Disposal

The BOD of the Company has approved in November 2011 to use the Company's MSCI shares to redeem its CSDs within the first quarter of 2012. As such, Management assessed that the disposal is highly probable and that the assets are available for disposal in their present condition. Accordingly, the investment in MSCI with a carrying value of P1.10 billion was presented as "Non-current Asset Held for Disposal" in the 2011 statement of financial position.

5.02 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.02.01 Estimating Allowances for Doubtful Accounts

The Company estimates the allowance for doubtful accounts related to its dividend receivable based on assessment of specific accounts where the Company has information that the investee is unable to meet its financial obligations. In these cases, judgment used was based on the best available facts and circumstances including, but not limited to, the length of relationship with the investee and the investee's current credit status based on third party credit reports and known market factors. The Company used judgment to record specific allowance for investee's against amounts due to reduce the expected collectible amounts. These specific allowances are re-evaluated and adjusted as additional information received impacts the amounts estimated.

The amounts and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. An increase in the allowance for doubtful accounts would increase the recognized operating expenses and decrease current assets.

Dividend receivable amounting to P71,333,000 as of December 31, 2011 was subsequently invested in MSCI as additional paid-in capital in 2012. Advances to MSCI amounting to P8,097,000 as of December 31, 2011 were likewise settled in 2012. As of December 31, 2011, Management has assessed that no impairment needs to be recognized on its receivable and advances to MSCI.

5.02.02 Impairment of Non-financial Assets

The Company determines whether its non-financial assets are impaired when events or changes in circumstances indicate that the carrying values may not be recoverable. Determining the fair values of these assets, which require the determination of future cash flows expected to be generated from the discontinued use and ultimate disposition of such assets, require the Company to make estimates and assumptions that can materially affect the financial statements. Future events could cause Management to conclude that these assets are impaired. Any resulting impairment loss could have a material impact on the Company's financial condition and results of operations. The preparation of the estimated future cash flows involves significant judgment and estimations. While Management believes that the assumptions made are appropriate and reasonable, significant changes in Management assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

As of December 31, 2013 and 2012, the carrying value of prepayments and other assets amounted to P23,717,000, as disclosed in Note 8.

5.02.03 Non-recognition of Deferred Tax Asset

The Company reviews the carrying amounts at each reporting date and reduces deferred tax asset to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized prior to its expiration.

As of December 31, 2013 and 2012, the Company did not recognize deferred tax asset amounting to P8,496,000 and P8,049,300, respectively, as disclosed in Note 17. Management believes that it is not probable that future taxable profits will be available to allow all or part of deferred tax asset to be utilized prior to its expiration.

6. NON-CURRENT ASSET HELD FOR SALE AND DISCONTINUED OPERATIONS

In 2011, in line with the Mariwasa Group Reorganizational Plan, the Company's investment in MSCI with cost amounting to P1,104,298,000 has been reclassified as "Non-current Asset Held for Sale".

To implement the return of the remaining reduction surplus to all stockholders, on March 6, 2012, investment in MSCI with a cost of P663,926,000 was conveyed to the Company's stockholders as consideration for the return of the remaining reduction surplus amounting to P629,675,000, as disclosed in Note 13. Loss on disposal of investment related to the return of reduction surplus amounted to P34,824,000 for the year ended December 31, 2012.

Also, on March 15, 2012, total cost of investment in MSCI amounting to P511,705,000 was transferred to the holders of the Company's convertible subordinated debentures in exchange for the redemption and full payment of principal and all accrued interest thereon. Carrying value of the convertible subordinated debentures amounted to P256,758,000 as of March 15, 2012, as disclosed in Note 9.

7. INVESTMENTS IN SUBSIDIARIES

The following subsidiaries have ceased operations and have filed for applications for the shortening of their corporate existence with the Philippine Securities and Exchange Commission and notified the Bureau of Internal Revenue accordingly.

- Artistica Ceramica, Inc.
- Cera Linda Incorporated
- Ceramic Tile Specialists, Inc.
- Cyber Ceramics, Inc.
- Millenium Ceramics, Inc.

The Company had 60% ownership interest up to March 2012 in the shares of stock of SHI, which is not consolidated as the beneficial interest and control is not with the Company.

The Company received dividends in 2012 from MSCI amounting to P14,289,000.

The Company collected in 2011 from the advanced to MSCI amounting to P3,093,000.

The Company paid for the additional investment in MSCI in 2012 amounting to P14,289,000.

8. PREPAYMENTS AND OTHER ASSETS

The details of the Company's prepayments and other assets are shown below:

	2013	2012
Prepaid taxes	P 23,233,000	P 23,233,000
Input tax	484,000	484,000
	P 23,717,000	P 23,717,000

9. LONG-TERM DEBT

In March 2012, the Company redeemed its Convertible Subordinated Debentures (CSDs) in exchange for its investment in MSCI. The general provisions of the CSDs are as follows:

- The aggregate principal amount of the CSDs is P500,000,000 to be issued upon the terms of the instrument issued in registered forms and in units valued at an amount of P100,000,000 each;
- Holders of the CSDs will have the option to convert the debentures into preferred shares at any time during the conversion period starting from the fifth (5th) anniversary of their issuance up to maturity date;
- The number of preferred shares to be issued is determined by the principal amount plus any accrued interest on conversion date divided by the conversion price in effect at the conversion date;
- Conversion price shall be set initially at P0.10 per preferred share, subject to adjustments;
- Interest rate on the CSDs shall be at a rate of two percent (2%) per annum, the same to accrue until the conversion of the instrument or until maturity if no conversion shall take place, provided there shall be no interest on accrued interest;
- The Company shall redeem each CSDs on maturity date (i.e., March 15, 2020) in pesos at the principal amount plus any accrued interest, unless such debentures have been converted previously;
- The CSDs constitute unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves; and
- In the event of conversion, the preferred shares to be issued shall have the following features:
 - The preferred shares shall have the same voting rights as common shares; and
 - The preferred shares shall have the same dividend rights as common shares.

The Company's CSDs under the Omnibus Agreement was broken down as follows:

Proceeds	P 454,518,000
Fair value upon discounting - liability component	153,538,000
Equity component	P 300,980,000

Under PAS 32, the P454,518,000 CSDs shall be treated as a compound financial instrument for which split accounting is applied (i.e., recognize both a liability and an equity component). Upon issuance, the liability component was recorded at its fair value of P153,538,000 determined by discounting the future cash flows using the market rate for similar non-convertible debt instruments. The excess of the proceeds from the issuance of the debt over the fair value of the liability component was allocated to the equity component. The equity component amounting to P300,980,000 is presented under equity in the 2011 consolidated statement of financial position. As of December 31, 2011, the carrying value of and accrued interest on the CSDs amounted to P210,435,000 after effecting the amortization of P16,072,000 for the year ended December 31, 2011, and P40,882,000, respectively.

On January 12, 2012, the Company amended the Convertible Subordinated Debenture Agreement to include that unless previously converted or exchanged, the Company will redeem in whole or in part, the CSDs on March 15, 2020 or on such earlier date on or prior to March 31, 2012 as may be determined by the Company's BOD at the principal amount of each CSDs, plus accrued interest thereon.

On March 15, 2012, the Company entered into a Deed of Exchange of Convertible Subordinated Debentures for Common Shares of MSCI with the holders of the Company's CSDs as full payment of all principal and accrued interest up to March 15, 2012 amounting to P213,983,000 and P42,775,000, respectively. The early redemption of the CSDs was accounted for as an equity transaction since the holders of the CSDs are also the stockholders of the Company and these stockholders acted in their capacity as stockholders in this transaction. Accordingly, the difference between the cost of investment in shares of stock in MSCI transferred to the holders amounting to P511,705,000 and the principal and accrued interest as of March 15, 2012 amounting to P256,758,000 or P254,947,000 was closed against "Equity component of convertible subordinated debentures" in the 2012 statement of financial position. The remaining balance of the said account was closed to "Additional paid-in capital".

The movements in the carrying value of the liability component, presented as long-term debt in the statement of financial position, follow:

	2013		2012	
Carrying value, January 1	P	-	P	210,435,000
Amortization of discount		-		3,548,000
Redemption		-		(213,983,000)
Carrying value, December 31		-		-
Unamortized discount	P	-	P	-

10. ACCOUNTS PAYABLE

The Company's accounts payable pertains to listing fees, change in corporate name expenses and other expenses which are payable to previous stockholders amounting to P1,439,000 as of December 31, 2013.

11. ACCRUED EXPENSES

As of December 31, 2013 and 2012, the Company's accrued expenses that pertain to professional fee amounted to P281,000 and P231,000, respectively.

12. RELATED PARTY TRANSACTIONS

12.02 Remuneration of Key Management Personnel

In 2013 and 2012, no remuneration was given to the Company's directors and other members of key management personnel.

13. CAPITAL STOCK

The capital stock of the Parent Company is as follows:

	2013		2012	
Ordinary shares	P	25,875,000	P	25,875,000
Additional paid-in capital		46,033,000		46,033,000
	P	71,908,000	P	71,908,000

13.01 Preferred Shares

The preferred shares of the Company are described as follows:

	2013		2012	
Authorized: 3,000,000,000 shares at P.10 par value per share	P	300,000,000	P	300,000,000

13.02 Ordinary Shares

The ordinary shares of the Company are described as follows:

	2013		2012	
Authorized: 1,200,000,000 shares at P.023 par value per share	P	27,600,000	P	27,600,000
Subscribed and outstanding: 1,124,999,969 shares at P.023 par value per share	P	25,875,000	P	25,875,000

The Company's issued and outstanding ordinary shares are detailed as follows:

	2013		2012	
Issued and outstanding, January 1		1,124,999,969		1,124,999,969
Treasury stock - reissuance		-		-
Treasury stock - additional acquisition		-		-
Issued and outstanding, December 31		1,124,999,969		1,124,999,969

Ordinary shares carry one (1) vote per share and a right to dividend.

On September 3, 1991, 1,124,999,969 of the Company's common shares were listed with the Philippine Stock Exchange at a price of P2.85 per share.

On March 6, 2006, the Philippine SEC approved the increase in authorized capital stock from P1,000,000 divided into 1,000,000,000 shares with par value of P1.00 to P1,500,000 divided into 1,500,000,000 shares with par value of P1.00.

On February 8, 2008, the Philippine SEC approved the application for the division of the existing authorized capital stock from P1,500,000 divided into 1,500,000,000 shares with par value of P1.00 to P1,500,000 divided into 1,200,000,000 common shares with par value of P1.00 per share and 3,000,000 preferred shares with par value of P0.10 per share.

Based on the Amended Articles of Incorporation approved by the BOD on February 8, 2008 and March 28, 2008, the preferred shares shall have the following features:

- a. The preferred shares shall have the same voting rights as common shares.
- b. The preferred shares shall have the same dividend rights as common shares.
- c. In the event of liquidation, dissolution, receivership, bankruptcy, or winding up of the affairs of the Company, voluntary or involuntary, except in the case of merger or consolidation, the holders of the preferred shares shall be entitled to be paid in full, at par, or ratably, insofar as the assets of the Company will permit, for each share of preferred shares held together with the accumulated and unpaid dividends thereon to the date of distribution, before any distribution shall be made to the holders of common stock; the remaining assets shall be apportioned to the holders of the common stock.

As mentioned in Note 1, on February 16, 2012, the Philippine SEC approved the Company's application for the reduction of its authorized capital stock from P1,500,000 divided into 1,200,000,000 common shares with par value of P1.00 per share and 3,000,000,000 preferred shares with par value of P0.10 per share, to P327,600,000 divided into 1,200,000,000 common shares with par value of P0.023 per share and 3,000,000,000 preferred shares with par value of P0.10 per share. The said approval resulted in the reduction in total issued and outstanding common stock from P1,125,000,000 as of December 31, 2011 to P25,875,000 as of December 31, 2012 and the creation of a reduction surplus of P1,099,125,000 credited to Additional paid-in capital.

On the same day, the Philippine SEC approved the Company's equity restructuring to wipe out the deficit of the Company as of September 30, 2011 amounting to P678,026 against the existing additional paid-in capital amounting P152,796,000 and part of the reduction surplus amounting to P525,230,000 subject to the condition that the difference between the actual deficit as of December 31, 2011 and the amount wiped out shall be reverted to additional paid-in capital. The excess of P55,780,000 representing the difference between the deficit as of December 31, 2011 of P622,246,000 and the total amount wiped out of P678,026,000 was reverted to additional paid-in capital.

On March 6, 2012, the Company implemented the return of the remaining reduction surplus arising from the reduction in authorized capital stock. Total reduction surplus amounting to P629,675,000 was returned to the Company's stockholders through the conveyance of shares in MSCI with total cost of P663,926,000, as disclosed in Note 6.

There are no externally imposed capitalization requirements for the Company.

14. DIVIDEND INCOME

The Company's dividend income in 2011 amounting to P71,333,000 pertains to income from SHI and MSCI.

15. OPERATING EXPENSES

The account is composed of the following:

	2013	2012	2011
Listing fee	P 737,000	P -	P -
Taxes and licenses	662,000	1,904,000	4,000
Professional fee	50,000	6,253,000	5,627,000
Retainer	30,000	-	-
Loss on write-off of prepaid taxes	-	-	3,029,000
Maintenance fee	-	-	250,000
Repairs and maintenance	-	-	-
Others	10,000	-	81,000
	P 1,489,000	P 8,157,000	P 8,991,000

16. FINANCING CHARGES

Financing charges pertain to interest expense on long-term debt, including amortization of discount. Financing charges amounted to nil, P5,441,000, P25,289,000 for the years ended December 31, 2013, 2012 and 2011, respectively.

17. INCOME TAXES

17.01 Income Tax Recognized in Profit

A numerical reconciliation between tax expense and the product of accounting profit (loss) multiplied by the tax rate in 2013, 2012 and 2011 are as follows:

	2013		2012		2011	
Accounting profit (loss)	P	(1,489,000)	P	(48,422,000)	P	37,106,000
Tax expense (benefit) at 30%		(446,700)		(14,526,000)		11,132,000
Tax effects of:						
Non-recognition of DTA from NOLCO		446,700		3,511,000		4,538,000
Non-deductible loss on disposal of asset		-		10,447,000		-
Non-deductible finance cost		-		568,000		4,822,000
Dividend income subjected to final tax		-		-		(21,400,00)
Non-deductible write- off of prepaid taxes		-		-		909,000
	P	-	P	-	P	1,000

Details of NOLCO are as follows:

Year Incurred	Beginning balance	Addition during the year	Expired during the year	Ending balance	Expiry Date
2011	P 15,126,000	P -	P -	P 15,126,000	2014
2012	11,705,000	-	-	11,705,000	2015
2013	-	1,489,000	-	1,489,000	2016
	P 26,831,000	P 1,489,000	P -	P 28,320,000	

Details of Company's MCIT which can be claimed as tax credits against regular income tax are as follows:

Year Incurred	Beginning balance	Addition during the year	Expired during the year	Ending balance	Expiry Date
2010	P 267,000	P -	P 267,000	P -	2013
2011	1,000	-	-	1,000	2014
	P 268,000	P -	P 267,000	P 1,000	

The Company reviews the carrying amounts at each reporting date and reduces deferred tax asset to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized prior to its expiration.

As of December 31, 2013 and 2012, the Company did not recognize deferred tax asset amounting to P8,496,000 and P8,049,000, respectively. Management believes that it is not probable that future taxable profits will be available to allow all or part of deferred tax asset to be utilized prior to its expiration.

18. EARNINGS (LOSS) PER SHARE

The Company's basic earnings (loss) per share is P(0.06), P(1.87) and P0.03 as of December 31, 2013, 2012 and 2011, respectively.

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2013	2012	2011
Earnings (Loss) used in the calculation of total basic earnings per share	P (1,489,000)	P (48,422,000)	P 37,105,000
Weighted average number of ordinary shares for the purposes of basic earnings per share	25,875,000	25,875,000	1,125,000,000

The weighted average number of ordinary shares for the years 2013, 2012 and 2011 used for the purposes of basic earnings per share were computed as follows:

	Number of Ordinary Shares	Proportion to Period	Weighted Average
Outstanding shares at the beginning and end of the period	1,124,999,969	12/12	1,124,999,969

The Company does not have any potential dilutive instruments as of December 31, 2013, 2012 and 2011.

19. FAIR VALUE MEASUREMENTS

19.01 Fair Value of Financial Liabilities

The carrying amounts and estimated fair values of the Company's financial liabilities as of December 31, 2013 and 2012 are presented below:

	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities:				
Accounts payable	P 1,439,000	P 1,439,000	P -	P -
Accrued expenses	281,000	281,000	231,000	231,000
	P 1,720,000	P 1,720,000	P 231,000	P 231,000

The carrying amounts of financial liabilities approximate their fair values due to either the demand feature or relatively short-term duration of these payables.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Management function provides services to the business, co-ordinates access to domestic markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risks including interest rate risk, credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks through appropriate and dedicated investment planning aimed to reduce risk exposure. These parameters include monitoring cash flows and investigation of counterparty's credit quality. Compliance with policies and exposure limits is reviewed by the Management on a continuous basis.

The Management reports quarterly that monitors risks and policies implemented to mitigate risk exposures.

19.01 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Weighted Average Effective Interest Rate	Within 1 Year
December 31, 2013		
Accounts payable	-	P 1,439,000
Accrued expenses	-	281,000
		P 1,720,000
December 31, 2012		
Accrued expenses	-	P 231,000

21. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2012.

Pursuant to Section 43 of the Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus plus profits in excess of 100% of their paid-in capital stock, except: 1) when justified by definite corporate expansion projects or programs approved by the board of directors; or 2) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its/his consent, and such consent has not yet been secured; or 3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is a need for special reserve for probable contingencies. As of December 31, 2013, the Company is not in compliant with this requirement.

The Company's risk management committee reviews the capital structure of the Company on an annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The following summarizes the capital considered by the Company:

	2013	2012
Capital stock	P 25,875,000	P 25,875,000
Additional paid-in capital	46,033,000	46,033,000
Deficit	(49,911,000)	(48,422,000)
	21,997,000	23,486,000

22. RECLASSIFICATION OF COMPARATIVE AMOUNT

Certain amount in the comparative financial statements and note disclosures has been reclassified to conform to the current year's presentation. Details are as follows:

Previous classification	Current classification	Amount
Advances from stockholders	Accounts payable	P 1,439,000

Management believes that the above reclassifications resulted to a better presentation of accounts and did not have any impact on prior year's profit or loss.

23. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue by the Board of Directors on April 4, 2014.

24. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS NO. 15 – 2010

The Bureau of Internal Revenue (BIR) has released a new revenue regulation dated November 25, 2010 amending Revenue Regulations No. 21-2002 setting forth additional disclosures on notes to financial statements. Below are the disclosures required by the said Regulation:

24.01 Taxes and Licenses Paid or Accrued

The details of the Company's taxes and licenses paid or accrued in 2013 are as follows:

24.01.01 Input VAT

The Company's input VAT claimed during the year amounted to nil.

24.01.02 Taxes and Licenses

The Company's taxes and licenses amounting to P662,000 which pertains to filing fee.

24.01.03 Withholding Taxes

The Company does not have withholding taxes paid or accrued during the year.

25. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS NO. 19 – 2011

Pursuant to Section 244 in relation to Section 6(H) of the National Internal Revenue Code of 1997 (Tax Code), as amended, these Regulations are prescribed to revise BIR Form 1702 setting forth the following schedules. Below are the disclosures required by the said Regulation:

25.01 Revenue

The Company does not have revenue for the taxable year.

25.02 Itemized Deductions

The following is an analysis of the Company's itemized deductions for the taxable year:

Listing fee	P	737,000
Taxes and licenses		662,000
Retainer		30,000
Professional fee		50,000
Others		10,000
	P	1,489,000

**INDEPENDENT AUDITORS' REPORT
TO ACCOMPANY INCOME TAX RETURN**

The Board of Directors and Stockholders
DA VINCI CAPITAL HOLDINGS, INC.
(Formerly Mariwasa Siam Holdings, Inc.)
Orient Square Building, F. Ortigas, Jr. Road
Ortigas Center, Pasig City

We have examined the financial statements of **DA VINCI CAPITAL HOLDINGS, INC. (Formerly Mariwasa Siam Holdings, Inc.)** for the year ended December 31, 2013 on which we have rendered the attached report dated April 4, 2014.

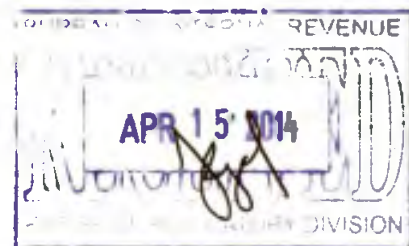
In compliance with Revenue Regulation V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

R.S. BERNALDO & ASSOCIATES

BOA/PRC No. 0300
Valid until December 31, 2015
SEC Group A Accredited
Accreditation No. 0153-FR-1
Valid until September 13, 2014
BSP Group B Accredited
CDA CEA No. 0013-AF
Valid until November 17, 2016
IC Accreditation No. F-2013/002-O
Valid until March 26, 2016


ROMEO A. DE JESUS, JR.

Partner
CPA Certificate No. 86071
SEC Group A Accredited
Accreditation No. 1135-A
Valid until July 5, 2014
BIR Accreditation No. 08-004744-1-2012
Valid from April 10, 2012 until April 9, 2015
Tax Identification No. 109-227-897
IC Accreditation No. SP-2013/006-O
Valid until March 26, 2016



April 4, 2014

RSBA
20
YEARS



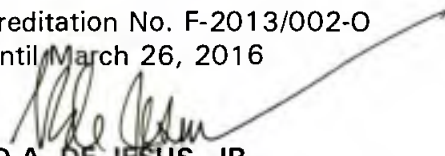
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

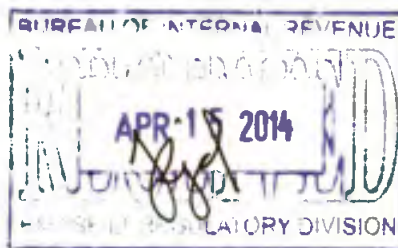
The Board of Directors and Stockholders
DA VINCI CAPITAL HOLDINGS, INC.
(Formerly Mariwasa Siam Holdings, Inc.)
Orient Square Building, F. Ortigas, Jr. Road
Ortigas Center, Pasig City

We have issued our report dated April 4, 2014 on the basic separate financial statements of **DA VINCI CAPITAL HOLDINGS, INC. (FORMERLY MARIWASA SIAM HOLDINGS, INC.)** as of and for the year ended December 31, 2013. Our audit was conducted for the purpose of forming an opinion on the basic separate financial statements of **DA VINCI CAPITAL HOLDINGS, INC. (FORMERLY MARIWASA SIAM HOLDINGS, INC.)** taken as a whole. The information in Schedules A, B, C, D, E, F, G, H, I, J and K as of and for the year ended December 31, 2013 are presented for purposes of complying with Securities Regulation Code Rule 68, as amended and are not part of the basic separate financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic separate financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

R.S. BERNALDO & ASSOCIATES

BOA/PRC No. 0300
Valid until December 31, 2015
SEC Group A Accredited
Accreditation No. 0153-FR-1
Valid until September 13, 2014
BSP Group B Accredited
CDA CEA No. 013-AF
Valid until November 17, 2016
IC Accreditation No. F-2013/002-O
Valid until March 26, 2016


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Valid until March 26, 2016
PTR No. 4244826
Issued on January 18, 2014 at Makati City



April 4, 2014



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Form 17-A, Item 7

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DA VINCI CAPITAL HOLDINGS, INC. (FORMERLY MARIWASA SIAM HOLDINGS, INC.)

SCHEDULE A - MARKETABLE SECURITIES

	NUMBER OF SHARE OF PRINCIPAL AMOUNT	AMOUNT IN THE BALANCE SHEET	VALUED BASED ON MARKET QUOTATION AT BALANCE SHEET DATE	INCOME RECEIVED & ACCRUED
A. OTHER SHORT TERM CASH INVESTMENT				
NOT APPLICABLE				

DA VINCI CAPITAL HOLDINGS, INC. (FORMERLY MARIWASA SIAM HOLDINGS, INC.)

SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

	ACCOUNTS RECEIVABLE				
	BEGINNING BALANCE	ADDITIONS	DEDUCTIONS	ENDING BALANCE	
				CURRENT	NON-CURRENT
NOT APPLICABLE					-

DA VINCI CAPITAL HOLDINGS, INC. (FORMERLY MARIWASA SIAM HOLDINGS, INC.)

SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL ASSETS

NAME OF RELATED PARTIES	VOLUME OF TRANSACTIONS	BALANCE AT BEGINNING OF PERIOD	BALANCE AT END OF PERIOD	TERMS
NOT APPLICABLE				

DA VINCI CAPITAL HOLDINGS, INC. (FORMERLY MARIWASA SIAM HOLDINGS, INC.)

SCHEDULE D – INTANGIBLE ASSETS - OTHER ASSETS

DESCRIPTION	BEGINNING BALANCE	ADDITIONS AT COST	CHARGED TO COSTS & EXPENSES	CHARGED TO OTHER ACCOUNTS	OTHER CHANGES ADDITIONS/ (DEDUCTIONS)	ENDING BALANCE
NOT APPLICABLE						

DA VINCI CAPITAL HOLDINGS, INC. (FORMERLY MARIWASA SIAM HOLDINGS, INC.)
 SCHEDULE E - LONG-TERM DEBT

TITLE OF ISSUE & TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE	CURRENT PORTION OF LONG-TERM DEBT	LONG-TERM DEBT (NET OF CURRENT PORTION)	MATURITY DATE
NOT APPLICABLE				

DA VINCI CAPITAL HOLDINGS, INC. (FORMERLY MARIWASA SIAM HOLDINGS, INC.)

SCHEDULE F - INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)

NAME OF AFFILIATE	BALANCE AT BEGINNING OF PERIOD	BALANCE AT END OF PERIOD
NOT APPLICABLE		

DA VINCI CAPITAL HOLDINGS, INC. (FORMERLY MARIWASA SIAM HOLDINGS, INC.)

SCHEDULE G - GUARANTEES OF SECURITIES OF OTHER ISSUERS

NAME OF ISSUING ENTITY OF SECURITIES GUARANTEED BY THE COMPANY FOR W/C THIS STATEMENT IS FILED	TITLE OF ISSUE OF EACH CLASS OF SECURITIES GUARANTEED	TOTAL AMOUNT GUARANTEED & OUTSTANDING	AMOUNT OWNED BY PERSON FOR W/C STATEMENT IS FILED	NAME OF GUARANTEE
NOT APPLICABLE				

DA VINCI CAPITAL HOLDINGS, INC. (FORMERLY MARIWASA SIAM HOLDINGS, INC.)
SCHEDULE H - CAPITAL STOCK

Common Stock

	No. of Shares
Authorized	<u>1,200,000,000</u>
Issued	1,124,999,969
Subscribed	<u>-</u>
Total	1,124,999,969
Less: Treasury Shares	<u>-</u>
Total Issued and Outstanding	<u>1,124,999,969</u>

DA VINCI CAPITAL HOLDINGS, INC. (FORMERLY MARIWASA SIAM HOLDINGS, INC.)

SCHEDULE I – MAP OF CONGLOMERATE OR GROUP OF COMPANIES WITHIN WHICH THE REPORTING ENTITY BELONGS

NOT APPLICABLE

DA VINCI CAPITAL HOLDINGS, INC.
(Formerly Mariwasa Siam Holdings, Inc.)
SCHEDULE J - FINANCIAL SOUNDNESS INDICATORS
For the Years Ended December 31, 2013 and 2012

	2013	2012
A. SHORT-TERM LIQUIDITY RATIO		
CURRENT RATIO	-	-
$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{-}{1,720,000.00}$	$\frac{-}{231,000}$
WORKING CAPITAL TO ASSETS	(0.07)	(0.01)
$\frac{(\text{Current Assets} - \text{Current Liabilities})}{\text{Total Assets}}$	$\frac{(1,720,000)}{23,717,000}$	$\frac{(231,000)}{23,717,000}$
B. LONG-TERM SOLVENCY		
DEBT TO EQUITY	0.08	0.01
$\frac{\text{Total Liabilities}}{\text{Shareholders' Equity}}$	$\frac{1,720,000}{21,997,000}$	$\frac{231,000}{23,486,000}$
FIXED ASSETS TO EQUITY	-	-
$\frac{(\text{Fixed Assets} - \text{Accumulated Depreciation})}{\text{Shareholders' Equity}}$	$\frac{-}{21,997,000}$	$\frac{-}{23,486,000}$
CREDITORS EQUITY TO TOTAL ASSETS	0.07	0.01
$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	$\frac{1,720,000}{23,717,000}$	$\frac{231,000}{23,717,000}$
C. RETURN ON INVESTMENTS		
RATE OF RETURN ON TOTAL ASSETS	0.00	0.00
$\frac{\text{Net Income}}{\text{Average Total Assets}}$	$\frac{-}{23,717,000}$	$\frac{-}{61,372,176}$
RATE OF RETURN ON EQUITY	-	-
$\frac{\text{Net Income}}{\text{Average Stockholders' Equity}}$	$\frac{-}{22,741,500}$	$\frac{-}{45,643,508}$

D. PROFITABILITY RATIOS

GROSS PROFIT RATIO	-	-
$\frac{\text{Gross Income}}{\text{Revenues}}$	$\frac{-}{-}$	$\frac{-}{-}$
OPERATING INCOME TO REVENUES	-	-
$\frac{\text{Income from Operations}}{\text{Revenues}}$	$\frac{-}{-}$	$\frac{-}{-}$
PRETAX INCOME TO REVENUES	-	-
$\frac{\text{Pretax Income}}{\text{Revenues}}$	$\frac{-}{-}$	$\frac{-}{-}$
NET INCOME TO COMMISSION INCOME	-	-
$\frac{\text{Net Income}}{\text{Revenues}}$	$\frac{-}{-}$	$\frac{-}{-}$

DA VINCI CAPITAL HOLDINGS, INC.
(FORMERLY MARIWASA SIAM HOLDINGS, INC.)
SCHEDULE K

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2013		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements				
		✓		
Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary				
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exception from Comparative PFRS 7 Disclosures for first-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-Settled Share-based Payment			✓
PFRS 3 (Revised)	Business Combinations			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Asset Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments			✓
	Amendments to PFRS 7: Disclosures - Transfer of Financial Assets			✓
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities			✓
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
PFRS 8	Operating Segments			✓
PFRS 9	Financial Instruments		✓	
	Transition Disclosures		✓	
PFRS 10	Consolidated Financial Statements			✓
PFRS 11	Joint Arrangements			✓
PFRS 12	Disclosure of Interest in Other Entities	✓		
PFRS 13	Fair Value Measurements	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2013		Adopted	Not Adopted	Not Applicable
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Philippine Accounting Standards

PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of items Other than Comprehensive Income	✓		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Estimates and Errors	✓		
PAS 10	Events After the Balance Sheet Date	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendments to PAS 12 - Deferred Tax: Recovery of Underlying Assets			✓
PAS 16	Property, Plant and Equipment			✓
PAS 17	Leases			✓
PAS 18	Revenue			✓
PAS 19	Employee Benefits			✓
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures			✓
PAS 19 (Amended)	Employee Benefits		✓	
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance		✓	
PAS 21	The Effect of Changes in Foreign Exchange Rates			✓
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Cost			✓
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓
PAS 29	Financial Reporting in Hyperinflationary Economy			✓
PAS 31	Interests in Joint Ventures		✓	
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 32: Classification of Right Issues			✓
	Amendment to PAS 32: Offsetting Financial Assets and Financial Liabilities		✓	
PAS 33	Earning Per Share	✓		
PAS 34	interim Financial Reporting			✓
PAS 36	Impairment of Assets			✓
PAS 37	Provision, Contingent Liabilities and Contingent Assets			✓
PAS 38	Intangible Assets			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39: Reclassification of Financial Assets			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
PAS 40	Investment Property			✓
PAS 41	Agriculture			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2013	Adopted	Not Adopted	Not Applicable
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Philippine Interpretations

IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 1	Member's Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease			✓
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of PFRS 2			✓
	Reassessment of Embedded Derivatives			✓
IFRIC 9	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 11	PFRS 2- Group and Treasury Share Transactions	✓		
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programs			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distribution of Non-Cash Assets to Owners			✓
IFRIC 18	Transfer of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
SIC - 7	Introduction of the Euro			✓
SIC - 10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC - 12	Consolidation - Special Purpose Entities			✓
	Amendments to SIC - 12: Scope of SIC 12			✓
SIC - 13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers	✓		
SIC - 15	Operating Leases - Incentives			✓
SIC - 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets			✓
SIC - 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC - 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC - 29	Service Concession Arrangements: Disclosures			✓
SIC - 31	Revenue - Barter Transaction Involving Advertising Services			✓
SIC - 32	Intangible Assets - Web Site Costs			✓