

The International Business Machines Corporation ("IBM"), is an American multinational technology and consulting corporation. Since establishing its presence in the Philippines in 1937, it has evolved to become the leader in information technology, providing hardware, software and IT-enabled services to both local and global clients. IBM is known for the quality of its products and services in a long-standing tradition of excellence, customer satisfaction, and commitment to business ethics and integrity.

The Asian Institute of Journalism and Communication, Inc. ("AIJC"), is a Knowledge Management Center organized in 1980 as a graduate school of journalism, founded on the philosophy that communication is a vital development resource to be used to advance the common good. It has a solid record of more than 30 years in the communication field – as a graduate school for communicators and journalists, a center for continuing education in journalism, communication, and knowledge management, and a research and consulting firm advocating policies and implementing programs and projects that address development issues and concerns both at the levels of national decision making and community-based initiatives.

Brands

NowPlanet.TV ("NowPlanet.TV") is the digital media brand of the Company. It is a social business platform that enables enterprises, organizations and institutions to create, manage, and sustain their marketing and communications campaigns across multiple mobile devices (Smartphones and Tablet PCs that run on iOS and Android). NowPlanet.TV has launched several Channels for business owners and institutions in order to synergize their marketing and communication efforts, through the use of digital media. It has recently unveiled the Live Streaming coverage of the Impeachment Trial of Chief Justice Renato Corona through the Justice Watch Channel, in partnership with the Asian Institute of Journalism and Communications, Inc. (AIJC).

WebsiteExpress.Biz ("WebsiteExpress.Biz") is the first ever postpaid website development services provider in the Philippines operating at a subscription model, providing subscribers affordable, professional websites in as fast as 5 days. Subscription is through a postpaid billing method where a user enters into a contract lasting 12, 24, 36, 48 & 60 months. Plans start as low as P999/month. The Company has outfitted WebsiteExpress.Biz with a physical store, built for the convenience of subscribers. In September 2013, the Company opened its first outlet in Shangri-La Plaza.

Products and Services

The Company, its subsidiaries, and affiliates are now at the forefront of bringing cutting-edge technologies in its chosen markets, primarily the enterprise and SMEs in the US, Japan and the Philippines:

1. **Broadband Telecom Services** – In partnership with NOW Telecom, clients will have access to economically competitive broadband bandwidth resources with high availability, robust security and guaranteed QoS.
2. **Communications Network Services** - In partnership with NOW Telecom, clients will have access to the usual cellular services as well as professional radio services such group communication, field workforce management services (dispatching) and data services through Trunk Radios (TETRA).
3. **IT Infrastructure Services** – In partnership Softlayer (an IBM Company), the Company resells the data space of Softlayer and the beta program of BlueMix, the new IBM Cloud platform as a service. BlueMix is an enterprise-grade sandbox built on Softlayer infrastructure, ready for developers to hit the ground running and get their hands dirty.
4. **IBM Smartcloud Services** – In partnership with IBM, the Company resells essential tools for social business in the cloud: enterprise-grade file sharing, communities, instant messaging, web meetings, user profiles, mail, and calendar. These IT solutions are designed to let clients work seamlessly with people inside and outside their organization. The Smartcloud services are competitively-priced, security-rich, reliable, flexible and extensible.
5. **Collaboration Software Solutions** - In partnership with IBM, the Company provides a full range of IBM Collaboration Solutions (ICS) Products. The Company develops solutions and applications on Lotus (xPages, Notes and Notes Web) platform.

6. **Human Resource Management System** – through Softweb Consulting, Inc., Human Resource Management System is available as an end-to-end solution that covers the entire employee engagement cycle - from recruitment to retirement, leading to increased efficiency, enhanced productivity and reduced operational costs.
7. **Information Technology Resource Management Outsourcing** –
 - a. through i-Resource Consulting International, Inc., enterprises are assured of available skills for short, long-term and mission-critical projects by Resource Augmentation, Contract to Hire and Train and Deployment.
 - b. through i-Professional Search Network, Inc., enterprises may outsource the recruitment of IT Professionals for regular placement.
8. **Managed Services Outsourcing** – through i-Resource Consulting International, Inc., clients refocus on their core business activities while outsourcing to technology experts some parts of their business process, such as Testing & Quality Assurance Services, Applications Development, Applications Maintenance, Disaster Recovery, Desktop Services, Technology Help Desk Services, Call Center Help Desk Services and Network Services (Broadband Internet). Managed Services Outsourcing is a program that allows managing regular or critical projects based on targeted outcomes and service level agreements.
9. **Social Journalism** – in partnership with the Asian Institute of Journalism and Communication, Inc., the Company is able to cover important news and events and deliver them through mobile phones, tablets, laptops, desktops and smart TVs.
10. **Live Streaming** – through the Company's digital media platform branded as NowPlanet.TV, the Company offers clients live streaming technology in the internet. Clients' events can be broadcasted globally and received by millions of people in their mobile devices through state-of-the-art digital video and uplink technologies.
11. **Website Development** – this service helps clients achieve an online presence to generate highly interactive and engaging relationships with the clients' end-customers.

The Company has established the brand WebsiteExpress.Biz as its vehicle to delivering world-class and globally compliant websites. WebsiteExpress.Biz operates at a subscription model, providing subscribers affordable, professional websites in as fast as 5 days. It is a one-stop shop – development, domain, hosting, SSL certificates, shopping cart, email and more all in one place, eliminating the need to deal with multiple service providers.
12. **Mobile Applications Development** – through this service, the Company extends customer engagement and interactivity with mobile applications such as cinematic 3D, game-based learning, rich media, HTML5 animation and gesture triggers, which can be easily customized and deployed. The Company has successfully developed the Yellow Cab Loyalty App.
13. **Telematics** – a Mobile Resource Management Solution which maximizes the use of today's mobile devices to streamline an organization's process and reporting. Through telematics, information captured in any place accessible via telco service providers can be made available for management review in real time.
14. **Social Mobile Customer Relationship Management (SOMO CRM)** – this product leverages in today's hottest trend in technology to identify, interact and support new and existing customers. Combined with the basic features of a standard CRM system, SOMO CRM enables organizations to streamline their processes from lead generation to fulfillment.

The Company is not aware of any existing or probable governmental regulations that will have a material effect on the business.

In 2010 and 2011, the Company has spent a material amount on development activities to support its thrust to focus on providing high-value ICT services.

The Company has no employees. Most, if not all, of the operations have been outsourced, including Research and Development.

PART II – MARKET FOR ISSUER’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

On February 7, 2002, the Board of Directors (BOD) approved the increase in the number of shares of the authorized capital stock of the Company from 4,000,000 shares to 40,000,000 shares and the reduction of par value from Php10 per share to Php1 per share.

On July 23, 2002, the BOD and stockholders approved the offer of up to 8,000,000 shares from the Company’s unissued common stock through initial public offering (IPO). The application for the IPO of the Company was approved by the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC), on June 11 and July 30, 2003, respectively. The Company was listed in the PSE on July 23, 2003. Issue manager and underwriter was Abacus Capital & Investment Corporation. The market price is at high of Php0.98 and low of Php0.34.

The following table is the summary of the Company’s stock prices from March 2011 up to the third quarter of 2014:

Quarter/Period	High	Low	Average
1 st Quarter ending 31 Mar 2011	0.62	0.40	0.53
2 nd Quarter ending 30 June 2011	0.53	0.34	0.49
3 rd Quarter ending 30 Sep 2011	0.98	0.38	0.63
4 th Quarter ending 31 Dec 2011	0.60	0.36	0.45
1 st Quarter ending 31 March 2012	0.66	0.395	0.562
2 nd Quarter ending 30 June 2012	0.580	0.400	0.438
3 rd Quarter ending 30 Sep 2012	0.510	0.390	0.440
4 th Quarter ending 31 Dec 2012	0.475	0.380	0.428
1 st Quarter ending 31 Mar 2013	0.510	0.400	0.45
2 nd Quarter ending 30 June 2013	0.450	0.360	0.417
3 rd Quarter ending 30 Sept 2013	0.465	0.355	0.41
4 th Quarter ending 31 Dec 2013	0.430	0.365	0.387
1 st Quarter ending 31 March 2014	0.405	0.360	0.37
2 nd Quarter ending 30 June 2014	1.04	0.37	0.80
3 rd Quarter ending 30 Sept 2014	0.91	0.61	0.75

The Company’s stock price as of 31 March 2015 is Php0.495.

Related Stockholder Matters

During the June 02, 2006 Annual Shareholders’ Meeting of the Company, the shareholders approved the Memorandum of Agreement dated April 28, 2006 (“MOA”) entered into by the Company with NOW Telecom Company, Inc. (formerly Next Mobile, Inc.) and five other companies namely, Top Mega Enterprises Limited, Joycelink Holdings Limited, Gamboa Holdings, Inc., Emerald Investments, Inc., Food Camp Industries and Marketing, Inc. (the five companies collectively known as NOW Telecom Shareholders).

However, certain amendments were made to the MOA in view of the fact that upon further consultation with the PSE, it was determined that the Company could not revise its primary purpose at that time. Hence, the stockholders approved the amendment in the MOA that there will be no change in the primary purpose of the Company. In addition, the stockholders also approved the proposal that the Company shall acquire only nineteen percent (19%) equity interest in NOW Telecom Company, Inc. (NOW Telecom) and not 97%, as originally intended. It was agreed that the acquisition shall be based on the same terms and valuation stated in the MOA in the event that additional equity in NOW Telecom will be acquired by the Company in the future.

The amendment in the MOA was approved by the stockholders such that the shareholders of NOW Telecom will transfer to the Company shares of NOW Telecom in the aggregate number of 2,856,580 shares constituting 19% equity interest in NOW Telecom in exchange for new shares of the Company with an aggregate value of ₱1,289,278,350 for 19% of NOW Telecom, or effectively at a price of ₱485.315085 per NOW Telecom share.

In accordance with the amendment in the MOA, the needed increase in authorized capital stock of the Company to accommodate the foregoing transaction is ₱1,280,000,000 at ₱1.00 par value per share. Accordingly, the stockholders approved the proposal to increase the authorized capital of the Company by ₱1,280,000,000.

On September 19, 2006, the SEC approved the increase in the authorized (to P1.320 Billion) and paid-up capital (to P1,317,278,350) of the Company as well as the change of the corporate name from Cashrounds, Inc. to Information Capital Technology Ventures, Inc.

On September 27, 2006, the Company submitted to the Philippine Stock Exchange a listing application of additional 1,289,278,350 common shares to cover its share-for-share swap transaction with NOW Telecom shareholders. Following the Company's re-application for listing of the same shares in October 2008, the Philippine Stock Exchange approved the same and was listed on February 24, 2009.

On December 10, 2008, the PSE approved the transfer of the listing of the shares of the Company from the SME Board to the Second Board of the PSE, and the transfer finally took effect on June 29, 2009.

On March 12, 2010, the Board approved the Company's increase in Authorized Capital Stock from P1.32 billion to P5 billion as well as the listing of the additional shares from the increase.

On March 16, 2011, the Company filed with PSE its application for transfer from the Second Board to the First Board of the Exchange.

The movement in the number of shares and capital stock amount for the year ended December 31, 2013, 2012 and 2011 follow:

	2013		2012		2011	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance at beginning of year	1,317,278,350	1,317,278,350	1,317,278,350	1,317,278,350	1,317,278,350	1,317,278,350
Increase in number of shares as a result of reduction in par value	-	-	-	-	-	-
Issuance during the year	-	-	-	-	-	-
	1,317,278,350	1,317,278,350	1,317,278,350	1,317,278,350	1,317,278,350	1,317,278,350

No party or person holds any voting trust over any of the Company's shares.

There are approximately 73 Holders of Common Stock as of September 30, 2014. The Top Twenty (20) Holders of Common Stock as of 31 March 2015 are as follows:

Name	Nationality	No. of shares	Percentage
Top Mega Enterprises Limited	Chinese	377,035,951	28.62%
PCD Nominee Corp. – Filipino	Filipino	272,381,719	20.80%
Gamboja Holdings, Inc.	Filipino	249,388,482	18.93%

Emerald Investments, Inc.	Filipino	223,460,184	16.96%
Foodcamp industries & Marketing, Inc.	Filipino	91,755,738	6.97%
Joyce Link Holdings, Limited	British	86,468,552	6.56%
PCD Nominee Corp – Non-Filipino	Foreign	13,317,000	0.87%
Chua, Robert S.	Filipino	2,250,000	0.17%
Velarde, Inc.	Filipino	771,545	0.06%
Chua Co Kiong, William N.	Filipino	145,000	0.01%
De Leon, Jose Mari S.	Filipino	10,000	0.0008%
Espinosa, Joseph	Filipino	10,000	0.0008%
Diata, Juditha G.	Filipino	10,000	0.0008%
Tareno, Maria Guia I.	Filipino	10,000	0.0008%
Serania, Virginia P.	Filipino	10,000	0.0008%
Francisco, Richard L.	Filipino	10,000	0.0008%
Socabil, Alben B.	Filipino	10,000	0.0008%
Dela Cuesta, Karlo S.	Filipino	10,000	0.0008%
Ligutan, Eninias P.	Filipino	10,000	0.0008%
Pagudar, Venus B.	Filipino	10,000	0.0008%
Others	Filipino	214,179	0.0162%
TOTAL		1,317,278,350	100.00%

The information being presented herein does not relate to an acquisition, business combination or other reorganization that would have an effect on the amount and percentage of present holdings of the Company's common equity owned beneficially by:

- (i) any person or group who is known to the registrant to be the beneficial owner of more than five percent (5%) of any class of the registrant's common equity;
- (ii) each director and nominee; and
- (iii) all directors and officers as a group, and the registrant's present commitments to such persons with respect to the issuance of shares of any class of its common equity.

Dividends

No cash dividends were declared in the past two years. There are no restrictions that limit the ability to pay dividends on common equity or that are likely to do so in the future.

Reconciliation of Retained Earnings Available for Dividend Declaration

Deficit, as adjusted, beginning*	(P397,204,892)
Net loss based on the face of the Audited Financial Statements	(38,230,111)
Deficit, as adjusted, ending	<u>(P435,435,003)</u>

Recent Sale of Unregistered Securities

There was no sale of unregistered securities or issuance of securities constituting an exempt transaction within the last three years.

PART III - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND PLANS OF OPERATION

Registrant's Financial Condition, Changes in Financial Condition and Results of Operations

Year 2014 (December 31, 2014)

The consolidated revenues for the year 2014 is Php73.779 Million, a 7% short of last year's Php79.318 Million. The unfavorable variance of php5.539 is due to the decrease in IT Service Fees. This years' IT Service Fees is php47.031 Million while in year 2013 was php53.320 Million. However, the company's sales of IBM licenses in 2014 increased to php21.235 Million from last year's php20.486 Million. Interest Income increased to php472,549 from last year's php471,820.

The Operating Expenses is Php49.805 Million in 2014 and php95.670 Million in 2013. There is significant decrease by php45.864 Million or 48% in 2014 as compared to 2013. The decrease of operating expenses was brought about largely by decrease on contracted outside services amounting to Php22.382 Million or 88%. This is inclusive of manpower reduction for cost efficiency measures. Interest Expense decreased by php19.621 Million or 51% due to a restructured advances from an affiliate. The savings on the following cost line items for 2014 as against 2013 were due to cost efficiency measures, such as: Utilities decreased by Php 2.745 Million or 68%; Professional fees decreased by Php2.533 Million or 65%; Communication decreased by php2.448 Million or 48%; Rental decreased by Php399K or 12% and, others decreased by php853K or 11%. Depreciation and Amortization decreased by php1.160 Million or 19% is due to retirement of some assets. However, there is increase by php 6,278 Million or 706% in Impairment loss in 2014 as compared to 2013. The company provided an allowance for impairment of receivables and other assets php7.167M in 2014, while 2013 was php889K.

Total Net income (loss) as of December 2014 is (Php 38.230 Million) or Php49.004 Million less compared with last year of (Php87.234 Million). This year's decrease of cost and expenses contributed the improved bottom line in 2014.

As of December 31, 2014, the total consolidated assets of the Company stood at Php1.454 Billion compared with last year's Php1.445 Billion, an increase by Php9.588 Million or 1%. Current Assets increased by Php14.647 Million or 13%, from Php115.062 Million in 2013 to Php129.709 Million this 2014. The increase in Current assets were contributed by an increase in trade receivables by Php6.806 Million or 15%, there is an increase in Amounts Owed by Related Parties by Php17.015 Million or 31%, while Cash account and Other Current Assets decreased by 7.649M and Php1.527M respectively. Non-current Assets decreased by Php5.058 Million attributed by decrease in Property and Equipment and other Non-Current Assets by Php4.704 Million and Php353K.

Current liabilities increased by Php4.323 Million or 3%, from php134.630 Million of 2013 to Php138.953 Million of 2014. The variance is due to an increase in Amounts Owed from Related Parties by php10.067 Million or 208%, and decrease in Accounts Payable as well as The obligations under Finance Lease by Php3.437 Million and 2.307 Million respectively. Noncurrent Liabilities on the other hand increased by Php43.423 Million or 11% due to an increase in Amounts Owed from Related parties by Php44.098 Million or 13%. On the other hand, Non-current portion of Obligations under Finance Lease is zero in 2014 and php 675K in 2013.

Total Assets as of December 31, 2014 stood at Php1.454 Billion, Liabilities at Php576.575 Million and Equity at Php877.878 Million.

Year 2014 (3rd Quarter, September 30, 2014)

Consolidated revenues for the third quarter of 2014 amounted to Php26.708 Million, 33% increase amounted to Php6.6880 Million from last year's third quarter revenue of Php20.020 Million. The favorable variance were due to the increase in Marketing, Management and Consultancy fee which posted negative php 2.340 Million last year but with positive php 6,260 this year. Revenue from IT Services amounted to Php20.448 Million this year from Php22.338 Million last year., while Interest Income increase to Php 824 this year from Php 338 last year.

Operating expenses for the third quarter of 2014 is Php8.064 Million decrease significantly by 49% amounted to Php7.863M from third quarter last year's of Php15.926 Million. The decrease were brought about largely by the decrease on the contracted outside services due to the reclassification from just a mere operating cost to a direct cost of the said revenue in the amount of Php5.684M inclusive of manpower reduction for cost efficiency measures. Light and Water decreased by Php 0.910M, Professional fees decreased by Php1.397M, and Rental by Php272K.

As of September 30, 2014, the total consolidated assets of the Company stood at Php1.471 Billion compared with last year's Php1.473 Billion or a decrease of Php7.061 Million. Current Assets increased by Php6.107M or 4% from Php139.038M last year to Php145.145M this year. The increase were contributed by the increase in trade receivables by Php13.103M, there is increase in amounts owed by related parties by Php8.959M, while other current assets decreased by Php15.125M and cash balance decreased also by Php0.829M. Non-current assets decreased by Php8.169M due to decrease in Property and equipment worth Php0.086M while other noncurrent assets increase by Php0.893 Million.

Current liabilities increased by Php41.959M or 29% of Php143.460M as of third quarter of last year's compared to Php185.420M as of third quarter of this year. These were brought about by the increase in Accounts payable and accrued expenses for Php21.042M though the obligations under finance lease for the purchase of company vehicles in the year 2010 which will be over this year decreased by Php2.065M. Noncurrent liabilities on the other hand increased by Php21.367M mainly due to the increase in amounts owed to related parties by Php23.676M and was equalized by Php2.299M of Noncurrent obligation under finance lease which was concluded to zero amount this year.

Total Assets as of September 30, 2014 stood at Php1.471 Billion, Liabilities at Php574.413 Million and Equity at Php896.757 Million.

Year 2013

Total Consolidated revenues generated in 2013 amounted to Php79.32 Million or 59% higher than last year's revenue of Php50.14M. The increase in Revenue was brought about by the following:

1. Revenues from IT products and services of Php38.95M was increased by 57% or Php14.15M from last year's revenue of Php24.8M;
2. Revenues from IT resource augmentation of Php38.32M was increased by 102% or Php19.32M from last year's revenue of Php19.0M;
3. Management fees were the same by Php5.04M both in 2013 and 2012; and,
4. Interest Income derived from loans and minimal bank interest of Php471.82K was decreased by 58% or Php653.09K from last year's interest of Php1.12M

Operating expenses decreased by 11% or Php21.4M in 2013, the decrease was largely attributed to outside services from Php56.2M to Php25.52M due cost cutting measures for development activities to support its thrust to focus on providing high value ICT services. Other decreases in operating expenses include Communications at Php2.14M, Professional fees at Php1.41M, transportation and travel at Php4.94M and Advertising and promotion at Php3.39M. The equity in net losses of associates share at Php3.1M, impairment loss on goodwill on Softrigger investment at Php3.8M and Commission of Php607K as charged in 2012 were of zero amount in 2013.

Total Net income (loss) as of December 2013 is (Php 87.2 Million) or Php50.9 Million less compared with last year of (Php138.1 Million). This year's increase in revenue of 33.565M and the decrease of cost and expenses by 21.399M contributed the improved bottom line in 2013.

As of December 2013, the total consolidated assets of the Company stood at Php1.445 Billion compared with last year of Php1.428 Billion or an increase by Php16 Million. Current assets increased by Php22.26M or 24% were due to the increase in Cash balance by Php8.19M, trade receivables by Php11.55M, increase in receivables by related parties by Php2.7M, while other current assets decreased by Php149.9K. Non-current assets decreased by .041% or Php5.5M due to depreciation of Property and equipment.

Current liabilities decreased by Php14.23M were brought about by the reclassification from current to a noncurrent liability on the loan secured from a commercial bank amounting to Php40.5M which was used to finance the operational requirements of the Company. Noncurrent liabilities increased by 43% or Php117M due to reclassification of the aforementioned commercial bank loan from current liabilities and the increase in amounts owed from Velarde, Inc. in the amount of Php73.27M which includes an accrued interest of Php36.38M derived when the present value of the loan was determined since it became noninterest bearing when both parties agreed for the deferment on the accrual and payment of interest starting November 2012 but shall not exceed three (3) years.

Obligation under finance lease was likewise decreased from Php3.6M in 2012 to Php675K in 2013 brought about by regular payments made to transportation vehicles under finance lease.

On December 9, 2013, the bank has approved the conversion of the short-term loans in the amount of Php44.5M into a two-year term loan. The principal balance of the loan is payable on January 19, 2016.

Total Consolidated Assets stood at Php1.445 Billion, Liabilities at Php529 Million and Equity at Php916M Billion.

Year 2012

Total Consolidated revenues generated in 2012 amounted to Php50.0 Million or 84% higher than last year's revenue of Php27.1M. The increase in Revenue was brought about by the following:

- 1 Revenues from IT products and services of Php24.8M was increased by 15% or Php3.1M from last year's revenue of Php21.7M;
- 2 Revenues from IT resource augmentation of Php19.0M was increased by more than five times (5x) or Php15.7M from last year's revenue of Php3.4M; and,
- 3 Management fees were increased by Php4.8M from last year of Php240K.

Operating expenses increased by 12% in 2011, the increase was attributed largely due to charges of Cost of services of Php37.29M, Outside services of Php56.2M for development activities to support its thrust to focus on providing high value ICT services and interest on advances from shareholders amounting to Php37.58M, and impairment loss of Php4.9M. Equity in net losses of associates of Php3.1M. Other operating expenses include Communications at Php7.4M, Depreciation at Php6.9M, transportation and travel at Php6.4M. Advertising and promotion at Php4.6M was due to spending in advertising and promotional campaigns for the Nowplanet TV Justice Watch, Teletech promotional campaign, banners and various printed campaign materials. Professional fees at Php5.3M, Light and Water at Php3.7M, Rental at Php3.7M and taxes and licenses of Php460K.

Total Net income (loss) as of December 2012 is (Php138.1 Million) or Php3.3M less compared with last year of (Php141.3 Million)

As of December 2012, the total consolidated assets of the Company stood at Php1.428 Billion compared with last year of Php1.415 Billion or an increase by Php12.957 Million. Current assets increased by Php17.5M or 23% to Php92.8M were due to the increase in trade receivables by Php11.3M, increase in advances by related parties by Php10.2M, while other current assets decreased by Php2.5M and Cash balance decreased by Php1.5M. However, non-current assets decreased by Php4.5M due to impairment of the Company's investment to Softrigger of Php3.8M that resulted in the decrease in investment in shares of stocks from Php1.297 Billion in 2011 to Php1.294 Billion in 2012.

Current liabilities decreased by Php157.9M were brought about by the reclassification to non-current liabilities of the advances owed to related parties amounting to Php272.6M. These advances were used to finance the working capital and investment requirement of the Company. In 2012, the Company restructured the loan extended by Velarde, Inc. from current liability to long-term liability and agreed further for the deferment on the accrual and payment of interest starting November 2012 while the Company is unable to pay but such period shall not exceed three (3) years.

In October 2012, the Company secured a loan from a commercial bank amounting to Php40.5M to finance the operational requirements of the Company. The Company has accessed \$1.0M collateral from Velarde, Inc. which will be used for a peso loan from Metrobank with Velarde, Inc. providing collateral. It was agreed by the parties that the Company will pay the principal of the loan plus the effective interest rates ranging from 2.79% to 3.8% per annum. For providing the collateral to the Company, the Company shall pay Velarde, Inc. with agreed reduced annual interest rate of 15% per annum of the principal amount of the loan.

Obligation under finance lease was likewise decreased by Php4.6M brought about by regular payments made to transportation vehicles under finance lease.

Total Consolidated Assets stood at Php1.428 billion, Liabilities at Php425.262 Million and Equity at Php1.003 Billion.

Plans and Prospects for 2015

I-Resource Consulting International, Inc. aims to increase its revenue by promoting other services such as Managed Services and Train and Deploy. These services are expected to contribute to significant growth in the number of deployed personnel, translating in turn to continuous and long-term recurring profit generating activities for the said company.

I-Professional Search Network, Inc. is currently applying for all necessary government permits in order for it to operate and offer its search and select service. The increasing demand for direct placement service is expected to bring considerable revenue to this company.

In partnership with AIJC, the Company is developing the K-12 Channel, which is a platform for clarifying issues and concerns about the K to 12 Basic Education Program. The K-12 Channel is about enabling digital learners to learn to optimize technology and create for themselves opportunities for entrepreneurship, employment, or higher educational pursuit. It will also retool teachers to become effective digital learning facilitators by using new media technologies for innovative and creative pedagogies. The K-12 Channel will be launched in the fourth quarter of 2014. Among others, the K-12 Channel will:

1. Inform and educate on policies, objectives, principles, features of the K to 12 Program
2. Clarify issues and concerns
3. Dialogue on relevant issues and concerns
4. Provide continuing updates; accomplishment/progress reports
5. Demonstrate best practices on school management, teaching, learning materials development, assessment, and others.

For 2014, the Company is focusing on the brand development of WebsiteExpress, with the objective of improving sales conversion from 1.6% to 10%. To achieve this, sales funnel must be improved and shortened through product and pricing restructuring as well as development of standard operating procedures. To manage operating expenses, marketing milestones and activities that support the above key tactics, will be limited to (1.) Internet Marketing via SEO, SEM, email and social media initiatives and (2.) Guerrilla marketing through localized on-ground promotions and brand advocacy program via digital influencers. Expansion efforts will be to increase 2-3 kiosks. Short term sales programs such as door-to-door direct sales, a reseller program and incentive programs will be utilized to maximize sales while the influx of leads is still in its infancy stages.

The Digital Media Division of the Company also aims to expand its reach of new clients by launching aggressive marketing campaigns, both offline and online. The group shall also focus on keeping existing clients boosting its group's profitability while maintaining a lean team of developers and designers.

Key Variable and Other Qualitative and Quantitative Factors

The performance indicators are the (1) Gross revenues earned for the period, (2) Profit Margin, (3) Net Income. Deals in process are monitored and discussed on a monthly basis, including a review of the possible income that may arise from the deals that may close for a certain period.

Financial Soundness Indicators

		Year 2014	Year 2013
Profitability	Profit Margin	-51.82%	-109.98%
	Return on Assets	-2.63%	-6.04%
	Return on Equity	-4.35%	-9.52%
	Book Value per share	0.6664	0.6954
	Earnings per share	-0.0290	-0.0662
Liquidity	Current Ratio	0.933	0.855
Debt to Equity	Debt to Equity Ratio	0.657	0.577
Assets to Equity	Assets to Equity Ratio	1.657	1.577
Interest	Interest rate coverage ratio	1.032	1.273

The Financial Soundness Indicators are computed as follows:

Profitability:

Profit Margin %: Profit margin = Net Income / Total Revenue x 100

Return on Assets %: Return on assets = Net Income / Total Assets x 100

Return on Equity % = Net Income / Total Stockholders' Equity x 100

Book Value per share = Total Stockholders' Equity / Average Outstanding Shares

Earnings per share = Net Income / Average Outstanding Shares

Liquidity:

Current Ratio = Current Assets / Current Liabilities

Debt to Equity:

Debt to Equity Ratio = Total liabilities / Total Stockholders' Equity

Asset to Equity Ratio = Total Assets / Total Stockholders' Equity

Interest rate coverage ratio = EBIT / Interest Expense

Any Known Trends, Events or Uncertainties

There are no known trends, demand, commitments, events or uncertainties that will have a material impact on the Company's liquidity, nor any events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

Events that will trigger Direct or Contingent Financial Obligation

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations. There are no significant elements of income or loss that did not arise from the Company's continuing operations.

There is a material change for the Outside Services account from 2010 to 2011 of the financial statements. This change is due to the fact that the Company has commenced full scale operations for the development of its products/services and is preparing for the commercial launch of some of its products/services. The Company has started to establish teams to supports its business process outsourcing pursuits. It has also put up its own operations and back-end processes through service outsourcing. Management services are being sourced from a cooperative of professionals named Knowledge Professional Services Cooperative.

Material Off-Balance Sheet Transactions

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

Material Commitment for Capital Expenditures

As the business volume builds up progressively, the Company also plans to beef up its organization by engaging the right talents particularly to join the telecommunications, media, information technology and product development and marketing teams. The Company plans to spend around PhP30 million to PhP40 million in the next 2 years for capital expenditures in connection with the launch of its new products and services.

Trends, Events or Uncertainties (Material Impact on Sales)

There were no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/ income from continuing operations.

Significant Elements of Income or Loss

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

Changes from Period of FS

There is a material change for the Outside Services account from 2010 to 2011 of the financial statements. This change was due to the fact that the Company has commenced full scale operations for the development of its products/services and is preparing for the commercial launch of some of its products/services. The Company has started to establish teams to support its business process outsourcing pursuits. It has also put up its own operations and back-end processes through service outsourcing. Management services are being sourced from a cooperative of professionals named Knowledge Professionals Service Cooperative.

Seasonal Aspects that Have Material Effect on the FS

There is no seasonality or cyclicity of the interim operations of the Company.

Compliance with Corporate Governance

Compliance with the principles of good corporate governance starts with the Board of Directors. It is the Board's responsibility to foster the long-term success of the Company and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Company, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

The Company has complied with the requirements of the Revised Manual on Corporate Governance for the completed year, and no deviation was made in any form as provided for in the Compliance System of the Model Manual. The Company has undertaken measures in adopting the leading practices on good corporate governance by regularly reviewing and discussing compliance with the said manual. Any plan to improve the Company's corporate governance will be discussed in the coming annual stockholders meeting.

On 19 December 2013, the Board adopted and ratified the Audit and Risk Committee Charter in accordance with SEC Memorandum Circular No. 4, Series of 2012.

During the third quarter of 2014, the Company adopted the following: Conflict of Interest Policy, Insider Trading Policy, Related Party Transaction Policy, Whistle-Blowing Policy.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on 29 April 2015.

NOW CORPORATION

By:


MEL V. VELARDE
President


VICENTE I. PEÑANUEVA
Acting Chief Financial Officer
(Principal Financial Officer)


ANGELINE L. MACASAET
Corporate Secretary (Compliance Officer)

APR 28 2015
SUBSCRIBED AND SWORN to before me this 28th day of April 2015, affiants exhibiting to me their government-issued identification evidence of identity, as follows:

NAMES	Competent Evidence of Identity	Expiry Date
Mel V. Velarde	Philippine Passport No. EC0179707	30 January 2019
Vicente I. Peñanueva	Philhealth No. 19-089347195-8	
Angeline L. Macasaet	Philippine Passport No. E87716586	21 March 2018

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Series of 2015.

ATTY. JOEL C. GORDOLA
NOTARY PUBLIC
COMMISSION EXPIRES DEC. 31, 2015
PTR NO. 0560688 1/05/2015, Q.C.
ROLL OF ATTORNEY NO. 25103