

Ferronoux Holdings, Inc.

September 23, 2020

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City

Attention: **Dir. Vicente Graciano P. Felizmenio, Jr**
Markets and Securities Regulation Department

Re: **Ferronoux Holdings, Inc.**
Definitive Information Statement

Gentlemen:

We submit Ferronoux Holdings, Inc.'s (the "Company") Definitive Information Statement.

In compliance with the Commission's letter dated September 16, 2020, we attach the Company's replies to the Commission's comments to the Company's Preliminary Information Statement filed on September 9, 2020.

We trust that you find the foregoing in order.

Sincerely,



Manuel L. Gonzalez
Corporate Secretary

SEC Form 20-IS Checklist of Requirements	Remarks	FERRO Reply
SRC Rule 20.3.3.5 Information Statement and Management Report shall be uploaded to Issuer's Website for downloading by interested parties	<p>Please ensure that the Information Statement and other relevant documents in line with the Company's ASM will be uploaded in the Company's website.</p> <p>For verification, kindly include the link in the body of the email when sending to us the DIS.</p>	<p>Annual Report for 2019 (SEC Form 17-A) and Quarterly Reports for 2020 (SEC Form 17-Q) have been uploaded in the Company's website accessible here: https://www.ferronouxholdings.com/asm2020/</p> <p>Definitive Information Statement will be uploaded as soon as finalized.</p>
Part I		
A. General Information ITEM 1. DATE, TIME AND PLACE OF MEETING Date, time, place of meeting	<p>Please identify the place of meeting. Per Section 15 of MC 6 s. 2020:</p> <p>Place of Meetings of Stockholders or Members. The presiding officer shall call and preside the stockholders' or members' meetings, whether regular or special, at the principal office of the corporation as provided in the articles of incorporation, or, if not practicable, in the city or municipality where the principal office of the corporation is located.</p>	<p>Given the current circumstances, the meeting will be conducted virtually via remote communication (through Zoom facility) and the presiding officer shall call and preside the stockholders' meeting in Pasig City.</p> <p>Please see revisions made on page 7 of the Definitive Information Statement.</p>
ITEM 6. COMPENSATION OF DIRECTORS & EXECUTIVE OFFICERS Part IV, paragraph (B) of "Annex C", as amended (2) Description of Any Standard Arrangement	<p>Does the Company provide per diem to its directors? Please specify the amount, if any.</p>	<p>No per diems were paid by the Company to its directors.</p> <p>Please see revisions made on page 18 of the Definitive Information Statement.</p>

Part III		
SIGNATURE PAGE After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City ofon.....,20.....	Please indicate the date when the document was signed.	Please see signature page of the Definitive Information Statement.
MANAGEMENT REPORT		
2 Management's Discussion and Analysis (MD&A) or Plan of Operation (Required by Part III(A) of "Annex C, as amended") Registrants that have not had revenues from operations in each of the last two fiscal years, or the last fiscal year and any interim period in the current fiscal year for which financial statements are furnished in the disclosure document, shall in addition to applicable items under subparagraph (2), provide the information in subparagraph (1) hereof.	Please provide a discussion on how COVID has affected the operations and financials of the Company.	Please see responses and revisions made on page 27 of the Definitive Information Statement.
Management's Discussion and Analysis. MD&A helps to explain financial results. A reader of the MD&A should be able to understand the financial results of the registrant's business as discussed in the "Business" section. It shall provide information with respect to liquidity, capital resources and other information necessary to understand the registrant's financial		

<p>condition and results of operation.</p> <p>The discussion and analysis shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition. This would include descriptions and amounts of matters that would have an impact on future operations and have not had an impact in the past, and matters that have had an impact on reported operations and are not expected to have an impact upon future operations.</p>		
<p>3 EXTERNAL AUDIT FEES (SEC MC No. 14, Series of 2004)</p> <p>B. Under the caption "Tax Fees", the aggregate fees billed in each of the last two (2) fiscal years for professional services rendered by the external auditor for tax accounting, compliance, advice, planning and any other form of tax services. Registrant shall describe the nature of the services comprising the fees disclosed under this category.</p>	<p>Please comply.</p> <p>On Item II (Information on Independent Accountants and Other Related Matters): "Services rendered include the audit of the financial statements and supplementary schedules for submission to SEC and assistance in preparation of annual income tax return."</p>	<p>The engagement of the external auditor does not include the assistance in the preparation of the Company's annual income tax return.</p> <p>Please see corrected and updated information in page 26 of the Definitive Information Statement. Additionally, please refer to relevant information under ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS on pages 19-21.</p>
<p>5 Market Price of and Dividends required by Part V of Annex C, as amended</p> <p>1 Market Information</p>	<p>Please update the sentence below to reflect a more recent price.</p> <p>"The closing market price of the Company's</p>	<p>Please see updated information in page 40 of the Definitive Information Statement.</p>

	common stock in the Philippine Stock Exchange on September 7, 2020 is Php2.65."	
6 Discussion on Compliance with leading practice on Corporate Governance A Evaluation system established by the company to measure or determine the level of compliance of the Board of Directors and top level management with its Manual of Corporate Governance B Measures being undertaken by the company to fully comply with the adopted leading practices on good corporate governance C Any deviation from the company's Manual of Corporate Governance. Including a disclosure of the name and position of the person/s involved and sanction/s imposed on said individual D Any plan to improve corporate governance of the company	Please comply	Please see discussions in page 41 of the Definitive Information Statement.

COVER SHEET

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S.E.C. Registration Number

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,		I	n	c	.)																														

(Company's Full Name)

6	T	H		F	L	O	O	R	,		H	A	N	S	T	O	N		B	U	I	L	D	I	N	G	,		F						
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E	R	,		P	A	S	I	G		C	I	T	Y																						

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

Allesandra Fay V. Albarico

Contact Person

8888-4762

Company Telephone Number

1	2
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Month

3	1
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Day

SEC FORM 20-IS (Definitive Information Statement)

FORM TYPE

Last Friday of June

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Month

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Day

Annual Meeting

Registered & Listed

Secondary License Type, If Applicable

MSRD

Dept. Requiring this Doc.

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Amended Articles
Number/Section

			2	5
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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

Cashier

STAMPS

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Ferronoux Holdings, Inc.

Notice of Annual Stockholders' Meeting

To All Stockholders:

Notice is hereby given that the Annual Stockholders Meeting of **FERRONOUX HOLDINGS, INC.** (the "**Corporation**") will be held virtually via remote communication (through Zoom facility) on Tuesday, **October 20, 2020, at 1:00** in the afternoon.

The agenda for the said meeting shall be as follows:

1. Call to Order
2. Secretary's Proof of Due Notice of the Meeting and Determination of Quorum
3. Approval of the Minutes of the Stockholders' Meeting held on October 15, 2019
4. Management's Report
5. Ratification of Acts of the Board of Directors and Management during the Previous Year
6. Election of Directors (including Independent Directors)
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

Only stockholders of record as of the close of business on **September 18, 2020**, are entitled to notice and to vote at the meeting.

A brief explanation of the agenda item which requires stockholders' approval is provided in the Information Statement. The Information Statement, Management Report, the Annual Report (SEC Form 17A) and Quarterly Report will be uploaded to the Corporation's website <http://ferronouxholdings.com/asm2020> and PSE EDGE.

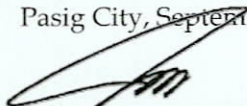
In light of current conditions and in support of the efforts to contain the outbreak of COVID-19, stockholders may attend the meeting and vote via remote communication only. Stockholders may attend the meeting and vote via remote communication in accordance with the procedure set forth in **Appendix 1** of the Information Statement.

Stockholders shall pre-register at this link: in <http://ferronouxholdings.com/asm2020>, beginning **September 7, 2020 until 5:00 p.m. of October 10, 2020**. Stockholders who will join by proxy shall download, fill out and sign the proxy found in the foregoing link and in accordance with the procedures set forth in **Appendix 1** of the Information Statement. The Company does not solicit your proxy.

Deadline for registration and submission of voting forms and proxies is at **5:00 p.m. on October 10, 2020**. Validation of proxies shall be made on **October 12, 2020** at the principal office of the Corporation at the 6th Floor Hanston Building, F. Ortigas, Jr. Road, Ortigas Center, Pasig City.

Stockholders cannot record the meeting. However, a request for the recording of the ASM may be made to asm2020@ferronouxholdings.com. Stockholders may also send related inquiries to asm2020@ferronouxholdings.com.

Pasig City, September 9, 2020


MANUEL Z. GONZALEZ
Corporate Secretary

EXPLANATION OF AGENDA ITEMS

Proof of notice and determination of quorum

The Corporation has established a designated website in order to facilitate the registration of and voting in absentia by stockholders at the annual meeting, as allowed under Sections 23 and 57 of the Revised Corporation Code. A stockholder or member who participates through remote communication and votes by proxy shall be deemed present for purposes of quorum.

The Corporate Secretary will certify the date the notice of the meeting was published as required by the Securities and Exchange Commission Notice on Alternative Mode of Distributing and providing copies of the Notice, Information Statement, Management Report, SEC Form 17A dated June 30, 2020 (the "Annual Report") and the SEC Form 17Q for the periods ending March 31, 2020 and June 30, 2020 (the "Quarterly Reports").

The Corporate Secretary will further certify the existence of a quorum. For purposes of quorum, only the following Stockholders shall be counted as present:

- A. Stockholders who have registered on the website on or before the cut-off date; and
- B. Stockholders who have sent their proxies via the website on or before the deadline.

A majority of the outstanding capital stock shall constitute a quorum for the transaction of business.

The complete guidelines for voting in absentia is found on the Attached **Appendix 1**.

Approval of minutes of previous meeting

The minutes of the meeting held on October 15, 2019 are posted at the Corporation's website, <http://ferronouxholdings.com>.

Annual report

A report to the stockholders on the performance of the Corporation in 2019 and the outlook for 2020 will be delivered. The financial statements as of December 31, 2019 (FS) will be incorporated in the Information Statement.

Copies of the Management Report and SEC Form 17-A will be uploaded to the Corporation's Website at <http://ferronouxholdings.com> and PSE EDGE under Ferronoux Holdings, Inc. Company Disclosures.

Election of directors (including the independent directors)

Each stockholder entitled to vote may cast the votes to which the number of shares he owns entitles him, for as many persons as there are to be elected as directors, or he may give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of Directors to be elected. The nine nominees receiving the highest number of votes will be declared elected as directors of the company.

Please refer to the attached **Appendix 1** for the complete guidelines on voting. Please refer to the **Appendices 3 and 4** for the Independent Director Nominees' Certifications.

Appointment of external auditor

The profile of the external auditor will be provided in the Information Statement for examination by the stockholders.

A resolution for the election of the external auditor will be presented to the stockholders for adoption by the affirmative vote of stockholders representing a majority of the voting stock present at the meeting.

Consideration of such other business as may properly come before the meeting

The Chairman will answer questions on matters concerning the Agenda, the Information Statement and the Management Report sent via the voting website.

PROXY

Number of Shares Represented

I, the undersigned shareholder of **FERRONOUX HOLDINGS, INC.** (the "Corporation") do hereby constitute and appoint _____ or in his absence, the Chairman of the meeting, as my true and lawful attorney and proxy, with power of substitution and revocation, for me and in my name and stead, to attend the October 20, 2020 stockholders meeting of the Corporation, or any adjournment or postponement thereof, to vote at said meeting the above indicated number of shares registered in the books of the Corporation in my name on all actionable matters specifically set forth in the agenda, as well as any or all matters that may be taken up at said meeting, and to do and perform for me and in my name such acts as may be necessary or appropriate in the premises, as though I were personally present, for the purpose of acting on the following matters:

1. Approval of the Minutes of the Stockholders' Meeting held on October 15, 2019

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Abstain
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2. Approval of the Management Report and Audited Financial Statements of the Corporation as of December 31, 2019

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Abstain
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3. Ratification of all Acts of the Board of Directors, Board Committees and Management during their respective terms of office

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Abstain
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4. Election of Directors

<input type="checkbox"/> Vote for all nominees listed below

1. Michael C. Cosiquien
2. Jesus G. Chua, Jr.
3. Yerik C. Cosiquien
4. Irving C. Cosiquien
5. Michelle Joan G. Tan
6. Erwin Terrell Y. Sy

7. Atty. Mathew John G. Almogino
(Independent Director)
8. Atty. Alfred S. Jacinto
(Independent Director)

<input type="checkbox"/> Withhold authority for all nominees listed above

<input type="checkbox"/> Withhold authority to vote for nominees listed below

5. Appointment of External Auditor

<input type="checkbox"/> Reyes Tacandong & Co.
<input type="checkbox"/> Withhold authority for nominee listed above

Any and all proxies signed by me before this date are hereby expressly revoked and canceled.

THIS PROXY SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE **OCTOBER 10, 2020 (5:00 P.M.)** via asm2020@ferronouxholdings.com / <http://ferronouxholdings.com/asm2020>.

THIS PROXY IS NOT REQUIRED TO BE NOTARIZED, AND WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED 'FOR' THE ELECTION OF ALL THE NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH

OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

VALIDATION OF PROXIES SHALL BE MADE ON OCTOBER 12, 2020 AT THE PRINCIPAL OFFICE OF THE CORPORATION AT THE 6TH FLOOR HANSTON BUILDING, F. ORTIGAS, JR. ROAD, ORTIGAS CENTER, PASIG CITY. ANY QUESTIONS AND ISSUES RELATING TO THE VALIDITY AND SUFFICIENCY, BOTH AS TO FORM AND SUBSTANCE OF PROXIES SHALL ONLY BE RAISED THEREON AND RESOLVED BY THE CORPORATE SECRETARY.

A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

IN WITNESS WHEREOF, I have hereunto set my hand this _____.

Printed Name of Stockholder

Signature of Stockholder/Authorized Signatory

Date

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS**

Information Statement of
Ferronoux Holdings, Inc. (formerly, AG Finance Incorporated)
(hereafter referred to as the "Company," "Corporation" or "FERRO")
Pursuant to Section 20 of the Securities Regulation Code

- | | |
|---|--|
| 1. Check the appropriate box: | <input type="checkbox"/> Preliminary information Statement
<input checked="" type="checkbox"/> Definitive information Statement |
| 2. Name of Registrant as specified in its charter: | FERRONOUX HOLDINGS, INC.
(formerly AG Finance Incorporated) |
| 3. Country of incorporation: | REPUBLIC OF THE PHILIPPINES |
| 4. SEC identification Number: | A200115151 |
| 5. BIR Tax identification Code: | 219-045-668-000 |
| 6. Address of principal office | 6th Floor, Hanston Building, F. Ortigas,
Jr. Road, Ortigas Center, Pasig City 1605 |
| 7. Registrants Telephone Number: | +(63) 9178078815 or (02) 8888 4762 |
| 8. Date, time and place of stockholders' meeting: | Date: October 20, 2020
Time: 1:00 p.m.
Via remote communication (through Zoom facility) Stockholders should pre-register at this link:
http://ferronouxholdings.com/asm2020
September 7, 2020 to October 10, 2020 |
| 9. Approximate date on which Information Statement is first to be sent or given to security holders: | September 25, 2020 |
| 10. Securities registered pursuant to Section 8 and 12 of the Code or Section 4 and 8 of the RSA Title of each class: | Common Shares Only |
| Number of Shares of Common Stock Outstanding as of June 30, 2019: | 261,824,002 shares |
| Issued and Subscribed: | 261,824,002 shares |
| 11. Are any of registrant's securities listed in the Philippine Stock Exchange? | Yes
All common shares are listed in the Philippine Stock Exchange |

FERRONOUX HOLDINGS, INC.
(formerly, AG FINANCE INCORPORATED)
INFORMATION SHEET

A. GENERAL INFORMATION

Item 1. Date, Time & Place of Meeting of Security Holders

- a. Date: October 20, 2020
 Time: 1:00 p.m.
 Place: Given the current circumstances, the meeting will be conducted virtually via remote communication (through Zoom facility) and the presiding officer shall call and preside the stockholders' meeting in Pasig City
- (b) Online web addresses/URLs
- (i) For participation by remote communication:
 <http://ferronouxholdings.com/asm2020>
- (ii) For voting in absentia:
 <http://ferronouxholdings.com/asm2020>
- b. complete mailing address
 of principal office: **6th Floor, Hanston Building, F. Ortigas, Jr.
Road, Ortigas Center, Pasig City 1605**
- c. approximate date on which the Information
 Statement is first to be sent or given to
 security holders: **September 25, 2020**

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

Item 2. Dissenters' Right of Appraisal

There are no matters to be acted upon at the meeting involving instances set forth in the Revised Corporation Code of the Philippines for which a stockholder may exercise the right of appraisal.

Pursuant to Section 80 Title X, Appraisal Right of the Revised Corporation Code of the Philippines, any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances: (a) in case of any amendment to the articles of incorporation that has the effect of changing or restricting the rights of any stockholder or class of shares, or authorizing preferences in any respect superior to those of outstanding shares of any class, or extending or shortening the term of corporate existence; (b) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets, (c) in case of merger or consolidation, and (d) in case of investment of corporate funds for any purpose other than the primary purpose of the Company.

The appraisal right may be exercised by a stockholder who has voted against the proposed corporate action, by making a written demand to the Company within thirty (30) days from the date on which the vote was taken for the payment of the fair market value of his shares. Failure to make the demand within said 30-day period shall be deemed a waiver of the appraisal right.

Appraisal right is not available in this case as there are no matters or proposed actions as specified in agenda of the attached Notice of Annual Meeting that may give rise to a possible exercise by shareholders of their appraisal rights or similar right as provided in Title X of the Revised Corporation Code of the Philippines.

Item 3. Interest of Certain Persons in or Opposition to Matters to be acted upon

No director, nominee for election as director, associate of the nominee, or executive officer of the Company at any time since the beginning of the last fiscal year has had any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the meeting, other than election to office.

None of the incumbent directors has informed the Company in writing of an intention to oppose any action to be taken by the Company at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Voting Securities

As of 31 July 2020, 261,824,002 common shares are outstanding, and are entitled to be represented and vote at the Annual Stockholders' Meeting. Each share is entitled to one vote.

(b) Record Date

Only stockholders of record as of **18 September 2020** shall be entitled to notice and vote at the meeting.

(c) Action with Respect to the election of Directors

The election of the board of directors for the current fiscal year will be taken up and all stockholders have the right to cumulate their votes in favor of their chosen nominees for director in accordance with Section 23 of the Revised Corporation Code. Each stockholder may vote such number of shares for as many persons as there are directors to be elected. To be clear, if there are nine (9) directors to be elected, each voting share is entitled to nine (9) votes.

Section 23 provides that a stockholder, may vote such number of shares registered in his name as of the record date for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The total number of votes cast by such stockholder should not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.

Manner of Voting

The By-Laws of the Company provides that every stockholder shall be entitled to vote in person or by proxy, for each share of stock held by him which has voting power upon the matter in question. The Company's By-Laws require the submission of the proxy form to the Corporate Secretary no later than 5:00 PM on October 10, 2020 via email to

asm2020@ferronouxholdings.com. The validation of proxies shall be made on October 12, 2020 at the principal office of the Corporation at the 6th Floor Hanston Building, F. Ortigas, Jr. Road, Ortigas Center, Pasig City.

See **Appendix 1** on complete guidelines on voting.

(d) Security Ownership of Certain Record and Beneficial Owners and Management

(1) Owners of more than 5% of voting securities as of June 30, 2020

As of June 30, 2020, the following were owners of more than 5% of the Company's outstanding shares:

Title of Class	Name , address of record owner and relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizen-ship	No. of Shares Held	Percent
Common	PCD NOMINEE CORPORATION¹ - Tower 1 – Ayala Triangle Makati Avenue cor. Paseo de Roxas Makati City - Registered owner in the books of stock transfer agent	ISOC HOLDINGS, INC. (“ISOC”)² 6 th Floor, Hanston Building, F. Ortigas, Jr. Road, Ortigas Center, Pasig City	Filipino	175,422,074 (Direct)	66.99%
Common	PCD NOMINEE CORPORATION - Tower 1 – Ayala Triangle Makati Avenue cor. Paseo de Roxas Makati City - Registered owner in the books of stock transfer agent	F. YAP SECURITIES, INC.³ 17 th Floor Lepanto Bldg., Paseo de Roxas, Makati 1226, Philippines	Filipino	25,315,200	9.67%

¹ PCD Nominee Corporation, a wholly-owned subsidiary of Philippine Central Depository, Inc (“PCD”) is the registered owner of the shares in the books of the Company’s transfer agents in the Philippines. The beneficial owners of such shares are PCD’s participants, who hold the shares on behalf of their clients. PCD is a private company organized by the major institutions actively participating in the Philippine capital markets to implement an automated book-entry system of handling securities transactions in the Philippines. Please see PDTC Report as of 30 June 2020 attached hereto as **Appendix 2-A**.

² ISOC Holdings, Inc. is the indirect beneficiary of 175,422,074 common shares in the Corporation that is lodged with the PCD Nominee Corporation through HDI Securities, Inc.

³ F. Yap Securities, Inc. is a corporation engaged in stock brokerage and is one of the market participants of the shares lodged with the PCD Nominee Corporation. The beneficial owners of the shares held by F. Yap Securities, Inc. do not own more than 5% of the voting securities in the Company. Thus, there is no single natural person holding more than 5% of the voting securities held by F. Yap Securities, Inc. in the Company.

Other than the persons identified above, there are no beneficial owners of more than 5% of the Company's outstanding capital stock that are known to the Company.

Mr. Michael C. Cosiquien, as Chairman of ISOC, shall represent and vote the shares held by ISOC in the Annual Stockholders' Meeting.

(2) Security Ownership of Management

The following is a summary of the aggregate shareholdings of the Company's directors and executive officers in the Company and the percentage of their shareholdings as of June 30, 2020:⁴

Title of Class	Name of Beneficial Owner	Amount and nature of ownership (Indicate record ("r") and/or beneficial ("b"))	Citizenship	Percent of Class
Common	Michael C. Cosiquien Chairman/President	1 - "R" (direct) 175,422,074 - "B" (indirect)*	Filipino	66.99%
Common	Jesus G. Chua, Jr. Director	1 - "R" (direct) 0 - "B" (indirect)	Filipino	0.00%
Common	Irving C. Cosiquien Director	1 - "R" (direct) 0 - "B" (indirect)	Filipino	0.00% 0.00%
Common	Yerik C. Cosiquien Director	1 - "R" (direct) 0 - "B" (indirect)	Filipino	0.00% 0.00%
Common	Michelle Joan G. Tan Director	1 - "R" (direct) 0 - "B" (indirect)	Filipino	0.00% 0.00%
Common	Erwin Terrell Y. Sy Director/Investor Relations Officer**	1 - "R" (direct) 0 - "B" (indirect)	Filipino	0.00% 0.00%
Common	Alfred S. Jacinto Independent Director	1 - "R" (direct) 0 - "B" (indirect)	Filipino	0.00% 0.00%
Common	Mathew-John G. Almogino Independent Director	1,000 - "R" (direct) 0 - "B" (indirect)	Filipino	0.00% 0.00%
	Vicente L. Araña** Treasurer/CFO	0 - "R" (direct) 0 - "B" (indirect)	Filipino	0.00%
	Allesandra Fay V. Albarico Compliance Officer and Corporate Information Officer and System Administrator for PSE	0 - "R" (direct) 0 - "B" (indirect)	Filipino	0.00%
	Manuel Z. Gonzalez Corporate Secretary	0 - "R" (direct) 0 - "B" (indirect)	Filipino	0.00% 0.00%
	Gwyneth S. Ong Assistant Corporate Secretary	0 - "R" (direct) 0 - "B" (indirect)	Filipino	0.00%
	Meryll Anne C. Yan** Investor Relations Officer	0 - "R" (direct) 0 - "B" (indirect)	Filipino	0.00%
	TOTAL	1,007 "R" (direct) 175,422,074 "B" (indirect)		0.00% 66.99%

* through ISOC Holdings, Inc.

⁴ Please see BDO Report on the List of All Stockholders of the Company as of June 30, 2020 attached hereto as **Appendix 2-B**.

*** Mr. Vicente L. Araña and Mr. Erwin Terrell Y. Sy tendered their respective resignations in their positions as Treasurer/Chief Financial Officer and Investor Relations Officer and Data Privacy Officer respectively, effective March 7, 2020. In view of the foregoing resignations, Mr. Erwin Terrell Y. Sy was appointed the new Treasurer/Chief Financial Officer, while Meryll Anne C. Yan were was appointed as the new Investor Relations Officer and Data Privacy Officer, respectively, to serve on the remaining term of their predecessors.*

(3) Voting Trust Holders of 5% or More

There is no voting trust or similar arrangement executed among holders of five percent (5%) or more of the issued and outstanding shares of common stock of the Company.

(4) Changes in Control

On November 27, 2017, ISOC Holdings Inc. entered into an agreement with RYM Business Management Corporation ("RYM") for the purchase of RYM's 175,422,081 common shares in the Company equivalent to 67% interest at PhP 2.1662 per share or a total amount of approximately PhP 380.0M. A mandatory tender offer was conducted for the benefit of the minority shareholders and the same was completed on January 3, 2018. Thus, the shares were crossed via the Philippine Stock Exchange on January 4, 2018.

Below is the breakdown of Company shares held by foreign and local stockholders as of 31 August 2020:

	<u>Number</u>	<u>Percentage</u>
<u>Foreign Shares</u>	27,811	0.01 %
<u>Local Shares</u>	261,796,191	99.99 %
<u>Total Shares (Common)</u>	261,824,002	100.00%

Item 5. Directors & Executive Officers

Except in cases where a higher vote is required under the Revised Corporation Code, the approval of any corporate action shall require the majority vote of all the stockholders present in the meeting, if constituting a quorum.

The complete guidelines on the manner of voting shall be as set forth in **Appendix 1**.

All proxies must be in the hands of the Secretary at least ten (10) days before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary prior to a scheduled meeting or by their personal presence at the meeting. (Section 7, By-Laws). Thus, the Company's By-Laws require the submission of the proxy form to the Corporate Secretary no later than 5:00 p.m. on October 10, 2020 via asm2020@ferronouxholdings.com / <http://ferronouxholdings.com/asm2020> in accordance with the procedures set forth in **Appendix 1**. The validation of proxies shall be made on October 12, 2020 at the principal office of the Corporation at the 6th Floor Hanston Building, F. Ortigas, Jr. Road, Ortigas Center, Pasig City.

(1) Board of Directors and Executive Officers

On July 29, 2019, the SEC approved the Company's application for the amendment of its Articles of Incorporation thereby approving the increase in the number of its Board seats from seven (7) to nine (9) members. Pursuant to the foregoing approval of the amendment of the Articles of Incorporation, the Board of Directors of the Company now consists of nine (9)

members, who shall hold office for a term of one year, or upon the election of its successors. The Board is responsible for the Company's overall mission, vision and strategy, management of the Company, and the preservation of the Company's assets and properties. For a person to be eligible to be elected as a director of the Company, it is necessary that he or she is a registered owner of at least one (1) voting share of the Company.

The Company's incumbent directors elected during the annual stockholders' meeting held last October 15, 2019 and officers appointed during the organizational meeting of the Board of Directors last October 28, 2019 are as follows:

Name	Office	Age	Citizenship	Term of office	No. of years served
Michael C. Cosiquien	Chairman/ President	47	Filipino	Since Jan. 10, 2018	Less than three years
Jesus G. Chua, Jr.	Vice-Chairman/ Director	45	Filipino	Since Jan. 10, 2018	Less than three years
Yerik C. Cosiquien	Director	41	Filipino	Since Jan. 10, 2018	Less than three years
Irving C. Cosiquien	Director	48	Filipino	Since Jan. 10, 2018	Less than three years
Michelle Joan G. Tan	Director	39	Filipino	Since Jan. 10, 2018	Less than three years
Mathew-John G. Almogino	Independent Director*	51	Filipino	Since Dec. 11, 2017	Less than three years
Alfred S. Jacinto	Independent Director*	52	Filipino	Since Jan. 10, 2018	Less than three years
Erwin Terrell Y. Sy**	Director/Investor Relations Officer**	33	Filipino	Since August 7, 2019	Less than three years
Vicente Francisco L. Araña**	Treasurer/Chief Financial Officer**		Filipino	December 14, 2018	Less than two year
Allesandra Fay V. Albarico	Compliance Officer/ Chief Information Officer	36	Filipino	Since Jan. 10, 2018	Less than three years
Meryll Anne C. Yan**	Investor Relations Officer**	36	Filipino	Since March 7, 2020	Less than one year
Manuel Z. Gonzalez	Corporate Secretary	58	Filipino	Since Jan. 10, 2018	Less than three years
Gwyneth S. Ong	Assistant Corporate Secretary	43	Filipino	Since Jan. 10, 2018	Less than three years

* Independent Director – the Company has complied with the Guidelines set forth by SRC Rule 38, as amended, regarding the Nomination and Election of Independent Director. The Company's By-Laws incorporate the procedures for the nomination and election of independent director/s in accordance with the requirements of the said Rule.

** Mr. Vicente L. Araña and Mr. Erwin Terrell Y. Sy tendered their respective resignations in their positions as Treasurer/Chief Financial Officer and Investor Relations Officer and Data Privacy Officer respectively, effective March 7, 2020. In view of the foregoing resignations, Mr. Erwin Terrell Y. Sy was appointed the new Treasurer/Chief Financial Officer, while Meryll Anne C. Yan were was appointed as the new Investor Relations Officer and Data Privacy Officer, respectively, to serve on the remaining term of their predecessors.

DIRECTORS AND EXECUTIVE OFFICERS

The following are the business experiences and positions held by the Directors and Executive Officers for the past five (5) years:

INCUMBENT DIRECTORS

Mr. Michael C. Cosiquien was elected Chairman of the Board on January 10, 2018 and re-elected on December 3, 2018 and October 15, 2019. He is currently the chairman of ISOC Holdings, Inc. and its subsidiaries. He served as the chairman, chief executive officer and director of Megawide Construction Corporation. He has provided superior leadership in all aspects of the business as chief executive officer of Megawide. Mr. Cosiquien holds a degree in civil engineering from the De La Salle University, and is a licensed civil engineer with over 20 years of professional engineering experience.

Mr. Jesus G. Chua, Jr. was elected as Vice-Chairman of the Board on January 10, 2018 and re-elected on December 3, 2018 and October 15, 2019. He is currently the President of ISOC Holdings, Inc. and its subsidiaries for real estate development and infrastructure, among others. He served as the chief strategy officer for Megawide Construction Corporation. Previously, he was the head of Southeast Asia Investment Banking at MUFG Financial Group, Singapore and has held senior roles at ABN AMRO/RBS in Hongkong and HSBC in New York. Mr. Chua graduated with an MBA from Harvard University and has studied at Stanford University and De La Salle University in the years prior.

Mr. Yerik C. Cosiquien was elected as a Director of the Board in January 10, 2018 and re-elected on December 3, 2018 and October 15, 2019. He is the president and chief executive officer of ISOC Cold Chain Logistics, Inc. (doing business as Orca Cold Chain Solutions), a subsidiary of ISOC Holdings, Inc. where he is also currently a director and corporate secretary. He also serves as director and corporate secretary for other subsidiaries of ISOC Holdings, Inc. Previously, he served as director and corporate Secretary of Megawide Construction Corporation. He is also the general manager of Cosmo Fortune Corp. and of Maunlad Fortune Corporation. Mr. Cosiquien is a psychology and economics graduate from the University of British Columbia.

Mr. Irving C. Cosiquien was elected as a Director of the Board on January 10, 2018 and re-elected on December 3, 2018 and October 15, 2019. He is currently a director of ISOC Holdings, Inc. and its subsidiaries. He served as director and treasurer of Megawide Construction Corporation. He is also the corporate secretary at United Pacific Rise Corp. and has served as the general manager of Megapolitan Marketing, Incorporated. He obtained his degree in industrial engineering from the De La Salle University.

Mr. Michelle Joan G. Tan was elected as a director of the Board on January 10, 2018 and re-elected on December 3, 2018 and October 15, 2019. She is a sub-contractor of Megawide Construction Corporation, one of the prestigious construction companies in the Philippines, for almost eight years now. She has assisted in screening and deploying qualified, efficient and effective workers to companies. She also handles labor cases. In addition, she was a former Banker of United Coconut Planters Bank where she was assistant branch manager for almost five years. She graduated with a degree in business and marketing management from the College of the Holy Spirit.

Atty. Mathew John G. Almogino was elected as an independent director of the Board on December 11, 2017 and was re-elected on December 3, 2018 and October 15, 2019.

Atty. Almogino is a lawyer specializing in corporate law and commercial litigation, and has previously served as a member of the board of directors of several corporations engaged in various industries such as transportation, construction, and real estate. He is currently the General Counsel of Nippon Express Philippines Corporation, a multinational corporation with headquarters in Tokyo, Japan and which conducts business operations in 698 locations in 44 countries, specializing in global logistics, including international freight forwarding using multimodal transport, storage, and inventory management.

Atty. Almogino was also a former senior associate with Ocampo and Manalo Law Firm, a firm ranked by AsiaLaw, the Legal 500 and WorldLaw as one of the leaders in various practice areas such as corporate law, telecommunications and media, transportation, litigation, dispute resolution, and labor and employment.

He obtained his Bachelor's Degree in Liberal Arts with a major in political science and minor in history from De La Salle University, and his Juris Doctor degree from the San Sebastian College-Recoletos Institute of Law, where he also later lectured on various subjects on corporate law after passing the Philippine Bar examinations.

Atty. Alfred S. Jacinto was elected as an independent director of the Board on January 10, 2018 and re-elected on December 3, 2018 and October 15, 2019. Atty. Jacinto was admitted to the Bar in 1994. He graduated with a degree in mathematics and his Bachelor of Laws degree from the University of the Philippines with a College and National Science and Technology Authority Scholarship. Atty. Jacinto started as an associate at the Pecabar Law Offices in 1993. He was a partner of the Ata Jacinto & Montales Law Offices before joining the Cayetano Sebastian (CASELAW) Law Offices in 2001. He is currently the managing partner of CASELAW. His practice areas include litigation, energy, information technology, real estate, immigration, corporate and tax. Atty. Jacinto also served as consultant to the Joint Congressional Power Commission, Joint Congressional Oversight Committee on the Clean Water Act.

Mr. Erwin Terrell Y. Sy was elected as the investor relations officer on December 14, 2018 and was re-elected on October 15, 2019. He was elected as treasurer/chief financial officer on March 4, 2020. Mr. Sy has over nine years of investment banking experience covering multiple jurisdictions, raising both equity, quasi-entity and senior debt for multinational companies. He was a principal at Fortman Cline Capital Markets, where he led deal teams in several marquee Philippine M&A deals totaling over US\$3.0 billion in the energy, infrastructure and logistics sectors. He is an honors graduate of the management-honors program of the Ateneo de Manila University.

KEY OFFICERS

INCUMBENT OFFICERS

Atty. Allesandra Fay V. Albarico was elected compliance officer/ chief information officer on January 10, 2018 and was re-elected on December 14, 2018 and October 28, 2019. She is currently the assistant corporate secretary and head of legal department of ISOC Holdings, Inc. and its subsidiaries. She was an executive assistant and court attorney at the Court of Appeals, pre-test lawyer for the 2011 Bar examinations (Supreme Court-Office of the Chairman), Associate at Dato Inciong & Associates, legal manager at Citicore Power Inc., and legal counsel at Megawide Construction Corporation. Atty. Albarico holds a degree in legal management (*university scholar*). She passed the 2010 Philippine Bar examinations and was admitted to the Bar the following year. She likewise holds a Master of Laws degree and diploma in Leadership and Management Development. She is currently pursuing a doctorate degree in Civil Law (DCL) and was elected as Vice-President of the University of Santo Tomas Graduate School of Law Association while concurrently serving as professor of law on Obligations and Contracts in Bulacan State College of Law. She is also a lecturer at Tomas Claudio Colleges, College of Law (a pioneering law school in Rizal province) and in the Jose Rizal University College of Law. Last 2019, she passed the certification examination for compliance officers. Atty. Albarico is an arbitrator trained by the Philippine Dispute Resolution Center, Inc. (PDRCI) and is currently a student of the University of Asia and the Pacific's (UA&P) Strategic Business Economics Program.

Ms. Meryll Anne C. Yan was elected investor relations officer/data protection officer on 4 March 2020, effective March 7, 2020. Ms. Yan is a multi-awarded marketer who started out her career in Unilever Philippines. Prior to her current role as head of marketing for ISOC Holdings, Inc. and ORCA Cold Chain Solutions, she was head of marketing for SM Ladies Fashion and was also the chief creative artist of a local creatives agency. Most of her working tenure was spent in fashion and publishing, where she rose in ranks to become group publisher and editorial director of the One Mega Group, the company that carries titles like MEGA, Meg, Blueprint and Lifestyle Asia.

Atty. Manuel Z. Gonzalez was elected Corporate Secretary on January 10, 2018 and re-elected on December 14, 2018 and October 28, 2019. He is a Senior Partner in the Martinez Vergara Gonzalez & Serrano Law Office since 2006 up to the present. Atty. Gonzalez was formerly a partner with the Picazo Buyco Tan Fider & Santos Law Office until 2006. He has been involved in corporate practice and has extensive experience in securities, banking and finance law. She serves as Director and Corporate Secretary to many corporations including to companies in the Century Pacific Group since 1995, Nomura Securities Philippines since 2006 and ADP Philippines, Inc. since 2010. Atty. Gonzalez graduated with honors and obtained a Bachelor of Arts degree in Political Science and Economics from New York University and he has also received a Bachelor of Laws from the University of the Philippines, College of Law.

Atty. Gwyneth S. Ong was elected Assistant Corporate Secretary on January 10, 2018 and re-elected on December 14, 2018 and October 28, 2019. Atty. Ong is a Partner at Martinez Vergara Gonzalez and Serrano Law Office from 2015 up to the present, with extensive experience in a broad range of securities and capital market transactions. She graduated with a Bachelor of Science degree in Management major in Legal Management from the Ateneo de Manila University and a Bachelor of Laws degree from the University of the Philippines.

FORMER OFFICERS

Mr. Vicente L. Araña was re-elected Treasurer and Chief Financial Officer on October 28, 2019, serving as such until March 4, 2020. He previously served as group chief financial officer of ISOC Holdings, Inc. and its subsidiaries from 2018 until March 2020. Prior to joining ISOC, he was CFO of Solar Philippines and a renewable energy company in Ayala's Energy and Infrastructure Group. He has also held CFO posts with TKC Steel Corporation and Coal Asia, Inc. He graduated from the University of the Philippines with a degree in Business Administration and Accountancy and has an MBA from the Asian Institute of Management.

(2) Nomination Committee and Nominees for Election as Members of the Board of Directors

The Nomination Committee is composed of Atty. Alfred S. Jacinto, Mr. Yerik C. Cosiquien and Mr. Irving Cosiquien.

The Company's Nomination Committee pre-screened and accepted the nominations for the following directors in accordance with the criteria provided in the SRC, the Company's Manual of Corporate Governance and the Company's By-Laws:

Regular Directors:

1. Michael C. Cosiquien
2. Jesus G. Chua, Jr.
3. Yerik C. Cosiquien
4. Irving C. Cosiquien
5. Michelle Joan G. Tan

6. Erwin Terrell Y. Sy

Independent Directors:

1. Atty. Mathew John G. Almogino
2. Atty. Alfred S. Jacinto

All of the nominees are incumbent directors of the Corporation. Atty. Almogino and Atty. Jacinto were nominated by Mr. Michael C. Cosiquien. Atty. Almogino and Atty. Jacinto are neither related to Mr. Cosiquien, nor to each other.

Term of Office of a Director

The directors will hold office upon election until the next annual election and until his/her successor is duly elected, unless he/she resigns, dies or is removed from office.

(3) Independent Directors

The following are the nominees for independent directors of the Company:

1. Atty. Mathew-John G. Almogino
2. Atty. Alfred S. Jacinto

Atty. Almogino possessed all the qualifications and none of the disqualifications as independent director since his election on December 11, 2017. Atty. Jacinto possessed all the qualifications and none of the disqualifications as independent director since his election on January 10, 2018. They are not employees of the Company and do not have relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibility of a director.

Atty. Almogino and Atty. Jacinto were nominated by Mr. Michael C. Cosiquien. The nominator is not related to the persons he has nominated for independent director.

The term of office of all directors, including independent directors shall be one (1) year until their successors are duly elected and qualified.

The certifications of qualification for the independent director of Atty. Almogino and Atty. Jacinto are attached herewith as Appendices 3 and 4, respectively.

In accordance with SEC Memorandum Circular No.4 Series of 2017, both independent directors (ID) have not exceeded the maximum cumulative term of nine (9) years. Furthermore, the Company understands that after a term of (9) years, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as a non-independent director. At the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and the reckoning of the cumulative nine-year term is from 2012.

The Company has amended its By-laws incorporating the provisions of SRC Rule 38, as amended, on March 13, 2013 which has been duly approved by the Securities and Exchange Commission on 21 May 2013.

(4) Significant Employees

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

(5) Family Relationships

Mr. Michael C. Cosiquien, the present chairman and president of the Company is the brother of Mr. Yerik C. Cosiquien and Mr. Irving C. Cosiquien, who are directors of the Company. Ms. Michelle Joan G. Tan is the sister-in-law of Mr. Michael C. Cosiquien. Other than the ones disclosed, there are no other family relationships known to the registrant.

(6) Involvement in Certain Legal Proceedings

To the knowledge of the Company, there has been no occurrence of any of the following events during the past five (5) years up to latest date that are material to an evaluation of the ability and integrity of any director, any person nominated to become director, executive officer or control person of the Company:

1. Any insolvency or bankruptcy petition filed by or against any business of which such person was a general partner or executive officer whether at the time of insolvency or within two (2) years prior to that time;
2. Any conviction by final judgment in a criminal proceeding, domestic or foreign, in any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
3. Any final and executory order, judgment or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily, enjoining, barring, suspending or otherwise limiting involvement in any type of business, securities, commodities or banking activities; and
4. Any final and executory judgment by a domestic or foreign court or competent jurisdiction (in a civil action), the SEC, or comparable foreign body, or domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

There are no legal proceedings to which the Company or its subsidiary or any of their properties is involved in or subject to any legal proceedings which would have material adverse effect on the business or financial position of the Company or its subsidiary.

(7) Certain Relationships and Related Transactions

The Company, in the normal course of business enters into transaction with related parties consisting primarily of non-interest bearing advances for working capital requirements. The Company does not have any material transactions as of year ended December 31, 2019.

No transaction was entered by the Company with parties who are not considered related parties but with whom the Company or its related parties have a relationship that enables the parties to negotiate terms of material transactions.

(8) Resignation or Refusal to Stand for Re-election by Members of the Board of Directors

Mr. Vicente L. Araña, the former chief financial officer/treasurer of the Company, and Mr. Erwin Terrell Y. Sy tendered their respective resignations in their positions as treasurer/chief financial officer and investor relations officer and data privacy officer respectively, effective March 7, 2020. Mr. Araña cited personal reasons for his resignation in his position as the treasurer/chief financial officer of the Corporation.

In view of the foregoing resignations, Mr. Erwin Terrell Y. Sy was appointed the new treasurer/chief financial officer, while Meryll Anne C. Yan were was appointed as the new investor relations officer and data privacy officer, respectively, to serve the remaining term of their predecessors.

Other than Mr. Araña, the Company has not been informed of any intention by the incumbent directors and/or key officers of the to resign or to refuse their re-election as members of the Board of Directors or as officers of the Company for the relevant period.

ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

(1) Compensation Table

The table below summarizes the aggregate compensation of the Company's CEO and the four most highly compensated employees, as well as the aggregate compensation paid to all directors and officers as a group for the years 2017, 2018 and 2019.

Name and Principal Position	Year	Salary	Bonuses	Other Benefits	Total
CEO and Top 4 Executive Officers, As a group named above	2017	-	-	55,000	55,000
	2018	-	-	-	-
	2019	-	-	-	-
All Other Officers and Directors, as a group unnamed	2017	-	-	110,000	110,000
	2018	-	-	-	-
	2019	-	-	-	-

The estimated compensation of the directors and officers for 2019 is nil. For the ensuing year, the estimated compensation of the directors and officers is nil as of date. The Company has minimal operations and engages consultants as necessary.

(2) Compensation of Directors

Standard Arrangement

The directors are given minimal amount to cover their cost and expenses but there is no standard arrangement pursuant to which directors of the company are compensated directly or indirectly, for any services provided as a director. No per diems were paid by the Company to its directors.

Other Arrangement

Except for minimal representation allowance granted to directors, there are no other arrangements pursuant to which directors of the company are compensated directly or indirectly, for any services provided as a director.

(3) Employment Contracts and Termination of Employment and Change-in Control Arrangements

There are no other special contracts of employment between the Company and the named directors and executive officers, as well as special compensatory plans or arrangements.

There are no arrangements for compensation to be received by the officers from the Company in the event of a change in control of the Company.

ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS

(1) External Auditor

- a) Independent Public Accountants, Reyes Tacandong & Co. was nominated as the Corporation's external auditors for the ensuing year which shall be subject to shareholders' approval during the Annual Meeting. The Recommended partner - in charge is Ms. Belinda Fernando.
- b) The 2018 - 2019 audit of the Company by Accountants, Reyes Tacandong & Co. (RTC) is in compliance with Revised SRC Rule 68, Part I, Paragraph 3 (B) (ix) which provides that the external auditor should be rotated every seven (7) years or earlier or the handling partner shall be changed. At present, Reyes Tacandong & Co.'s account partner handling the Corporation is Ms. Belinda Fernando since 2015. She is due for rotation in 2022. A two-year cooling off period shall be observed in the re-engagement of the same signing partner or individual.
- c) Representatives of Reyes Tacandong & Co. will be present during the annual meeting and will be given the opportunity to make a statement if they desire to do so. They are also expected to respond to appropriate questions if needed. There was no event where Reyes Tacandong & Co. and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure. Except as stated in the report of independent auditors, the Corporation has no disagreements with its auditors.

(2) Audit Fees

The following table sets out the aggregate fees billed for 2019 and 2018 for professional services rendered by Reyes Tacandong & Co.

Reyes Tacandong & Co. does not provide other services that are not reasonably related to the performance of the audit or review of the Company's financial statements.

	2019	2018
Audit and Audit-Related fees		
.....	458,324	405,453

Services rendered include the audit of the financial statements and supplementary schedules for submission to SEC and BIR.

The following table sets out the aggregate fees billed for 2019:

Name of Auditor	Regular Fees
Reyes Tacandong & Co.	458,324

Audit and audited-related fees refer to the professional services rendered by Reyes Tacandong & Co. for audit of the Company's annual financial statements and services that are normally provided in connection with statutory and regulatory filings for the said calendar years. The fees presented above include out-of-pocket expenses incidental to the independent auditors' services.

(3) Audit Committee and Policies

There shall be an Audit Committee composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the chairman, should be independent. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The chairman of the Audit Committee should not be the chairman of the Board or of any other committees. The Audit Committee meets with the Board at least every quarter without the presence of the CEO or other management team members, and periodically meets with the head of the internal audit. The Audit Committee has the following duties and responsibilities, among others:

- a.) Recommends the approval of the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- b.) Through the Internal Audit (IA) Department, monitors and evaluates the adequacy and effectiveness of the corporation's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (a) safeguard the company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the company's financial data, and (d) ensure compliance with applicable laws and regulations;
- c.) Oversees the Internal Audit Department, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;
- d.) Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;
- e.) Reviews and monitors Management's responsiveness to the Internal Auditor's findings and recommendations;
- f.) Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- g.) Evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the corporation's overall consultancy expenses.

The committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence (as defined under the Code of Ethics for Professional Accountants). The non-audit work, if allowed, should be disclosed in the corporation's Annual Report and Annual Corporate Governance Report;

- h.) Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
 - Any change/s in accounting policies and practices
 - Areas where a significant amount of judgment has been exercised
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements
- i.) Reviews the disposition of the recommendations in the External Auditor's management letter;
- j.) Performs oversight functions over the corporation's Internal and External Auditors. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- k.) Coordinates, monitors and facilitates compliance with laws, rules and regulations; and
- l.) Recommends to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

(4) Audit Committee

The following are members of the Audit Committee:

Atty. Matthew-John G. Almogino (chairman and independent director)
Mr. Jesus G. Chua
Ms. Michelle Joan G. Tan

ITEM 8. COMPENSATION PLANS

No action is proposed to be taken during the stockholders' meeting with regard to any bonus, profit sharing, pension/retirement plan, granting of any extension of options, warrants or rights to purchase any securities.

C. ISSUANCE AND EXCHANGE OF SECURITIES

ITEM 9. AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE

There are no matters or actions to be taken up in the meeting with respect to authorization or Issuance of securities.

ITEM 10. MODIFICATION OR EXCHANGE OF SECURITIES

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of the Company's securities or the issuance of authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

ITEM 11. FINANCIAL AND OTHER INFORMATION

The audited financial statements as of December 31, 2019, Management's Discussion and Analysis, Market Price of Shares and Dividends and other data related to the Company's financial information are attached hereto as **Appendix 5**.

The interim financial statements as of June 30, 2020 and other data related to the Company's financial information are likewise attached hereto as **Appendix 6**.

ITEM 12. MERGERS, CONSOLIDATIONS, ACQUISITIONS AND SIMILAR MATTERS

There are no matters or actions to be taken up in the meeting with respect to merger, consolidation, acquisition by, sale or liquidation of the Company.

ITEM 13. ACQUISITION OR DISPOSITION OF PROPERTY

No action is to be taken with respect to acquisition or disposition of property.

ITEM 14. RESTATEMENT OF ACCOUNTS

The Company is not taking any action, which involves the restatement of any of its assets, capital, or surplus account.

D. OTHER MATTERS

ITEM 15. ACTION WITH RESPECT TO REPORTS

There is no action to be taken with respect to any report of the Company or its directors, officers or committees, except for the approval of the minutes of the previous annual meeting of the Company held on October 15, 2019 ("**2019 ASM**") and for the ratification of all acts of the Board of Directors during their term of office.

1. Minutes of the Previous Annual Meeting

All items of the agenda for the 2019 ASM were approved. The voting results are as follows:

Agenda	Voting Results		
	For	Against	Abstain
Call to Order	100.00%	0.00%	0.00%
Secretary's Proof of Due Notice of the Meeting and Determination of Quorum	100.00%	0.00%	0.00%
Approval of the Minutes of the Stockholders' Meeting held on December 3, 2018	100.00%	0.00%	0.00%
Management's Report	100.00%	0.00%	0.00%

Approval and Ratification of all Acts of the Board of Directors, Board Committees and Management for the year 2018	100.00%	0.00%	0.00%
Election of Board of Directors			0.00%
Michael C. Cosiquien	100.00%	0.00%	0.00%
Jesus G. Chua, Jr.	100.00%	0.00%	0.00%
Yerik C. Cosiquien	100.00%	0.00%	0.00%
Irving C. Cosiquien	100.00%	0.00%	0.00%
Michelle Joan G. Tan	100.00%	0.00%	0.00%
Mathew-John G. Almogino	100.00%	0.00%	0.00%
Alfred S. Jacinto	100.00%	0.00%	0.00%
Erwin Terrell Y. Sy	100.00%	0.00%	0.00%
Appointment of External Auditor	100.00%	0.00%	0.00%
Adjournment	100.00%	0.00%	0.00%

The following directors and officers were present during the 2019 ASM:

Mr. Michael C. Cosiquien	-	Chairman
Mr. Jesus G. Chua, Jr.	-	Vice Chairman/Director
Mr. Yerik C. Cosiquien	-	Director
Ms. Michelle Joan G. Tan	-	Director
Mr. Mr. Erwin Terrell Y. Sy	-	Director
Mr. Alfred Jacinto	-	Independent Director
Mr. Mathew-John Gonong Almogino	-	Independent Director
Ms. Allesandra Fay V. Albarico	-	Compliance Officer and Chief Information Officer
Mr. Manuel Z. Gonzalez	-	Corporate Secretary

The stockholders who attended the 2019 ASM in person and by proxy represent 178,054,062 common shares, constituting 68.01% of the total outstanding capital stock of the Company as of record date September 13, 2019.

2. Acts of the Board of Directors

At the annual meeting, stockholders will be asked to approve and ratify the acts of the Board of Directors during their term of office duly disclosed to the SEC and Philippine Stock Exchange. Since the last stockholders' meeting on October 15, 2019, the Board of Directors has authorized several transactions which are pursuant to the Corporation's ordinary course of business.

For reference, we have attached as **Appendix 7** a schedule of the dates of the Board of Directors' meetings and the resolutions made during the meeting.

ITEM 16. MATTERS NOT REQUIRED TO BE SUBMITTED

All corporate actions to be taken up at the annual stockholders' meeting will be submitted to the stockholders of the Company for their approval in accordance with the requirements of the Revised Corporation Code.

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

ITEM 17. OTHER PROPOSED ACTIONS

Other than the matters indicated in the Notice and Agenda included in this Information Statement, there are no other actions proposes to be taken at the annual meeting.

ITEM 18. VOTING PROCEDURES

Except in cases where a higher vote is required under the Revised Corporation Code, the approval of any corporate action shall require the majority vote of all the stockholders present in the meeting, constituting a quorum.

In case of election of directors, each stockholder is entitled to cumulate their votes as discussed in Part B, Item 4(c) of this Information Statement.

There is no manner of voting prescribed in the By-Laws of the Company. Hence, voting may be done *viva voce*, by show of hands, or by balloting. During the last stockholders' meeting held on October 15, 2019, votes were cast by viva voce and counted in the manner prescribed herein.

For this year's annual stockholders' meeting, the Company has established a designated website in order to facilitate the registration of and voting in absentia by stockholders at the annual meeting, as allowed under Sections 23 and 57 of the Revised Corporation Code. A stockholder or member who participates through remote communication and votes by proxy shall be deemed present for purposes of quorum.

All proxies must be in the hands of the Secretary at least ten (10) days before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary prior to a scheduled meeting or their personal attendance at the meeting. (Section 7 of the By-Laws).

UPON THE WRITTEN REQUEST OF THE STOCKHOLDER(S), THE CORPORATION UNDERTAKES TO FURNISH SAID STOCKHOLDER(S) WITH A COPY OF SEC FORM 17-A, FREE OF CHARGE, EXCEPT FOR THE EXHIBIT ATTACHED THERETO, WHICH SHALL BE CHARGED AT A COST. ANY WRITTEN REQUEST FOR A COPY OF SEC FORM 17-A SHALL BE ADDRESSED TO ATTY. ALLESANDRA FAY V. ALBARICO AT 6TH FLOOR, HANSTON BUILDING, F. ORTIGAS, JR. ROAD, ORTIGAS CENTER, PASIG CITY.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig on SEP 23 2020, 2020.

FERRONOUX HOLDINGS, INC. (formerly, AG FINANCE, INCORPORATED)

By:



MANUEL Z. GONZALEZ
Corporate Secretary

Ferronoux Holdings, Inc.

**MANAGEMENT REPORT
Pursuant to SRC Rule 20**

**For the Annual Stockholders' Meeting
On October 20, 2020**

I. Financial Statements

The Audited Financial Statements of Ferronoux Holdings, Inc. (the Company) for the years ended December 31, 2019 and 2018 are attached to this report.

II. Information on Independent Accountants and other Related Matters

The Company's financial statements for the years ended December 31, 2019 and 2018 have been audited by Reyes Tacandong & Co. ("RTC"), independent auditors, as stated in their reports appearing herein.

Ms. Belinda B. Fernando is the Company's current audit partner. We have not had any disagreements on accounting and financial disclosures with our current external auditors for the periods or any subsequent interim period.

There were no disagreements with Reyes Tacandong & Co on any matter of accounting and financial disclosure.

The following table sets out the aggregate fees incurred for the years ended December 31, 2019 and 2018 for professional services rendered by Reyes Tacandong & Co.

Reyes Tacandong & Co. does not provide other services that are not reasonably related to the performance of the audit or review of the Company's financial statements.

	2019	2018
Audit and Audit-Related Services	₱458,324	₱405,453

Services rendered include the audit of the financial statements and supplementary schedules for submission to SEC and BIR.

The following table sets out the aggregate fees billed for 2019:

Name of Auditor	Regular Fees
Reyes Tacandong & Co.	458,324

Audit and audited-related fees refer to the professional services rendered by Reyes Tacandong & Co. for audit of the Company's annual financial statements and services that are normally provided in connection with statutory and regulatory filings for the said calendar years. The fees presented above include out-of-pocket expenses incidental to the independent auditors' services.

III. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis is based on the audited financial statements as at December 31, 2019 and 2018, prepared in conformity with Philippine Financial Reporting Standards (PFRS) and accompanying Notes to the Financial Statements and should be read in conjunction with the audited consolidated financial statements.

Impact of COVID-19 (Coronavirus Disease 2019). The country is currently experiencing a pandemic virus crisis resulting in a slowdown in the Philippine economy because of mandated lockdowns all over the country. While the financial impact is considered a non-adjusting subsequent event as at December 31, 2019, management believes that the effect on the Company's operations and financial performance is not significant.

Assignment of Note Receivable. On June 26, 2020, the Company's board of directors approved the assignment of the note receivable from Sunprime Finance Incorporated ("SFI") with carrying amount of ₱132.7 million as at December 31, 2019 in exchange for certain receivables of Michael C. Cosiquien, a stockholder of ISOC Holdings, Inc. ("ISOC"), arising from his advances in favor of the Parent Company in the aggregate amount of P132,714,385.00. On June 29, 2020, the Company and the stockholder, with conformity of ISOC and SFI, entered into a Deed of Assignment covering the note. As a result of the transaction, the Company reclassified the note receivable to "Due from a related party" account. The corresponding disclosures on this transaction have been made to the PSE on June 26, 2020 and June 30, 2020. Additionally, in compliance with SEC Memorandum Circular No. 10, Series of 2019, an advisement report on the material related party transaction was filed with the SEC on July 1, 2020.

Summary Financial Information

The financial statements as at December 31, 2019 and 2018 and for the years ended December 31, 2019 and 2018 are hereto attached.

The following table sets forth the summary financial information for the years ended December 31, 2019, 2018 and 2017:

Summary of Income Statement:

	Years Ended December 31		
	2019	2018	2017
INCOME	₱6,687,704	₱6,552,075	₱6,419,953
EXPENSES	(2,264,019)	(1,620,929)	(1,728,763)
OTHER CHARGES - NET	(3,916,127)	(3,097,883)	(20,641,768)
INCOME (LOSS) BEFORE TAX	507,558	1,833,263	(15,950,578)
PROVISION FOR (BENEFIT FROM)			
INCOME TAX	1,598	7,400	(395,046)
NET INCOME (LOSS)	505,960	1,825,863	(15,555,532)
OTHER COMPREHENSIVE INCOME			
(LOSS)	-	-	-
TOTAL COMPREHENSIVE INCOME			
(LOSS)	₱505,960	₱1,825,863	(₱15,555,532)
BASIC AND DILUTED EARNINGS			
(LOSS) PER SHARE	₱0.002	₱0.01	(₱0.06)

Summary of Balance Sheet:

	December 31	
	2019	2018
ASSETS		
Current Assets	₱135,894,004	₱2,276,323
Noncurrent Assets	-	130,022,700
	₱135,894,004	₱132,299,023
LIABILITIES AND EQUITY		
Current Liabilities	₱4,782,626	₱1,693,605
Noncurrent Liability	-	-
		1,693,605
Equity	131,111,378	130,605,418
	₱135,894,004	₱132,299,023

Summary of Net Cash Flows:

	Years Ended December 31		
	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES	₱877,774	(₱67,305)	(₱183,103)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	877,774	(67,305)	(183,103)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	74,094	141,399	324,502
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱951,868	₱74,094	₱141,399

2019 vs. 2018

Results of operations:

(In Php millions)

	2019	Audited 2018	Increase (Decrease)	
			Amount	Percentage
Income	₱6.69	₱6.55	₱0.14	2%
Expenses	2.26	1.62	0.64	40%
Other Charges	3.92	3.10	0.82	26%

Income increased by ₱0.14 million or 2% as compared last year due to higher computed accretion on notes receivable. Notes receivable increased this year versus last year.

Expenses increased by ₱0.64 million or 40%. Changes in the expense accounts for the year ended December 31, 2019 versus the same period last year are as follows:

- Increase in professional fees by ₱0.57 million is mainly due to higher retainer fees this year as compared last year.
- Increase in taxes and licenses by ₱0.27 million is mainly due to higher taxes paid this year versus last year.
- Decrease in outside services by ₱0.17 million is mainly attributable to fewer services outsourced during the year as compared last year.
- Decrease in representation by ₱0.17 million is mainly attributable to decrease in meeting expenses.
- Increase in miscellaneous expenses by ₱0.15 million due to higher admin expenses this year.

Other charges - net increased by 26% or ₱0.82 million mainly attributed to higher provision for expected credit loss this year versus last year.

Financial Position:

(In Php millions)

	Audited		Increase (Decrease)	
	2019	2018	Amount	Percentage
Assets	₱135.89	₱132.30	₱3.59	3%
Liabilities	4.78	1.69	3.09	182%
Shareholders' Equity	131.11	130.61	0.50	0%

Assets

The total assets of the Company increased by ₱3.59 million or 3% from ₱132.30 million as at December 31, 2018 to ₱135.89 million as at December 31, 2019. The increase was mainly due to the accretion of interest on note receivable.

Liabilities

As at December 31, 2019, the total liabilities of the Company increased by ₱3.09 million or 182% from ₱1.69 million as of December 31, 2018. The increase was due to the advances by ISOC Holdings, Inc. which are subject to repayment.

Shareholders' Equity

As of year-end 2019, the stockholders' equity increased by ₱0.50 million from ₱130.61 million as at December 31, 2018 to ₱131.11 million as at December 31, 2019. The increase was mainly attributable to the net income in 2019.

Explanations for the material changes in the Company's accounts between 2018 and 2017 are as follows:

Results of operations

Income increased by ₱0.13 million or 2% as compared last year due to higher computed accretion on notes receivable. Notes receivable increased this year versus last year.

Expenses decreased by ₱0.11 million or 6%. Changes in the expense accounts for the year ended December 31, 2018 versus the same period last year are as follows:

- Increase in professional fees by ₱0.13 million is mainly due to higher retainer fees this year as compared last year.
- Increase in representation by ₱0.40 million is mainly attributable to increase in meeting expenses.
- Decrease in taxes and licenses by ₱0.49 million is mainly due to lower taxes and licenses incurred this year versus last year.
- Decrease in director's fees by ₱0.20 million since no directors' fees incurred this year.

Other charges - net decreased by 85% or ₱17.54 million since there is no loss on modification of terms of notes receivable recognized this year.

Financial Position

Assets

The total assets of the Company decreased by ₱186.55 million or 59% from ₱318.85 million as at December 31, 2017 to ₱132.30 million as at December 31, 2018. The decrease was mainly due to the adoption of PFRS 9 which resulted in the recognition of allowance for expected credit loss (ECL) on notes receivable

Liabilities

As at December 31, 2018, the total liabilities of the Company increased by ₱1.18 million or 231% from ₱0.51 million as at December 31, 2017. The increase was due to the advances by ISOC Holdings, Inc. in 2018 which are subject to repayment.

Shareholders' Equity

As of year-end 2018, the stockholders' equity decreased by ₱187.73 million from ₱318.34 million as at December 31, 2017 to ₱130.61 million as at December 31, 2018. The decrease was mainly attributable to the recognition of allowance for ECL.

Explanations for the material changes in the Company's accounts between 2017 and 2016 are as follows:

Results of operations

Income decreased by ₱0.36 million or 5.29% in 2017 as compared to 2016 mainly due to lower computed accretion on notes receivable.

Expenses decreased by ₱0.08 million or 4.85% in 2017. Changes in the expense accounts for the year ended December 31, 2017 versus the same period last year are as follows:

- Decrease in professional fees by ₱0.44 million or equivalent to 47%.
- Increase in taxes and licenses by ₱0.49 million is due to payment of taxes in 2017 compared to none last year.
- Decrease in directors' fees by ₱0.03 million or equivalent to 16% is due to lesser attendees in 2017.
- Increase in SEC fees by ₱0.08 million is due to payment of annual fees in 2017 compared to none in 2016.
- Decrease in communication by ₱0.01 million is due to payment of development of website in 2016.

Other charges increased by ₱20.64 million is mainly due to impairment loss on notes receivable.

Financial Position

Assets

The total assets of the Company decreased by ₱17.94 million or 5.33% from ₱336.79 million as at December 31, 2016 to ₱318.85 million as at December 31, 2017. The decrease was mainly due to impairment loss on notes receivable

Liabilities

As of December 31, 2017, the total liabilities of the Company decreased by ₱2.39 million or equivalent to 82.39% from ₱2.90 million as at December 31, 2016 as compared to ₱0.51 million as at December 31, 2017. The decrease was due to the following:

- Current Liabilities decreased by ₱1.92 million or 79.02%, mainly due to reversal of liability by an affiliate.
- Noncurrent Liabilities decreased by ₱0.46 million due to reversal of deferred tax liability arising from accretion of notes receivable.

Shareholders' Equity

As of year-end 2017, the stockholders' equity decreased by ₱15.55 million from ₱333.90 million as at December 31, 2016 to ₱318.34 million as at December 31, 2017. The decrease was attributable to the net loss of ₱15.55 million in 2017.

Key Performance Indicators

	2017	2018	2019
Return on Assets	(5%)	1%	0.4%
Return on Equity	(5%)	1%	0.4%

1. Return on assets (ROA) was computed based on the ratio of net income (loss) to average assets
2. Return on equity (ROE) was computed based on the ratio of net income (loss) to average equity

IV. Brief Description of the General Nature and Scope of the Business

The Company was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 14, 2001.

The Company's shares of stock were listed in the Philippine Stock Exchange (PSE) on August 13, 2013. As at December 31, 2019 and 2018, 261,824,002 shares of the Company are listed in the PSE.

On June 25, 2015, RYM Business Management Corp. (RYM) acquired 183,276,801 shares representing 70% interest in the Company from various stockholders.

On November 27, 2017, ISOC Holdings, Inc. (ISOC) entered into an agreement with RYM for the purchase of 175,422,081 common shares held by RYM equivalent to 67% interest in the Company. A mandatory tender offer was conducted for the benefit of the minority shareholders and the same was completed on January 3, 2018. Thus, the shares were crossed via the PSE on January 4, 2018.

Status of Operations

The Company has ceased its lending activities in 2015 and is today focused on acquiring majority stake in operating businesses that meet the Company's investment criteria. The Company is in discussions with potential targets, as well as with financing institutions to complement the Company's new shareholder's capital. Management is considering to implement changes in the Company's business structure and operations to take advantage of opportunities arising from these discussions.

V. DESCRIPTION OF PROPERTY

The Company has no property as at December 31, 2019.

VI. Business Transactions with Related Parties

The Company's advances from its Parent Company as at December 31, 2019 and 2018 are as follows:

	Nature of Transaction	Amount of Transaction		Outstanding Balance	
		2019	2018	2019	2018
Due to a related party					
	Advances for working capital				
ISOC Holdings, Inc.		₱3,088,602	₱1,139,648	₱4,228,250	₱1,139,648

VII. Employees

As at December 31, 2019, the Company has no regular employees. The financial and administrative functions of the Company are currently being handled by the employees of the Parent Company.

VIII. Plan of Operation

The Company, under its new name and purpose, plans to make investments, whether in existing companies or new ventures, with high potential value to build its portfolio.

IX. Status of Operations

The Company has no significant operational activity.

X. Dividends

The Company has not paid dividend for the years 2019 and 2018.

Management's Discussion and Analysis of Financial Condition and Results as at June 30, 2020 and for the six months period ended June 30, 2020 with comparative audited figures as at December 31, 2019

The unaudited financial statement of Ferronoux Holdings, Inc. as at June 30, 2020 and for six months period ended June 30, 2020 with comparative audited figures as at December 31, 2019 are in compliance with generally accepted accounting principles and there were no changes made in accounting policies and methods of computation in the preparation of the interim financial statements.

Summary of Balance Sheet as at June 30, 2020 and December 31, 2019:

	June 30, 2020 (Unaudited) (P'000)	Dec. 31, 2019 (Audited) (P'000)	June 30, 2020 vs. Dec. 31, 2019 Amount Increase (Decrease) (P'000)	Percentage Increase (Decrease) (%)
Current assets	P3,409	P135,894	(P132,485)	(97.5%)
Noncurrent assets	132,715	–	132,715	–
Total Assets	P136,124	P135,894	P230	0.2%
Current liabilities	P5,612	P4,783	829	(17%)
Noncurrent liabilities	–	–	–	–
Total Liabilities	5,612	4,783	829	(17%)
Stockholders' Equity	130,512	131,111	(600)	(0.5%)
Total Liabilities and Equity	P136,124	P135,894	P230	0.2%

Summary of Income Statements for the six-month period ending June 30, 2020 and 2019:

	For the six-month period ending June 30		Amount Increase (Decrease) (P'000)	Percentage Increase (Decrease) (%)
	2020	2019		
	(P'000)	(P'000)		
Interest income	P2,900	P3,344	(443)	(13%)
Other income	–	–	–	–
Total income	2,900	3,344	(443)	(13%)
Operating expenses	(600)	(1,267)	667	(53%)
Other expense	(2,900)	–	(2,900)	100%
Income before tax	(600)	2,077	(2,677)	(0.34)
Tax expense	–	–	–	–
Net income (loss) for the period	(P600)	P2,077	(P2,677)	(129%)

Summary of Statements of Cash Flows for the six-month period ending June 30, 2020 and 2019.

	For the six-month period ending June 30		Amount	Percentage
	2020	2019	Increase	Increase
	(P'000)	(P'000)	(Decrease)	(Decrease)
			(P'000)	(%)
Cash used in operating activities	₱145	₱—	₱145	100%
Cash at the beginning of period	952	74	878	1,186%
Cash at the end of period	₱1,097	₱74	₱878	1,382%

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

On March 6, 2015, the Board of Directors (BOD) approved the change of the Company's principal purpose to a holding company, including investment in mining and smelting operations as secondary purpose.

On June 26, 2015, the company disclosed that on June 25, 2015 Mr. Tony O. King and his family have sold to RYM Business Management Corporation 183,276,801 common shares or 70% of AG Finance through a block sale for ₱280.00 million or approximately ₱1.53 per share.

On April 20, 2015, the shareholders approved the change in the Company's primary purpose from leasing and finance to that of a holding company, and adding as a secondary purpose, mining and smelting operations, and the amendment of the Company's Articles of Incorporation to reflect the changes in the primary and secondary purposes. On December 18, 2015, the stockholders approved the amendment of the Articles of Incorporation to change its corporate name from AG Finance Incorporated to Ferronoux Metals Refinery Inc., change of principal address from Unit 2205-A, East Tower Philippine Stock Exchange Center Exchange Road, Ortigas Center, Pasig City to 16th Floor Citibank Tower, Paseo de Roxas, Makati City and to increase the number of directors from 7 to 9 and Amendment of the Corporation's By Laws to increase the number of directors from 7 to 9, change the date of the Annual Meeting from last Friday of June to last Wednesday of May as stated in Article II Section 1, change of stock symbol from AGF to FMR, election of the directors and appointment of Reyes Tacandong & Co. as the Corporation's external auditor. On April 7, 2017, the Board approved the change of Corporate name to Ferronoux Holdings, Inc. subject to approval of the shareholders. On December 11, 2017, the stockholders approved the change in the primary purpose of the Company from leasing and finance to that of a holding company, and the change of the corporate name to Ferronoux Holdings, Inc. On February 6, 2018, the Securities and Exchange Commission approved the amendment of the Company's Articles of Incorporation and By-Laws to reflect its new corporate name and the change in the primary purpose.

On June 30, 2015, the Company ceased its lending activities.

Results of Operation

The following discussion and analysis is based on the unaudited interim financial statements for six months and three months period ending June 30, 2020 and 2019.

Six Months Ended June 30, 2020 Compared with the Six Months Ended June 30, 2019 (Increase/Decrease of 5% or More)

Interest Income

Interest income amounted to ₱2.90 million for the six-month period ending June 30, 2020 and ₱3.34 million for the same period in 2019. The decrease in interest income is due to lower accretion on note receivable before maturity.

Operating expenses

Expenses decreased by ₱0.67 million or 53% as at June 30, 2020. Significant changes in the expense accounts for the six-month ending June 30, 2020 versus the same period last year are as follows:

- Decrease in professional fees by ₱0.26 million or equivalent to 66%.
- Decrease in taxes and licenses by ₱0.24 million or 74% is due to lower taxes paid during the year.
- Decrease in representation expense by ₱0.18 million. No representation recorded during the year.

Three Months Ended June 30, 2020 Compared with the Three Months Ended June 30, 2019 (Increase/Decrease of 5% or More)

Interest Income

Interest income were ₱1.22 million for the three months ended June 30, 2020 compared to ₱1.67 million for the same period in 2019. The decrease is due to lower computed accretion on notes receivable that matured on June 5, 2020.

Other Operating Expenses

Expenses were ₱0.07 million for the three months ended June 30, 2020 compared to ₱0.54 million for the same period in 2019, a decrease of ₱0.47 million or 87%.

Statements of Financial Position

The significant changes in the Statement of Financial Position accounts during the six months ended June 30, 2020 compared to December 31, 2019 are as follows:

- Total assets were ₱136.12 million as at June 30, 2020 compared to ₱135.89 million as at December 31, 2019, an increase of ₱0.23 million or 0.2%. The increase is mainly due to receipt of advances from the Parent Company.
- Total liabilities increased by ₱0.83 million or 17% from ₱4.78 million as at December 31, 2019 to ₱5.61 million in the current period mainly due to receipt of advances from the Parent Company.
- Total equity decreased by ₱0.60 million or 0.5% mainly due to net loss position of the Company this year.

Statements of Cash Flows

The net cash used in operating activities amounted to ₱0.15 million for the six-month period ending June 30, 2020 compared to net cash used in the same period in 2019 amounting to nil.

The cash as at June 30, 2020 and December 31, 2019 amounted to ₱1.10 million and ₱0.95 million, respectively.

Horizontal and Vertical Analysis:

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	Increase (Decrease) Amount Percentage	
ASSETS				
Current Assets				
Cash	₱1,097,006	₱951,868	₱145,138	15%
Notes receivable	–	132,714,385	(132,714,385)	(100%)
Other current assets	2,312,422	2,227,751	84,671	4%
Total Current Assets	3,409,428	135,894,004	(132,484,576)	(97.5%)
Noncurrent Assets				
Due from a related party	132,714,385	–	132,714,385	100%
	₱136,123,813	₱135,894,004	₱229,809	0.2%
LIABILITIES AND EQUITY				
Current Liabilities				
Accrued expenses and other current liabilities	₱5,612,027	₱4,782,626	₱829,401	17%
Equity				
Capital stock	261,824,002	261,824,002	–	–
Additional paid-in capital	74,277,248	74,277,248	–	–
Deficit	(205,589,464)	(204,989,872)	(599,592)	0.3%
Total Equity	130,511,786	131,111,378	(599,592)	(0.5%)
	₱136,123,813	₱135,894,004	₱229,809	0.2%

FINANCIAL INDICATORS

	June 30, 2020	June 30, 2019	December 31, 2019
Net Income (Net loss)	(₱599,592)	2,077,145	₱505,960
Quick Assets	1,097,006	74,094	951,868
Current Assets	3,409,428	2,276,323	135,894,004
Total Assets	136,123,813	135,642,875	135,894,004
Current Liabilities	5,612,027	2,960,312	4,782,626
Total Liabilities	5,612,027	2,960,312	4,782,626
Stockholders' Equity	130,511,786	132,682,563	131,111,378

	June 30, 2020	June 30, 2019	December 31, 2019
Number of Common Shares Outstanding	261,842,002	261,842,002	261,842,002

Current Ratio (1)	0.61	0.77	28.41
Debt to Equity Ratio (2)	0.04	0.03	0.04
Asset to Equity Ratio (3)	1.04	1.02	1.04
Return on Assets (4)	0%	2%	0.4%
Return on Equity (5)	0%	2%	0.4%
Book Value per Share (6)	₱0.50	₱0.51	₱0.50

- (1) *Current assets divided by current liabilities*
- (2) *Total liabilities divided by equity*
- (3) *Total assets divided by equity*
- (4) *Net income divided by average assets*
- (5) *Net income divided by average equity*
- (6) *Total common stockholder's equity divided by number of common shares*

OTHER INFORMATION

- a. There are no known trends, demands, commitments, events or uncertainties that have a material impact on the Company's liquidity.
- b. There are no events that will trigger direct or contingent financial obligation that is material to the Company.
- c. There are no material off-balance sheet transactions, arrangements, obligations, and other relationships of the company with unconsolidated entities, or other persons were created during the interim period.
- d. There are no material commitments for capital expenditures during the interim period.
- e. There are no known trends, events or uncertainties that have or are reasonably expected to have a material impact on net sales/ revenues/ income from continuing operations.
- f. There is no significant income or expense that did not arise from the Company's continuing operations.
- g. There is no seasonal aspect that had a material effect on the financial condition or results of operation.

PART II - OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

PART III - FINANCIAL SOUNDNESS INDICATORS

Liquidity Ratio

- a. Current Ratio
 $\text{Total Current Assets} / \text{Total Current Liabilities} = 0.61$
- b. Quick Ratio
 $\text{Quick Assets} / \text{Total Current Liabilities} = 0.20$

Solvency Ratio

- a. Debt Ratio
 $\text{Total Liabilities} / \text{Total Assets} = 0.04$
- b. Debt to Equity Ratio
 $\text{Total Liabilities} / \text{Shareholder's Equity} = 0.04$

Profitability Ratio

- a. Return on Equity
 $\text{Net Income} / \text{Average Shareholder's Equity} = 0\%$
- b. Return on Assets
 $\text{Net Income} / \text{Average Total Assets} = 0\%$
- c. Asset to Equity Ratio:
 $\text{Total Assets} / \text{Ave. Stockholders' Equity} = 1.04$
- d. Asset Turnover
 $\text{Revenue} / \text{Total Assets} = 0\%$

Market Information

The closing market price of the Company's common stock in the Philippine Stock Exchange on September 22, 2020 is Php3.14.

The high and low prices for each quarter of 2020 and 2019 are provided below.

Quarter	Stock	High	Low
1Q 2019	FERRO	5.15	4.14
2Q 2019	FERRO	5.30	4.15
3Q 2019	FERRO	6.20	4.06
4Q 2019	FERRO	5.30	3.81
1Q 2020	FERRO	3.1	1.13
2Q 2020	FERRO	1.82	1.31

The stockholders of the Company as at 31 August 2020 is provided in the report of the stock and transfer agent attached hereto as **Appendix 2-B**.

CORPORATE GOVERNANCE

1. Evaluation System

In line with the Company's Revised Manual of Corporate Governance, the Board has a policy of self-assessment which it endeavors to implement, covering an annual self-assessment of the Board's performance as a whole, as well as self-assessments by individual members and committees. There is a minimum set criteria and process to determine the performance of the Board, individual directors, and committees. The Board also has in place a performance management framework that ensures Management's performance is at par with standards set by the Board, as well as an internal control system to monitor and manage potential conflicts of interest within Management, among others.

2. Measures on leading Practices of Good Corporate Governance

The Board of Directors shall review the Revised Manual of Corporate Governance from time to time and recommend the amendment thereof with the goal of achieving better transparency and accountability. The Compliance Officer continues to evaluate the compliance of the Corporation, its directors, officers, and employees with its existing Manual, which may be amended from time to time.

3. Deviations from the Revised Manual on Corporate Governance

The Company has not recorded any deviation from its Revised Manual on Corporate Governance.

4. Improvement of the Corporate Governance

As of date, the Company has limited business and operations. The Company is in the process of reviewing its options with respect to structure for investments that would be optimal for its plans, either directly as an operating company or indirectly as a holding company. As of the date of this report, no definite plan has been finalized. Considering the foregoing, efforts to fully comply with leading practices on corporate governance and plans to improve policies therein are still evolving.