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SEC Registration Number

Z E U S	H O L D I N G S ,	I N C .	

(Company's Full Name)

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M A K A T I C I T Y																													

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

ATTY. DAISY L. PARKER

(Contact Person)

884-1106

(Company Telephone Number)

Updates on the Annual Corporate Governance Report as of 30 June 2014

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Month Day
(Fiscal Year)

3	1
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Day

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(Form Type)

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Month

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Day

(Annual Meeting)

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(Secondary License Type, If Applicable)

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

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Domestic

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Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

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ZEUS HOLDINGS, INC.

20/F LKG Tower, 6801 Ayala Ave., 1226 Makati City
Tel No. (632) 884-1106; Fax No. (632) 884-1109

16 September 2014

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills
Mandaluyong City, Metro Manila

Attention : **ATTY. JUSTINA F. CALLANGAN**
Director
Corporate Governance and Finance Department

Re : Updates on the Annual Corporate Governance Report (ACGR) as of 30 June 2014 in compliance with *paragraph 2, SEC Memorandum Circular No. 1, Series of 2014*

Gentlemen,

In compliance with *paragraph 2 of SEC Memorandum Circular No. 1, Series of 2014*, we hereby advise the Honorable Commission of the updates to the ACGR of Zeus Holdings, Inc. ("ZHI") as of 30 June 2014 on matters not required to be reported or disclosed under Section 17 of the Securities Regulation Code.

The updates pertain to the following:

- Item A-1(a), p. 1 -- Inclusion of Atty. Tomas Carmelo T. Araneta in the list of the members of the Board of Directors in lieu of Atty. Lynneth T. Lundang:**

(a) Composition of the Board

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (If ID, state the relationship with the nominator.)	Date first elected	Date last elected (If ID, state the number of years served as ID)	Elected when (Annual/Special Meeting)	No. of Years served as director
Felipe U. Yap	NED	N/A	ZHI Holdings, Inc. (ZHIHI)	4-Nov-1998	20-Nov-2012	Annual Meeting	15 years
Yuen Po Seng	ED	N/A	ZHIHI	4-Nov-1998	-do-	- do -	15 years
Jose G. Cervantes	NED	N/A	ZHIHI	28-Nov-2007	-do-	- do -	6 years
Augusto C. Villaluna	ED	N/A	ZHIHI	28-Nov-2007	-do-	- do -	6 years
Ronald P. Sugapong	ED	N/A	ZHIHI	14-Mar-2001	-do-	- do -	13 years
Stephen Y. Yap	NED	N/A	ZHIHI	28-Nov-2007	-do-	- do -	6 years
Daisy L. Parker	ED	N/A	ZHIHI	14-Mar-2001	-do-	- do -	13 years
Jesus Clint O. Aranas	ID	N/A	OE Holdings, Inc. (OEHI) (no relation)	12-Dec-2002	-do- (11 yrs.)	- do -	11 years

<u>Tomas Carmelo T. Araneta</u>	<u>ID</u>	<u>N/A</u>	<u>OEHI (no relation)</u>	<u>30-Apr-2014</u>	<u>30-Apr-2014 (4 mos.)</u>	<u>Special Board Meeting</u>	<u>4 months</u>
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2. Item A-1(d)(iii), p. 3 -- Inclusion of Atty. Araneta in the list of the members of the Board of Directors in lieu of Atty. Lundang:

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the Company and/or in its group.

Director's Name	Name of the Significant Shareholder	Description of the relationship
Felipe U. Yap	None	N/A
Yuen Po Seng	None	N/A
Jose G. Cervantes	None	N/A
Augusto C. Villaluna	None	N/A
Stephen Y. Yap	None	N/A
Ronald P. Sugapong	None	N/A
Daisy L. Parker	None	N/A
Jesus Clint O. Aranas	None	N/A
<u>Tomas Carmelo T. Araneta</u>	<u>None</u>	<u>N/A</u>

3. Item A-1(e), p. 4 -- Inclusion of Atty. Araneta in the list of the members of the Board of Directors in lieu of Atty. Lundang:

(b) Shareholding in the Company

Complete the following table on the members of the Company's Board of Directors who directly and indirectly own shares in the Company.

Name of Director	Number of Direct Shares	Number of Indirect Shares/Through (name of record owner)	% of capital stock
Felipe U. Yap	1	0	0%
Yuen Po Seng	1	0	0%
Jose G. Cervantes	1	0	0%
Augusto C. Villaluna	1	0	0%
Stephen Y. Yap	1	0	0%
Ronald P. Sugapong	1	0	0%
Daisy L. Parker	1	0	0%
Jesus Clint O. Aranas	1	0	0%
<u>Tomas Carmelo T. Araneta</u>	<u>1</u>	<u>0</u>	<u>0%</u>

4. Item A-1(b), p. 2 -- Inclusion of recent amendment to Section 5.2 of ZHI's Revised Manual on Corporate Governance:

- (b) Provide a brief summary of the corporate governance policy that the Board of Directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

Section 1 of the Company's Revised Manual on Corporate Governance (the "Manual") provides:

"The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization as soon as possible.

All doubts or questions that may arise in the interpretation or application of this Manual shall be resolved in favor of promoting transparency, accountability and fairness to the stockholders and investors of the Corporation."

Pursuant to the foregoing, Section 2.2.1.7 of the Manual mandates the Board of Directors to, among others "formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation, subsidiaries, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships by members of the Board" and "establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Corporation."

In line with the policy on transparency, Section 5.2 of the Manual states:

"The essence of corporate governance is transparency. The more transparent the internal workings of the Corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the Corporation or misappropriate its assets.

All material information, i.e., anything that could potentially adversely affect the viability of the Corporation or interests of the stockholders and other stakeholders shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, off balance sheet transactions, board changes, related party transactions, shareholdings of directors and changes to ownership, and direct and indirect remuneration of members of the Board and Management.

The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders."

5. **Item A-6(b),(c), pp. 8-9 -- Update on the list of in-house training and external courses attended by the directors for the past three (3) years and the continuing education programs for directors, programs, seminars and roundtables:**

(a) *State any in-house training and external courses attended by Directors and Senior Management for the past three (3) years.*

Director	Date	Forum/Seminar/Course
Yuen Po Seng	<u>26 Sept. 2013</u>	<u>Customer Experience Management (Breakthrough Coaching & Consulting, Inc.)</u>
	<u>9 May 2013</u>	<u>Unleash the Highest Potential of Your Work (Unleash International)</u>
	21-22 July 2011	Board of Directors' Guide for Audit Committees (Center for Global Best Practices)
Daisy L. Parker	<u>26 Sept. 2013</u>	<u>Customer Experience Management (Breakthrough Coaching & Consulting, Inc.)</u>
	<u>9 May 2013</u>	<u>Unleash the Highest Potential of Your Work (Unleash International)</u>
	9, 16, 23 and 29 Nov. 2012	Mandatory Continuing Legal Education (IBP Makati)
	27 Nov. 2012	Annual Listing and Disclosure Rules Seminar (PSE)
	21-22 July 2011	Board of Directors' Guide for Audit Committees (Center for Global Best Practices)
Ronald P. Sugapong	<u>26 Sept. 2013</u>	<u>Customer Experience Management (Breakthrough Coaching & Consulting, Inc.)</u>
	<u>9 May 2013</u>	<u>Unleash the Highest Potential of Your Work (Unleash International)</u>
	21-22 July 2011	Board of Directors' Guide for Audit Committees (Center for Global Best Practices)
Jesus Clint O. Aranas	<u>20-23 Mar. 2013</u>	<u>Mandatory Continuing Legal Education (Asian Center for Legal Excellence)</u>
	18-20 Jul. 2012	Skills Building Seminar Workshop for Court of Tax Appeals Mediator (Supreme Court of the Philippines)

(b) *Continuing education programs for directors: programs and seminars and roundtables attended during the year.*

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Felipe U. Yap	<u>29 April 2014</u>	<u>Corporate Governance</u>	<u>Institute of Corporate Directors (ICD)</u>
Yuen Po Seng	<u>29 April 2014</u>	<u>Corporate Governance</u>	<u>ICD</u>
Daisy L. Parker	<u>30 June 2014</u>	<u>Seminar on Corporate Governance for Publicly-</u>	<u>SEC Corporate Finance and</u>

		Listed Companies	Corporate Governance Dept.
	<u>29 April 2014</u>	<u>Corporate Governance</u>	<u>ICD</u>
	<u>1 April 2014</u>	<u>Annual Corporate Governance Report Seminar</u>	<u>ICD</u>
<u>Ronald P. Sugapong</u>	<u>29 April 2014</u>	<u>Corporate Governance</u>	<u>ICD</u>
<u>Stephen Y. Yap</u>	<u>29 April 2014</u>	<u>Corporate Governance</u>	<u>ICD</u>
<u>Jose G. Cervantes</u>	<u>29 April 2014</u>	<u>Corporate Governance</u>	<u>ICD</u>
<u>Jesus Clint O. Aranas</u>	<u>18-20 Jul. 2012</u>	<u>Skills Building Seminar Workshop for Court of Tax Appeals Mediator</u>	<u>Supreme Court of the Philippines</u>
<u>Tomas Carmelo T. Araneta</u>	<u>19 May 2014</u>	<u>Corporate Governance</u>	<u>ICD</u>

6. Item E-2(a), pp. 21-22 – Update on the ages of Audit Committee members Messrs. Stephen Y. Yap and Ronald P. Sugapong:

Disclose the profile or qualifications of the Audit Committee members.

X X X

Stephen Y. Yap is 46 years old and has been a director of the Company since 28 November 2007. He is the President of Starman Sales, Inc. and Vice-President for Group Property Investments of Prime Orion Philippines, Inc.

Ronald P. Sugapong is 47 years old and has been Director and Treasurer of the Company since 14 March 2001. Positions in other companies that he currently holds are as follows:

- o Senior Vice-President for Finance/Chief Finance Officer of Prime Orion Philippines, Inc.;
- o Director/Treasurer of Orion Land Inc., Tutuban Properties, Inc., Orion Property Development, Inc., Orion I Holdings Philippines, Inc., TPI Holdings Corporation, ZHI Holdings, Inc., Orion Beverage, Inc., Orion Maxis Inc., Orion Solutions, Inc., 22Ban Marketing, Inc., OE Holdings, Inc., OYL Holdings, Inc., Guoco Assets (Philippines), Inc., and Hong Way Holdings, Inc.
- o Treasurer of FLT Prime Insurance Corporation

7. Item E-4(a), (b), and (c), pp. 22-23 – Update on the Work Done and Issues Addressed by the Audit, Nomination, and Compensation and Remuneration Committees:

4) *Work Done and Issues Addressed*

Describe the work done by each Committee and the significant issues addressed during the year.

- a) Audit Committee – Prepared and/or presented to the Board of Directors for approval the quarterly reports and the Audited Financial Statements for the year 2013.

- b) Nomination Committee – As of 30 June 2014, the Nomination Committee has yet to conduct a meeting.
 - c) Compensation and Remuneration Committee – Due to minimal operations, the Company has not been giving compensation to its directors and officers. Hence, for the first six (6) months of 2014, there was no need for the Compensation and Remuneration Committee to convene.
- 8. Item I-1, p. 28 -- Update on the Ownership Structure for those holding 5% or more of ZHI's shares to reflect the period as of 30 June 2014:**
- I. DISCLOSURE AND TRANSPARENCY
 - 1) Ownership Structure (as of 30 June 2014)
- 9. Item I-5, p. 29 – Update on date of release of audited financial report:**
- 5) Date of release of audited financial report: 3 April 2014
- 10. Item I-7, p. 30 -- Update on Related Party Transactions of ZHI as of 30 June 2014 and to reflect amendments to Sections 5.2 and 2.2.1.7 of the Revised Manual on Corporate Governance:**
- 7) Disclosure of Related Party Transactions (RPT)

As of 30 June 2014, the Company has not entered into any RPT during the year.

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the Company and in particular of its minority shareholders and other stakeholders?

Section 5.2 of the Manual states:

"All material information, i.e., anything that could potentially adversely affect the viability of the Corporation or interests of the stockholders and other stakeholders shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, off balance sheet transactions, Board changes, related party transactions, shareholdings of directors and changes to ownership, and direct and indirect remuneration of members of the Board and Management.

The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders."

In addition, Section 2.2.1.7 of the Manual states:

"To ensure a high standard of best practice for the Corporation, its stockholders, and other stakeholders, the Board shall conduct itself with

honesty and integrity in the performance of, among others, the following duties and functions:


- h) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation, subsidiaries, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships by members of the Board;*

x x x"

However, due to minimal operations, the Board has yet to formulate at this time specific policies and procedures ensuring the integrity and transparency of related party transactions.

We trust that the foregoing sufficiently complies with the requirements of paragraph 2 of the aforementioned Memorandum Circular. Should you have comments or require additional information, please let us know.

Very truly yours,


DAISY L. PARKER
Compliance Officer