

SEAFRONT RESOURCES CORPORATION
MINUTES OF THE AUDIT COMMITTEE MEETING

November 5, 2015; 1:00 PM

Conference Room 1, 47th Floor, Yuchengco Tower 1, RCBC Plaza Building
6819 Cor. Sen. Gil J. Puyat and Ayala Avenues, Makati City

PRESENT:

Mr. Nicasio I. Alcantara	–	Chairman/Independent Director
Mr. Medel T. Nera	–	Member
Dr. Reynaldo B. Veal	–	Member

ALSO PRESENT:

Seafront Resources Corporation:

Atty. Samuel V. Torres	–	Corporate Secretary
Atty. Arlan P. Profeta	–	Asst. Corporate Secretary
Ms. Carlota R. Viray	–	Chief Financial Officer

House of Investments, Inc.:

Mr. Allan G. Galang
Ms. Maria Elisa Elviña-De Lara

SGV & Co. – External Auditors:

Mr. Michael C. Sabado

I. Determination of Quorum/Call to Order

All the members being present, and there being a legal quorum, the Chairman, Mr. Nicasio I. Alcantara, called the meeting to order and open for deliberation.





II. Approval of Minutes of the Previous Meeting

The Chairman requested the Committee to review the Minutes of July 28, 2015 Regular Audit Committee Meeting. Upon motion duly made and seconded, the Committee approved the minutes of the previous meetings.

III. Presentation of Audit Plan for the Year Ending December 31, 2015

The external auditors, Sycip Gorres Velayo & Co. (SGV), led by the Engagement Partner, Mr. Michael C. Sabado, presented the audit plan for the year ending December 31, 2015. Please see presentation materials attached as **Annex "A"**.

IV. Presentation of Internal Audit Plan for 2015-2016

Ms. Maria Elisa Elviña-De Lara, Assistant Vice President for Internal Audit of the House of Investments presented the audit plan for the years 2015-2016 to the Committee for approval (attached as **Annex "B"**).

V. Approval of the Third Quarter 2015 Consolidated Financial Statements (SEC Form 17-Q)

Ms. Carlota R. Viray (CRV) presented the highlights of financial statements for the Third Quarter of 2015 (attached as **Annex "C"**).

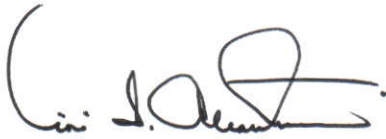
After the presentation, the Chairman recommended that the Third Quarter 2015 Financial Statements (SEC Form 17-Q) to be submitted to the Securities and Exchange Commission be endorsed to the Board of Directors for approval.

VI. Adjournment

There being no other matter to discuss, the meeting was adjourned.


SAMUEL V. TORRES
Corporate Secretary 

MINUTES READ AND APPROVED:



NICASIO I. ALCANTARA
Chairman (Independent Director)



MEDEL T. NERA
Member



REYNALDO B. VEA
Member

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**Seafront Resources
Corporation
Audit Committee Meeting**

November 5, 2015



Agenda

- ✓ Presentation of SGV & Co.'s 2015 Audit Plan
- ✓ 2015 Completed Engagement
- ✓ Presentation and Approval
of 2016 Internal Audit Work Plan
- ✓ Other Matters



2015 Completed engagements

Review of Consolidated FS and 2nd Quarter SEC Form 17-Q

- Our review of the June 30, 2015 quarterly consolidated FS did not disclose significant deficiencies in the reporting process.
- Certain observations on the presentation of disclosures required in SEC Form 17-Q were brought to the attention of the Accounting Department. These were addressed in the report submitted to the SEC.



RISK BASED AUDIT CRITERIA

CRITERIA	Revised
1. Control Environment	30%
2. Previous Audit	15%
3. Financial Indicators	15%
4. Susceptibility to Asset Misappropriation and Financial Reporting Misstatement	20%
5. Materiality	20%
Total	100%



EQUIVALENT RISK RANKING

RISK SCORE	EQUIVALENT RISK RANK
≥ 2.50 but <3.00	High
≥ 2.00 but <2.49	Moderate
<2.00	Low



PROPOSED 2016 AUDIT PLAN

PROCESS / AUDIT AREA	RISK SCORE	PRIORITY LEVEL
Treasury Operations	2.50	High

- Our work for 2016 will also include the review of Financial Statements and SEC Form 17-Q.