



**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS  
INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

SECURITIES AND EXCHANGE  
COMMISSION  
**RECEIVED**  
SEP 23 2015  
MARKET REGULATION DEPT.  
BY: *[Signature]* TIME: *4:05*

1. Check the appropriate box :
  - a.  Preliminary Information Statement
  - b.  Definitive Information Statement
2. Name Registrant as specified in its charter: PACIFICA, INC.
3. Province, country or other jurisdiction of incorporation or organization : Metro Manila
4. SEC Identification Number : 013039
5. BIR Tax Identification Code: 320-000-484
6. Address of principal office and Postal Code: C/O MANILA HARBOUR CENTRE, R-10, VITAS, TONDO, MANILA 1013
7. Registrant's telephone number, including area code: (632) 637-8851
8. Date, time and place of meeting of security holders:  
**Date: October 16, 2015**  
**Time: 9:00 am**  
**Place: Room 201 Metropolitan Club, Estrella cor. Amapola Streets, Guadalupe Viejo, Makati City**
9. Approximate date on which the Information Statement is first to be sent or give to security holders:  
**September 24, 2015**
10. In Case of Proxy Solicitations:  
**Not Applicable**
11. Securities registered pursuant to Section 8 and 12 of the Code or Section 4 and 8 of the RSA  
 (information on number of shares and amount of debt is applicable only to corporate registrants:

a. Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
<b>Common</b>	<b>40,000,000,000</b>

12. Are any or all registrant's securities listed in a Stock Exchange?  
 Yes  
 If yes, disclose the name of such Stock Exchange and the class of securities listed therein:  
 The Philippine Stock Exchange, Inc.; Common Share

## NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Notice is hereby given that the Annual Meeting of Stockholders of PACIFICA INC. will be held on October 16, 2015 (Friday) at **9:00 am** at **Room 201 Metropolitan Club, Estrella cor Amapola streets, Guadalupe Viejo, Makati City** to consider and approve the matters set forth in the following agenda:

### AGENDA

1. Call to Order;
2. Certification of Notice and Quorum;
3. Approval of the Minutes of the Annual Stockholders' Meeting held on August 14, 2009;
4. Management Report;
5. Adoption of the Audited Financial Statements for the calendar years ended December 31, 2009, 2010, 2011, 2012, 2013 and 2014, as contained in the respective Annual Reports;
6. Ratification of the public auction of delisted delinquent shares conducted on June 21, 2011 covering a total of 14,654,784,000 common shares, and approval for relisting thereof with the Philippine Stock Exchange;
7. Waiver by majority of the minority shares of the requirement, if any, to conduct a rights or public offering with respect to the issuance of shares covered by Item 5;
8. Amendment of the Amended Articles of Incorporation to increase the Corporation's Authorized Capital stock from Php200 Million up to an amount to be determined by the Board not exceeding P3 Billion;
9. Amendment of the Amended Articles of Incorporation to change the principal office of the Corporation with delegation of authority to the Board;
10. Amendment of the Amended By-laws to align with No.9 the provisions on venue for stockholders' meetings;
11. Approval and Ratification of All Previous Acts and Proceedings of the Board of Directors and Officers;
12. Election of the Board of Directors;
13. Appointment of External Auditor;
14. Other Matters; and
15. Adjournment

The record date for the determination of the stockholders entitled to notice of, and to vote at, said meeting is fixed at the close of business hours on September 17, 2015.

We are not asking for proxy and you are not requested to send us proxy.

For convenience in registering your attendance, please bring your valid government-issued Identification cards and present the same at the registration desk.

  
**MA. ANGELES B. SUMAGUI**  
Corporate Secretary

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

# PROXY

## **PACIFICA, INC.** **Annual Meeting of the Stockholders** **October 16, 2015**

THE COMPANY IS NOT SOLICITING YOUR PROXY. However, if you would not be able to attend the annual meeting but would like to be represented thereat, please accomplish this form and submit the same to the Company (c/o The Corporate Secretary, c/o MANILA HARBOUR CENTRE, R-10, VITAS, TONDO, MANILA 1013) **on or before October 8, 2015.**

I, the undersigned stockholder of **PACIFICA, INC.**, do hereby appoint, name and constitute:

\_\_\_\_\_

or, in his absence, The Chairman of the Corporation or, in his absence, the Acting Chairman of the Annual Meeting of the Stockholders

as my attorney and proxy, to represent me at the Annual Meeting of the Stockholders of the Corporation scheduled for **October 16, 2015 at 9:00 am at Room 201 Metropolitan Club, Estrella cor. Amapola Streets, Guadalupe Viejo, Makati City**, and any postponements or adjournment(s) thereof, as fully and to all intents and purposes as I might or could if present and voting in person, hereby ratifying and confirming any and all action taken on matters which may properly come before such meeting or adjournment(s) thereof.

Signed this \_\_\_\_\_ at \_\_\_\_\_.

\_\_\_\_\_

Printed Name of Stockholder

\_\_\_\_\_

Signature of Stockholder or Authorized Signatory

**[N.B. Partnerships, Corporations and Associations must attach certified resolutions thereof designating Proxy/Representative and Authorized Signatories. Representatives must likewise present their valid government-issued identification cards.]**

**PART I**  
**INFORMATION REQUIRED IN INFORMATION STATEMENT**

**A. GENERAL INFORMATION**

**Item 1. DATE, TIME AND PLACE MEETING OF SECURITY HOLDERS.**

Date	:	October 16, 2015
Time	:	9:00 am
Place	:	Room 201 Metropolitan Club, Estrella cor. Amapola Streets, Guadalupe Viejo, Makati City

Approximate Date of Distribution to Security Holders: September 24, 2015

**Item 2. DISSENTER'S RIGHT OF APPRAISAL**

The Dissenter's right of appraisal is not available in the instance, there is no action for the amendment in the Articles of Incorporation which will have an effect of changing or restricting the rights of any stockholders 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 (Section 81 of the Corporation Code of the Philippines). Nor was there any sale, lease exchange, exchange, transfer, mortgage, pledge or other disposition of all of the corporate property and assets, or any merger (Section 81 of the Corporation Code of the Philippines).

**Item 3. INTEREST OF CERTAIN PERSON IN OR OPPOSITION TO MATTERS TO BE ACTED UPON.**

- No director, officer, or a beneficial owner, or any nominee for election as director or an associate of a director, official, beneficial owner or nominee as director has any substantial interest within the last three fiscal years, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Annual Stockholder's Meeting other than election to office.
- No director has informed the Corporation in writing of his intentions to oppose any action to be taken during the proposed Annual Stockholders Meeting.

**B. CONTROL AND COMPENSATION INFORMATION**

**Item 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF.**

As of September 10, 2015, there are 40,000,000,000 subscribed issued and outstanding common shares entitled to vote at the meeting with each share entitled to one vote, 120,240,000 of which are common shares held by foreigners representing .30% of the issued and outstanding shares.

All stockholders of record at close of business hours on September 17, 2015 shall be entitled to cumulative voting rights with respect to the election of directors. A stockholder may vote such number of shares for as many person 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 he shall see fit : Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation as of September 17, 2015 multiplied by the whole number of directors to be elected.

### Security Ownership of Certain Record and Beneficial Owners

As of September 10, 2015, the Corporation knows of no person who, directly or indirectly, are the record and/or beneficial owners of more than five percent (5%) of any class of the Corporation's voting securities, except as set forth in the table below:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares	Percent Held
Common	<b>9<sup>TH</sup> KINGDOM INVESTMENTS, INC<sup>1</sup></b> , Unit 401, Manggahan Village, Cond. Pasig City (stockholder)	JOSE GERVACIO S. AMISTOSO <sup>2</sup> , President & CEO	Filipino	13,332,000,000	33.33%
Common	<b>PCD NOMINEE CORPORATION<sup>3</sup></b> , The Enterprise Center, Makati City (stockholder)	The participants of PCD are the beneficial owners of such shares	Filipino  Foreign	18,421,082,224  120,240,000	46.05%  0.30%
<b>Notes (1)</b>	<b>9<sup>th</sup> Kingdom Investments, Corp.</b> is a holding company with investments in power related activities. It is the winning bidder of the shares previously held by Strategic Alliance Development Corporation during the delinquency sale.				
<b>(2)</b>	<b>Mr. Jose Gervacio S. Amistoso</b> is named, constituted and appointed as the authorized representative to vote all share beneficially owned by the Corporation.				
<b>(3)</b>	Lodged with the <b>PCD Nominee Corporation</b> are the shares owned by <b>iHoldings, Inc.</b> equivalent to 30.15% of the voting securities of the corporation. <b>Atty. Lowell L. Yu</b> is the President and authorized representative of iHoldings, Inc.  Except as above mentioned, no other shares lodged with PCD Nominee Corporation are registered in their names equivalent to 5% of the voting securities of the Corporation.				

The Board of Directors of the following corporate stockholders of the Corporation has authorized the following persons to exercise on their behalf the voting power over their securities in the Corporation to wit:

Name of Corporate Stockholder	Authorized Representative
9 <sup>TH</sup> KINGDOM INVESTMENTS, INC.	Jose Gervacio S. Amistoso
iHOLDINGS, INC.	Lowell L. Yu
MIKRO-TECH CAPITAL, INC.	Michael L. Romero

### Securities Ownership of Management

The following table shows the shares beneficially owned by the directors and executive officers of Corporation as of August 31, 2015:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	Percent of Class
Common	Michael L. Romero	10,000	Direct	Filipino	2.96%
		1,185,414,000	Indirect <sup>1</sup>		
Common	Marvee M. Espejo	10,000	Indirect	Filipino	0.000025%
Common	Edwin G. Galvez	10,000	Indirect	Filipino	0.000025%
Common	Jose Gervacio S. Amistoso	10,000	Indirect	Filipino	0.000025%
Common	Ricky G. Gonzaga	1	Indirect	Filipino	0.000000%

Common	Atty. Lowell L. Yu	100,000	Indirect	Filipino	0.00025%
Common	Atty. Ian Norman E. Dato	100,000	Indirect	Filipino	0.00025%
Common	Atty. Mark Werner J. Rosal	100,000	Indirect	Filipino	0.00025%
Common	Mr. Vittorio P. Lim	100,000	Indirect	Filipino	0.00025%
<sup>1</sup> Dr. Michael L. Romero is the Chairman of Mikro-Tech Capital, Inc. (MTCI). *Shares are lodged with the PCD Nominee Corporation					

#### **Voting Trust Holders of 5% or More**

The Corporation is not aware of any voting trust or similar arrangement involving securities of the Corporation or any person who holds more than five percent (5%) of class of securities under a voting trust or similar agreements.

#### **Changes in Control**

The Corporation is not aware of any arrangements entered into by shareholders thereof which may result in the change in control of the Corporation.

#### **Item 5. DIRECTORS AND EXECUTIVE OFFICERS.**

Directors, Executive Officers, Promoters and Control Person

- Directors, Including Independent Directors and Executive Officers

The Board of Directors is empowered to direct, manage and supervise, under its collective responsibility, the affair of the Corporation. It is also responsible for the proper administration and management of the Corporation trust business.

The Directors of the Corporation are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until each respective successors have been elected and qualified. The term of office of the directors is one year.

The Board of directors is responsible for the over-all management and direction of the Corporation. The Board meets to review and monitor the Corporations future plans. Each board member serves for a term of one year until his successor is duly elected and qualified. The Corporation has nine directors.

The independent directors of the Corporation have all the qualifications and none of the disqualifications for holding the position as an independent director pursuant to the Securities Regulation Code and the Corporation's Manual of Corporate Governance. The Corporation shall comply with the term limit of independent directors in accordance with SEC Memorandum Circular No. 9, Series of 2011.

The Officers are appointed or elected annually by the Board of Directors during its organizational meeting following the Annual Meeting of the stockholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified. The Corporation last conducted its Annual Stockholders' Meeting on August 14, 2009.

The table below presents the current members of the Board of directors and Principal Officers:

<b>Name</b>	<b>Age</b>	<b>Nationality</b>	<b>Present Position</b>	<b>Date of Election</b>
Michael L. Romero	44	Filipino	Chairman/President	August 14, 2009
Marvee M. Espejo	41	Filipino	Director/Vice President/ Treasurer	August 14, 2009
Edwin G. Galvez	45	Filipino	Director	August 14, 2009
Jose Gervacio S. Amistoso	43	Filipino	Director	July 2011
Ricky G. Gonzaga	32	Filipino	Director	January 2012
Atty. Lowell L. Yu	38	Filipino	Director	August 28,2015
Atty. Ian Norman E.	36	Filipino	Director	August 28,2015

Dato				
Atty. Mark Werner J. Rosal	40	Filipino	Independent Director	August 28,2015
Mr. Vittorio P. Lim	30	Filipino	Independent Director	August 28,2015
Atty. Ma. Angeles B. Sumagui	38	Filipino	Corporate Secretary	August 28,2015

The following are the business experience and position held by the Directors, Independent Directors and Executive Officers within the last five (5) years:

**Michael L. Romero, Ph.D.** Dr. Romero is the Chairman/President of Globalport 900, Inc. (Formerly MIC Holdings, Corporation). He is/has been Chief Executive Officer of Harbour Centre Port Terminal, Inc.; Chairman of Manila North Harbour Port, Inc.; Chairman and CEO of Mikro-tech Capital, Inc. which owns 2.96% of Pacifica, Inc., a publicly-listed corporation; Chairman and President of Pacifica, Inc.; Chairman and President of 168 Ferrum Pacific Mining Corporation, a Mindanao-based mining company; Vice-Chairman of Air Asia Philippines, a subsidiary of Asia’s biggest budget airline, the Air Asia Berhad. He attained a double Doctorate in Philosophy degrees in Business Management and Political Economics from the International Academy of Management and Economics, academics only Doctorate in Business Administration from De La Salle University, and Masters in Business Management from the Asian Institute of Management.

**Marvee M. Espejo.** Mr. Espejo serves as Vice President for Mikro-tech Company, Inc. (2007-present), a managing company focused on the Exploration, Operation, Management of mineral claims. He is also the President of One Source Port Support Services, Inc. (2004-present) and Director of 168 Ferrum Pacific Mining Corp. (2007-present). He was previously the Information and Communications Technology Director of Harbour Centre Port Terminal Inc. (2005-2007).

**Edwin G. Galvez.** Mr. Galvez has been the Chief Finance Officer of Globalport 900, Inc. and the Chief Finance Officer and Comptroller of Harbour Centre Port Terminal, Inc. from January 2005 to present. He held various positions in R-II Builders, Inc. and R-II Holdings, Inc. (April 1997-September 2004) and in banking establishments like Security Bank Corporation, Far East Bank and Trust Company, and The Philippine Banking Corporation.

**Jose Gervacio S. Amistoso.** Mr. Amistoso is the President of Zeus Ancillary Port Services and Trading Company, Inc., 9th Kingdom Investments Corp., and Platinum Dredging, Inc. and used to work for Asia Business Consultants, Inc., Multimedia Telephony Incorporated, and Amis Industrial Development. He is likewise the majority shareholder of Bayog 9 Metals, Corp. He obtained his AB Asian Studies Major in Japanese Studies at De La Salle University, his BSBA-Marketing Management at College of Saint Benilde, and is presently completing his MBA program at the University of the Philippines.

**Ricky G. Gonzaga.** Atty. Gonzaga is an in-house counsel for Harbour Centre Port Terminal, Inc. and the Corporate Secretary of 9th Kingdom Investments, Inc. He previously worked as an associate at Nolasco & Uyengco Law Offices. He obtained his Bachelor of Laws from the Polytechnic University of the Philippines and his AB Political Science Degree from Christ the King College, Calbayog City.

**Lowell L. Yu.** Atty. Yu is the President of iHoldings Inc. He also holds chairmanship positions at 77 Living Spaces, Inc, Grand Majestic Convention City Corp., 101 Restaurant City, Inc., iKitchen Inc., MyMarket, Inc. and Govago, Inc. He is likewise a founding partner of Dato and Yu Law offices. Atty. Yu holds a Master’s Degree in Management from the Asian Institute of Management and a Bachelor of Laws from Silliman University.

**Ian Norman E. Dato.** Atty. Dato is a partner at the Dato Inciong Yu Law Offices. His professional experience includes having been Senior Associate of the Ponce Enrile Reyes & Manalastas Law Offices, Undersecretary of the Department of Justice in 2010, Department of Justice Legislative Liaison Officer (with the rank of Assistant Secretary) in 2010, Undersecretary of the Office of the Political Adviser under the Office of the President of the Philippines from 2008-2010, Assistant Secretary of the Office of the Political Adviser under the Office of the President of the Philippines from 2007-2008, Associate Attorney of the Kalaw Sy Vida Selva and Campos from 2005-2006, Consultant to the Office of the Political Adviser under the Office of the President of the Philippines



from 2005–2007, Director II of the Presidential Anti-Organized Crime Commission under the Office of the President of the Philippines from 2003–2005 and Staff, Board of Trustees of the Local Water Utilities Administration from 2000–2003. Atty. Dato obtained his Master of Laws in Public International Law from the University College London, United Kingdom, Juris Doctor from the Ateneo de Manila School of Law and Bachelor of Arts in Political Science from the University of the Philippines-Diliman.

**Mark Werner J. Rosal.** Atty. Rosal focuses his law practice in the fields of Labor Management and Corporate Law. He spent his early years in the practice of law at Balgos and Perez Law Offices and Angara Cruz Concepcion Regala and Abello (ACCRALAW). Currently, he is the Managing Partner of Rosal Diaz Bacalla and Fortuna Law Offices, a Cebu based law firm. He is/ has been director of Cebu Agar Motors Inc., Wide Gain Property Holdings, Inc. and Sem-Ros Food Corp. (non-operational). Atty. Rosal has a Bachelor’s Degree in Physical Therapy from Cebu Velez College and is a licensed Physical Therapist. Atty. Rosal graduated on the top 5% of his law school batch at University of San Carlos in Cebu City.

**Vittorio P. Lim.** Mr. Lim is a Certified Securities Representative of Wealth Securities Inc.. He was also a Certified Securities Representative of Tower Securities, Inc. from 2011 until 2014; GS & PDS Broker of the Tradition Financial Services Philippines Inc. from 2008-2009; and Trader and Trainee of First Resources from 2007-2008. Mr. Lim obtained his Bachelor of Arts degree major in Interdisciplinary Studies from the Ateneo de Manila University.

**Ma. Angeles B. Sumagui.** She is a CPA-Lawyer whose practice covers various fields of law. Her professional experience includes having been Associate Lawyer of Balgos, Gumaru, Faller, Tan and Javier Law Offices. Administrative Department Manager and Senior Corporate Accountant of the Silang Water District; and Accountant of Wellpack, Incorporated. Atty. Sumagui obtained her Bachelor of Laws from Manuel L. Quezon University and Bachelor Science in Accountancy from De La Salle University- Dasmariñas.

#### **Nomination of Director and Independent Directors**

The following are nominated for election to the Board of Directors during this year’s Annual Stockholders’ Meeting.

1. Lowell L. Yu
2. Ian Norman E. Dato
3. Winglip K. Chang
4. Alexander S. Roleda
5. Anthony Vincent S. Sotto
6. Richard L. Haosen
7. Luis Michael R. Yu III
8. Mark Werner J. Rosal-Independent Director
9. Vittorio P. Lim-Independent Director

**Winglip K. Chang.** Mr. Chang is the President and Chief Executive Office of iKitchen, Inc. and 101 Restaurant City, Inc. He earned his Bachelor’s Degree in Electrical Engineering from the Siliman University in Dumaguete City.

**Alexander S. Roleda.** Mr. Roleda is engaged in provincial distribution business connected to companies Meritus Prime Co. and Montosco Co. He is the Proprietor – Manager of Crown Agrivet since 1989 to present. From 1983 to 1988, he was a Pharmacy Manager of Crown Pharmacy. He earned his degree in Business Administration Major in Management in 1977.

**Anthony Vincent S. Sotto.** Atty. Sotto is the General Manger for Operations of 8990 Housing Development Corporation. He earned his Bachelor’s Degree in Political Science from the University of the Philippines-Cebu College. He obtained his Bachelor of Laws from the University of the Philippines-Diliman.

**Richard L. Haosen.** Mr. Haosen is the Treasurer and Chief Financial Officer of 8990 Holdings, Inc. and General Manager of 8990 Housing, Inc. Prior to his current positions, he served as General Manager of the Treasury for

8990 Housing, Inc.. Previously, he was Vice President/Division Head of the Business Lending Division–Cebu and the Business Lending Group–Visayas/Mindanao of the Metropolitan Bank and Trust Company (MBTC) from 2006 to 2010. He also served as Unit Head of MBTC Cebu Account Management Unit from 2005 to 2006, and as Account Officer of MBTC Cebu Downtown Center Branch from 1994 to 2005. Mr. Haosen is a Certified Public Accountant. He obtained his degree in B.S. Commerce, major in Accounting, from the Ateneo de Davao University.

**Luis Michael R. Yu III.** Mr. Yu is the Business Development Officer of iHoldings, Inc. In 2013-2014, he served as Account Coordinator for Metropolitan Bank and Trust Company in Cebu City. He was also a Human Resource Assistance for Villa Shipping Lines. In 2009 to 2012, he was an Assistant Realtor of Royal Le Page, in Vancouver, Canada. Mr. Yu earned his Bachelor's Degree in Business Administration, Major in Human Resources Management, from the University of San Carlos. He has also earned his Liberal Arts Diploma from Corpus Christi College, Vancouver, British Columbia, Canada.

The nominees for Independent Directors were nominated by Atty. Ian Norman Dato who is not related to either Atty. Mark Werner J. Rosal or Mr. Vittorio P. Lim.

The Nomination Committee is composed of Atty. Mark Werner J. Rosal as Chairman and Atty. Ian Norman E. Dato and Atty. Lowell L. Yu as members.

The Nomination Committee has determined that Atty. Mark Werner J. Rosal and Mr. Vittorio P. Lim meet the qualifications and non-disqualifications for independent directors as set forth herein below and recommend them for re-election and election. Pursuant to SRC Rule 38.1, as amended, the Registrant's Nomination Committee has adopted the following guidelines to govern the conduct of the nomination for independent directors:

- An independent director shall have the following qualifications:
  - Holder of at least one (1) share of stock of the Corporation;
  - He shall possess at least a college or equivalent academic degree;
  - He shall be at least twenty-one (21) years old;
  - He shall possess integrity/ probity; and
  - He shall be assiduous.

No person enumerated under Section II (5) of the Code of Corporate Governance shall qualify as an independent director. He shall likewise be disqualified during his tenure under the following instances or causes:

- i. He becomes an officer or employee of the corporation where he is such member of the board of directors/trustees, or becomes any of the persons enumerated under Section II (5) of the Revised Code of Corporate Governance;
  - ii. His beneficial security ownership exceeds two per cent (2%) of the outstanding capital stock of the company during his incumbency;
  - iii. Fails, without any justifiable cause to attend at least 50% of the total number of Board meetings during his incumbency;
  - iv. Such other disqualifications which the covered company's Manual on Corporate Governance provide.
- Shareholders nominating an individual must provide to the Registrant all pertinent information concerning the individual's professional background and any relationship existing between the shareholder and his/her nominee.
  - The Nomination Committee shall pre-screen the qualifications of the nominees including those current independent directors wishing to stand for re-election.
  - The Nomination Committee shall prepare a final list of nominees to be incorporated in the proxy statement after full verification of eligibility, independence, background, availability,

and skills. Thereafter, no other nominees for independent director shall be entertained. The proxy statement shall include all relevant information for each of the nominated candidates so that shareholders will have sound bases upon which to vote on the election of the Registrant's independent directors.

- Significant Employees

The Corporation is not dependent on the services of any particular employee. It does not have any special arrangements to ensure that any employee will remain with the Corporation and will not complete upon termination.

- Family Relationship

Atty. Lowell L. Yu and Mr. Luis Michael R. Yu III are siblings. There are no other blood/family relationships among the incumbent and incoming directors and officers.

- Involvement of Directors and Executive Officers in Legal Proceedings

The Corporation, at present, is not aware of any legal proceedings within the last five (5) years prior to the date of this Report. The case of Olivero G. Laperal, Sr. V. Pacifica, Inc., Victorina L. Laperal, Rosamaria L. Laperal, Regina L. Concepcion, and Alexandra L. Laperal and Securities Transfer Services, Inc. denominated as Civil Case No. 09-122278 filed in Branch 24 of the Regional Trial Court of Manila where Pacifica was impleaded solely to hold in abeyance any issuance of stock certificates in favor of any of the parties to the case pending litigation is pending amicable settlement between the real parties in interest of the case.

In addition, except for the following cases filed by and/or against Dr. Michael L. Romero, the Company's Chairman and President, as enumerated below:

Civil Case No. 14-131588, HCPHI, Michael Romero et.al. v. R-II Builders, et.al., on the Nullification of Special Stockholders' Meeting, Nullification of Election of Directors and Officers, Damages with Application for Issuance of Ex parte 72-hr TRO and/or Writ of Preliminary Injunction before the RTC-Manila Branch 20 which is currently on Judicial Dispute Resolution (JDR) proceedings.

Civil Case No. 15133164. HCHTI v Benedict Manalo, et.al, an action for replevin before the RTC-Manila Branch 26 which was dismissed for lack of jurisdiction over the plaintiff and over the complaint wherein the dismissal stated Michael Romero's ownership over HCPTI.

Civil Case No. R-QZN-15-03754CV. Reghis Romero II, R-II Builders et.al v Michael Romero, et.al, an action for Declaration of Nullity of Deeds of Assignment, Injunction and other Reliefs with Prayer of Issuance of TRO and/or Writ of Preliminary Injunction before the RTC-QC Branch 90 wherein the TRO has lapsed but there is no Writ of Preliminary Injunction issued. Thereafter, Michael Romero filed on 17 August 2015 his Opposition to Quash Subpoena Duces Tecum and Ad Testificandum.

Civil Case No. 15-1658-MK. Saycon v. Michael Romero, et.al., an action for Injunction and Damages with prayer for TRO and/or Writ of Preliminary Injunction before the RTC of Marikina Branch 272 wherein it is awaiting submission of Comment/Opposition by plaintiff to the Amended Motion to Dismiss.

SEC Case No. 15134194. Harbor Center Port Terminal, Inc. vs Michael L. Romero, Edwin Joseph G. Galvez, Edwin L. Jeremillo, Gilbert I. Nolasco, Inigo u. Zobel, Col. Ariel O. Querubin, Patrick T. Lugue, Sarah C. Soriano, Harbour Centre Port Holdings, Inc., Petron Corporation, and Manila North Harbour Port Inc., an action for Declaration of nullity of transfer of shares; declaration of nullity of stockholders' increase of and subscription to authorized capital stock; and other reliefs under PD 902-A, as amended, with prayer for the issuance of a temporary restraining order and/or writ of preliminary TRO injunction before the RTC-Manila Branch 46, wherein the Prayer for TRO was denied by the court.

Special Civil Action No. 09-12953, La Filipina Uygongco Corp and Philippine Foremost Milling Corp vs. HCPTI, Michael L. Romero, Edwin L. Jeremillo, Henry Rophen B. Virola, a Petition for Indirect Contempt before RTC – Manila Branch 42 wherein the case against the respondents was dismissed.

the Company, at present, is not aware of any legal proceedings prior to the date of this Report that are material to the evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter or control person of the Company nor is the Company aware of:

- Any bankruptcy petition filed by or against any business of which incumbent directors or senior management of the Company was a general partner or executive officer, either at the time of filing of the bankruptcy petition or within three (3) years prior to that time.
- Any conviction by final judgment in a criminal proceeding, domestic or foreign, pending against any of the incumbent directors or senior management of the Company.
- Any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanent or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the incumbent directors or senior management of the Company in any type of business, securities, commodities or banking activities; and
- Any finding by domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or said regulatory organization, that any of the incumbent directors or senior management of the Company has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

**Certain Relationships and Related Transactions:**

*(Please refer to Note 9 of the Interim Unaudited Financial Statements)*

Related Party Transactions. Enterprises and individuals that directly or indirectly through or more intermediaries, control or are controlled by or under common troll with the Company, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals, and companies associated with these individuals constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

The Company entered into transactions with related parties principally consisting of noninterest-bearing intercompany advances to and from related parties. The details as of June 30, 2015 and December 31, 2014.

Related Party	Relationship	Year	Amounts during the Year	Due from Related Parties	Term	Conditions
Mikro-Tech Capital, Inc. (MTCI)	Stockholder	June 30, 2015	Php 0.00	Php30,803,103	Payable on demand, non-interest bearing	Unsecured, no impairment
		2014	Php 0.00	Php31,773,893	-do-	-do-
9 <sup>th</sup> Kingdom	Stockholder	June 30, 2015	Php 0.00	Php20,000,000	-do-	Unsecured, provided with 100% allowance

		2014	Php 0.00	Php20,000,000	-do-	Unsecured, No impairment
		June 30, 2015	Php 0.00	Php50,803,103		
		2014	Php 0.00	Php51,773,893		
Less: Allowance for doubtful accounts		June 30, 2015		Php20,000,000		
		2014		Php20,000,000		
Due from Related Party- MTCl		June 30, 2015		Php30,803,103		
		2014		Php31,773,893		

In 2014, MTCl made payments amounting to Php1,289,632. The company provided 100% allowance or Php20,000,000 on the receivable from 9<sup>th</sup> Kingdom in 2013.

On August 28, 2015, as the recovery of the Corporation's receivables within the next 12 months has been deemed remote, the board of directors unanimously approved the impairment and write-off of the following items from its books of accounts, to wit:

- Accounts Receivable from 9<sup>th</sup> Kingdom Investments, Inc., with a carrying amount of Php20,000,000 with Allowance for doubtful accounts amounting to Php20,000,000 as of June 30, 2015;
- Advances to Mikro-Tech Capital, Inc. with a carrying amount of Php30,803,103 with Allowance for bad debts amounting to Php2,007,347 as of June 30, 2015;
- Pre-paid royalties in favor of Zam-Iron Mining Corporation

Prepaid royalties represent advance royalty payments by the Company to Zam-Iron under an operating agreement entered into on December 28, 2009.

The operating agreement grants the company an exclusive right to explore, utilize and develop the Kabasalan Mining Rights for the purpose of extracting mining products that covers potential gold, silver and iron deposits. In consideration for the rights granted by Zam-Iron, the Company will pay Zam-Iron royalties at a stipulated price. The loan granted by the Company to Zam-Iron in 2008 under a memorandum of agreement (MOA) amounting to Php50,000,000.00 was applied as advance royalty payments by the Company to Zam-Iron, classified as "Prepaid royalties." in the balance sheet. It shall be utilized by the latter for the exploration, development, and utilization of the Kabasalan Mining Rights, which covers potential gold, silver and Iron deposits in the Kabasalan and Siay, Zamboanga, Sibugay Province. The loan was secured by a pledge of issued and outstanding shares of Zam-Iron's stockholders and the Company was given an option to purchase 50% for all mineral production output from Kabalasan Mining Rights for a period of five years beginning on the first year of commercial production.

However on November 15, 2013, Zam-Iron Mining Corp. (Zam-Iron) informed the Corporation that they received a letter from the Mines and Geosciences Bureau IX stating that their office has issued an Order of Denial for mining exploration with finality. Zam-Iron's next recourse it to file an appeal to the Mines and Geosciences Bureau central office in Manila. To date, no update was given by Zam-Iron to the Company regarding the status of their application and operations.

On November 22, 2013, the Company informed Zam-Iron that insofar as the Company is concerned, Zam-Iron has failed to fulfill its obligation under the MOA signed on January 2, 2008 and Operating Agreement signed in December 2009. The Company demanded for the full refund of Php50,000,000

prepaid royalties with interest and waived its right in the event of default to take over the operation and production of the mining operation since Zam-Iron failed to secure the necessary exploration permit.

In Note 3 of the Company's Financial Statements ending December 31, 2014, the Company has determined that its prepaid royalties to Zam-Iron may no longer be realized since the Mines and Geosciences Bureau Region IX has issued in 2013 an order of denial to Zam-Iron for the latter's application for mining exploration with finality. Accordingly, the Company provided full allowance for probable losses for the prepaid royalties in 2013. The carrying value of prepaid royalties amounted to nil as of December 31, 2014 and 2013.

On August 28, 2015, the Board of Directors approved impairment and write off the pre-paid royalties in favor of Zam-Iron Mining Corporation, among other receivables, after determining that its recovery is deemed remote.

- Accounts Receivable from LRSI and Stradec

On 21 June 2011, pursuant to the approval by the Board of Directors to conduct a delinquency sale of all 14,654,184,000 delisted delinquent shares, such a delinquency sale was held in accordance with the provisions of the Corporation Code of the Philippines and the Securities Regulation Code, the results of which were reported to the Securities and Exchange Commission and the Philippine Stock Exchange. This is the confirmation of management's initiative to source funds. The delinquency sale was undertaken by the Corporation in its principal office and in the presence of a Notary Public. During said auction, 9th Kingdom Investments, Inc., Mikro-Tech Capital, Inc. and Rafael Antonio M. Santos entered the winning bids for 13,332,000,000, 1,220,906,110 and 92,277,890 shares, respectively. Partial payment of the auctioned shares amounted to Php6,361,624 as of June 2011. Full Payment has been made on the auction shares on July 11, 2011.

In the Company's Financial Statement in 2011, Note 9 reflected its Related Party Transactions. It stated that the Company entered into transactions with affiliates principally consisting of:

- Non-interest bearing intercompany advances from affiliates. The details as of December 31 follow:

<b>Related Party</b>	<b>Relationship</b>	<b>Amounts Owed to Related Parties</b>
<b>Stradcom Corporation</b>	<b>Affiliate 30-Sept-2011</b>	<b>Php -</b>
	31-Dec-2010	Php775,000
	31-Dec-2009	Php775,000
<b>Mikro-Tech Capital, Inc.</b>	<b>Stockholder 30-Sept-2011</b>	<b>Php5,503,804</b>
	31-Dec-2010	Php9,538,656
	31-Dec-2010	Php2,566,061
	<b>30-Sept-2011</b>	<b>Php5,503,804</b>
	30-Sept-2011	Php13,141,128

- Noninterest-bearing advances in 2010 and 2009 to **Strategic Alliance Development Corporation (STRADEC)**, a stockholder, and **Land Registration Systems, Incorporated (LRSI)**, a Company wherein STRADEC is also a stockholder, for their share in common expenses advanced by the Company in prior years.

STRADEC and its affiliated companies, Stradcom Corporation and Land Registration Systems, Inc. ceased to be related parties of the Corporation after its unpaid subscribed shares were auctioned on 21 June 2011.

The balance of advances to related parties as of December 31, 2010 and 2009 amounted to Php2,007,347 which were individually impaired and fully provided with allowance for bad debts as of said dates.

Intercompany advances to and from its affiliates were due and demandable.

Outstanding receivables and payables at year-end were unsecured, interest-free, and to be settled in cash and through offsetting. There had been no guarantees received or provided for any amount due from or to related parties.

On August 28, 2015, the Board of Directors approved impairment and write off the accounts receivables from LRSI and Stradec, among other items, after determining that its recovery is deemed remote.

As reported in December 31, 2014 to the Commission, There were no transactions with directors, officers or any principal stockholders (owning at least 10% of the total outstanding shares of the Corporation) not in the ordinary course of business.

**Parent of the Company.** No person or entity holds more than 50% of the Company's voting securities; consequently, the Corporation has no parent company.

Ownership by Strategic Alliance Development Corporation (STRADEC) of 66.94% of the total outstanding shares was reduced to 33.33% after it sold its 33.11% class "A" shares to Mikro-Tech Capital, Inc. (MTCI) on July 16, 2007. Consequently, STRADEC's 13,332,000,000 partially paid shares were brought by 9th Kingdom Investments, Corp. during the delinquency sale in June 21, 2011. Thus, STRADEC is no longer a related party to the Corporation.

**Transaction with Promoters.** There are no transaction with promoters within the past five (5) years.

As shown in the table below, some of the directors or officers of the Company are likewise officer in corporations with business relationship with the Company. All transactions, however, between the Company and such other corporations are at arm's length and above board.

These directors are as follows:

Director/Officer	Related Company
Michael L. Romero	Mikro-Tech Capital, Inc.
Marvee M. Espejo	Mikro-tech Company, Inc.
Jose Gervacio S. Amistoso	9th Kingdom Investments, Corp.
Ricky G. Gonzaga	9th Kingdom Investments, Corp.

#### **TERMINATION OF THE TERMS OF DIRECTORS AND OFFICERS**

No director has resigned or declined to stand for reelection to the board of directors since the date of the last annual meeting of security holders because of disagreement with the registrant on any matter relating to the registrant's operations, policies or practices, and no director has furnished the corporation with a letter describing such disagreement and requesting that the matter be disclosed.

#### **Item 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**

The aggregate compensation paid or incurred during the last two (2) fiscal years and estimated to be paid in the ensuing fiscal year to the Chief Executive Officer, and senior executive officers of the Corporation are as follows:

*Compensation Table of CEO and four (4) most highly compensated executive officers*

Name of Directors and Executive Officers and Principal Function	Fiscal Year	Salary	Bonus	Other Annual Compensation
MICHAEL L. ROMERO Chairman/President/CEO	2014 2013 2012	N.A.	N.A.	N.A.
ANTHONY K. QUIAMBAO Vice Chairman	2014 2013 2012	N.A.	N.A.	N.A.
MARVEE M. ESPEJO Vice President/Treasurer	2014 2013 2012	N.A.	N.A.	N.A.
GILBERT I. NOLASCO Corporate Secretary	2014 2013 2012	N.A.	N.A.	N.A.
Total Amount for the 4 most highly compensated EO	2014 2013 2012	N.A.	N.A.	N.A.
All Other Officers and Directors as a group	2014 2013 2012	N.A.	N.A.	N.A.
Total Amount for All Officers & Directors as a Group	2014 2013 2012	N.A.	N.A.	N.A.

The members of the Board of Directors do not receive fixed compensation but are given per diem which usually range from Php5,000 to Php10,000 for every attendance in any regular or special meeting of the Board of Directors. In 2015, 2014 and 2013 respectively, the CEO and the 4 most highly compensated executive officers did not directly receive compensation from the Company. Prepared procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors and of officers is pending board review and approval.

Other than the standard arrangements pursuant to which the directors and officers of the Registrant are compensated or are to be compensated, there are no other arrangements or consulting contracts, directly or indirectly during the Registrant's last completed fiscal year and the ensuing year, for any service provided as director or officer. Other than the per diem paid, there are no other arrangements, bonuses, profit sharing, or other similar plans.

The incumbent Compensation and Remuneration Committee is composed of the Chairman Michael Romero and Marvee Espejo and Atty. Ian Norman E. Dato as members.

Approval by the Board of any pension or retirement plan for the Corporation is pending until the Company becomes commercially operational.

There were no employment contract between the Corporation and named executive officers.

There were neither compensatory plans nor arrangements with respect to a named executive officer.

None of the Officers and Directors is recipient of any warrant or stock option.



**Item 7. INDEPENDENT PUBLIC ACCOUNTANTS.**

- Name of the Principal Accountant.

For the last calendar year, the accounting firm of Sycip, Gorres, Velayo & Co. (SGV) with office address at 6760 Ayala Avenue, 1226 Makati City has been appointed as the Company's Independent Public Accountant.

**CHANGES IN AND DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING DISCLOSURE**

There have been no changes in or disagreements with accountants on accounting and financial disclosure.

The Company will ensure its compliance with the Code of Corporate Governance and SEC memorandum Circular No. 8, Series of 2003.

Sycip, Gorres, Velayo & Co. (SGV) has been the Independent Public Accountant for the year 2014. Duly authorized representative of the SGV are expected to be present at the Annual Meeting of Stockholders and they will have the opportunity to make statements if they desire to do so and are expected to be available to respond to appropriate questions.

In line with the Corporation's commitment to good corporate governance and in compliance with SEC Memo Circular NO. 8 Series of 2003, the signing partner of SGV was rotated every five (5) years or earlier. In 2014, the signing partner was Ms. Ana Lea C. Bergado.

There was no event during the two most recent fiscal years where SGV had any disagreement with the Corporation with regard to any matter relating to accounting principles or practices or financial statement disclosure or auditing scope or procedure. There was no case of independent accountant to dismiss or to decline to stand for re-election after completion of the current audit.

For 2015, the appointment of Punongbayan & Araullo (P&A) as the corporation's Independent Public Accountant for the incoming year will be submitted to the stockholders for their confirmation and approval.

P&A was established in 1988, headed by two prominent leaders in the accounting profession in the Philippines, Benjamin R. Punongbayan and Jose G. Araullo. P&A is a leading professional services firm that help dynamic organizations unlock their potential for growth by providing insightful, actionable advice and services through client-caring team of outstanding audit, tax and business professionals. P&A is a member firm within Grant Thornton International Ltd, one of the world's leading organizations of independently owned and managed accounting and consulting firms. Its office address is located at the 19<sup>th</sup> & 20<sup>th</sup> floor, Tower 1, The Enterprise Center, 6766 Ayala Avenue, 1200 Makati City, Philippines.

To comply with the requirements of SRC Rule 68 (3) (b) (iv), the signing partners of P&A shall be rotated every five (5) years or earlier. The partner-in-charge for the year 2015 is Mr. Christopher R. Ferrareza.

**Audit and Audit-Related Fees; Tax Fees:**

The table below show the aggregate fees billed for each of the three (3) fiscal years for professional services rendered by SGV for the audit of annual financial statements and the filing of the said reports with SEC and the Bureau of Internal Revenue as well as providing assurances that are all related to the performance of the audit or review of the financial statements of the Corporation.

	2014	2013	2012
Audit Fees	Php153,000	Php153,000	Php153,000
Tax Fees	18,360	18,360	18,360
All other Fees	18,640	18,640	18,640

There are no other assurance and related services rendered by the external auditor that are reasonably related to the performance of the audit or review of registrant's financial statements for 2014, 2013 and 2012.

**Tax Fees.** No 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.

**All other Fees.** No aggregate fees billed in each of the last two (2) fiscal years for products and services provided by the external auditor, other than the services reported under items (a) & (b) above.

The Audit Committee has approved the payment of the above audit fees for the audit service rendered by SGV.

The incumbent Audit Committee is composed of the Atty. Mark Werner J. Rosal as Chairman and Atty. Lowell L. Yu and Atty. Ian Norman E. Dato as members.

#### **Item 8. COMPENSATION PLANS.**

The Company has no stock options, warrants or rights plan. There is likewise no other type of compensation plan.

#### **Item 9. ISSUANCE AND EXCHANGE OF SECURITIES**

- Description of Registrant's Securities

The shares of stock of the Company consist solely of common shares, as amended by the board of directors on October 16, 2007 and ratified by the unanimous vote of stockholders on November 23, 2007, and approved by the SEC on December 10, 2008. The authorized capital stock of the Corporation is Two Hundred Million Pesos divided into 40 billion unclassified common shares at one-half centavo (Php0.005) par value per share.

#### ***Voting Rights***

At each meeting of the shareholders, every stockholder shall be entitled to one vote each share of stock standing in his name in the books of the Corporation at the same time of closing the transfer books of such meeting on a particular question or matter involved.

#### ***Dividends***

The Corporation to date has not yet declared or issued cash dividends and all other types of dividends. There is however no impediment for the Corporation to declare dividends in the future provided that there is an unrestricted retained earnings and only up to the extent of said retained earnings. A cash dividend declaration requires the approval of the Board and no stockholders approval is necessary. A stock dividend declaration requires the approval of the Board and of the shareholders representing at least 2/3 of the outstanding capital stock. Holders of outstanding shares on a dividends record date for such shares shall be entitled to the full dividends declared without regard to any subsequent transfer of shares, other than statutory limitations, there are no restrictions that limit the Corporation from paying on common equity.

#### ***Pre-emptive Rights***

Shares from the unissued portion of the authorized capital stock are not subject to pre-emptive rights of stockholders and may therefore be issued in such quantities, at such time, and other terms as the Board of Directors of the Corporation shall determine.

There is nothing in the Article of Incorporation and/or By-Laws of the Corporation that would limit delay or prevent a change in control of the Corporation.

#### **Stock Options**

The Corporation did not issue shares with restricted rights and/or with options. Nor did the Corporation issue any treasury share.

#### **Securities Subject to Redemption or Call**

The Corporation did not sell, convey, transfer or encumber any shares of stock.

#### **Warrants**

No warrants exist and are outstanding.

#### **Debt Securities**

No debt securities are registered or contemplated to be registered.

#### **Item 10.           MODIFICATION OR EXCHANGE OF SECURITIES.**

There is no action to be taken with respect to the modification of any class of securities of the registrant, or the issuance or authorization for issuance of one class of securities of the registrant in exchange for outstanding securities of another class.

#### **Item 11.           FINANCIAL AND OTHER INFORMATION.**

The Financial Statements attached are the audited balance sheets as of December 31, 2014 and December 31, 2013 and the related statements of changes in stockholders' equity and cash flows for the years ended 2014, 2013, and 2012. The auditors' PTR, name of certifying partner and address are also attached in this report.

Also attached are the interim unaudited balance sheets as of June 30, 2015 and the related statements of changes in stockholders' equity and cash flows for the current financial year to date with comparative statements for 2014.

#### **Management's Discussion and Analysis of Financial Condition and Result of Operation.**

**Plan of Operation.** The Corporation has not commenced commercial operations to date. However on July 16, 2007, the Corporation re-directed the focus of the business on exploration, operation, management and marketing of mining claims after the SEC approved its Amended Articles of Incorporation reflection changes dealing with the reversion of its primary purpose to mineral exploration, extending the corporate life for another fifty years and changing the par value from Php1.00 to Php0.005.

In preparation for its mining activities, additional amendments to the Articles of Incorporation have been approved by the stockholders' last November 23, 2007 which include an increase in the Corporation's authorized capital stock to 500 million and declassification of "Class B" shares. The declassification of "Class B" was approved by SEC on December 10, 2008. However, the Corporation is still in the process of implementing the approved resolution for the increase in authorized capital stock.

Having re-directed its purpose to mining, the Corporation started looking for mining related business opportunities. During the stockholders' meeting on August 14, 2009, the stockholders approved the execution of an Operating Agreement between the Corporation and Zam-iron Mining Corporation (Zam-iron), which Operating Agreement was signed on December 8, 2009. Under the Operating Agreement, the Corporation was granted an exclusive right to explore, develop and extract mining products from Kabalasan Mining Rights which covers potential gold, silver and iron deposits in Kabalasan and Siay, Zamboanga, Sibugay Province,

containing 136.5 meridional blocks or 11,056.5 hectares. Further, the consideration for the rights granted will be in the form of royalties which shall be paid by the Corporation to Zam-Iron. It was approved then that the loan of Php50 million extended by the Corporation to Zam-Iron last 02 January 2008 will be considered as advanced royalties.

On November 15, 2013, Zam-Iron informed the Corporation that they received a letter from the Mines and Geosciences Bureau IX stating that their office has issued an Order of Denial for mining exploration with finality. Zam-Iron's next recourse is to file an appeal to the Mines and Geosciences Bureau central office in Manila. To date, no update was given by Zam-Iron to the Corporation regarding the status of their application and operations.

On November 22, 2013, the Corporation informed Zam-Iron that insofar as the Corporation is concerned, Zam-Iron has failed to fulfill its obligations under the Memorandum of Agreement (MOA) signed on January 2, 2008 and Operating Agreement signed in December 2009 and is deemed in default. The Corporation demanded for the full refund of Php50,000,000 prepaid royalties with interest and waived its right in the event of default to take over the operation and production of the mining operation since Zam-Iron failed to secure the necessary exploration permit.

Moreover, the Corporation also started to get involved in power-related business activities as another business option. Power plant operation is one of the secondary purposes of the Corporation. In 2010 and 2009, it participated in various Biddings of the Power Sector Assets and Liabilities Management Corporation (PSALM) for projects like appointment as IPP Administrator for the contracted capacities of the San Roque Multi-Purpose Hydroelectric Power Plant at San Manuel Pangasinan; Bakun Hydroelectric Power Plant at Alilem, Ilocos Sur; Benguet Mini-Hydro at Benguet, Cordillera Administrative Region; Ilijan Combined Cycle Power Plant in Batangas City; Malaya Thermal Power Plant in Pililia, Rizal; Unified Leyte Geothermal Power Plants in Leyte and the Naga Power Plant Complex in Naga, Cebu. Unfortunately, the Corporation lost the Biddings to its opponents. However, the Corporation is determined to likewise seriously be involved in the same business opportunities in 2014 and in the next twelve months.

For the second quarter ending June 30, 2015 and fiscal year ending December 31, 2014, the Corporation experienced net losses amounting to Php700.3k and Php1.368M respectively attributed to administrative expenses incurred. In 2014, the Corporation's Php1.368M loss is attributed to provisions for probable losses and expenses incurred in view of its participation in various bidding programs where it lost. In 2013, the Corporation has experienced net loss of Php71,559,145. It has not generated any revenue in view of its participation in various biddings where it lost.

For the year ending 31 December 2014 and 2013, the Corporation net losses were Php1.37 million and Php71.6 million respectively. For year 2013, Php50 million and Php20 million of the total net losses represented provision for probable losses on prepaid royalties and provision for doubtful accounts. The remaining Php1.56 million administrative expenses could be largely attributed to bidding related expenses incurred in the previous year. Moreover, in 2014 and 2013, revenues were not generated and material losses of PPhp1,368,043 and Php71,559,145, respectively were experienced in view of allowance for probable losses on royalties and allowance for doubtful accounts in 2013.

Fund requirements for the current and preceding years had been sourced internally. Management already initiated to source funds to satisfy the cash requirements for the acquisition or purchase of mining claims, rights and power related businesses as may be cautiously identified by the Corporation. On June 21, 2011, the Corporation sold the unpaid subscriptions via a delinquent sale.

Infusion of funds from the auction of delinquent shares held on June 21, 2011 have been and will be used to satisfy the cash requirements for the acquisition or purchase of mining claims, rights and power related business as may be cautiously identified by the Corporation. In addition, increase in authorized capitalization and the invitation of strategic partners to invest in the Corporation will likewise be considered as necessary moves to source funds. Collection of subscriptions receivable amounted to Php68,481,439 and Php1,579,319 in 2011 and 2010, respectively. Increase in authorized capitalization and attract strategic partners to invest in the Corporation will also be considered as necessary moves to source funds. Therefore, the Corporation is

optimistic it shall obtain sufficient funds to support its anticipated fund requirements for the next twelve months.

The Corporation will conduct geophysical exploration methods to further prove the commercial viability of the minerals offered by the sites within the scope of Operating Agreement with Zam-Iron. The cost of research and study on mining activities and total projected costs for power related activities cannot yet be determined as of now. Bidding related costs for the various power plants already amounted to P9.2 million.

There is an expected purchase of plant and significant equipment and possible increase in the number of employees once the anticipated mining and power-related activities commence, however, due to the absence of data or information available to the Corporation, these could not yet be determined for the time being. As of December 31, 2014, no additional acquisition of plant and equipment were made.

The recovery of the Corporation's receivables within the next twelve (12) months has been deemed remote. On August 28, 2015, the Board of Directors unanimously approved the impairment and write-off of the following items from its books of accounts: (1) accounts receivable from 9th Kingdom Investments, Inc., (2) advances to Mikro-Tech Capital, Inc; (3) prepaid royalties in favor of Zam-Iron Mining Corporation, (4) accounts receivables from LRSI and Stradec, and (5) retained deficit.

### Key Performance Indicators of the Company

Since the Corporation has no commercial operation to date and has not generated revenues for the current period ending June 30, 2015 and fiscal years ending December 31, 2014 and 2013, it posted losses. Losses for the current period being reported and fiscal years December 31, 2014 and 2013 are attributed to administrative expenses incurred. The table sets forth the comparative key performance indicators of the company for the current interim period with comparative figures for the period ending June 30, 2015 and 2014, December 31, 2014 and 2013:

	June 30, 2015	Dec. 31, 2015	June 30, 2014	Dec. 31, 2013
Total Revenues	0	649	0	6,644
Net Loss	700,304	1,368,043	711,987	71,559,145
Total Current Assets	30,913,759	31,878,120	32,330,743	33,175,507
Other Non-Current Assets	0	0	0	0
Plant, Property and Equipment	83,800	83,800	83,800	83,800
Total Assets	30,997,559	31,961,920	32,414,543	33,259,307
Current Liabilities	6,700,812	6,964,869	6,761,436	6,894,213
Stockholder's Equity	24,296,746	24,997,051	25,653,107	26,365,094
Total Liabilities & Stockholders' Equity	30,997,559	31,961,920	32,414,543	33,259,307
Current Ratio	4.610	4.580	4.780	4.810
Solvency Ratio	0.216	0.218	0.209	0.207
Debt to Equity Ratio	0.276	0.280	0.264	0.261

- (a) Net loss for the semester ending 30 June 2015 decreased by 1.64% from last year of the same period due to lower administrative expenses incurred. Net loss for the period ending 31 December 2014 materially decreased from 2013 of the same period due to allowance for probable losses, provision for doubtful accounts and other administrative expenses incurred.
- (b) Stringent controls are utilized on incurring expenses. Management maintains a generally cautious stance in identifying mining opportunities in order to maximize the Corporation's gross margin. Consequently, Management has taken a conservative stand in approving any mining or power-related activity which the Corporation engaged in 2014 and 2013 and may potentially in the next twelve months.

- (c) Working Capital Ratio or Current Ratio. This will measure how liquid the corporation is and its ability to meet its current obligations. It is computed by dividing total current assets with the total current liabilities.

As of June 30, 2015, liquidity ratio increased by 0.03 due to decrease in related parties compare to 31 December 2014 while periods ending 30 June 2014 and 31 December 2013 showed an unfavorably slight lower liquidity primarily due to decrease also in related parties.

- (d) Debt Management Ratio or Solvency Ratio. This is computed by dividing the total liabilities by the total assets.

As of June 30, 2015 and December 31, 2014, the Corporation's solvency ratio of 0.216 and 0.218, respectively attributed to decrease in Receivables from related parties. A decrease in Receivables from related parties as of June 30, 2014 and December 31, 2013, made the Corporation's solvency ratio of 0.209 and 0.207, respectively.

- (e) Debt Equity Ratio. This will explain the relationship between how the assets were financed by the Corporation's creditors and its stockholders. This is computed by dividing the total liabilities over the stockholders' equity.

As of June 30, 2015 and December 31, 2014, debt equity ratio was increased to 0.276 and 0.280 respectively. As of June 30, 2014 and December 31, 2013, debt equity ratio was decreased to 0.264 and 0.260, respectively.

By comparing accounts in the Balance Sheet and Statements of Operations for the interim period ending 30 June 2015 with comparable data for 31 December 2014 and interim period from preceding year, the following are the material changes and their causes:

#### **Changes in Financial Condition**

- (a) Current Assets. The decrease of Current Assets, as of June, 2015 and December 31, 2014 is attributable to collection of receivable from related parties.
- (b) Input Taxes. For the current fiscal year, input tax is immaterial while it is nil as of December 31, 2014 and 2013 because of full allowance provided for probable losses amounting to Php1,563,129 and Php1,550,272 respectively.
- (c) Property and Equipment. There's no acquisition of property and equipment for 2014 and for 2013 because of full allowance provided for probable losses amounting to Php1,563,129 and Php1,550,272, respectively.
- (d) Current Liabilities. The four percent (4%) decrease was due to settlement of some accounts payable.
- (e) Deficit. Comprehensive losses for the quarter and for fiscal years ending December 31, 2014 and 2013 represent bidding related and administrative expenses incurred on those periods which caused to continually increase deficit.

### **Analysis and Financial Condition and Results of Operations**

#### **Full Fiscal Years**

Since the Corporation has no commercial operation to date and has not generated revenues for the fiscal years ending 31 December 2014, 2013 and 2012 it posted loses, wherein 42% can be attributed to bidding related expenses and the rest are administrative expenses incurred. The following table shows the consolidated

financial highlights of the company for the current year ended 31 December 2014 with comparative figures of the previous years and as of 31 December 2013 and 2012.

	December 31, 2014	December 31, 2013	December 31, 2012
<b>Income Statement Data</b>			
Total Revenues	649	6,644	23
Net Loss	(1,368,043)	(71,559,145)	(1,476,825)
<b>Balance Sheet Data</b>			
Total Current Assets	31,878,120	33,175,507	54,433,931
Plant, Property and Equipment	83,800	83,800	85,658
Other Non-Current Assets	0	0	50,000,000
Total Assets	31,961,920	33,259,307	104,519,039
Current Liabilities	6,964,869	6,894,213	6,594,800
Stockholders' Equity	24,997,051	26,365,094	97,924,239
Total Liabilities & Stockholders' Equity	31,961,920	33,259,307	104,519,039
Current Ratio	4.563	4.812	8.250
Solvency Ratio	0.218	0.207	0.063
Debt to Equity Ratio	0.279	0.261	0.07

Based on the above table the following are key performance indicators of the Corporation for 2014, 2013 and 2012.

- (a) Current Net loss decrease by 48 times from last year mainly due to lesser bidding related expenses incurred. Net loss decrease by 48 times in 2013 over that of 2012 was mainly due to the 2011 bidding related expenses as it was the initial year the Corporation participated in the bidding for power activities. Likewise net loss continuously dropped from 2013 to 2014 because of cost saving device initiated by Management to lessen administrative expenses while the Company is pre-operational.
- (b) Stringent controls are utilized on incurring expenses. Management maintains a generally cautious stance in identifying mining opportunities in order to maximize the Corporation's gross margin. Consequently, Management has taken a conservative stand in approving any mining or power-related activity which the Corporation engaged in 2014 and 2013 and may potentially in the next twelve months.
- (c) Working Capital Ratio or Current Ration. This will measure how liquid the corporation is and its viability to meet its current obligations. It is computed by dividing total current assets with the total current liabilities.

This liquidity of the Corporation for fiscal year 2014 decreased to 4.563 due to provision for allowance for doubtful accounts of related parties.

- (d) Debt Management Ratio or Solvency Ratio. This is computed by dividing the total liabilities by the total assets.

For 2014, the solvency ratio increase from 20.7% to 21.8% as a result of accrual of expenses.

- (e) Debt Equity Ratio. This will explain the relationship between how the assets were financed by the Corporation's creditors and its stockholders. This is computed by dividing the total liabilities over the stockholders' equity.

For 2014 and 2013, the debt to equity ratio has increased from 26.10% to 27.90% due to accrual due to accrual of expenses.

By comparing accounts in the Balance Sheets and Statements of Operations for the period ending 31 December 2014, 2013, and 2012, the following are the material changes and their causes:

## Changes in Financial Condition

### 2014 and 2013

- (a) **Current Assets.** Current year's 3.9% decrease from 2013 was due to decrease in related parties account.
- (c) **Input Taxes.** In 2014, the Company provided 100% allowance for probable losses provided in 2013.
- (d) **Property and Equipment.** The current period balance remains unchanged amounting to Php83,800.00
- (e) **Current Liabilities.** Its current year's increased by almost Php70,656 because of accrual of various expenses.
- (f) **Deficit.** Comprehensive losses for 2014 and 2013 amounting to Php185.05M and Php183.68M respectively primarily due to administrative expenses caused to increase deficit.

### 2013 and 2012

- (a) **Current Assets.** Current year's 39% decrease from 2013 was due to providing of allowance for doubtful accounts of related parties.
- (d) **Input Taxes.** In 2012, the Company provided 100% allowance for probable losses provided in 2013
- (d) **Property and Equipment.** The current period balance has decreased by Php1,858 attributed to allowance for depreciation
- (e) **Current Liabilities.** Its current year's decrease by almost Php300,000.00 because the advances due to related parties have already been paid
- (e) **Deficit.** Comprehensive losses for 2013 and 2012 amounting to Php183.68M and Php112.12M respectively primarily due to administrative expenses caused to increase deficit.

### 2012 and 2011

- (a) **Current Assets.** Current year's 33.31% decrease from 2013 was due to net decrease in advances to related parties.
- (e) **Input Taxes.** In 2012, the Company provided 100% allowance for probable losses provided in 2013
- (d) **Property and Equipment.** The current period balance has decreased by Php7,430 attributed to allowance for depreciation
- (e) **Current Liabilities.** Its current year's decrease by almost Php398,150.00 because the advances due to related parties have already been paid
- (e) **Deficit.** Comprehensive losses for 2012 and 2011 amounting to Php112M and Php110M respectively primarily due to administrative expenses caused to increase deficit.

## Changes in Operating Results

### 2013 vs 2013 vs 2012

The Corporation has not yet started commercial operation. There was no mining activities or exploration as of 31 December 2014. The exploration works for Zam-Iron are still in the initial state and in the process of going through various governmental processes and obtaining permits before it may be granted an Exploration Permit that will justify the conduct of exploration activities. The decrease in the net losses for the current year and 2010 were significant because of bidding related costs incurred when the Corporation participated in various bidding for power activities for both years.



**Material Events and Uncertainties.** For both fiscal years, the Corporation has nothing to report on the following other than the disclosures mentioned in the notes to financial statements and discussed above:

- (i) Any known trends, demand, commitments, events or uncertainties that will result in or that are reasonable likely to result in the Corporation's liquidity increasing or decreasing in any material way.
- (ii) Events that will trigger direct or contingent financial obligation that is material to the Corporation, including any default or acceleration of obligation. The Corporation is not in default or in breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments. The Company has no trade payables and there is no significant amount in its other payables that has not been paid within the stated terms.
- (iii) Material off-balance sheet transactions, arrangements, obligation (including contingent obligations) and other relationships of the Corporation with unconsolidated entities or other persons created during the reporting period. A disclosure is made in Notes 11 and 12 to Financial Statements and in the Company plan of operation.
- (iv) Any material commitment for capital expenditures.
- (v) Any known trends, events or uncertainties that have had or that are reasonable expected to have a material favorable or unfavorable impact on net sales/revenues, income from continuing operation.
- (vi) Any significant elements of income or loss that did not arise from the issuer's continuing operations.
- (vii) Any seasonal aspects that had a material effect on the financial condition or results of operation.

**Financial Statements.** The 2013 Audited Financial Statements of the Corporation are incorporated herein by reference. The auditors' PTR, name of certifying partner and address are also attached in this report. The schedules listed in the accompanying index to supplementary schedules are files as part of the SEC Form 17-A.

## **Item 12. MERGERS, CONSOLIDATIONS, ACQUISITIONS AND SIMILAR MATTERS**

No action is to be taken with respect to any transaction involving the following,

- (1) The merger or consolidation of the registrant into or with any other person or of any other person into or with the registrant;
- (2) The acquisition by the registrant or any of its security holders of securities of another person;
- (3) The acquisition by the registrant of any other going business or of the assets thereof;
- (4) The sale or other transfer of all or any substantial part of the assets of the registrant; or
- (5) The liquidation or dissolution of the registrant.

Information required by Part I paragraphs (A), (B) and (C) of "Annex C", as amended

### **(A) Description of Business**

**Business Development.** Pacifica, Inc. (the "Corporation") was incorporated on 2 September 1957 to engage in the exploration, drilling and exploitation of oil, gas and other volatile substances. Its conversion into a holding company in 06 October 2000 did not result to any commercial operation due to timing and funding constraints.

In 2007, Mikro-Tech Capital, Inc. (MCTI) as one of the major shareholders, redirected the business' focus to the exploration, operation, management and marketing of mining claims. On 31 August 2007, the SEC approved

its Amended Articles of Incorporation with amendments as to the reversion of its primary purpose to mineral exploration, extending the corporate life for another 50 years and changing the par value from 1.00 to 0.005.

The foregoing events are vital to permit the Corporation to engage in mineral exploration and development and other business opportunities within its purposes as may be identified by the Company.

**Business of Issuer.** After the Corporation renewed its corporate life in 2007 with its primary purpose as a mining company, the management started looking for mining opportunities. During the stockholders' meeting on 14 August 2009, it was approved that the Corporation shall enter an Operating Agreement with Zam-Iron Mining Corporation (Zam-Iron) granting the Corporation the exclusive right to explore, utilize and develop the Kabalasan Mining Rights for the purpose of extracting mining products. In consideration for the rights granted by Zam-Iron, the Company will pay Zam-Iron royalties at a stipulated price. The loan of Php50 million extended by the Corporation to Zam-Iron last 02 January 2008 was applied as advanced royalty payments. Moreover, the management is continuously looking for mining opportunities and negotiating for possible investors and technical partners.

The Company lost its bid for Ilijan and Malaya power plants to its opponents while in the others, the bidding process was deferred to December 2011. As of the date of this report, the Corporation is determined to continue to pursue business opportunities on power related activities for the next twelve months.

On 15 November 2013, Zam-Iron Mining Corp. (Zam-Iron) informed the Corporation that they received a letter from the mines and Geosciences Bureau IX stating that their office has issued an Order of Denial for mining exploration with finality. Zam-iron's next recourse is to file an appeal to the Mines and Geosciences Bureau central office in Manila. To date, no update was given by Zam-Iron to the Company regarding the status of their application and operation.

On November 22, 2013, the Corporation informed Zam-Iron that insofar as the Corporation is concerned, Zam-Iron has failed to fulfill its obligations under the Memorandum of Agreement (MOA) signed on January 2, 2008 and Operating Agreement signed in December 2009 and is deemed in default. The Corporation demanded for the full refund of Php50,000,000 prepaid royalties with interest and waived its right in the event of default to take over the operation and production of the mining operation since Zam-Iron failed to secure the necessary exploration permit.

**Production.** Although the Corporation has not commenced commercial operations to date, as a mining company, it shall engage in the discovery, exploration, development and exploitation of mineral oils and gaseous substances, gold, silver, copper, iron ore and other metal ores, and other mineral substances in the near future once operational. The exploration works for Zam-Iron have not yet been commences as it is still in the process of going through various governmental processes and obtaining permits before it may be granted an Exploration permit that will justify the conduct of exploration activities.

For the year ending 31 December 2014 and 2013, the Corporation net losses were Php1.37 million and Php71.6 million respectively. For year 2013, Php50 million and Php20 million of the total net losses represented provision for probable losses on prepaid royalties and provision for doubtful accounts. The remaining Php1.56 million administrative expenses could be largely attributed to bidding related expenses incurred in the previous year. Moreover, in 2014 and 2013, revenues were not generated and material losses of PHp1,368,043 and Php71,559,145, respectively were experiences in view of allowance for probable losses on royalties and allowance for doubtful accounts in 2013.

For the second quarter ending June 30, 2015, the Corporation experienced net losses amounting to Php700.3k attributed to administrative expenses incurred. In 2014, the Corporation's Php1.368M loss is attributed to provisions for probable losses and expenses incurred in view of its participation in various bidding programs where it lost.

The recovery of the Corporation's receivables within the next twelve (12) months has been deemed remote. On August 28, 2015, the Board of Directors unanimously approved the impairment and write-off of the following items from its books of accounts: (1) accounts receivable from 9th Kingdom Investments, Inc., (2) advances to Mikro-Tech Capital, Inc; (3) prepaid royalties in favor of Zam-Iron Mining Corporation, (4) accounts receivables from LRSI and Stradec, and (5) retained deficit.

Fund requirements for the current and preceding years had been sourced internally. Management already initiated to source funds to satisfy the cash requirements for the acquisition or purchase of mining claims, rights and power related businesses as may be cautiously identified by the Corporation. On June 21, 2011, the Corporation sold the unpaid subscriptions via a delinquent sale.

On June 21, 2011, pursuant to the approval by the Board of Directors to conduct a delinquency sale of all 14,654,784,000 delisted delinquent shares, such a delinquency sale was held in accordance with the provisions of the Corporation Code of the Philippines and the Securities Regulation Code, the results of which were reported to the Securities and Exchange Commission and the Philippine Stock Exchange. This is the Corporation's confirmation of management's initiative to source funds. The delinquency sale was undertaken by the corporation in its principal office and in the presence of a Notary Public. As of the date of the preparation of this report, all winning bidders have fully paid their bids and have been issued certificates of stock.

An increase in authorized capitalization and the invitation of strategic partners to invest in the Company will be considered as necessary moves to source funds. Therefore, the Company is optimistic that it shall obtain sufficient funds to support anticipated fund requirements for the next twelve months.

**Products/Sales/Competition.** The Corporation has not engaged in the production or sale of mineral products for the past years nor has it competed with other entities.

**Sources and availability of raw materials and supplies.** The Corporation has not yet determined its sources of mineral products pending results of any future mineral exploration activities.

**Transactions with and/or dependence on related parties.** The information required is disclosed on Note 9 of the Corporation's 2013 Audited Financial Statements.

**Patents, trademarks, copyrights, licenses, franchises, concessions and royalty agreements.** The Corporation does not possess any patents, trademarks, copyrights, franchises, concessions, and royalty agreements.

**Government regulations and approval.** The Corporation will comply with governmental regulations and seek approval from government agencies regulating mining companies in its operations. At present the Corporation has no mining operation yet.

**Effect of existing government regulations** are mainly corresponding costs of compliance to the Corporation, which can be taken up as expense or capital asset under generally accepted accounting principles. The effect on the Corporation of any probable government regulation could not be determined until specific provisions are known.

**Research and Development.** Exploration, drilling and development for a mining company, are the equivalent of research and development. The company is also looking for possible sources of alternative energy generation.

**Cost and effects of compliance with environmental laws.** The Corporation will be committed to protecting and if possible enhancing the environmental laws. These matters will be properly addressed once it started its mining operations.

**Employees.** The Corporation currently has one (1) employee and might hire additional employees in the next twelve (12) months as the need arises. There is no existing Collective Bargaining Agreement. There have been no strikes in the past three (3) years, nor is there any threat of strike. No additional supplemental benefits or incentive arrangements exist with the Corporation's employees, nor are there any benefits or incentive arrangements contemplated for the next twelve (12) months.

**Major risk/s.** While the Corporation is still in the process of evaluating viable mining opportunities, the management has started to scan the events and trends in the mining industry in order to identify and assess risks that may affect the Corporation in the future. It also tries to assess possible internal risks and weaknesses in its future operations and develop the necessary management strategies to combat these risks or minimize its possible effect to the Corporation. The major risks the Corporation anticipates are as follows:

- a. **Economic and Political Consideration.** The Corporation will be influenced by the general political and economic situation of the Philippines. Any political and/or economic instability in the future may have a negative effect on the mining industry.
- b. **Changes in the market price of mineral products.** The market price of mineral products like gold, silver, copper, iron ore and other metals can fluctuate widely. Fluctuations in market price may cause by numerous factors beyond the Corporation's control such as speculative positions taken by investors, changes in the demand of mineral products for industrial uses, changes in the supply of mineral products from production, disinvestment, scrap and hedging, financial market expectations, the strength of US dollar, changes in interest rates and global or regional political or economic events.
- c. **Development risk.** Future mining operation shall be based on the results of a pre-feasibility study to be conducted by the Corporation. The study shall use estimates of expected or anticipated project economic returns based on assumptions such as future gold and silver prices, anticipated tonnage, grades or ore to be mined and processed, anticipated recovery rates of gold and anticipated capital expenditure and cash operating costs.  
Actual cash operating costs, production and economic returns may differ significantly from the Corporation's projections due to numerous uncertainties inherent to any development and construction of mining projects. To address this particular risk, the Corporation will hire consultants in the mining industry to do a due diligence and feasibility study.
- d. **Liquidity and capital resource requirements.** Any mining project shall entail capital expenditures and funding requirement shall be sourced prior to exploration. The Corporation shall undertake measures to raise funds through internally generated funds and/or from private placements.

When the Corporation starts mining operation, all these anticipated risks will be considered and properly addressed. Also please refer to Item 11 and 12 of the Notes to Financial Statements on discussions about the Corporation's Financial Risk Management Policies and Objectives and its Capital Management.

## **(B) Description of Property**

Pacifica, Inc.'s fixed assets consist only of furniture, fixtures and equipment located at its office with a net book value of Php83,800.00 as of June 30, 2015. No mortgage, lien or encumbrance over the assets of the Corporation and said assets are not being leased. No conceived plan for the purchase of plant and significant equipment is expected in the next twelve (12) months unless the need arises.

## **(C) Legal Proceedings**

There has not been any bankruptcy, receivership or similar proceedings instituted by or against the Corporation nor has there been any material reclassification, merger, consolidation or purchase or sale of significant amount of assets not in the ordinary course of business. The case of Olivero G. Laperal, Sr. V. Pacifica, Inc., Victorina L. Laperal, Rosamaria L. Laperal, Regina L. Concepcion, and Alexandra L. Laperal and Securities Transfer Services, Inc. denominated as Civil Case No. 09-122278 filed in Branch 24 of the Regional Trial Court of Manila where Pacifica was impleaded solely to hold in abeyance any issuance of stock certificates in favor of any of the parties to the case pending litigation is pending amicable settlement between the real parties in interest of the case.

## **Securities of Registrant**

### ***Market Information***

The shares of the Corporation are listed and traded at the Philippine Stock Exchange. The high and low closing prices of the Corporation's share for each quarter within the last fiscal years are as follows:

<b>Period</b>	<b>Stock</b>	<b>High</b>	<b>Low</b>	<b>Close</b>
1Q 2013	PA	0.055	0.046	0.050
2Q 2013	PA	0.053	0.030	0.040
3Q 2013	PA	0.041	0.030	0.030
4Q 2013	PA	0.033	0.027	0.033
1Q 2014	PA	0.051	0.029	0.038
2Q 2014	PA	0.054	0.036	0.043
3Q 2014	PA	0.055	0.039	0.046
4Q 2014	PA	0.067	0.041	0.042
1Q 2015	PA	0.048	0.040	0.041
2Q 2015	PA	0.042	0.030	0.034

The Corporation to date has not yet declared or issued cash dividends and all other types of dividends. There is however no impediment for the Corporation to declare dividends in the future provided that there is an unrestricted retained earnings and only up to the extent of said retained earnings. A cash dividend declaration requires the approval of the Board and no stockholders approval is necessary. A stock dividend declaration requires the approval of the Board and of the shareholders representing at least 2/3 of the outstanding capital stock. Holders of outstanding shares on a dividends record date for such shares shall be entitled to the full dividends declared without regard to any subsequent transfer of shares, other than statutory limitations, there are no restrictions that limit the Corporation from paying on common equity.

The closing price of the Company as of August 31, 2015 is Php0.043.

**Recent Sale of Unregistered Securities.** On 21 June 2011, pursuant to the approval by the Board of Directors to conduct a delinquency sale of all 14,654,784,000 delisted delinquent shares, such a delinquency sale was held in accordance with the provisions of the Corporation Code of the Philippines and the Securities Regulation Code, the results of which were reported to the Securities and Exchange Commission and the Philippine Stock Exchange. This is the Corporation's confirmation of management's initiative to source funds. The delinquency sale was undertaken by the corporation in its principal office and in the presence of a Notary Public. As of the date of the preparation of this report, all winning bidders have fully paid their bids and have been issued certificates of stock. There were no new, including securities issued in exchange for property, services, or

other securities and new securities resulting from the modification of outstanding securities, or sale of reacquired securities during the same period.

**Shareholders.**

The Corporation's total subscribed shares as of August 31, 2015 are 40,000,000,000 shares. The Company has 3,304 stockholders which includes the PCD Nominee Corporation (Foreign and Filipino) which holds shares of various retail customer traders through stock brokerage houses. A total of 117,440,000 common shares or 0.29% of the issued and outstanding shares are owned by foreigners. The top twenty (20) stockholders as of August 31, 2015 are as follows:

<b>Name</b>	<b>Nationality</b>	<b>Total No. Shares</b>	<b>Percentage</b>
PCD Nominee Corporation	Filipino	18,423,882,224.00	46.06%
9th Kingdom Investments, Inc.	Filipino	13,332,000,000.00	33.33%
Mikro-Tech Capital, Inc.	Filipino	1,185,414,000.00	2.96%
Alexandra L. Laperal	Filipino	766,500,000.00	1.92%
Rosamaria Laperal	Filipino	639,800,000.00	1.60%
Oliverio L. Laperal Jr.	Filipino	614,480,000.00	1.54%
Victorina Heras	Filipino	605,860,500.00	1.51%
Regina L. Concepcion	Filipino	600,000,000.00	1.50%
Desiderio L. Laperal	Filipino	554,500,000.00	1.39%
LMI Holdings, Corporation	Filipino	452,000,000.00	1.13%
PCD Nominee Corporation	Foreign	117,440,000.00	0.29%
Chiong & Company, Inc.	Filipino	95,530,000.00	0.24%
Oliverio G. Laperal	Filipino	95,238,442.00	0.24%
Rafael Antonio M. Santos	Filipino	92,270,000.00	0.23%
Ansaldo, Godinez & Co., Inc.	Filipino	76,010,000.00	0.19%
Benjamin Co CA & Co., Inc.	Filipino	74,384,499.00	0.19%
Vicente Goquiolay & Co., Inc.	Filipino	69,630,000.00	0.17%
Industrial Horizons, Inc.	Filipino	53,200,000.00	0.13%
Nieves Sanchez, Inc.	Filipino	52,620,000.00	0.13%
Tiong Securities, Inc.	Filipino	51,810,000.00	0.13%

**(1) PHILIPPINE CENTRAL DEPOSITORY, INC. (PCD).** Regulated by the Securities and Exchange Commission (SEC), PCD is owned by major capital market players in the Philippines, namely: Philippine Stock Exchange, Bankers Association of the Philippines, Financial Executives Institute of the Philippines, Development Bank of the Philippines, Investment House Association of the Philippines, Social Security System and Citibank N.A.

The PCD Nominee Corporation is a wholly-owned subsidiary of the Philippine Depository and Trust Corporation, Inc. (PDTC) and is the registered owner of the shares in the books of the Registrant's stock transfer agent. The beneficial owner of such shares entitled to vote the same are PDTC's participants, who hold the shares either in their own behalf or on behalf of their clients.

As of August 31, 2015, the following PDTC participants hold more than 5% of the Registrant's voting securities:

a) IHoldings, Inc. - 30.15%.

All PSE-member brokers are Participants of PCD. Other Participants include custodian banks, institutional investors and other corporations or institutions that are active players in the Philippine equities market.

**(2) 9TH KINGDOM INVESTMENTS, CORP** is a holding company with investments in power related activities. It was the winning bidder of the shares previously held by Strategic Alliance Development Corp, during the delinquency sale.

**(3) MIKRO-TECH CAPITAL, INC.** is a holding company with investments in mining activities.

**Dividends.** The Corporation has never declared any cash or stock dividend of its common equity since the time of incorporation because there has been no commercial operation and no surplus profit.

### **Market Information for Securities Other Than Common Equity**

None

### **Corporate Governance**

The Company has submitted its Manual on Corporate Governance as of July 27, 2014 to the Securities and Exchange Commission in compliance with SEC Memorandum Circular No. 9 Series of 2014.

The Company's policy of corporate governance is based on its Manual. The Manual lays down the principles of good corporate governance in the corporation.

The Board of Directors (the "Board") and Management, employees and shareholders consider corporate governance an essential component of what constitute sound strategic business management and will therefore pursue and implement the necessary actions and measures to educate and create awareness within the organization within a reasonable period.

The Board of Directors and Management of the Corporation shall follow a set of rules, systems, and processes that will govern the performance of their duties and responsibilities to the stockholders and other stakeholders which include, among others, customers, employees, suppliers, financiers, government and community in which the Corporation operates.

**Compliance Officer.** To ensure adherence to corporate principles and best practice, the Board shall designate a Compliance Officer who shall have the following duties and responsibilities: (1) Monitor compliance with the provisions and requirements of this Manual and the rules and regulations of regulatory agencies, determine and report violation of the same to the Board, and recommend the imposition of appropriate disciplinary and deterrent measures; (2) Appear before the SEC upon summons on matters that need to be clarified by him; (3) Issue certification every January 30th of the year on the extent of the compliance with the manual and explanation on any deviation; (4) Identify, monitor and control compliance risk.

**Board of Directors.** The Board is primarily responsible for the governance of the Corporation. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management.

**Composition of the Board.** The amended By-Laws of the Corporation provides that the Board shall consist of nine (9) members who must be from among the stockholders and who shall be nominated and elected by the stockholders. There shall be at least two (2) independent directors or such number of independent directors that constitutes twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2) to be nominated and elected to the Board.

General Duties and Responsibilities. The Manual provides that it is the Board's responsibility to foster the long-term success of the Company and to secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its stockholders and other stakeholders. The Board should formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

The Manual embodies the Company's policies on disclosure and transparency, and mandates the conduct of communication and training programs on corporate governance. The Manual further provides for the rights of all shareholders and the protection of the interests of minority stockholders. Commission of any violation of the Manual is punishable by a penalty ranging from reprimand to dismissal, depending on the frequency of commission as well as the gravity thereof. The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.

The Board of Directors has constituted certain committees to effectively manage the operations of the Company. The Company's principal committees of the Board of Directors include the Executive Committee, the Audit Committee, the Compensation Committee and the Nominations Committee.

The performance of the Board and its individual members is being measured and monitored. Areas for improvement are discussed for action during the Board/Committee meetings. Board performance metrics include among others the individual director's attendance at Board and Committee meetings, availability of minutes, open/closed action items, etc.

The Board through its Audit and Compliance Committee shall, among others, continuously review and follow-up until closure all action items needed to be in full compliance with the company's Manual on Corporate Governance and its related documents and policies.

#### **Plan to Improve the Corporate Governance of the Company**

Continuous initiatives for training of Directors, Officers and Employees to the various documents on corporate governance manuals and policies including its revisions.

#### **Item 13. ACQUISITION OR DISPOSITION OF PROPERTY**

There is no action to be taken with respect to the acquisition or disposition of any property, unless the need arise.

Pacifica, Inc.'s fixed assets consist only of furniture, fixtures and equipment located at its office with a net book value of Php83,800.00 as of June 30, 2015. No mortgage, lien or encumbrance over the assets of the Corporation and said assets are not being leased. No conceived plan for the purchase of plant and significant equipment in expected in the next twelve (12) months unless the need arises.

#### **Item 14. RESTATEMENT OF ACCOUNTS**

On August 28, 2015, as the recovery of the Corporation's receivables within the next 12 months has been deemed remote, the board of directors unanimously approved the impairment and write-off of the following items from its books of accounts, to wit: (1)Accounts Receivable from 9<sup>th</sup> Kingdom Investments, Inc.; (2) Advances to Mikro-Tech Capital, Inc.; (3) Pre-paid royalties in favor of Zam-Iron Mining Corporation; (4) Accounts Receivable from LRSI and Stradec; (5) Retained Deficit. For more information, please see discussion on related party transactions.



## D. OTHER MATTERS

### **Item 15. ACTION WITH RESPECT TO REPORTS.**

There is no action to be taken with respect to any report of the Corporation or of its directors, officers or committees, except for the approval of the minutes of the previous meeting of its stockholders and ratification of the audited financial statements and all previous acts of the Board and Management.

At the stockholders meeting held last August 14, 2009, the following resolutions were approved:

- a. Approval of the audited Financial Statements for the years ended December 31, 2008 and 2007 and the Annual Report by the President;
- b. Election of the Members of the Board of Directors: (1) Michael L. Romero - Chairman; (2) Nathaniel Romero; (3) Anthony K. Quiambao - Vice Chairman; (4) Gilbert I. Nolasco; (5) Marvee M. Espejo; (6) Edwin G. Galvez; (7) Jerome Hernandez - Independent Director; (8) Desiderio L. Laperal - Independent Director; (9) Philip Ella Juico - Independent Director;
- c. Approval of the amendment to By-laws as to the procedures on nomination and election of Independent Directors to include Article-A pursuant to SRC Rule 38 as amended;
- d. Approval of the change of the Company's name from Pacifica, Inc. to Pacifica Metals, Inc;
- e. Approved authority of Pacifica, Inc. to enter into an Operating Agreement with Zam-Iron Mining Corp. (Zam-Iron); approval of the conversion of the loan extended to Zam-Iron for an amount of Php50M to advance in royalties pursuant to the Operating Agreement and authority given to the President and Chairman of the Board, Michael L. Romero as designated representative to the sign the Agreement;
- f. Approval of the re-appointment of SGV & Co as Independent Public Accountant of the Company for this fiscal year.

After the Annual Stockholders' Meeting held in August 14, 2009, an organizational meeting by the Board of Directors followed. The following resolutions were approved:

- a. Election of the Officers of the Corporation: Michael L. Romero - President and Chairman of the Board; Anthony K. Quiambao - Vice Chairman; Gilbert I. Nolasco - Corporate Secretary; Marvee M. Espejo - Vice President and Treasurer; Magna Lea C. Carilla - Chief Accountant and Chief Information Officer/Compliance Officer;
- b. Approval of the re-appointment of the Securities Transfer Services, Inc. as the stock transfer agent of the Corporation for the year 2009-2010;
- c. Election of the Members of the following Committees in compliance with the Corporation's Manual on Corporate Governance:
  1. **Compensation and Remuneration Committee.** Michael L. Romero- Chairman; members: Anthony Quiambao, Desiderio Laperal - Independent Director;
  2. **Nomination and Elections Committee.** Gilbert Nolasco - Chairman; members: Marvee Espejo, Jerome Hernandez - Independent Director;
  3. **Audit Committee.** Philip Ella Juico - Chairman/Independent Auditor; members: Nathaniel Romero and Edwin Galvez.

#### **Item 16. MATTERS NOT REQUIRED TO BE SUBMITTED**

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 18. OTHER PROPOSED ACTIONS FOR RATIFICATION BY THE STOCKHOLDERS**

1. All previous actions of the Board of Directors and Management since the last Annual Stockholders' Meeting.
2. Ratification of the public auction of delisted delinquent shares conducted on June 21, 2011 covering a total of 14,654,784,000 common shares, and approval for relisting thereof with the Philippine Stock Exchange.
3. Amendment of the Amended Articles of Incorporation to increase the Corporation's Authorized Capital stock from Php200 Million up to an amount to be determined by the Board not exceeding P3 Billion.

For working capital purposes and in preparation for the commencement of commercial operations, the Company aims to increase its authorized capital stock from Php200 Million up to an amount to be determined by the Board not exceeding P3 Billion.

4. Amendment of the Amended Articles of Incorporation to change the principal office of the Corporation with delegation of authority to the Board.

The Company desires to relocate its principal office, taking into consideration various factors such as the ease and cost of maintenance, environment, proximity, security and others, as may be determined by the Board. It is proposed that the authority to determine the exact address be delegated to the Board.

5. Amendment of the Amended By-laws to align with the preceding item the venue for stockholders' meetings.

Pursuant to the proposed change in principal office, there is a need to re-align therewith the provision on the venue for stockholders' meetings.

#### **Item 19. VOTING PROCEDURES.**

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

In general, all corporate powers are exercised by the board of directors and stockholders' approval is usually not required. However, the Corporation Code requires (and the by-laws of the corporation may require) stockholders' approval for certain corporate acts. Listed below are the corporate acts that require stockholders' approval under the Corporation Code (as well as the required vote for approval under the Corporation Code):

- amendment of articles of incorporation – vote (or written assent) of at least 2/3 of outstanding capital stock (Corporation Code, sec. 16);
- election of directors – vote of stockholders representing at least a majority of the outstanding capital stock (Corporation Code, sec. 24);
- removal of directors – vote of stockholders holding or representing 2/3 of the outstanding capital stock (Corporation Code, sec. 28);

- ratifying a contract of a director/officer with the corporation – vote of stockholders representing at least 2/3 of the outstanding capital stock (Corporation Code, sec. 32);
- extending or shortening the corporate term – vote of stockholders representing at least 2/3 of the outstanding capital stock (Corporation Code, sec. 37);
- increase or decrease of the capital stock – vote of stockholders representing at least 2/3 of the outstanding capital stock (Corporation Code, sec. 38);
- incurring, creating or increasing bonded indebtedness – vote of stockholders representing at least 2/3 of the outstanding capital stock (Corporation Code, sec. 38);
- sale, lease, exchange, mortgage, pledge of all or substantially all the corporate assets – vote of stockholders representing at least 2/3 of the outstanding capital stock (Corporation Code, sec. 40);
- investment of corporate funds in another corporation or for any purpose other than the primary purpose for which the corporation was organized – vote of stockholders representing at least 2/3 of the outstanding capital stock (Corporation Code, sec. 42);
- issuance of stock dividends – vote of stockholders representing at least 2/3 of the outstanding capital stock (Corporation Code, sec. 43);
- execution of management contracts – vote of stockholders representing at least a majority of the outstanding capital stock (Corporation Code, sec. 44);
- adoption of by-laws – vote of stockholders representing at least a majority of the outstanding capital stock (Corporation Code, sec. 46);
- amendment or repeal of by-laws – vote of stockholders representing at least a majority of the outstanding capital stock (Corporation Code, sec. 48);
- delegation to board of the power to amend or repeal the by-laws or adopt new by-laws – vote of stockholders representing at least 2/3 of the outstanding capital stock (Corporation Code, sec. 48);
- revocation of the power given to the board to amend or repeal the by-laws or to adopt new by-laws – vote of stockholders representing at least a majority of the outstanding capital stock (Corporation Code, sec. 48);
- fixing issue price of no par value shares – a majority of the quorum of the board of directors if authorized by the articles of incorporation, or in the absence of such authority, by a majority of the outstanding capital stock (Corporation Code, sec. 62);
- approval or amendment of a plan of merger or consolidation – vote of stockholders representing at least 2/3 of the outstanding capital stock (Corporation Code, sec. 77);
- dissolution of a corporation – vote of stockholders representing at least 2/3 of the outstanding capital stock (Corporation Code, sec. 77);
- adoption of plan of distribution of assets of a non-stock corporation -vote of 2/3 of members having voting rights (Corporation Code, sec. 95).

During meetings, only stockholders who hold voting shares may vote. Thus, holders of non-voting shares generally cannot vote. However, the Corporation Code allows holders of non-voting shares to vote on the following matters:

- amendment of the articles of incorporation;
- adoption and amendment of by-laws;
- sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the corporate property;
- incurring, creating or increasing bonded indebtedness;
- increase or decrease of capital stock;
- merger or consolidation of the corporation with another corporation or other corporations;
- investment of corporate funds in another corporation or business in accordance with the Corporation Code; and

- dissolution of the corporation.

A stockholder may vote: (1) directly (i.e., in person); or (2) indirectly through a representative. This representative may be a proxy, a trustee under a voting trust agreement, or an executor or other legal representative appointed by the court. With respect to shares of stock that have been pledged, the pledgor still has the right to attend and vote at stockholders' meetings unless the pledgee is expressly given such right in writing which is recorded on the appropriate books by the pledgor. (Corporation Code, sec. 55). In case of shares of stock owned jointly by 2 or more persons, in order to vote the same, the consent of all the co-owners is necessary, unless there is a written proxy signed by all co-owners authorizing one or some of them or any other person to vote such share. Where the shares are owned in an "and/or" capacity, any one of the joint owners can vote said shares or appoint a proxy to vote the shares. (Corporation Code, sec. 56).

Except in cases where voting by ballot is applicable, voting and counting shall be viva voce (voting by speech). If by ballot, the counting shall be supervised by the external auditors by the external auditors and transfer agent of the Corporation.

All stockholders of record at the close of business hours on September 17, 2015 shall be entitled to cumulative voting rights with respect to the election of direction. A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulative said shares and give one candidate as many votes as the number of directors to be elected multiplied by the of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation as of the said record date multiplied by the whole number of directors to be elected.

The following rules are adopted in the nomination and election of independents directors:

- The nomination of Committee shall have at least three (3) members, one of whom is the independent director.
- Nomination of Independent director/s shall be conducted by the committee prior to a stockholder's meeting. All recommendation shall signed by the nominating stockholders together with the acceptance and the conformity of the would-be-nominees.
- The Committee shall pre-screen policies the qualifications and prepares a final list of candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director/s.
- After the nomination, the committee shall prepare a final list of candidates which shall contain all the information about the nominees for independent directors, required under SRC Rule 12, which list shall be made available to the commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the Corporation is required to submit to the Commission. The name of the person or group of person who recommend the nomination of the independent directors shall be identified in such report in such report including any relationship with the nominee.

### Undertaking to Provide Financial Reports


The Corporation undertakes to provide each stockholder a copy of its 2009-2014 Annual Reports (SEC Form 17-A) without charge and upon written request to the Corporation. Exhibits will also be provided free of charge. Such written request should be directed to Pacifica, Inc. with address at Manila Harbour Centre, R-10, Vitas, Tondo, Manila.

Please note that soft copies of the above reports are available on the PSE Edge website <http://edge.pse.com.ph> under Pacifica, Inc. company filings.

**PACIFICA, INC**

Issuer

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 Manila on September 23, 2013.

  
**MA. ANGELES B. SUMAGUI**  
Corporate Secretary  
Pacifica, Inc.  
Date: September 23, 2015