

COVER SHEET

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P A C I F I C A , I N C .

(Company's Full Name)

C / O M A N I L A H A R B O R C E N T R E ,  
R - 1 0 , V I T A S , T O N D O ,  
M A N I L A 1 0 1 3 M E T R O M A N I L A  
P H I L I P P I N E S

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

CRISTINA S. PALMA-GIL FERNANDEZ  
Contact Person

8880999  
Company Telephone Number

Month Day  
Fiscal Year

SEC Form 20-IS  
FORM TYPE

Month Day  
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings  
Domestic Foreign

To be accomplished by SEC Personnel concerned  
File Number  
Document I.D.

LCU  
Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE



1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter : **PACIFICA, INC.**
3. Province, country or other jurisdiction of incorporation or organization : **Philippines**
4. SEC Identification Number : **013039**
5. BIR Tax Identification Number : **320-000-484**
6. Address of Principal Office : **c/o Manila Harbour Centre, R-10, Vitas, Tondo, Manila**
- Postal Code : **1013**
7. Registrant's telephone number, including area code : **(632) 637 8851**
8. Date, time and place of the meeting of security holders : **8 December 2016; [9:00] a.m. at 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 given to security holders : **15 November 2016**
10. In case of Proxy Solicitations:  
*Name of Person Filing the Statement/Solicitor:* : **Not applicable**  
*Address and Telephone No.* : **Not applicable**
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):
- | Title of each class  | Number of Common Stock Outstanding or Amount of Debt Outstanding |
|----------------------|------------------------------------------------------------------|
| <b>Common Shares</b> | <b>40,000,000,000</b>                                            |
12. Are any or all of registrant's securities listed on a Stock Exchange?  
Yes  No
- If yes, disclose the name of such Stock Exchange and the class of securities listed therein.  
**The common shares of PACIFICA, INC. are listed on the Philippine Stock Exchange.**

## NOTICE OF ANNUAL STOCKHOLDERS' MEETING

### GREETINGS:

Please take notice that the Annual Meeting of Stockholders of PACIFICA, INC. will be held on **8 December 2016** (time and venue to be announced) to discuss the following matters in the Agenda:

### AGENDA

1. Call to Order
2. Proof of Service of Notice
3. Certification of Presence of Quorum
4. Approval of the Minutes of the Annual Stockholders' Meeting held on 16 October 2015
5. Ratification of all acts of the Board of Directors and Officers since the 2015 Annual Stockholders' Meeting adopted in the ordinary course of business
6. Approval of the Annual Report and Audited Financial Statements of the Company for the year ended 31 December 2015
7. Report of Management
8. Amendment of the Seventh Article of the Articles of Incorporation to provide for the increase in the Company's authorized capital stock from Php200 million to Php5 billion
9. Election of the Members of the Board of Directors including the Independent Directors for the Ensuing Year
10. Appointment of the Company's External Auditors for Fiscal Year 2016
11. Other Matters

For purposes of the meeting, only stockholders of record as of **8 November 2016** are entitled to attend and vote in the said meeting.

For your convenience in registering your attendance, please have some form of identification such as a passport, driver's license or voter's I.D.

The Company is not soliciting proxies.

  
**CRISTINA S. PALMA GIL-FERNANDEZ**  
Corporate Secretary

## INFORMATION STATEMENT

### A. GENERAL INFORMATION

#### Item 1. Date, Time, and Place of Meeting of Security Holders

Date : 8 December 2016  
Time : [9:00] a.m.  
Place : Room 201 Metropolitan Club, Estrella cor. Amapola  
Streets, Guadalupe Viejo, Makati City

Complete mailing address of the principal office of the Company : c/o Manila Harbour Centre, R-10, Vitas, Tondo, Manila

Approximate date when the Information Statement is first to be sent out to stockholders of record: : 15 November 2016

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

#### Item 2. Dissenter's Right of Appraisal

Pursuant to Section 81 of the Corporation Code, (1) in case of amendment to the articles of incorporation that has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence, (2) in case of lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code, and (3) in case of merger or consolidation, any stockholder of the Company shall have the right to dissent and demand payment of the fair value of his shares.

As provided in Section 82 of the Corporation Code, this appraisal right may be exercised by any stockholder who shall have dissented to such corporate action, by making a written demand on the Company within thirty (30) days after the date on which the vote was taken, for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right.

Within ten (10) days after demanding payment for his shares, a dissenting stockholder shall submit to the Company the certificate(s) of stock representing his shares for notation thereon that such shares are dissenting shares. His failure to do so shall, at the option of the Company, terminate his appraisal rights. No demand for payment as aforesaid may be withdrawn by the dissenting stockholder unless the Company consents thereto.

If the corporate action is implemented or effected, the Company shall pay to such dissenting stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of a merger if such be the corporate action involved.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Company, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the Company within thirty (30) days after such award is made. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment. Upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

There are no corporate matters or actions that will entitle dissenting stockholders to exercise their right of appraisal as provided in Title X of the Corporation Code.

**Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

Other than the election to office to include the nomination and election of directors and independent directors, there are no matters to be acted upon in which any director or executive officer is involved or had a direct, indirect, or substantial interest. Furthermore, no director has informed the registrant, in writing or otherwise, that he/she intends to oppose any action to be taken by the registrant at the Meeting.

**B. CONTROL AND COMPENSATION INFORMATION**

**Item 4. Voting Securities and Principal Holders Thereof**

As of 30 September 2016, the number of shares issued and outstanding of PACIFICA, INC. ("PA" or the "Company") is 40,000,000,000 shares with a par value of Php0.005 per share.

All stockholders of record at the close of business hours on 8 November 2016 (the "Record Date") are entitled to notice and to vote at the Annual Stockholders' Meeting.

A common stockholder entitled to vote at the Meeting shall have the right to vote in person or by proxy the number of shares registered in his name in the stock and transfer book of the Company as of the Record Date. With respect to the election of directors, said stockholder may vote such number of shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

**Security Ownership of Certain Record and Beneficial Owners**

The Company has no knowledge of any person who, as of 30 September 2016, was directly or indirectly the beneficial owner of more than five percent (5%) of the Company's outstanding shares of common stock or who has voting power of investment with respect to shares comprising more than five percent (5%) of the Company's outstanding shares of common stock except as stated below:

Title of Class	Name	Address	No. of Shares Held	Name of Beneficial Owner and Relationship & Relationship with Record Owner	Citizenship	%
Common shares	9 <sup>th</sup> Kingdom Investments, Inc.* (Stockholder)	Unit 401, Manggahan Village, Pasig City	13,424,270,000	Beneficial owner	Filipino	33.56
Common Shares	PCD Nominee Corporation** (Stockholder)	37F Tower 1, The Enterprise Center, Makati City	18,434,332,224	The participants of PCD are the beneficial owners of such shares. These include the shares owned by <b>iHoldings, Inc.</b> equivalent to 27.65% of the voting securities of the Company. Atty. Lowell L. Yu is the President and authorized	Filipino	46.09

				representative of iHoldings, Inc.		
		<b>TOTAL</b>	<b>31,858,602,224</b>			<b>79.65</b>

\*9th Kingdom Investments, Inc. is a holding company with investments in power-related activities. Mr. Jose Gervacio S. Amistoso is usually named, constituted, and appointed as the authorized representative to vote all shares beneficially owned by the corporation.  
 \*\*PCD Nominee Corporation ("PCNC") is a wholly owned subsidiary of Philippine Central Depository, Inc. ("PCD") and is registered owner of the shares in the books of the Company's transfer agent. PCD participants deposit eligible securities in PCD through a process of lodgment, where legal title to the securities is transferred and held in trust by PCNC. The participants of PCD and/or their clients are the beneficial owners of such shares.

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

Name of Corporate Stockholder	Authorized Representative
9th Kingdom Investments, Inc.	Jose Gervacio S. Amistoso
iHoldings, Inc.	Lowell L. Yu
Mikro-Tech Capital, Inc.	Michael L. Romero

#### Security Ownership of Directors and Management

The following table shows the shareholdings beneficially held by the directors and executive officers of the Company as of 30 September 2016:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	% of Total Outstanding Shares
		Direct	Indirect		
Common	Lowell L. Yu	100,000	0	Filipino	0.00
Common	Winglip K. Chang	200,000	0	Filipino	0.00
Common	Alexander S. Roleda	100,000	0	Filipino	0.00
Common	Michael L. Romero	0	1,185,424,000*	Filipino	2.96
Common	Marvee M. Espejo	0	10,000	Filipino	0.00
Common	Jose Gervacio S. Amistoso	0	10,000	Filipino	0.00
Common	Ian Vincent S. Ludovice	0	100,000	Filipino	0.00
Common	Mark Werner J. Rosal	100,000	0	Filipino	0.00
Common	Vittorio P. Lim	0	100,000	Filipino	0.00
	<b>TOTAL</b>	<b>500,000</b>	<b>1,185,644,000</b>		<b>2.96</b>

\*Michael L. Romero is the Chairman of Mikro-Tech Capital, Inc. (MTCI).

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

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

#### Change in Control

The Company is not aware of any arrangements entered into by its shareholders which may result in a change in control of the Company.

#### Item 5. Directors and Executive Officers

The following served as directors and principal officers of the Company for the year 2015:

Name	Age	Nationality	Position
Lowell L. Yu	38	Filipino	Chairman
Winglip K. Chang	64	Filipino	President and Chief Executive Officer

Alexander S. Roleda	60	Filipino	Director
Michael L. Romero	44	Filipino	Director (Resigned effective 21 October 2016)
Marvee M. Espejo	42	Filipino	Director
Jose Gervacio S. Amistoso	43	Filipino	Director
Ian Vincent S. Ludovice	36	Filipino	Director
Mark Werner J. Rosal	40	Filipino	Independent Director
Vittorio P. Lim	31	Filipino	Independent Director
Cristina S. Palma Gil-Fernandez	48	Filipino	Corporate Secretary (Replaced Lyra Gracia Y. Lipae-Fabella who resigned effective 30 September 2016)
Maria Elena E. Pocong	38	Filipino	Treasurer

The business experience for the past five (5) years of each of the current directors and principal officers, as well as the other nominee(s) for the 2016 Board of Directors is set forth below.

**Lowell L. Yu**

*Chairman of the Board*

Atty. Yu is currently a director of the Company and 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.

**Winglip K. Chang**

*President and Chief Executive Officer*

Mr. Chang is the President and Chief Executive Officer of iKitchen, Inc. and 101 Restaurant City, Inc. He earned his Bachelor's Degree in Electrical Engineering from the Silliman University in Dumaguete City.

**Alexander S. Roleda**

*Director*

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

**Michael L. Romero**

*Director*

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**

*Director*

Mr. Espejo serves as Vice President for Mikro-tech Company, Inc. (2007 to present), a managing company focused on the exploration, operation, and management of mineral claims. He is also the

President of One Source Port Support Services, Inc. (2004 to present) and Director of 168 Ferrum Pacific Mining Corp. (2007 to present). He was previously the Information and Communications Technology Director of Harbour Centre Port Terminal Inc. (2005 to 2007).

**Jose Gervacio S. Amistoso**

*Director*

Mr. Amistoso is the President of Zeus Ancillary Port Services and Trading Company, Inc., 9<sup>th</sup> 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.

**Ian Vincent S. Ludovice**

*Director*

Atty. Ludovice is a lawyer at Cuison, Daguiond, Mendoza-Martelino Attorneys-at-Law. He also acts as legal consultant for certain members of the Senate and the House of Representatives. He previously served as Special Legal Consultant of the Land Transportation Franchising and Regulatory Board, Legal Officer of the Optical Media Board, and Attorney VI at the Legal Office of the Office of the President of the Philippines. Atty. Ludovice obtained his Bachelor of Laws from Arellano University in 2006 and holds a degree in Commerce, Major in Business Management and Entrepreneurship from San Beda College.

**Mark Werner J. Rosal**

*Independent Director*

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 Agaru 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 in the top 5% of his law school batch at University of San Carlos in Cebu City.

**Vittorio P. Lim**

*Independent Director*

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 to 2009; and Trader and Trainee of First Resources from 2007 to 2008. Mr. Lim obtained his Bachelor of Arts degree, major in Interdisciplinary Studies from the Ateneo de Manila University.

**Leonardo M. Galang**

*Nominated as Director*

Mr. Galang is currently the Executive Vice President and Chief Operating Officer of Global City Mandaue Corporation. Among the positions he had previously held were as follows: Research and Business Development Officer of Harbour Centre Port Terminal, Inc., Director of Zamboanga City Integrated Port Services, Inc., and Sports Marketing Liaison Officer of Globalport Batang Pier Basketball Team. Mr. Galang holds a Bachelor of Business, Major in Marketing and Management from Griffith University – Gold Coast and a Business Administration (Marketing) Advance Diploma from Thames International Business School.

The business experience for the past five (5) years of each of the current principal officers is set forth below.



**Lowell L. Yu**  
*Chairman of the Board*  
*See above*

**Winglip K. Chang**  
*President and Chief Executive Officer*  
*See above*

**Cristina S. Palma Gil-Fernandez**  
*Corporate Secretary*

Atty. Palma Gil-Fernandez assumed the position of Corporate Secretary of the Company in October 2016. Atty. Palma Gil-Fernandez graduated with a Bachelor of Arts degree, Major in History (Honors) from the University of San Francisco in 1989, and with a *Juris Doctor* degree, second honors, from the Ateneo de Manila University in 1995. She is currently a Partner at Picazo Buyco Tan Fider & Santos Law Offices and has more than 20 years of experience in corporate and commercial law, with emphasis on the practice areas of banking, securities and capital markets (equity and debt), corporate reorganizations and restructurings and real estate.

**Maria Elena E. Pocong**  
*Treasurer*

Ms. Pocong is a certified public accountant with sixteen (16) years of experience in audit and accounting, having extensively practiced accounting for construction, mining, restaurant, retail, and real estate development. She is currently the Finance and Accounting Head of iHoldings, Inc. and its subsidiaries, prior to which, she was an external auditor at SGV & Co. Ms. Pocong landed as Top 19 examinee during the 2000 CPA Board Exam.

#### **Information Required of Directors and Executive Officers**

##### **Directors and Executive Officers**

As of the date of this Information Statement, the following persons have been nominated to the Board for election at the Annual Stockholders' Meeting and have accepted their nomination:

LOWELL L. YU  
WINGLIP K. CHANG  
ALEXANDER S. ROLEDA  
MARVEE M. ESPEJO  
JOSE GERVAICIO S. AMISTOSO  
IAN VINCENT S. LUDOVIC  
LEONARDO M. GALANG  
MARK WERNER J. ROSAL as independent director  
VITTORIO P. LIM as independent director

The nominees, other than the nominees for independent directorships, were formally nominated to the Nomination Committee of the Board by Atty. Lowell L. Yu, a shareholder of the Company. Mr. Mark Werner J. Rosal and Mr. Vittorio P. Lim are being nominated as independent directors, having possessed the qualifications and none of the disqualifications of an independent director, and were nominated by Atty. Ian Norman E. Dato in accordance with the guidelines for the nomination and election of independent directors pursuant to Rule 38 of the Securities Regulation Code (SRC). Atty. Dato is not related to any of the nominees including Mr. Rosal and Mr. Lim.

The qualifications of all nominated directors, including the nominated independent directors, have been pre-screened in accordance with the Code of Corporate Governance and By-Laws of the Company. Only the nominees whose names shall appear on the final list of candidates are eligible for election as directors (independent or otherwise), in accordance with the procedure set forth in the By-Laws of the Company. No other nominations will be entertained after the preparation of the final list of

candidates and no further nominations shall be entertained or allowed during the Annual Stockholders' Meeting.

The amendment of the Company's By-Laws in relation to the procedures on nomination and election of Independent Directors pursuant to SRC Rule 38, as amended, was approved on 14 August 2009.

### Significant Employees

The Company 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 Company and will not compete upon termination.

### Family Relationships

There are no family relationships among the incumbent and incoming directors and officers of the Company.

### Involvement in Certain 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.*, docketed as Civil Case No. 09-122278 and filed in Branch 24 of the Regional Trial Court of Manila, where the Company 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, the following cases filed by and/or against Dr. Michael L. Romero, are 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-hour 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 lapsed but there was 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-Marikina Branch 272 wherein it is awaiting submission of Comment/Opposition by plaintiff to the Amended Motion to Dismiss.
- SEC Case No. 15134194. *Harbour Centre Port Terminal, Inc. v. Michael L. Romero, Edwin Joseph G. Galvez, Edwin L. Jeremillo, Gilbert I. Nolasco, Inigo U. Zobel, Col. Ariel O. Querubin, Patrick T. Lague, 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 TRO and/or Writ of Preliminary 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. v. 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 within the last five (5) years 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 any incumbent member of the Board of 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, permanently 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 a domestic or foreign court of competent jurisdiction (in civil action), the Securities and Exchange Commission 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 Notes to the Interim Unaudited Financial Statements.

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control 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 also 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 discloses the nature of the related party relationship and information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements, including, as a minimum, the amount of outstanding balances and its terms and conditions including whether they are secured, and the nature of the consideration to be provided in settlement.

The Company entered into transactions with related parties principally consisting of noninterest-bearing intercompany advances to and from related parties. The details as of 30 June 2016 and 31 December 2015 follow:

The Company's related parties include its stockholders as described below.

The summary of the Company's transactions and outstanding balances in with its related parties is as follows:

<u>Related Party Category</u>	<u>Amount of Transactions (Php)</u>			<u>Outstanding Balance (Php)</u>	
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2015</u>	<u>2014</u>
STOCKHOLDERS <i>Mikro-Tech Capital, Inc.</i>					

(MTCI)					31,773,893
Advances	-	-	-	-	-
Accommodation payments	1,148,607	1,289,632	-	-	-
Write-off	30,625,286	-	-	-	-
9 <sup>th</sup> Kingdom					20,000,000
Advances	-	-	-	-	-
Write-off	20,000,000	-	-	-	-
iHoldings, Inc.					
Accommodation payments	662,356	-	-	662,356	-

#### *Due from Related Parties*

MTCI bills the Company for its share in rent, association dues and utilities amounting to Php1,148,607 and Php1,289,632 in 2015 and 2014, respectively and is offset against the advances of the Company to MTCI. In 2015, management has assessed that the outstanding balance of MTCI, after offsetting of payables amounting to Php30,625,286 will no longer be recovered and as such was provided with 100% allowance for impairment (see Note 11 to the Interim Unaudited Financial Statements). In 2013, the Company provided 100% allowance on receivables from 9th Kingdom amounting to Php20,000,000 (see also Note 11 ).

In 2015, the outstanding balance of the receivables from MTCI and 9th Kingdom were written off against the related allowance for impairment after obtaining approval from the BOD and stockholders during the annual stockholders meeting of the Company on 16 October 2015.

#### *Due to a Related Party*

As of 30 June 2016, iHoldings, Inc. has accommodated certain expenses on behalf of the Company. Such amount is presented as Due to a Related Party.

#### **Resignation of Directors**

No director has resigned from, or declined to stand for re-election to the Board since the date of the 2015 Annual Stockholders' Meeting due to any disagreement with the Company relative to its operations, policies, and practices.

#### **Item 6. Compensation of Directors and Executive Officers**

##### **Executive Compensation**

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 Company are as follows:

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

	Year	Total <sup>(1)</sup> (P)
CEO and the four most highly compensated executive officers.....	2013	n/a
	2014	n/a
	2015	n/a
	2016 (est.)	n/a
Aggregate compensation paid to all other officers as a group unnamed.....	2013	n/a
	2014	n/a
	2015	n/a
	2016 (est.)	n/a

Note:

(1) Includes salary, bonuses, and other income.

The members of the Board of Directors do not receive fixed compensation but are given reasonable *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 four (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.

### **Standard Arrangements**

Other than payment of such reasonable *per diem* there are no standard arrangements pursuant to which directors of the Company are compensated, or were compensated, directly or indirectly, for any services provided as a director and for their committee participation or special assignments for 2013 up to the present.

### **Other Arrangements**

There are no other arrangements pursuant to which any director of the Company was compensated, or to be compensated, directly or indirectly, during 2015 for any service provided as a director.

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

### **Employment Contracts**

The Company has no special employment contracts with the named executive officers.

### **Warrants and Options Outstanding**

There are no outstanding warrants or options held by the President, the named executive officers, and all officers and directors as a group.

### **Item 7. Independent Public Accountants**

The external auditor of the Company is the accounting firm of Punongbayan & Araullo, appointed by the stockholders during the Annual Stockholders' Meeting on 16 October 2015. The Board, upon the recommendation of the Company's Audit Committee, approved the reappointment of Punongbayan & Araullo as the Company's independent auditor for 2016 based on their performance and qualifications. The Audit Committee is composed of Mr. Mark Werner J. Rosal (independent director) as Chairman, and Messrs. Alexander S. Roleda and Marvee M. Espejo as members.

The reappointment of Punongbayan & Araullo will be presented to the stockholders for their approval at the Annual Stockholders' Meeting.

Representatives of Punongbayan & Araullo for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

### **Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

The financial statements of the Company as of and for the year ended 31 December 2015 were audited by Punongbayan & Araullo, Sycip, Gorres, Velayo & Co. previously acted as the Company's independent public accountant.

There was no event during the two most recent fiscal years where Punongbayan & Araullo and Sycip, Gorres, Velayo & Co., respectively, had any disagreement with the Company with regard to any matter relating to accounting principles or practices or financial statements 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 currensnt audit.

To comply with the requirements of SRC Rule 68 (3)(b)(iv), the signing partners of Punongbayan & Araullo shall be rotated every five (5) years or earlier. The partner-in-charge for the year 2015 is Mr. Christopher M. Ferarezza. He is likewise the partner-in-charge for the ensuing year.

Further, Punongbayan & Araullo has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

#### **Audit and Audit-Related Fees**

The following table sets forth the aggregate fees billed for the past year for professional services rendered by of Punongbayan & Araullo:

<b>Year</b>	<b>Audit and Audit-Related Fees (Php)</b>	<b>Tax Fees (Php)</b>	<b>Other Fees (Php)</b>
2015	280,000.00	0.00	42,000.00

The audit fees of Sycip, Gorres, Velayo & Co. for 2014 and 2013 are as follows:

<b>Year</b>	<b>Audit and Audit-Related Fees (Php)</b>	<b>Tax Fees (Php)</b>	<b>Other Fees (Php)</b>
2014	153,000.00	18,360.00	18,640.00
2013	153,000.00	18,360.00	18,640.00

Tax Fees. No aggregate fees were billed in the past fiscal year 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 other aggregate fees were billed in the past fiscal year for products and services provided by the external auditor.

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

#### **Item 8. Compensation Plans**

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

### **C. ISSUANCE AND EXCHANGE OF SECURITIES**

#### **Item 9. Authorization or Issuance of Securities Other than for Exchange**

- (a) Prior to the date of the Annual Stockholders Meeting of the Company, the Board of Directors of the Company is expected to approve the amendment of the Seventh Article of the Amended Articles of Incorporation of the Company to reflect an increase in the authorized capital stock of the company from Php200 million to Php5 billion, with par value of Php0.005 per share, for working capital purposes and in preparation for the commencement of commercial operations. Ratification and/or approval of the shareholders shall be sought with respect to the above described increase in the authorized capital stock of the Company.
- (b) In relation to the said increase in authorized capital stock of the Company, common shares shall be issued by the Company in order to comply with the requirements under the Corporation Code of the Philippines and relevant regulations of the Securities and Exchange Commission that at least twenty five percent (25%) of the increase in capital has been

subscribed and that one hundred percent (100%) of the amount subscribed has been paid either in actual cash to the Company or such other consideration allowed under the law, the valuation of which is equal to one hundred percent (100%) of the subscription.

The Board of Directors of the Company is further expected to approve from time to time within the ensuing period (and prior to the next annual meeting of the shareholders of the Company) the issuance of shares of stock of the Company either out of the current unissued capital stock or the capital stock of the Company as increased, the proceeds of which will be used to fund additional working capital of the Company and investment opportunities that the Company is yet to identify.

Currently, the Company has not yet identified the party or parties who or which will subscribe to the aforesaid issuances. Moreover, the Company is yet to finalize the exact number and amount of shares to be issued or the consideration for such shares, all of which shall be disclosed to the SEC, PSE, stockholders and public at the appropriate time.

Nevertheless, to meet the exigencies of business in a timely manner and take advantage of the opportunities presented to the Company, ratification and/or approval shall be sought with respect to the issuance of common shares in favor of new investors and/or existing stockholders (including shareholders holding majority shares) out of the current unissued and/or increase in the authorized capital stock of the Company as described above, as well as the listing of these shares in the PSE.

#### **Item 10. Modification or Exchange of Securities**

There are no actions or matters to be discussed in the Annual Stockholders' Meeting with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one (1) class of securities of the Company in exchange for outstanding securities of another class.

#### **Item 11. Financial and Other Information**

- (i) Management's Discussion and Analysis of Financial Condition and Results of Operations, market price of shares and dividends, and other data related to the Company's financial information are attached hereto as **Annex "A"**.
- (ii) The Audited Financial Statements for the year ended 31 December 2015 is attached hereto as **Annex "B"**.
- (iii) The Quarterly Report for the Quarterly Period ended 30 September 2016 is attached hereto as **Annex "C"**.

#### **Item 12. Mergers, Consolidations, Acquisitions, and Similar Matters**

There are no actions or matters to be discussed in the Annual Stockholders' Meeting with respect to mergers, consolidations, acquisitions, sales, or other transfers of all or any substantial part of the assets of the Company, liquidation or dissolution of the Company, and similar matters.

#### **Item 13. Acquisition or Disposition of Property**

There are no actions or matters to be discussed in the Annual Stockholders' Meeting with respect to the acquisition or disposition of any significant Company property.

#### **Item 14. Restatement of Accounts**

There are no actions or matters to be discussed in the Annual Stockholders' Meeting with respect to the restatement of any asset, capital, or surplus account of the Company.

## **D. OTHER MATTERS**

### **Item 15. Action with Respect to Reports**

The following are to be submitted for approval during the Annual Stockholders' Meeting:

- (i) Minutes of the Annual Stockholders' Meeting held on 16 October 2015;
- (ii) President's Report based on the Annual Report and 2015 Audited Consolidated Financial Statements of the Company;
- (iii) Annual Report and Audited Financial Statements for the fiscal year ended 31 December 2015;
- (iv) Election of Directors, including Independent Directors;
- (v) Election/appointment of External Auditor; and
- (vi) General ratification of all the acts and proceedings of the incumbent Board of Directors and Management from the date following the last annual stockholders' meeting which are covered by resolutions duly adopted in the normal course of trade or business such as:
  - a. Approval of the minutes of previous meetings;
  - b. Approval of the audited financial statements;
  - c. Changing of bank account signatories; and
  - d. Approval of the schedule, venue, and agenda of the Annual Stockholders' Meeting.

### **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 17. Amendment of Charter, By-Laws, or Other Documents**

The amendment of the Seventh Article of the Articles of Incorporation to provide for the increase in the Company's authorized capital stock from Php200 million to Php5 billion will be taken up during the Annual Shareholders' Meeting.

Apart from this, no other actions or matters will be discussed with respect to any amendment of the Company's charter, By-Laws, or other documents.

### **Item 18. Other Proposed Actions**

- (i) Amendment of the Seventh Article of the Articles of Incorporation to provide for the increase in the Company's authorized capital stock from Php200 million to Php5 billion;
- (ii) Election of the members of the Board of Directors, including independent directors, for the ensuing calendar year; and
- (iii) Reappointment of external auditors.

### **Item 19. Voting Procedures**

#### *Manner of Voting*

In all items for approval, except in the election of directors, each share of stock entitles its registered owner to one vote.

For the purpose of electing directors, a stockholder may vote such number of his shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them in the same principle among as many candidates as he shall see fit.

Unless required by law, or demanded by a stockholder present or represented at the meeting and entitled to vote thereat, voting need not be by ballot and will be done by show of hands.



The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies.

*Vote Required*

With respect to the election of directors, candidates who received the highest number of votes shall be declared elected.

With respect to the adoption of the Audited Financial Statements for the year ended 31 December 2015, as well as the approval or ratification of the other actions set forth under the heading "Other Proposed Actions" above, the vote of majority of the outstanding capital stock entitled to vote and represented in the meeting is required to approve such matters.

*Method*

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at the Annual Meeting of the stockholders.

Unless required by law, or demanded by a stockholder present or represented at the meeting and entitled to vote thereat, voting need not be by ballot and will be done by show of hands.

*Nomination and Election of Independent Directors*

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

- The Nomination Committee shall have at least three (3) members, one of whom is an independent director.
- Nomination of independent directors shall be conducted by the Committee prior to a stockholder's meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and the conformity of the would-be nominees.
- The Committee shall pre-screen the qualifications, prepare 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.
- After the nomination, the Committee shall prepare a final list of candidates which shall contain all the information about the nominees for independent director required under SRC Rule 12, which list shall be made available to the Securities and Exchange 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 Company is required to submit to the SEC. The name of the person or group of persons who recommend the nomination of the independent directors shall be identified in such report, including any relationship with the nominee.

**UNDERTAKING**

UPON WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. SUCH WRITTEN REQUEST SHOULD BE ADDRESSED TO:

THE OFFICE OF THE CORPORATE SECRETARY  
Penthouse, Liberty Center,  
104 H.V. dela Costa Street,  
Salcedo Village, Makati City

**UNDERTAKING**

WE UNDERTAKE TO (i) SUBMIT THE SIGNED CERTIFICATIONS OF INDEPENDENT DIRECTORS AND THE CERTIFICATION THAT NO DIRECTOR/OFFICER HOLDS ANY POSITION IN GOVERNMENT WITHIN THIRTY (30) DAYS FROM THE ANNUAL STOCKHOLDERS' MEETING AND (ii) FURNISH COPIES OF THE COMPANY'S QUARTERLY REPORT ON SEC FORM 17-Q FOR THE QUARTER ENDED 30 SEPTEMBER 2016 TO THE STOCKHOLDERS DURING THE ANNUAL STOCKHOLDERS' MEETING ON 8 DECEMBER 2016.

**SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on 11 4 NOV 2016.

**PACIFICA, INC.**

By:

  
**CRISTINA S. PALMA GIL-FERNANDEZ**  
*Corporate Secretary*