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 HOLDINGS, 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	:	**China Bank Corporate Center, Lot 2, Samar Loop corner Road 5, Cebu Business Park, Mabolo, Cebu City**
	Postal Code	:	**6000**
7.	Registrant's telephone number, including area code	:	**(632) 637 8851**
8.	Date, time and place of the meeting of security holders	:	**26 November 2020, 2:00 p.m., to be conducted online via Zoom** **The Chairman will conduct the online meeting from the principal place of business of the Company at China Bank Corporate Center, Lot 2, Samar Loop corner Road 5, Cebu Business Park, Mabolo, Cebu City.**
9.	Approximate date on which the Information Statement is first to be sent or given to security holders	:	**5 November 2020**
10.	*<u>In case of Proxy Solicitations:</u>* *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
Common Shares	**325,000,000**

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 HOLDINGS, INC. are listed on the Philippine Stock Exchange.

PACIFICA HOLDINGS, INC.
China Bank Corporate Center,
Lot 2, Samar Loop corner Road 5
Cebu Business Park, Brgy. Mabolo, Cebu City

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

G R E T I N G S:

Please be advised that the Annual Meeting of Stockholders of PACIFICA HOLDINGS, INC. (the "**Company**") for the year 2020 will be conducted **online** on **26 November 2020**, at **2 p.m.** Stockholders who wish to participate in the proceedings may do so by signing on at the following URL address: https://registration.pacifica.ph/

A G E N D A

1. Call to Order

2. Certification of Notice and Quorum

3. Approval of the Minutes of the Annual Stockholders' Meeting held on 5 December 2018

4. Presentation and Adoption of the President's Report and Annual Report and Approval of the Audited Financial Statements for the year 2019;

5. Ratification of all acts of the Board of Directors and Officers since the 2018 Annual Stockholders' Meeting adopted in the ordinary course of business

6. Election of the Members of the Board of Directors including the Independent Directors for the Ensuing Year

7. Appointment of the Company's External Auditors for Fiscal Year 2020

8. Ratification of the Issuance of 125,000,000 common shares with par value of Php1.00 per share issued in favor of Unido Capital Holdings, Inc. out of the increase in the authorized capital stock of the Company ("**Additional Shares**")

9. Approval of the listing of the Additional Shares with the Philippine Stock Exchange

10. Other Matters

The Agenda Details and Rationale are appended to this Notice as Schedule 1.

Minutes of the last Annual Meeting of Stockholders held on 5 December 2018 is available at the website of the Company, http://pacifica.ph/corporate.html , and will be appended to the Information Statement that will be distributed or disseminated to all stockholders as of the record date.

The Board of Directors has set the 3rd day of November 2020, as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting.

Given the current circumstances and in order to ensure the safety and welfare of our stockholders in light of the COVID-19 situation, the Company will dispense with the physical attendance of stockholders at the meeting. Consequently, attendance will only be by remote communication, with voting being accomplished *in absentia* through the Company's online voting system at URL address: https://registration.pacifica.ph/ or through the Chairman of the meeting, as proxy.

Stockholders intending to participate by remote communication should pre-register with the Company via the Company's electronic registration and online-voting system at URL address: https://registration.pacifica.ph/ during the given registration period and in any case, no later than 19 November 2020.

Following such pre-registration and subject to validation procedures, stockholders may vote either electronically via the URL provided above, no later than 26 November 2020 or submit duly accomplished proxies on or before 19 November 2020 to the Office of the Corporate Secretary at Picazo Buyco Tan Fider & Santos Law Office, Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City and/or by email to cpalmagil@picazolaw.com or rvgonzales@picazolaw.com. Validation of proxies is set on 21 November 2020 at 2:00 pm.

The detailed rules and procedures for participating in the meeting through remote communication and for casting their votes in absentia are set forth in the Information Statement and Schedule 2 of this Notice.

In compliance with the SEC Advisory dated 6 May 2015, a copy of the Interim Unaudited Financial Statements of the Company as of and for the quarter ended 30 September with Management Discussion and Analysis shall be posted in the website of the Company on or before 26 November 2020. A hard copy of the same Interim Unaudited Financial Statements will be provided to any requesting shareholder, free of charge, as soon as said Interim Unaudited Financial Statements becomes available but in no case later than 26 November 2020.

Very truly yours,

Cristina S. Palma Gil

CRISTINA S. PALMA GIL-FERNANDEZ
Corporate Secretary

AGENDA DETAILS AND RATIONALE

1. Call to Order

The Chairman of the Board of Directors, Atty. Lowell L. Yu, will call the meeting to order.

2. Certification of Notice and Quorum

The Corporate Secretary, Atty. Cristina S. Palma Gil-Fernandez will certify that copies of the Notice of Meeting were duly published in the business section of two (2) newspapers of general circulation, and will certify the number of shares represented in the meeting, for the purpose of determining the existence of quorum to validly transact business.

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, the Corporation has set up a designated web address which may be accessed by the stockholders to participate and vote in absentia on the agenda items presented for resolution at the meeting. A stockholder who votes in absentia or who participates by remote communication shall be deemed present for purposes of quorum.

The following are the rules and procedures for the conduct of the meeting:

(i) Stockholders may register for and attend the meeting remotely through the Company's electronic registration and online-voting system. Stockholders may send their questions or comments prior to the meeting by e-mail at info@pacifica.ph .The Company's electronic registration and online-voting system shall include a mechanism by which questions may be posted live during the meeting. The Company will endeavor to answer all questions submitted prior to and in the course of the meeting, or separately through the Company's investor relations office.

(ii) Each of the Agenda items which will be presented for resolution will be shown on the screen during the live streaming as the same is taken up at the meeting.

(iii) Voting shall only be allowed for stockholders registered in the Company's electronic registration and online-voting system at https://registration.pacifica.ph/ or through the Chairman of the meeting as proxy.

(v) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock represented at the meeting.

(vi) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.

(vii) The Company's stock transfer agent and Corporate Secretary will tabulate and validate all votes received.

3. Approval of the minutes of the last stockholders' meeting held on 5 December 2018

The minutes of the last Annual Meeting of Stockholders held on 5 December 2018 will be presented for approval by the stockholders, in keeping with Section 49(a) of the Revised Corporation Code. A copy of such minutes has been uploaded on the Company's website and will also be distributed to the stockholders prior to the meeting.

4. Presentation and Adoption of the President's Report and Annual Report and Approval of the Audited Financial Statements for the year 2019

The President's Report and the Annual Report of the Company for the year 2019 and the audited financial statements of the Company for the year ended 31 December 2019 (a copy of which is attached to this Information Statement) will be presented for the information, understanding, and approval of the stockholders. The President's Report and Annual Report for 2019 will provide context and details on the financial performance and results of operations of the Company for 2019. This report and presentation are in line with the Company's s thrust to observe and abide by the best corporate governance practices. It will allow stockholders to understand the financial condition of the Company and they will be given the opportunity to propound questions to management on matters relating to the performance of the Company.

The comments and feedback from the stockholders and their approval or disapproval of these reports and the financial statements will provide guidance to the Board of Directors in the management of the business of the Company.

5. Ratification of all acts of the Board of Directors and Officers since the 2018 Annual Stockholders' Meeting adopted in the ordinary course of business

The ratification of all acts and resolutions of the Board of Directors and all the acts of management taken or adopted since 5 December 2018 will be sought from the stockholders during the meeting. Copies of the minutes of meetings of the Board of Directors are available for inspection by any stockholder at the principal office of the Company during business hours.

The ratification of the acts and resolutions of the Board and management will also serve as an avenue for the stockholders to better understand how the Board manages the business and operations of the Company. The ratification will also serve as confirmation by the stockholders that they approve of the manner by which the Board and management of the Company have been running its business and affairs.

6. Election of the Members of the Board of Directors including the Independent Directors for the Ensuing Year

The Corporate Secretary will present the names of the persons who have qualified and have been duly nominated for election as directors and independent directors of the Company consistent with the Company's By-Laws and Manual on Corporate Governance and other applicable laws and regulations.

The election of the members of the Board of Directors allows the stockholders to directly participate in the selection of the individuals who will serve in the Board which exercises the corporate powers of the Company.

The procedure for voting by remote communication, in absentia or by proxy, including cumulative voting, is provided in this Information Statement.

7. Appointment of the Company's External Auditors for Fiscal Year 2020

The approval of the stockholders of the company is being sought for the appointment of the external auditor of the Company.

8. Ratification of the Issuance of 125,000,000 common shares, with par value of Php1.00 per share in favor of Unido Capital Holdings, Inc. out of the increase in the authorized capital stock of the Company (the "Additional Shares")

Ratification of the issuance by the Company to Unido Capital Holdings, Inc. ("Unido") of the Additional Shares at their par value of Php1.00 per share shall also be sought. On 26 October 2017, the Board of Directors and stockholders of the Company approved the increase of the authorized capital stock of the Company from Two Hundred Million Pesos (PhP200,000,000.00) to up to Five Billion Pesos (PhP5,000,000,000.00). Pursuant to resolutions of the Board of

Directors on 18 September 2018 and 5 December 2018, the first tranche of the increase in the authorized capital stock of the Company from Two Hundred Million Pesos (PhP200,000,000.00) to Seven Hundred Million Pesos (PhP700,000,000.00) or an increase of Five Hundred Million Pesos (PhP500,000,000.00) was implemented. The Additional Shares were issued out of the Five Hundred Million Pesos (PhP500,000,000.00) increase in the authorized capital stock of the Company approved by the Securities and Exchange Commission on 26 November 2019.

9. Approval of the listing of the Additional Shares with the Philippine Stock Exchange

The approval of the stockholders of the Company is also being sought for the listing with the Philippine Stock Exchange (PSE) of the Additional Shares in favor of Unido Capital Holdings, Inc. Additionally, given that Unido is a Related Party (as defined under existing rules of the Philippine Stock Exchange) and since no rights offering or public offering was made in relation to the issuance of the Additional Shares in favor of Unido, the approval of the majority of the minority stockholders present or represented in the meeting shall also be sought in compliance with requirements of the PSE.

10. Other Matters

Stockholders may be requested to consider such other issues/matters as may be raised throughout the course of the meeting.

11. Adjournment

After all business has been considered and resolved, the Chairman shall declare the meeting adjourned.

Stockholders who will not, are unable or do not expect to attend the meeting in person but would like to be represented thereat may choose to execute and send a duly accomplished proxy to the Office of the Corporate Secretary (Atty. Cristina S. Palma Gil-Fernandez) at Picazo Buyco Tan Fider & Santos Law Office, Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City, on or before 19 November 2020. A sample proxy form is provided below. Stockholders may likewise email a copy of the accomplished proxy form to **cpalmagil@picazolaw.com.**

Schedule 2
of Notice of PA Annual General Meeting

VIRTUAL ANNUAL STOCKHOLDERS' MEETING AND REQUIREMENTS AND PROCEDURES FOR ELECTRONIC VOTING IN ABSENTIA

Please be advised that the Annual Meeting of the stockholders of PACIFICA HOLDINGS, INC. (the "Company" or "PA") will be held on Thursday, 26th day of November 2020 at 2:00 p.m.

In order to ensure the safety and welfare of our stockholders in light of the COVID-19 situation, the Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication and by voting in absentia, or voting through the Chairman of the meeting as proxy. Should circumstances change such that public mass gatherings will no longer pose health risk to the public, the Company will timely notify the stockholders if physical attendance will be allowed at the meeting by 26 November 2020. If such will be the case, the guidelines therefor will be provided through a disclosure at the Philippine Stock Exchange or publication of a notice in a newspaper of general circulation.

Registration Period

Registration to vote in absentia or via an absentee ballot may be made through the Company's electronic registration and online-voting system at from 9:00 a.m. of 5 November 2020 until 5:00 p.m. of 19 November 2020. Beyond this time and date, a stockholder may no longer be allowed to participate in the Annual Meeting of the stockholders.

Registration Requirements

The following are needed for the online registration:

A. <u>For individual Stockholders</u>

1. The unique Stockholder ID which the Stockholder should request from the stock transfer agent ("STA") of PA, Stock Transfer Services, Inc., before commencing with the online registration. Stockholders may reach the PA STA within the Registration Period, Monday to Friday from 9:00 a.m. to 5:00 p.m.
2. Full name of the Stockholder;
3. Valid and current email address;
4. Valid and current contact number, including the area code (landline or mobile number);
5. Citizenship/Nationality; and
6. Digital copy of the Stockholder's valid and unexpired government-issued ID (in JPG format).

B. <u>For corporate Stockholders</u>

1. Secretary's certificate or equivalent document (in case of a non-resident stockholder) attesting to the authority of the representative to vote for and on behalf of the corporation;
2. The unique Stockholder ID which the Stockholder should request from the PA STA before commencing with the online registration. Stockholders may reach the PA STA within the Registration Period, Monday to Friday from 9:00 a.m. to 5:00 p.m.
3. Full name of the Stockholder's Representative;
4. Valid and current email address of the Stockholder's Representative;
5. Valid and current contact number (landline or mobile number) of the Stockholder's Representative;
6. Citizenship/Nationality of the Stockholder's Representative; and
7. Digital copy of the valid and unexpired government-issued ID of the Stockholder's Representative (in JPG format).

C. For Stockholders with shares under Broker Accounts (PCD Nominees)

In addition to the requirements specified in Item A or B above:

1. A certification from the stockholder's broker on the Stockholder's shareholdings in the Company as of the Record Date (in JPG format); and.
2. The unique Broker's ID assigned to stockholder's broker by the PCD, together with sub-ID number assigned by such broker to the stockholder, which the stockholder should request from such broker before commencing with the online registration.

In all cases, incomplete or inconsistent information may result in an unsuccessful registration. As a result, stockholders will not be allowed access to vote electronically *in absentia* but may still vote through the Chairman of the meeting as proxy, by submitting a duly accomplished proxy form, on or before 19 November 2020.

Online Registration Procedure

1. Prior to online registration:

   (a) For shareholders holding share certificates, contact the PA STA to secure your unique Stockholder ID. During the Registration Period, PA STA may be reached, Monday to Friday from 9:00 a.m. to 5:00 p.m, at:

   STOCK TRANSFER SERVICES INC.
   6784, Unit D 34F Rufino Pacific Tower
   Ayala Avenue, Makati, 1200 Metro Manila
   Telephone Number: (02) 8403 9853 (Look for: Ms. Kayleen A. Escalante)

   When contacting the PA STA, please be prepared to indicate your stock certificate number/s and corresponding number of shares.

   (b) For stockholders whose shares are lodged under broker accounts, please contact your respective brokers to secure the necessary requirements under Item C (Registration Requirements).

2. Log-in into the Company's electronic registration and online-voting using your unique individual Stockholder ID/Broker's ID. Please ensure that you have prepared the necessary information and requirements.
3. Read the Data Privacy Notice on the Website. If you agree to its terms, please check the box signifying your consent to the processing of your personal information which shall be used only for purposes of Annual Stockholders' Meeting of PA.
4. Enter the information required in the respective fields and upload the digital copies of your valid government-issued photo ID. When all information and digital copies have been uploaded, please click the "Submit" button.

Reminders:

- Please take note of your Stockholder ID/Broker ID and Authentication Code and keep them in a safe place. While the Company shall endeavor to take all reasonable steps to generate replacements, the Company cannot in any way guarantee that it will be able to do so in a timely manner.
- A Stockholder's online registration cannot be completed if any of the mandatory requirements are not submitted.
- Only Stockholders who submitted the complete requirements thru the Website by 19 November 2020, 5:00 P.M., are entitled to participate in the Annual Stockholders' Meeting of PA.
- In any event, stockholders whose registration cannot be completed may still vote through the Chairman of the meeting as proxy, by submitting a duly accomplished proxy form, on or before 19 November 2020.
- In case of any issues relating to your registration in the Website, or in case you lose your Stockholder ID or Authentication Code, pls. send an email to info@pacifica.ph .

Verification of Stockholder Registrations

The Company or the PA STA shall verify the information and details submitted through the Electronic Voting in Absentia System, starting on 21 November 2020.

After verification of complete submission of the required information and documents, the stockholder shall receive an e-mail confirming registration on the Website through the stockholder's e-mail address provided in such registration. Such e-mail confirmation shall include the stockholder's unique Authentication Code and detailed instructions on how to participate and cast votes in the Annual Meeting of the stockholders of the Company.

In the event that you have not received such e-mail notification by 19 November 2020, please call or contact the Company or the PA STA.

Annual Meeting of the Stockholders

The Annual Meeting of the stockholders of PA shall be broadcasted online. The procedure for online voting, as well as the manner by which stockholders may bring up questions or concerns to the Board of Directors, shall be emailed to stockholders who successfully registered before the lapse of the Registration Period and whose registration has been verified.

Data Privacy

Each individual stockholder’s (or that of the corporate stockholder's Authorized representative) data will be collected, stored, processed and used exclusively for the purposes of electronic registration in the Electronic Voting in Absentia System for Annual Meeting of the stockholders. Personal information will be processed and retained in accordance with the Data Privacy Act of 2012 and applicable regulations. The detailed data privacy policy of the Company may be accessed through the Website.

PROXY

The undersigned stockholder of **PACIFICA HOLDINGS, INC.** (the "Company") hereby appoints the Chairman of the meeting, as attorney-in-fact or proxy, with power of substitution, to represent and vote _______________ shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Stockholders' Meeting of the Company to be held on 26 November 2020, Thursday, 2:00 p.m., to be conducted online, and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of the Minutes of the Annual Stockholders' Meeting held on 5 December 2018.
   ❑ For ❑ Against ❑ Abstain

2. Notation of the President's Report and Approval of the 2019 Audited Financial Statements.
   ❑ For ❑ Against ❑ Abstain

3. Ratification of all acts of the Board of Directors and Management since the last Annual Stockholders' Meeting held on 5 December 2018.
   ❑ For ❑ Against ❑ Abstain

4. Election of Directors for the ensuing year (Please indicate number of votes)

	FOR	AGAINST	ABSTAIN
1. Lowell L. Yu			
2. Winglip K. Chang			
3. Alexander S. Roleda			
4. Luis R. Yu III			
5. Ian Norman E. Dato			
6. Richard N. Rocha			
7. Christian Francis C. Reyes			
8. Mark Werner J. Rosal			
9. Vittorio P. Lim			

5. Appointment of External Auditors
   ❑ For ❑ Against ❑ Abstain

6. Ratification of the Issuance of 125,000,000 common shares with par value of Php1.00 per share issued in favor of Unido Capital Holdings, Inc. out of the increase in the authorized capital stock of the Company ("Additional Shares")
   ❑ For ❑ Against ❑ Abstain

7. Approval of the listing of the Additional Shares with the Philippine Stock Exchange
   ❑ For ❑ Against ❑ Abstain

8. Other Matters
   ❑ For ❑ Against ❑ Abstain

Printed Name of the Stockholder	**Signature of Stockholder/ Authorized Signatory**	**Date**

WE ARE NOT ASKING OR SOLICITING YOU FOR A PROXY.

Instructions

This proxy should be received by the Corporate Secretary on or before 19 November 2020, the deadline for submission of proxies.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy will also be considered revoked if the stockholder attends the meeting in person and expresses his intention to vote in person.

Notarization of this proxy is not required.

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

INFORMATION STATEMENT

A. GENERAL INFORMATION

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

The Annual Meeting of the stockholders of PACIFICA HOLDINGS, INC. (the "**Company**") will be held on **26 November 2020, Thursday, 2:00 p.m., to be conducted via remote communication**.

The Chairman will conduct the online meeting from the principal place of business of the Company at China Bank Corporate Center, Lot 2, Samar Loop corner Road 5, Cebu Business Park, Mabolo, Cebu City.

However, considering the COVID 19 pandemic and to conform with the government's mandate to exercise social distancing and to avoid mass gatherings, attendance and voting in the Annual Meeting by the stockholders shall be done only via remote communication by signing in through .

The mailing address of the Company is at the China Bank Corporate Center, Lot 2, Samar Loop corner Road 5, Cebu Business Park, Mabolo, Cebu City.

This Information Statement will be first sent or given to security holders (by posting on PSE Edge and the Company's website) on or around 5 November 2020.

Item 2. Dissenter's Right of Appraisal

Pursuant to the Revised 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 sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code, (3) in case of merger or consolidation, and (4) in case of investment of corporate funds for any purpose other than the primary purpose of the corporation, 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 81 of the Revised 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 such corporate action.

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. The procedure to be followed in exercising the appraisal right shall be in accordance with Sections 80 to 85 of the Revised Corporation Code.

There are no matters or proposed actions as specified in the Notice of Annual Stockholders' Meeting that will give rise to a possible exercise by shareholders of their appraisal rights as provided in the Corporation Code of the Philippines and summarized above.

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 has 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 2020, the number of shares issued and outstanding of PACIFICA HOLDINGS, INC. ("**PA**" or the "**Company**") is 325,000,000 shares with a par value of Php1.00 per share. As of 30 September 2020, a total of 1,750,200 shares or 0.54% of the outstanding capital stock of the Company are owned by foreigners.

All stockholders of record at the close of business hours on 3 November 2020 (the "**Record Date**") are entitled to notice and to vote at the Annual Stockholders' Meeting.

A 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.

For this year's meeting, the Board of Directors had adopted a resolution to allow stockholders entitled to notice of, and to attend the meeting, to exercise their right to vote *in absentia.*

The following are the list of the top twenty (20) stockholders of the Company as of 30 September 2020:

	Stockholders' Name	Nationality	Number of Shares	Ownership Percentage
1	Unido Capital Holdings, Inc.	Filipino	198,048,420	60.94%
2	PCD Nominee Corporation	Filipino	91,081,461	28.03%
3	Alexandra L. Laperal	Filipino	3,832,500	1.18%
4	Rosamaria Laperal	Filipino	3,199,000	0.98%
5	Oliverio L. Laperal, Jr.	Filipino	3,072,400	0.95%
6	Victorina Heras	Filipino	3,029,302	0.93%
7	Regina L. Concepcion	Filipino	3,000,000	0.92%
8	Desiderio L. Laperal	Filipino	2,772,500	0.85%
9	LMI Holdings Corporation	Filipino	2,260,000	0.70%
10	PCD Nominee Corporation (Foreign)	Foreign	1,747,700	0.54%
11	Chiong & Company, Inc.	Filipino	477,650	0.15%
12	Oliverio G. Laperal	Filipino	476,192	0.15%
13	Ansaldo, Godinez & Co., Inc.	Filipino	379,300	0.12%
14	Benjamin Co Ca & Co., Inc.	Filipino	371,922	0.11%
15	Vicente Goquiolay & Co., Inc.	Filipino	348,150	0.11%
16	Industrial Horizons, Inc.	Filipino	266,000	0.08%

17	Nieves Sanchez, Inc.	Filipino	263,100	0.08%
18	Tiong Securities, Inc.	Filipino	259,050	0.08%
19	Manotoc, Rosenberg & Co., Inc.	Filipino	215,550	0.07%
20	Emma Laperal	Filipino	200,000	0.06%
		TOTAL	315,300,197	97.02%

Security Ownership of Certain Record and Beneficial Owners

The Company has no knowledge of any person who, as of 30 September 2020, 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 of Record Owner and Relationship with Issuer	Name, Address of Beneficial Owner and Relationship with Issuer	Citizenship	No. of Shares Held	Percentage
Common shares	Unido Capital Holdings, Inc.[1] Unit 1503, 15/F China Bank Corporate Center, Lot 2, Samar Loop cor. Road 5, Cebu Business Park, Cebu City (Stockholder)	Record owner is beneficial owner	Filipino	198,048,420	60.94%
Common shares	PCD Nominee Corporation[2] 37/F Tower 1, The Enterprise Center, Makati City (Stockholder)	The participants of PCD are the beneficial owners of such shares. Among said beneficial owner is **iHoldings, Inc.** which owns 17.01% of the Company. Atty. Lowell L. Yu is the President and authorized representative of iHoldings, Inc.	Filipino	91,683,361	45.84%
			TOTAL	**289,731,781**	**89.15%**

The respective Board of Directors of the following corporate stockholders of the Company are expected to authorize the person indicated opposite their respective names below 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
Unido Capital Holdings, Inc.	Lowell L. Yu
iHoldings, Inc.	Lowell L. Yu

[1] Unido Capital Holdings, Inc. is a holding company with investments in real and/or personal properties. Mr. Lowell L. Yu is expected to be named, constituted, and appointed as the authorized representative to vote all shares owned by the said corporation.
[2] 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.

Security Ownership of Management

The following table shows the shareholdings beneficially held by the directors and executive officers of the Company as of 30 June 2020:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	% of Total Outstanding Shares
		Direct	Indirect		
Common	Lowell L. Yu	500	0	Filipino	0.00
Common	Winglip K. Chang	1,000	0	Filipino	0.00
Common	Alexander S. Roleda	500	0	Filipino	0.00
Common	Luis R. Yu III	500	0	Filipino	0.00
Common	Ian Norman E. Dato	500	0	Filipino	0.00
Common	Richard N. Rocha	0	500	Filipino	0.00
Common	Christian Francis C. Reyes	0	500	Filipino	0.00
Common	Mark Werner J. Rosal	500	0	Filipino	0.00
Common	Vittorio P. Lim	0	500	Filipino	0.00
	TOTAL	**3,500**	**1,500**		**0.00**

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

Following the conduct and completion of the mandatory tender offer process in respect of the shares of the minority shareholders of the Company in accordance with the Securities Regulation Code (SRC) and its implementing rules and regulations, as well as the satisfaction of the closing conditions set forth in their respective Sale and Purchase Agreements (SPAs), Deeds of Absolute Sale were executed on 7 February 2017, as indicated below:

(i) By and between 9th Kingdom Investments Corp. and Unido Capital Holdings, Inc. for 13,424,270,000 shares; and

(ii) By and between Mikro-Tech Capital, Inc. and Unido Capital Holdings, Inc. for 1,185,414,000 shares.

On 26 November 2019, the SEC approved certain amendments to the Company's Articles of Incorporation, including the amendment to the Seventh Article of the Articles of Incorporation: (i) increasing the par value of the common shares of stock of the Company from Php 0.005 per share to Php 1.00 per share, resulting in a decrease of the number of common shares of the Company then outstanding from 40 billion shares to 200 million shares, but without a decrease in the aggregate par value thereof; and (ii) increasing the authorized capital stock of the Company from Php200 million divided into 200 million shares with par value of Php 1.00 per share to Php700 million divided into 700 million shares with par value of Php 1.00 per share, or an increase in the authorized capital stock of Php 500 million.

Out of the Php500 million increase in the authorized capital stock of the Company, Unido Capital Holdings, Inc. subscribed to 125,000,000 common shares of the Company at their new par value of Php1.00 per share. Prior to such subscription, Unido Capital Holdings, Inc. owned and held a total of 14,609,684,000 shares at the par value of Php0.005 (or 73,048,420 shares at the par value of Php 1.00 per share) representing 36.52% of the outstanding capital stock of the Company immediately prior to the increase in the authorized capital stock.

The additional subscription of 125,000,000 common shares constitutes 38.46% of the resulting outstanding capital stock of the Company of 325,000,000 shares.

As a result of the additional subscription of 125,000,000 shares, Unido Capital Holdings, Inc. now directly owns a total of 198,048,420 shares, representing 60.94% of the current aggregate outstanding capital stock of the Company.

Item 5. <u>Directors and Executive Officers</u>

Background Information

<u>Directors and Officers</u>

The following served as directors and principal officers of the Company for the year 2019 in a carryover capacity:

Name	Age	Nationality	Position
Lowell L. Yu	42	Filipino	Chairman
Winglip K. Chang	67	Filipino	President and Chief Executive Officer
Alexander S. Roleda	64	Filipino	Director
Luis Michael R. Yu III	31	Filipino	Director
Ian Norman E. Dato	41	Filipino	Director
Richard N. Rocha	36	Filipino	Director
Christian Francis C. Reyes	38	Filipino	Director
Mark Werner J. Rosal	45	Filipino	Independent Director
Vittorio P. Lim	35	Filipino	Independent Director
Cristina S. Palma Gil-Fernandez	52	Filipino	Corporate Secretary
Rose Ann Joy V. Gonzales	28	Filipino	Assistant Corporate Secretary
Maria Elena E. Pocong	41	Filipino	Treasurer

Business Experience and Other Directorships

<u>Directors</u>

The business experience of each of the incumbent directors and officers of the Company for the last five (5) years is as follows:

Lowell L. Yu
Chairman of the Board

Mr. Yu is currently 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 also a founding partner of Dato and Yu Law offices. He previously worked as an AVP of Business Development of Earth+Style/Quantuvis Resources. Atty. Yu holds a Masters degree in Management from the Asian Institute of Management and a Bachelor of Laws from Siliman University.

Winglip K. Chang
President and Chief Executive Officer

Mr. Chang is the President of Ikitchen, Inc., Grand Majestic Convention City, 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.

Luis Michael R. Yu III
Director

Mr. Yu is currently a director of Unido Capital Holdings, Inc., iHoldings. Inc., KuyaJ Group Holdings, Inc., Southeastasia Retail, Inc., Ikitchen, Inc., PLK Philippines, Inc., Grand Majestic Convention City, Inc., Manila Comisario Central, Inc., Icuisine, Inc., 100Holdings Ventures, Inc.,, One Vela Holdings, Inc. and 101Restaurant City, Inc., among other companies.

Ian Norman E. Dato
Director

Mr. Dato is the Managing Partner of Dato Inciong & Associates. He is also an incumbent director of IKitchen, Inc. and MyMarket, Inc. and an incoming one (pending approval by the Monetary Board) of First Naga Rural Bank, Inc. He is Corporate Secretary to 27 corporations. His experience in private law practice includes Ponce Enrile Reyes & Manalastas Law Offices (2012) and Kalaw Sy Vida Selva & Campos (2005-2006). He was in government service between 2003 and 2010 in various capacities, such as: Undersecretary of Justice (2010), Undersecretary of Political Affairs (2008-2010), Assistant Secretary of Political Affairs (2007-2008), and Director in the Presidential Legislative Liaison Office in the Office of the President of the Philippines (2003-2005). He has a Master of Laws degree from University College of London where he graduated with merit in 2011. He obtained his *Juris Doctor* from the Ateneo de Manila University School of Law and a degree in Political Science from the University of the Philippines Diliman. He is a member of the UCL Alumni Association, International Visitors Leadership Program Alumni of the U.S. Department of State, and Chevening Alumni of the Foreign & Commonwealth Office of the United Kingdom.

Richard N. Rocha
Director

Mr. Rocha is currently the Executive Vice President of Camarines Sur Chamber of Commerce and Industry. He also currently serves as the Vice President for Operations of Naga Queenstown Realty & Development, Inc. and of Lyrr Realty Development Corporation. Mr. Rocha is also a director of Bicol-Habitat for Humanity, Inc. He was the Assistant Governor of Rotary International District 3820-Area 4 Group 2 from 2014 to 2015 and was the Club President of Rotary Club of Naga-Camarines Sur from 2011 to 2012. He served as a Director of Camarines Sur Chamber of Commerce and Industry from 2012 to 2013. Mr. Rocha earned his Bachelor's Degree in Business Administration, major in Computer Applications from De La Salle-College of Saint Benilde and studied International Housing Finance (Executive Education) at Wharton School of Business in Pennsylvania. He also passed the examination for real estate broker in 2011.

Christian Francis C. Reyes
Director

Mr. Reyes is currently the Chief Finance Officer of iHoldings, Inc. He was the Vice President and Head of the Trade Division of Metropolitan Bank and Trust Company from 2014 to 2017. He also served as the Vice President of Citibank, N.A. from 2008 to 2014 and held various positions within the organization. From 2008 to 2009, Mr. Reyes was the Product Manager-Citi Transactions Service (Philippines) and Business Development-New Initiatives Lead (Philippines). He was a Regional Sales Associate-Citi Transaction Services (Hongkong) from 2012 to 2013 and was the Regional Supply Chain Product Manager-Citi Transaction Services (Hong Kong) from 2013 to 2014. He holds Bachelor's Degree in Computer Science Major in Information Technology from De La Salle University, and Master's in Business Administration from Asian Institute of Management.

Mark Werner J. Rosal
Independent Director

Atty. Rosal is the Managing Partner of Rosal Diaz Bacalla and Fortuna Law Offices, a Cebu based law firm. He is a practicing lawyer specializing in Mergers and Acquisitions, Corporation Law, Labor Law, and Estate Planning. Atty. Rosal obtained his LLB from the University of San Carlos, Cebu City, in 2002 and was admitted to the Philippine Bar in 2003. He spent his early years in the practice of law at Balgos and Perez Law Offices and Angara Cruz Concepcion Regala and Abello (ACCRALAW).

He has been an Independent Director of Pacifica Holdings, Inc. since August 28, 2015. He has been a Director of LBC Express Holdings, Inc. since April 28, 2015. As part of his law practice, he serves as Independent Director of Rural Bank of Talisay (Cebu) Inc., Director of Wide Gain Property Holdings, Inc., and Sem-Ros Food Corp. (non-operational). He served as a Director of Federal Resources Investment Group, Inc. since April 28, 2015. He has a Bachelor's Degree in Physical Therapy from Cebu Velez College and passed the Physical Therapy Board exams on 1997.

Vittorio P. Lim
Independent Director

Mr. Lim has been President and Executive Director at Apollo Global Capital, Inc. since December 11, 2015. Mr. Lim has been Independent Director of Pacifica Holdings, Inc. since August 28, 2015. Mr. Lim is a Certified Securities Representative of Wealth Securities Inc. He served as Director at Asiabest Group International Inc. since October 7, 2011. He was also a Certified Securities Representative of Tower Securities, Inc. from 2011 to 2014; GS & PDS Broker.

The business experience of each of the persons nominated as directors of the Company (and who are not incumbent directors) for the last five (5) years is as follows:

<u>Officers</u>

The business experience of each of the current principal officers of the Company for the last five (5) years is as follows:

Lowell L. Yu
Chairman of the Board
(See description above)

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

Cristina S. Palma Gil-Fernandez
Corporate Secretary

Atty. Palma Gil-Fernandez assumed the position of Corporate Secretary of the Company in September 2012. 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 25 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. She currently serves as a Corporate Secretary of several large Philippine corporations, including three (3) other publicly-listed Philippine corporations, as Assistant Corporate Secretary to one of the largest publicly-listed infrastructure companies in the Philippines.

Rose Ann Joy V. Gonzales
Assistant Corporate Secretary

Atty. Gonzales graduated with a Bachelor of Science degree, major in Business Economics, from the University of the Philippines in 2012 and with a Juris Doctor degree from the University of the Philippines College of Law in 2016. She is currently an associate at Picazo Buyco Tan Fider & Santos Law Offices.

Maria Elena E. Pocong
Treasurer

Ms. Pocong is a certified public accountant with more than 15 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.

<u>Information Required of Directors and Executive Officers</u>

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
LUIS MICHAEL R. YU III
IAN NORMAN E. DATO
RICHARD N. ROCHA
CHRISTIAN FRANCIS C. REYES
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. The Nomination Committee is chaired by Mr. Vittorio P. Lim, while Mr. Ian Norman E. Dato and Mr. Winglip K. Chang serve as its members.

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.

Certifications of the independent directors are attached hereto as Annexes "A-1" and "A-2".

The certification attesting to the fact that none of the directors and officers of the Company holds any position in any capacity in any government agency or instrumentality is hereto attached as Annex "B".

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

Mr. Lowell L. Yu, the Chairman of the Board, and Mr. Luis Michael R. Yu III, Director, are brothers.

Mr. Alexander S. Roleda, Director, is the father-in-law of Mr. Lowell L. Yu, the Chairman of the Board.

Mr. Lowell L. Yu, the Chairman of the Board, and Mr. Luis Michael R. Yu III, Director, are cousins of Mr. Richard N. Rocha, who is nominated as a Director.

Other than the ones disclosed, none of the Directors or Executive Officers or persons nominated or chosen by the Company to become Directors or Executive Officers is related to the others by consanguinity or affinity within the fourth civil degree.

Involvement in Certain Legal Proceedings

The Corporation, at present, is not aware of any legal proceedings involving the Company within the last five (5) years prior to the date of this report, except as stated herein. 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.

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

Except as described below and other than those disclosed in the Company's Annual Report for 2019, Audited Financial Statements as of 31 December 2019, and Quarterly Report for period ended 30 June 2020, the Company has not had any transaction during the last two (2) years in which any Director or Executive Officer or any of their immediate family members had a direct or indirect interest.

For more discussion on Related Party Transactions, please see Note 27 of the Financial Statements as of 31 December 2019.

Resignation of Directors

No director has resigned from or declined to stand for re-election to the Board since the date of the 2018 Annual Stockholders' Meeting due to any disagreement with the Company relative to its operations, policies, and practices.

Item 6. <u>Compensation of Directors and Executive Officers</u>

Executive Compensation

The aggregate compensation paid or incurred in 2016, 2017, 2018 and estimated to be paid in 2019 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 [1] (₱)**
CEO and the four most highly compensated executive officers	2017	n/a
	2018	n/a
	2019	n/a
	2020 (est.)	n/a
Aggregate compensation paid to all other officers as a group unnamed	2017	n/a
	2018	n/a
	2019	n/a
	2020 (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 2019, 2018, and 2017, 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, 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. The Board, upon the recommendation of the Company's Audit Committee, approved the reappointment of Punongbayan & Araullo as the Company's independent auditor for 2020 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 Christian Francis C. Reyes 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 2019 were audited by Punongbayan & Araullo. Sycip, Gorres, Velayo & Co. previously acted as the Company's independent public accountant until 2014.

There was no event during the two most recent fiscal years where Punongbayan & Araullo 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 current audit.

To comply with the requirements of SRC Rule 68 (3)(b)(iv), the signing partners of Punongbayan & Aruallo shall be rotated every five (5) years or earlier. The partner-in-charge for the year 2019 is Mr. Nelson J. Dinio. He is likewise the recommended 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.

Apart from audit-related services, the independent auditors of the Company have not rendered tax, accounting, compliance, advice, planning, and other tax services for the Company within the last two (2) fiscal years.

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

On 26 October 2017, the Board of Directors and stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock of the Company approved the increase in the authorized capital stock of the company from Two Hundred Million Pesos (Php200,000,000.00) to up to Five Billion Pesos

(Php5,000,000,000.00), to be implemented in tranches, for working capital purposes and in preparation for the commencement of commercial operations.

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.

In view thereof, the Board of Directors, in its meeting held on 18 September 2018, resolved to approve the implementation the first tranche of the increase in the authorized capital stock of the Company from Php200 million divided in to 40 billion common shares with par value of Php0.005 per share to up to Php700 million divided into 140 billion shares with par value of Php0.005 per share.

At the duly constituted meeting of the Board of Directors held on 5 December 2018, at least a majority of the directors of the Company resolved to implement the increase in the par value of the shares of the Company from Php0.005 to Php1.00 per share. Said increase in par value was previously approved by the Board of Directors and stockholders during their respective meetings held on 26 October 2017. On 26 November 2019, the SEC approved certain amendments to the Company's Articles of Incorporation, including the amendment to the Seventh Article of the Articles of Incorporation: (i) increasing the par value of the common shares of stock of the Company from Php 0.005 per share to Php 1.00 per share, resulting in a decrease of the common shares of the Company then outstanding from 40 billion shares to 200 million shares; and (ii) increasing the authorized capital stock of the Company from Php200 million divided into 200 million shares with par value of Php 1.00 per share to Php700 million divided into 700 million shares with par value of Php 1.00 per share, or an increase in the authorized capital stock of Php 500 million.

The Board of Directors of the Company is further expected to approve from time to time within the ensuing period the further 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, as may be required to fund additional working capital of the Company and investment opportunities that the Company is yet to identify, as well as to strengthen its capital base.

Item 10. <u>Modification or Exchange of Securities</u>

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. <u>Financial and Other Information</u>

- (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 "C"**.
- (ii) The Audited Financial Statements for the year ended 31 December 2019 is attached hereto as **Annex "D"**.
- (iii) The Quarterly Report for the quarter ended 30 June 2020 is attached hereto as **Annex "E"**.

Item 12. <u>Mergers, Consolidations, Acquisitions, and Similar Matters</u>

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 of 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 5 December 2018;
(ii) President's Report based on the Annual Report and 2019 Audited Consolidated Financial Statements of the Company; and
(iii) Annual Report and Audited Financial Statements for the fiscal year ended 31 December 2019.

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

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

1. Election of the members of the Board of Directors, including the Independent Directors, for the ensuing fiscal year;

2. Ratification of all acts of the Board of Directors and Management since the last annual stockholders' meeting held on 5 December 2018 including:

   (a) all material resolutions adopted by the Board and duly reported by the Company to the SEC and PSE through the filing of SEC Form 17-C;
   (b) all other resolutions adopted by the Board in the ordinary course of business; and
   (c) all other acts executed by Management in the exercise of their functions in the regular and ordinary course of business of the Company; and

3. Appointment of the Company's external auditor for the ensuing fiscal year.

4. Ratification of the Issuance of 125,000,000 common shares with par value of Php1.00 per share issued in favor of Unido Capital Holdings, Inc. out of the increase in the authorized capital stock of the Company ("Additional Shares")

5. Approval of the listing of the Additional Shares with the Philippine Stock Exchange

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. Considering the COVID 19 pandemic and to conform with the government's mandate to exercise social distancing and to avoid mass gatherings, voting may only be done *in absentia* or through the submission of a duly executed proxy.

Stockholders as or Record Date who have successfully registered their intention to participate in the annual meeting via remote communication and to vote *in absentia,* duly verified and validated by the Company shall be provided with unique log-in credentials to securely access the voting portal and participate and watch the online meeting of the stockholders of the Company. A stockholder voting electronically in absentia shall be deemed present for purposes of quorum.

The requirements and procedure for participating and voting are set forth in **Annex "F"**. Detailed procedure for registration and voting through the Company's online registration and voting system is attached hereto and made an integral part hereof as Schedule 2 of the Notice of Meeting.

The Corporate Secretary and stock transfer agent 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.

The Chairman shall ensure that at least two (2) seats shall be allotted for the election of independent directors as required by the Securities Regulations Code and the Code of Corporate Governance.

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 approval of the minutes, the adoption of the Audited Financial Statements for the year ended 31 December 2019, as well as the approval or ratification of the other actions set forth under the heading "Other Proposed Actions" above (other than the election of directors), the vote of majority of the outstanding capital stock entitled to vote and represented in the meeting is required to approve such matters.

Method of Counting Votes

The Corporate Secretary and stock transfer agent 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.

Considering the COVID 19 pandemic and to conform with the government's mandate to exercise social distancing and to avoid mass gatherings, voting may only be done by remote communication, *in absentia* or by proxy.

All votes received shall be tabulated by the Office of the Corporate Secretary with the assistance of the Company's stock transfer agent. The Corporate Secretary shall report the partial results of voting during the meeting. The actual voting results shall be reflected in the minutes of the meeting.

The detailed instructions for participation through remote communication are set forth in Schedule 2 to the Notice of Meeting.

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

A copy of the Unaudited Interim Financial Statements (the "Unaudited Interim FS") of the Company as of and for the quarter ended 30 September 2020 with Management Discussion and Analysis will be provided to any requesting shareholder, as soon as said Unaudited Interim FS becomes available but in no case later than 26 November 2019. Any request for a hard copy of the abovementioned Unaudited Interim FS should be sent to the abovegiven address.

[Remainder of this page intentionally left blank. Signature page follows.]

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 ____________ on 5 November 2020.

PACIFICA HOLDINGS, INC.

By:

WINGLIP K. CHANG
President & CEO

ANNEX “A-1”

CERTICATION OF INDEPENDENT DIRECTOR

I, **VITTORIO P. LIM**, Filipino, of legal age and a resident of 82 Sanso Street, Corinthian Gardens, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **PACIFICA HOLDINGS, INC.** and have been its independent director since October 2015.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Apollo Global Capital, Inc.	President	2015 to present
V2S Property Developer Co., Inc.	President	current
B and P Realty, Inc.	Corporate Secretary	current
Champaca Development Corp.	Corporate Secretary	current
PX2 Enterprise Co., Inc.	Corporate Secretary	current
VNP Properties Development Inc.	Corporate Secretary	current
Zelle Dev’t. Corporation	Corporate Secretary	current
Tarlac Centerpoint	Corporate Secretary	current
Panlilio Centerpoint	Corporate Secretary	current
Vini Agro Products, Inc.	Treasurer	current

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of PACIFICA HOLDINGS, INC., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of ___(covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL/ SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Victor Y. Lim, Jr.	Premiere Horizon Alliance Corporation	Father

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/ I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NONE		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in N/A, pursuant to Office of the President Memorandum Circular No. 17 and Section12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of PACIFICA HOLDINGS, INC. of any changes in the abovementioned information within five days from its occurrence.

Done, this NOV 05 2020 day of ________, at MAKATI CITY.

VITTORIO P. LIM
Affiant

SUBSCRIBED AND SWORN to before me this NOV 05 2020 day of ________ at MAKATI CITY, affiant personally appeared before me and exhibited to me his Passport No. EC8102283 issued at DFA NCR East on 24 June 2016.

Doc No. 448;
Page No. 91;
Book No. II;
Series of 2020.

JEAH MAUREEN P. DOMINGUEZ
Appointment No. M-237
Notary Public for Makati City
Until December 31, 2021
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll of Attorney's No. 73253
PTR No. 8148400/Makati City/01-20-2020
IBP No. 101860/Makati City/ 01-07-2020
MCLE Exempted-Admitted to the bar in 2019

ANNEX "A-2"

CERTICATION OF INDEPENDENT DIRECTOR

I, **MARK WERNER J. ROSAL**, Filipino, of legal age and a resident of No. 39, Villa Terrace Subdivision, Green Hills Road, Brgy., Casuntingan, Mandaue City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **PACIFICA HOLDINGS, INC.** and have been its independent director since October 2015.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
RBFHV Law Offices	Managing Partner	2009 - present
Rural Bank of Talisay (Cebu) Inc.	Independent Director	May 2017 – present
LBC Express Holdings Inc.	Director	April 28, 2015 to present
Wide Gain Property Holdings Inc.	Director	Current
Sem-Ros Food Corp.	Director	Current
ONEMERIDALAND DEVT. CORP.	Corporate Secretary	Current

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of PACIFICA HOLDINGS, INC., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of ______(covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL/ SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
NONE		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/ I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NONE		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in ____N/A____, pursuant to Office of the President Memorandum Circular No. 17 and Section12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of PACIFICA HOLDINGS, INC. of any changes in the abovementioned information within five days from its occurrence.

Done, this NOV 05 2020 day of ________, at Makati City.

MARK WERNER J. ROSAL
Affiant

SUBSCRIBED AND SWORN to before me this NOV 05 2020 day of ________ at Makati City, affiant personally appeared before me and exhibited to me his Passport No. EC8142573 issued at DFA Cebu on 27 June 2016.

Doc No. 449;
Page No. 91;
Book No. II;
Series of 2020.

JEAH MAUREEN P. DOMINGUEZ
Appointment No. M-237
Notary Public for Makati City
Until December 31, 2021
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll of Attorney's No. 73253
PTR No. 8148400/Makati City/01-20-2020
IBP No. 101860/Makati City/ 01-07-2020
MCLE Exempted-Admitted to the bar in 2019

ANNEX "B"

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY, METRO MANILA) S.S.

SECRETARY'S CERTIFICATE

I, **ROSE ANN JOY V. GONZALES**, of legal age, Filipino, and with office address at the Penthouse, Liberty Center, 104 H.V. dela Costa Street, Salcedo Village, Makati City, after having been duly sworn in accordance with law, hereby certify that:

1. I am the duly appointed and incumbent Assistant Corporate Secretary of **PACIFICA HOLDINGS, INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at China Bank Corporate Center, Lot 2, Samar Loop corner Road 5, Cebu Business Park, Mabolo, Cebu City;

2. I hereby certify that no director or officer is connected with any government agency or its instrumentality.

3. The foregoing is in accordance with the records of the Corporation in my custody.

IN WITNESS WHEREOF, I have hereunto affixed my signature this NOV 05 2020 at Makati City, Metro Manila.

ROSE ANN JOY V. GONZALES
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me on NOV 05 2020, affiant exhibiting to me her Passport No. P7946474A issued on July 15, 2018 at DFA NCR Northeast.

Doc. No. 950;
Page No. 91;
Book No. II;
Series of 2020.

JEAN MAUREEN P. DOMINGUEZ
Appointment No. M-237
Notary Public for Makati City
Until December 31, 2021
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll of Attorney's No. 73253
PTR No. 8148400/Makati City/01-20-2020
IBP No. 101860/Makati City/ 01-07-2020
MCLE Exempted-Admitted to the bar in 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULT OF OPERATION

Plan of Operation

Pacifica Holdings, Inc. (the "Corporation") has not commenced commercial operations to date.

On 16 July 2007, the Company redirected the focus of its business to exploration, operation, management, and marketing of mining claims after the SEC approved its Amended Articles of Incorporation reflecting changes dealing with the reversion of its primary purpose to mineral exploration, extending the corporate life for another fifty (50) 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 on 23 November 2007 which include an increase in the Company's authorized capital stock to 500 million and the declassification of "Class B" shares. The declassification of "Class B" was approved by the SEC on 10 December 2008.

Having redirected its purpose to mining, the Company began looking for mining-related business opportunities. During the stockholders' meeting on 14 August 2009, the stockholders approved the execution of an Operating Agreement between the Company and Zam-Iron Mining Corporation (Zam-Iron), which Operating Agreement was signed on 8 December 2009. Under the Operating Agreement, the Company 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 Kabasalan and Siay, Zamboanga, Sibugay Province, containing 136.5 meridional blocks or 11,056.50 hectares. Further, the consideration for the rights granted will be in the form of royalties which shall be paid by the Company to Zam-Iron. It was approved then that the loan of Php50 million extended by the Company to Zam-Iron on 2 January 2008 would be treated as advanced royalties.

On 15 November 2013, Zam-Iron informed the Company that it received a letter from the Mines and Geosciences Bureau IX stating that its office had issued an Order of Denial for mining exploration with finality. Zam-Iron's next recourse was 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 22 November 2013, the Company informed Zam-Iron that insofar as it was concerned, Zam-Iron failed to fulfill its obligations under the Memorandum of Agreement signed on 2 January 2008 and Operating Agreement signed in December 2009 and was thus deemed in default. The Company demanded for the full refund of Php50 million 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.

Consequently, the Company determined that its prepaid royalties to Zam-Iron may no longer be realized since the Mines and Geosciences Bureau Region IX had 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 31 December 2014 and 2013 and was included in the impairment and write-off on 28 August 2015.

Moreover, the Company also started to get involved in power-related business activities as another business option. Power plant operation is one of its secondary purposes. In 2009 and 2010, 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 in San Manuel, Pangasinan; Bakun Hydroelectric Power Plant in Alilem, Ilocos Sur; Benguet Mini-Hydro in 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 Company lost the biddings to its opponents.

For the years ending 31 December 2017 and fiscal year ending 31 December 2016, the Company experienced net losses amounting to Php2.2M and Php2.5M, respectively. In 2015, the Company's net loss amounted to Php25.5M. The gap primarily attributable to the impairment and write-off of various assets in 2015. In 2014, the Company's Php1.4M loss was mainly due to the provisions for probable losses and expenses incurred in view of its participation in various bidding programs where it lost. In 2013, the Company experienced a net loss of Php71.6M. It has not generated any revenue in view of its participation in various biddings where it lost.

Given that the recovery of the Company's receivables was deemed remote, the Board of Directors of the Company unanimously approved on 28 August 2015 the impairment and write-off of the following items from its books of accounts: (i) accounts receivable from 9th Kingdom Investments, Inc.; (ii) advances to Mikro-Tech Capital, Inc.; (iii) prepaid royalties in favor of Zam-Iron Mining Corporation, (iv) accounts receivables from LRSI and Stradec; and (v) retained deficit. This was ratified by the stockholders during the Company's annual stockholders' meeting on 16 October 2015.

Fund requirements for the current and preceding years have been sourced internally. Management also initiated to source funds 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 Company. On 21 June 2011, the Company conducted a delinquency sale on its unpaid subscriptions. On 4 December 2015, the Company applied for the relisting of these delisted delinquent shares. As of 31 December 2015, the application is pending before the PSE.

As additional steps to source funds, the Company is looking at an increase in authorized capitalization and the invitation of strategic partners to invest in the Company. In fact, during the annual stockholders' meeting on 26 October 2017, the stockholders approved to increase the Corporation's authorized capital stock from Php200 million up to an amount to be determined by the Board not exceeding Php5 billion.

On 26 November 2019, the SEC approved certain amendments to the Company's Articles of Incorporation, including the amendment to the Seventh Article of the Articles of Incorporation: (i) increasing the par value of the common shares of stock of the Company from Php 0.005 per share to Php 1.00 per share, resulting in a decrease of the common shares of the Company then outstanding from 40 billion shares to 200 million shares; and (ii) increasing the authorized capital stock of the Company from Php200 million divided into 200 million shares with par value of Php 1.00 per share to Php700 million divided into 700 million shares with par value of Php 1.00 per share, or an increase in the authorized capital stock of Php 500 million. The increase in the authorized capital stock of the Company from Php200 million to Php700 million will allow the Company to be poised to issue additional shares as a way of raising funds for future opportunities of growth.

The Company is optimistic that it will obtain sufficient funds to support its anticipated fund requirements for the next twelve (12) months.

To date, the Company is still non-operational.

Notably, the Company has been recently transformed into a holding company. As such, its primary activities are now confined to investing, purchasing, obtaining, subscribing, acquiring, owning, using, holding, selling, conveying, assigning, transferring, exchanging, mortgaging, pledging, taking options to, dealing in, or disposing of real and personal properties of every kind and description. Product research and development is no longer a priority of the Company.

There is no intended purchase or sale of plant or significant equipment of the Company within the next twelve (12) months. Neither is there any significant change in the number of the Company's employees.

In December 2019, a novel strain of corona virus (Covid-19) was reported to have surfaced in China. The World Health Organization has declared the outbreak as a "public health emergency of international concern." Covid-19 started to become widespread in the Philippines in early March 2020, causing the government to declare the country in a state of public health emergency, followed by implementation of enhanced community quarantine and social distancing measures and restrictions within the Luzon area and later on to other cities and provinces in the country. This resulted in a wide-ranging business suspension – disrupting the economy and financial market in general.

Management has not been aware of any case of Covid-19 infection among its people and the outbreak has not had a significant impact to the Company, considering it has not yet started commercial operations.

In support of and in compliance with the government measures to protect the welfare and interest of the Company's stakeholders, including its counterparties, the Company has implemented safety measures. Management will continue to monitor and assess the ongoing development and respond accordingly.

The losses incurred by the Company are essentially due to its lack of revenue and commercial operation. In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities. The Company's management is exploring options to strengthen the balance sheet, address liquidity constraints, or pursue acquisitions or initiatives to reverse such losses in the next twelve (12) months, despite its current non-operating state. At any rate, the Company's management believes such losses will not have a material effect on the financial statements of the Company.

Analysis and Financial Condition and Results of Operations

Full Fiscal Years

Since the Company has no commercial operation to date and has not generated revenues for the fiscal years ending 31 December 2019, 2018, and 2017, it posted losses. Losses are generally attributed to administrative expenses incurred plus the occasional impairment and write-off of uncollectible assets. The following table shows the consolidated financial highlights of the Company for the current fiscal year ended 31 December 2019 with comparative figures of the previous years and as of 31 December 2018 and 2017.

	31 December 2019	**31 December 2018**	**31 December 2017**
Income Statement Data			
Total Revenues	2,159	5,564	4,257
Net Loss	3,858,466	1,616,106	2,218,785
Balance Sheet Data			
Total Current Assets	29,465,805	591,540	1,745,458
Furniture, Fixtures & Equipment	0	0	0
Other Non-Current Assets	0	0	0
Total Assets	29,465,805	591,540	1,745,458
Total Liabilities	8,969,812	7,487,080	7,024,893
Stockholders' Equity	20,495,993	(6,895,540)	(5,279,435)
Total Liabilities & Stockholders' Equity	29,465,805	591,540	1,745,458
Current Ratio	3.285	0.079	0.248
Solvency Ratio	3.285	0.079	0.248
Debt-to-Equity Ratio	0.4376	(1.0858)	(1.33061)

Full Fiscal Years.

Based on the above table, the following are key performance indicators of the Company for 2019, 2018, and 2017:

(i) Current net loss of Php3.9 million, and net loss of Php1.6 million in 2019 and 2018 are mainly due to administrative expenses. It is the same scenario with 2017 loss of Php2.2 million

(ii) Stringent controls are utilized on incurring expenses. Management maintains a generally cautious stance in identifying mining opportunities in order to maximize the Company's gross margin. Consequently, Management has taken a conservative stand in approving any potential mining or power-related activity and will keep the same stance in the next twelve (12) months.

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

This liquidity of the Company for fiscal year 2019 increased to 3.285 from 0.079 in 2018. The current ratio of the Company in 2017 was 0.0248 wherein the Company recognized expenses of administrative nature.

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

For 2019, the solvency ratio increased to 3.285 due primarily to the increase in the current assets in the form of cash in banks and receivables.

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

For 2019, the debt-to-equity ratio increased to 0.4376 due to the additional capital infusion during the year.

By comparing accounts in the Balance Sheets and Statements of Operations for the period ending 31 December 2019, 2018, and 2017, the following are the material changes and their causes:

Changes in Financial Condition.

<u>2019 vs. 2018</u>

(i) Current Assets

Current assets increased from Php591,540 in 2018 to Php29,465,805 in 2019 . This was due to increase in cash in bank and receivables.

(ii) Input Taxes

In 2019 and 2018, input tax resulted to nil due to impairment loss provided.

(iii) Property and Equipment

There was no acquisition of property and equipment for 2019 and 2018. The current period balance of property and equipment resulted to nil after it was determined to be impaired and its corresponding accumulated depreciation was closed to Retained Earnings.

(iv) Current Liabilities

The current liabilities increased from Php7.49 million in 2018 to Php8.97M in 2019 million due to additional advances from a related party obtained for working capital requirements and deposits for future stock subscription.

(v) Deficit

Comprehensive losses for the fiscal years ended 31 December 2019 and 2018 represent impairment and write-off of various accounts and administrative expenses. The losses on these periods caused the continued increase in Deficit.

2018 vs. 2017

(i) Current Assets

Current assets decreased from Php1,745,458 in 2017 to Php 591,540 in 2018 . This was due to decrease in cash in bank.

(ii) Input Taxes

In 2018 and 2017, input tax resulted to nil due to impairment loss provided.

(iii) Property and Equipment

There was no acquisition of property and equipment for 2018 and 2017. The current period balance of property and equipment resulted to nil after it was determined in 2015 to be impaired and its corresponding accumulated depreciation was closed to Retained Earnings.

(iv) Current Liabilities

The current liabilities increased from Php7.02 million in 2017 to Php7.49 in 2018 million due to advances from a related party obtained for working capital requirements and deposits for future stock subscription.

(v) Deficit

Comprehensive losses for the fiscal years ended 31 December 2018 and 2017 represent impairment and write-off of various accounts and administrative expenses. The losses on these periods caused the continued increase in Deficit. The impaired and write-off of the various accounts was approved by the Board on 12 December 2018 and ratified by the stockholders on 12 December 2018.

2017 vs. 2016

(i) Current Assets

Current assets increased from Php248,025 in 2016 to Php1,645,458. This was due to increase in cash in bank.

(ii) Input Taxes

In 2017 and 2016, input tax resulted to nil due to impairment loss provided.

(iii) Property and Equipment

There was no acquisition of property and equipment for 2017 and 2016. The current period balance of property and equipment resulted to nil after it was determined in 2015 to be impaired and its corresponding accumulated depreciation was closed to Retained Earnings.

(iv) Current Liabilities

The current liabilities increased from Php3.3 million in 2016 to Php7.02 million due to loans obtained for working capital requirements and deposits for future stock subscription.

(v) Deficit

Comprehensive losses for the fiscal years ended 31 December 2017 and 2016 represent impairment and write-off of various accounts and administrative expenses. The losses on these periods caused the continued increase in Deficit. The impaired and write-off of the various accounts was approved by the Board on 28 August 2015 and ratified by the stockholders on 16 October 2015.

Changes in Operating Results.

<u>2019 vs 2018 vs 2017</u>

The Company has not yet commenced commercial operations. There were no mining activities or exploration as of 31 December 2019. The exploration works for Zam-Iron were not commenced. On 15 November 2013, Zam-Iron received a letter from the Mines and Geosciences Bureau IX stating that their office had issued an Order of Denial for mining exploration with finality. Zam-Iron's next recourse was to file an appeal to the Mines and Geosciences Bureau central office in Manila. The Company had already determined that its prepaid royalties to Zam-Iron may no longer be realized. 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 31 December 2014 and 2013. The Company thereafter deemed that the recovery of the Company's receivables was remote. The Board of Directors on 28 August 2015 unanimously approved the impairment and write-off of the following items from its books of account: (i) accounts receivable from 9th Kingdom Investment, Inc., (ii) advances to Mikro-Tech Capital, Inc., (iii) prepaid royalties in favor of Zam-Irom Mining Corporation, (iv) accounts receivable from LRSI and Stradec, and (v) retained deficit. This was ratified by the stockholders during the annual stockholders' meeting on 16 October 2015.

On 26 November 2019, the SEC approved certain amendments to the Company's Articles of Incorporation, including the amendment of the Second Article to: (i) change the primary purpose of the Company to reflect that of a holding company, (ii) to include the power to guarantee as among the Company's secondary purposes, and (iii) to align such secondary purposes to the business of the Company as a holding company.

In 2019, the Comprehensive Loss increased from Php1.6 million in 2018 to Php3.5 million due to increase in administrative expenses. The decrease in the Comprehensive Losses to Php2.2 million in 2017 from Php2.5 million in 2016 is due to the impairment and write-off of various accounts above-mentioned. The Company did not participate in bidding activities in 2019 and 2018.

Material Events and Uncertainties.

For 2019 and 2018, the Company 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, demands, commitments, events, or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

(ii) Events that will trigger direct or contingent financial obligation that are material to the Company, including any default or acceleration of obligation. The Company 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, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

(iv) Any material commitment for capital expenditures.

(v) Any known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues, income from continuing operations.

(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 operations.

MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

Pacifica, Inc. shares are actively traded in the Philippine Stock Exchange. The following are the quarterly high and low prices of the Company's shares traded at the Philippine Stock Exchange, Inc. for the last three (3) years:

Quarter	2020		2019		2018		2017	
	Common Shares		Common Shares		Common Shares		Common Shares	
	High	Low	High	Low	High	Low	High	Low
1st	6.200	2.400	0.058	0.036	0.053	0.038	0.073	0.037
2nd	3.300	2.400	0.044	0.038	0.046	0.036	0.068	0.053
3rd	3.800	2.730	0.042	0.038	0.044	0.037	0.056	0.042
4th	-	-	7.880	4.000	0.040	0.033	0.059	0.043

As of 4 November 2020, the closing price of the Company's common shares listed in the PSE is Php3.47.

Holders

The Company's capital stock consists of common shares. As of 30 September 2020, 99.46% are Filipino-owned while 0.54% are foreign-owned.

There are 1,454 stockholders as of 30 September 2020 and the common shares issued and outstanding are 325,000,000,000.

Below is a list of the top twenty (20) stockholders as of 30 September 2020:

	Stockholders' Name	Nationality	Number of Shares	Ownership Percentage
1	Unido Capital Holdings, Inc.	Filipino	198,048,420	60.94%
2	PCD Nominee Corporation	Filipino	91,081,461	28.03%
3	Alexandra L. Laperal	Filipino	3,832,500	1.18%
4	Rosamaria Laperal	Filipino	3,199,000	0.98%
5	Oliverio L. Laperal, Jr.	Filipino	3,072,400	0.95%
6	Victorina Heras	Filipino	3,029,302	0.93%
7	Regina L. Concepcion	Filipino	3,000,000	0.92%
8	Desiderio L. Laperal	Filipino	2,772,500	0.85%
9	LMI Holdings Corporation	Filipino	2,260,000	0.70%
10	PCD Nominee Corporation (Foreign)	Foreign	1,747,700	0.54%
11	Chiong & Company, Inc.	Filipino	477,650	0.15%
12	Oliverio G. Laperal	Filipino	476,192	0.15%
13	Ansaldo, Godinez & Co., Inc.	Filipino	379,300	0.12%
14	Benjamin Co Ca & Co., Inc.	Filipino	371,922	0.11%
15	Vicente Goquiolay & Co., Inc.	Filipino	348,150	0.11%
16	Industrial Horizons, Inc.	Filipino	266,000	0.08%
17	Nieves Sanchez, Inc.	Filipino	263,100	0.08%
18	Tiong Securities, Inc.	Filipino	259,050	0.08%
19	Manotoc, Rosenberg & Co., Inc.	Filipino	215,550	0.07%
20	Emma Laperal	Filipino	200,000	0.06%
		TOTAL	315,300,197	97.02%

Dividends

The Corporation has not declared any cash or stock dividend during the past three years.

Recent Sale of Unregistered Securities

On June 21, 2011, the Corporation conducted a delinquency sale of 14,654,784,000 delisted delinquent shares, the results of which were reported to the Securities and Exchange Commission and the Philippine Stock Exchange. This corporate act confirms the Corporation's initiative to source funds. As of the date of the preparation of this report, all winning bidders have fully paid their bids.

On 26 November 2019, the SEC approved certain amendments to the Company's Articles of Incorporation, including the amendment to the Seventh Article of the Articles of Incorporation: (i) increasing the par value of the common shares of stock of the Company from Php 0.005 per share to Php 1.00 per share, resulting in a decrease of the common shares of the Company then outstanding from 40 billion shares to 200 million shares; and (ii) increasing the authorized capital stock of the Company from Php200 million divided into 200 million shares with par value of Php 1.00 per share to Php700 million divided into 700 million shares with par value of Php 1.00 per share, or an increase in the authorized capital stock of Php 500 million.

Out of the Php500 million increase in the authorized capital stock of the Company, Unido Capital Holdings, Inc. subscribed to 125,000,000 common shares of the Company at their new par value of Php1.00 per share. Prior to such subscription, Unido Capital Holdings, Inc. owned and held a total of 14,609,684,000 shares at the par value of Ph 0.005 (or 73,048,420 shares at the par value of Php 1.00 per share) representing 36.52% of the outstanding capital stock of the Company immediately prior to the increase in the authorized capital stock.

The additional subscription of 125,000,000 shares constitutes 38.46% of the resulting outstanding capital stock of the Company of 325,000,000 shares. As a result of the additional subscription of 125,000,000 shares, Unido Capital Holdings, Inc. now directly owns a total of 198,048,420 shares, representing 60.94% of the current aggregate outstanding capital stock of the Company.

Financial Statements

The Audited Financial Statements for the year ended 31 December 2019 is attached hereto as Annex "B". The Quarterly Report for the quarter ended 30 June 2020 is likewise attached hereto as Annex "C". The Interim Unaudited Financial Statements of the Corporation for the period ended 30 June 2020 are incorporated herein by reference.

Information on Independent Accountant

The external auditor of the Company is the accounting firm of Punongbayan & Araullo. The Board, upon the recommendation of the Company's Audit Committee, approved the reappointment of Punongbayan & Araullo as the Company's independent auditor for 2020 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 Christian Francis C. Reyes 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 2019 were audited by Punongbayan & Araullo. Sycip, Gorres, Velayo & Co. previously acted as the

Company’s independent public accountant until 2014.

There was no event during the two most recent fiscal years where Punongbayan & Araullo 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 current audit.

To comply with the requirements of SRC Rule 68 (3)(b)(iv), the signing partners of Punongbayan & Aruallo shall be rotated every five (5) years or earlier. The partner-in-charge for the year 2019 is Mr. Nelson J. Dinio. He is likewise the recommended 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.

Apart from audit-related services, the independent auditors of the Company have not rendered tax, accounting, compliance, advice, planning, and other tax services for the Company within the last two (2) fiscal years.

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:

Year	Audit & Audit-Related Fees	Tax Fees	Other Fees
2019	350,000	0	52,500
2018	350,000	0	52,500

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.

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.

CORPORATE GOVERNANCE

On 31 May 2017, the Company submitted its revised Manual on Corporate Governance, in compliance with the leading practices on good corporate governance and related SEC rules and regulations.

Pursuant to SEC Memorandum Circular No. 15, series of 2017 mandating all publicly-listed companies to submit an Integrated Annual Corporate Governance Report (I-ACGR) and SEC Notice dated 22 July 2020 further extending the deadline for the submission of the I-ACGR to 1 September 2020, the Company filed its I-ACGR for the year ended 31 December 2019 on 1 September 2020.

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 22 88

Report of Independent Auditors

The Board of Directors and the Stockholders
Pacifica Holdings, Inc.
(A Subsidiary of Unido Capital Holdings, Inc.)
China Bank Corporate Center
Lot 2, Samar Loop corner Road 5
Cebu Business Park
Brgy. Mabolo, Cebu City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pacifica Holdings, Inc. (the Company), which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of comprehensive income, statements of changes in equity (capital deficiency) and statements of cash flows for each of the three years in the period ended December 31, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2019 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have not determined any key audit matter that should be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2019, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2019 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequence of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2019 required by the Bureau of Internal Revenue as disclosed in Note 19 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audits resulting in this independent auditors' report is Nelson J. Dinio.

PUNONGBAYAN & ARAULLO

By: Nelson J. Dinio
Partner

CPA Reg. No. 0097048
TIN 201-771-632
PTR No. 8116543, January 2, 2020, Makati City
SEC Group A Accreditation
Partner - No. 97048-SEC (until Dec. 31, 2023)
Firm - No. 0002-FR-5 (until Mar. 26, 2021)
BIR AN 08-002511-032-2019 (until Sept. 4, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

April 7, 2020

PACIFICA HOLDINGS, INC.
(A Subsidiary of Unido Capital Holdings Inc.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018
(Amounts in Philippine Pesos)

	Notes	2019	2018
A S S E T S			
CURRENT ASSETS			
Cash in banks	6	**P 1,465,805**	P 541,540
Due from related parties	13	**28,000,000**	-
Other current assets - net	7	**-**	50,000
TOTAL ASSETS		**P 29,465,805**	P 591,540
LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)			
CURRENT LIABILITIES			
Accrued expenses and other payables	9	**P 151,000**	P 134,500
Due to related parties	13	**8,818,812**	4,852,581
Total Current Liabilities		**8,969,812**	4,987,081
NON-CURRENT LIABILITY			
Deposit for future stock subscription	13	**-**	2,500,000
Total Liabilities		**8,969,812**	7,487,081
EQUITY (CAPITAL DEFICIENCY)			
Capital stock	14	**231,133,332**	199,883,332
Additional paid-in capital	2	**10,163,756**	10,163,756
Deficit	1	**(220,801,095)**	(216,942,629)
Net Equity (Capital Deficiency)	1	**20,495,993**	(6,895,541)
TOTAL LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)		**P 29,465,805**	P 591,540

See Notes to Financial Statements.

PACIFICA HOLDINGS, INC.
(A Subsidiary of Unido Capital Holdings Inc.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017
(Amounts in Philippine Pesos)

	Notes	2019	2018	2017
REVENUES	1	**P -**	P -	P -
EXPENSES	11	**3,860,625**	1,617,520	2,217,769
OPERATING LOSS		**3,860,625**	1,617,520	2,217,769
FINANCE (INCOME) COSTS				
Finance income	10	**(2,159)**	(5,563)	(4,257)
Finance costs	8	**-**	4,149	5,273
		(2,159)	(1,414)	1,016
LOSS BEFORE TAX		**3,858,466**	1,616,106	2,218,785
TAX EXPENSE	12	**-**	-	-
NET LOSS	15	**3,858,466**	1,616,106	2,218,785
OTHER COMPREHENSIVE INCOME		**-**	-	-
TOTAL COMPREHENSIVE LOSS		**P 3,858,466**	P 1,616,106	P 2,218,785
Loss Per Share				
Basic and diluted	15	**P 0.01834**	P 0.00808	P 0.01109

See Notes to Financial Statements.

PACIFICA HOLDINGS, INC.

(A Subsidiary of Unido Capital Holdings Inc.)

STATEMENTS OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)

FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017

(Amounts in Philippine Pesos)

	Capital Stock (See Note 14)	**Additional Paid-in Capital** (See Note 2)	**Deficit** (See Note 1)	**Equity (Capital Deficiency)** (See Note 1)
Balance at January 1, 2019	**P 199,883,332**	**P 10,163,756**	**(P 216,942,629)**	**(P 6,895,541)**
Issuance of shares during the year	**31,250,000**	**-**	**-**	**31,250,000**
Total comprehensive loss for the year	**-**	**-**	**(3,858,466)**	**(3,858,466)**
Balance at December 31, 2019	**P 231,133,332**	**P 10,163,756**	**(P 220,801,095)**	**P 20,495,993**
Balance at January 1, 2018	P 199,883,332	P 10,163,756	(P 215,326,523)	(P 5,279,435)
Total comprehensive loss for the year	-	-	(1,616,106)	(1,616,106)
Balance at December 31, 2018	P 199,883,332	P 10,163,756	(P 216,942,629)	(P 6,895,541)
Balance at January 1, 2017	P 199,883,332	P 10,163,756	(P 213,107,738)	(P 3,060,650)
Total comprehensive loss for the year	-	-	(2,218,785)	(2,218,785)
Balance at December 31, 2017	P 199,883,332	P 10,163,756	(P 215,326,523)	(P 5,279,435)

See Notes to Financial Statements.

PACIFICA HOLDINGS, INC.
(A Subsidiary of Unido Capital Holdings Inc.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019, 2018 AND 2017
(Amounts in Philippine Pesos)

	Notes	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		**(P 3,858,466)**	(P 1,616,106)	(P 2,218,785)
Adjustments for:				
Interest income	6	**(2,159)**	(1,344)	(2,693)
Unrealized foreign currency exchange gains - net	10	**-**	(4,219)	(1,564)
Interest expense	8	**-**	4,149	5,273
Operating losses before working capital changes		**(3,860,625)**	(1,617,520)	(2,217,769)
Decrease in other current assets		**50,000**	-	-
Increase in due to related parties		**3,966,231**	4,852,581	-
Increase (decrease) in accrued expenses and other payables		**16,500**	(104,633)	148,114
Net Cash From (Used in) Operating Activities		**172,106**	3,130,428	(2,069,655)
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances to related parties	13	**(30,500,000)**	-	-
Interest received		**2,159**	1,344	2,693
Net Cash From (Used in) Investing Activities		**(30,497,841)**	1,344	2,693
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from subscription of shares	14	**31,250,000**	-	-
Repayments of interest-bearing loan	8	**-**	(4,285,760)	(3,217,656)
Interest paid		**-**	(4,149)	(5,273)
Proceeds from interest-bearing loan	8	**-**	-	4,285,760
Deposit for future stock subcription	13	**-**	-	2,500,000
Net Cash From (Used in) Financing Activities		**31,250,000**	(4,289,909)	3,562,831
Effect of Exchange Rate Changes on Cash in Banks		**-**	4,219	1,564
NET INCREASE (DECREASE) IN CASH IN BANKS		**924,265**	(1,153,918)	1,497,433
CASH IN BANKS AT BEGINNING OF YEAR		**541,540**	1,695,458	198,025
CASH IN BANKS AT END OF YEAR		**P 1,465,805**	P 541,540	P 1,695,458

Supplemental Information on a Non-cash Investing Activity -

The unutilized deposit for future stock subscription amounting to P2,500,000 was applied as payment against advances to related parties (see Note 13).

See Notes to Financial Statements.

PACIFICA HOLDINGS, INC.
(A Subsidiary of Unido Capital Holdings, Inc.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019, 2018 AND 2017
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

1.1. Corporate Information

Pacifica, Holdings Inc. (the Company), formerly known as Pacifica, Inc., was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on September 2, 1957.

The Company's shares of stock are listed for trading in the Philippine Stock Exchange (PSE).

The Company was established to primarily engage in discovery, exploration, development and exploitation of mineral oils and gaseous substances, gold, silver, copper, iron and other metal ores, and other mineral substances. However, as indicated in Note 1.2, the Company has not yet started its commercial operations since the renewal of its corporate life in 2007. As such, on October 26, 2017, the Board of Directors (BOD) approved the amendments to the Company's Articles of Incorporation as concurred by at least 2/3 of the Company's stockholders, which includes the change on the primary purpose of the Company to reflect that of a holding company. This was approved by SEC on November 26, 2019.

In 2019, the Company became a subsidiary of Unido Capital Holdings, Inc. (UCHI or parent company). UCHI holds 60.94% ownership interest in the Company as at December 31, 2019 (see Note 14). Prior to 2019, UCHI and iHoldings, Inc. had majority ownership of the Company, with 36.52% and 27.65% ownership interest, respectively. UCHI currently conducts business as an investment holding company.

The Company and UCHI's registered office, which is also their principal place of business, is located at China Bank Corporate Center, Lot 2, Samar Loop corner Road 5, Cebu Business Park, Brgy. Mabolo, Cebu City. The Company's former registered office was located at Manila Harbour Centre, R-10, Vitas, Tondo, Manila.

1.2. Status of Operations

The Company has not yet started its commercial operations since the renewal of its corporate life (see Note 1.1). As such, the Company recognized substantial losses from impairment and write-off of assets resulting in the recognition of net losses and, consequently, a capital deficiency as at December 31, 2018 amounting to P6,895,541.

In response to the foregoing matters, the Company continues to evaluate viable business opportunities and synergies to make the Company realize it business potential. Increasing its authorized capitalization and conversion of the Company into a holding company were facilitated by the Company. In connection with these strategies, on November 26, 2019, UCHI have acquired controlling ownership interest of 60.94% in the Company, effectively becoming the parent company. The entry of UCHI, which also brought in a new governance and management team, is expected to bring in new sources of funds and fresh business ideas to enable the Company to carry out further equity fund raising and strengthen its capital. In relation to this, cash infusion from UCHI and other stockholders totaling to P31,250,000 has provided new funds to the Company to meet its current operating requirements (see Note 14). The above resulted to total equity of P20,495,993 as at December 31, 2019 from a capital deficiency of P6,895,541 as at December 31, 2018.

1.3. Approval of Financial Statements

The financial statements of the Company as at and for the year ended December 31, 2019 (including the comparative financial statements as at December 31, 2018 and for the years ended December 31, 2018 and 2017) were authorized for issue by the Company's Board of Directors on April 7, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that follows have been used in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income and expenses in a single statement of comprehensive income.

The Company presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 Adoption of New and Amended PFRS

(a) Effective in 2019 that are Relevant to the Company

The Company adopted for the first time the following amendments, interpretations and annual improvements to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2019:

PFRS 9 (Amendments)	:	Financial Instruments – Prepayment Features with Negative Compensation
International Financial Reporting Interpretations Committee (IFRIC) 23	:	Uncertainty over Income Tax Treatments
Annual Improvements to PFRS (2015-2017 Cycle)		
PAS 12 (Amendments)	:	Income Taxes – Tax Consequences of Dividends

Discussed below and on the succeeding page are the relevant information about these pronouncements.

(i) PFRS 9 (Amendments), *Financial Instruments – Prepayment Features with Negative Compensation*. The amendments clarify that prepayment features with negative compensation attached to financial assets may still qualify under the "solely payments of principal and interests" (SPPI) test. As such, the financial assets containing prepayment features with negative compensation may still be classified at amortized cost or at fair value through other comprehensive income. The application of these amendments had no significant impact on the Company's financial statements.

(ii) IFRIC 23, *Uncertainty over Income Tax Treatments*. This interpretation provides clarification on the determination of taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates when there is uncertainty over income tax treatments. The core principle of the interpretation requires the Company to consider the probability of the tax treatment being accepted by the taxation authority. When it is probable that the tax treatment will be accepted, the determination of the taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates shall be on the basis of the accepted tax treatment. Otherwise, the Company has to use the most likely amount or the expected value, depending on the surrounding circumstances, in determining the tax accounts identified immediately above. The application of this interpretation had no significant impact on the Company's financial statements.

(iii) Annual Improvements to PFRS 2015-2017 Cycle. Among the improvements, PAS 12 (Amendments), *Income Taxes – Tax Consequences of Dividends*, which is effective from January 1, 2019, is relevant to the Company. The amendments clarify that an entity should recognize the income tax consequence of dividend payments in profit or loss, other comprehensive income or equity according to where the entity originally recognized the transactions that generated the distributable profits. The application of this improvement had no significant impact on the Company's financial statements.

(b) Effective in 2019 that are not Relevant to the Company

The following PFRS, amendments and annual improvements to existing standards are mandatorily effective for annual periods beginning on or after January 1, 2019 but are not relevant to the Company's financial statements:

PAS 19 (Amendments)	:	Employee Benefits – Plan Amendment, Curtailment or Settlement
PAS 28 (Amendments)	:	Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures
PFRS 16	:	Leases
Annual Improvements to PFRS (2015-2017 Cycle)		
PFRS 3 and 11 (Amendments)	:	Business Combinations and Joint Arrangements – Remeasurement of Previously Held Interest in Joint Operation
PAS 23 (Amendments)	:	Borrowing Costs – Eligibility for Capitalization

(c) Effective Subsequent to 2019 but not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to 2019, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Company's financial statements:

(i) PAS 1 (Amendments), *Presentation of Financial Statements* and PAS 8 (Amendments), *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material* (effective from January 1, 2020). The amendments provide a clearer definition of 'material' in PAS 1 by including the concept of 'obscuring' material information with immaterial information as part of the new definition, and clarifying the assessment threshold (i.e., misstatement of information is material if it could reasonably be expected to influence decisions made by primary users, which consider the characteristic of those users as well as the entity's own circumstances). The definition of material in PAS 8 has been accordingly replaced by reference to the new definition in PAS 1. In addition, amendment has also been made in other Standards that contain definition of material or refer to the term 'material' to ensure consistency.

(ii) Revised Conceptual Framework for Financial Reporting (effective from January 1, 2020). The revised conceptual framework will be used in standard-setting decisions with immediate effect. Key changes include (a) increasing the prominence of stewardship in the objective of financial reporting, (b) reinstating prudence as a component of neutrality, (c) defining a reporting entity, which may be a legal entity, or a portion of an entity, (d) revising the definitions of an asset and a liability, (e) removing the probability threshold for recognition and adding guidance on derecognition, (f) adding guidance on different measurement basis, and, (g) stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised framework from January 1, 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised framework.

2.3 Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Company commits to purchase or sell the asset).

(a) Classification, Measurement and Reclassification of Financial Assets

The classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Currently, all of the Company's financial assets are categorized as financial assets at amortized cost. The measurement of the financial asset at amortized cost is described below and on the succeeding page.

Financial assets are measured at amortized cost if both of the following conditions:

- the asset is held within the Company's business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold to collect"); and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit losses (ECL).

The Company's financial assets at amortized cost are presented in the statement of financial position as Cash in Banks and Due from Related Parties.

Financial assets measured at amortized cost are included in current assets, except for those with maturities greater than 12 months after the end of reporting period, which are classified as non-current assets.

For purposes of cash flows reporting and presentation, cash in banks generally include demand and savings deposits which are unrestricted and are subject to insignificant changes in value.

Interest income on financial assets measured at amortized cost is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The Company calculates interest income by applying the effective interest rate to the gross carrying amount of the financial assets, except for those that are subsequently identified as credit-impaired and or are purchased or originated credit-impaired assets.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, the calculation of interest income reverts to gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis even if the credit risk of the asset subsequently improves.

Interest income earned is recognized in the statement of comprehensive income as part of Finance Income.

The Company can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Company is required to reclassify financial assets: (i) from amortized cost to fair value through profit or loss (FVTPL), if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Company's business model will take effect only at the beginning of the next reporting period following the change in the business model.

(b) *Impairment of Financial Assets*

At the end of the reporting period, the Company assesses and recognizes allowance for ECL on its financial assets measured at amortized cost. The measurement of ECL involves consideration of broader range of information that is available without undue cost or effort at the reporting date about past events, current conditions, and reasonable and supportable forecasts of future economic conditions (i.e., forward-looking information) that may affect the collectability of the future cash flows of the financial assets. Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instruments evaluated based on a range of possible outcome.

The Company applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all trade and other receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Company uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix.

The Company also assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, and have been grouped based on the days past due.

The Company determines whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life of the financial asset between the reporting date and the date of the initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that may indicate an actual or expected deterioration of the credit quality of the financial assets.

The key elements used in the calculation of ECL are as follows:

- *Probability of default* – It is an estimate of likelihood of a counterparty defaulting at its financial obligation over a given time horizon, either over the next 12 months or the remaining lifetime of the obligation.

- *Loss given default* – It is an estimate of loss arising in case where a default occurs at a given time. It is based on the difference between the contractual cash flows of a financial instrument due from a counterparty and those that the Company would expect to receive, including the realization of any collateral or effect of any credit enhancement.

- *Exposure at default* – It represents the gross carrying amount of the financial instruments in the event of default which pertains to its amortized cost.

The Company recognizes an impairment loss in profit or loss for all financial instruments subjected to impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account.

(c) Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2.4 Other Current Assets

Other current assets pertain to other resources controlled by the Company as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period are classified as non-current assets.

2.5 Financial Liabilities

Financial liabilities, which include accrued expenses and other payables (except withholding taxes payable) and due to related parties are recognized when the Company becomes a party to the contractual terms of the instrument. All interest-related charges incurred on a financial liability are recognized as an expense under the caption Finance Costs in the statement of comprehensive income, if any.

Accrued expenses and other payables and due to related parties are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

2.6 Deposit for Future Stock Subscription

Deposit for future stock subscription is classified under non-current liability in the statement of financial position. It refers to the amount of money or sometimes even property received by a corporation with the purpose of applying the same as payment for future issuance of stocks which may or may not materialize.

A person or entity that makes a deposit on stock subscription in favor of a corporation does not have the standing of a stockholder nor entitled to the rights and attributes of a stockholder. Consequently, the deposit: (1) is not entitled to the receipt of any dividend; (2) is not included in the determination of quorum at meetings nor in the counting of votes requiring shareholder's action; (3) is not eligible to be voted upon; and (4) in general, cannot exercise stockholders' rights or privileges.

Under the new and amended Financial Reporting Bulletin (FRB) No. 006, as revised, the Company shall classify a contract to deliver its own equity instruments under equity as a separate account (e.g. deposits for future stock subscription) from capital stock if and only if, all of the following elements are present as of end of the reporting period:

(a) The unissued authorized capital of the entity is insufficient to cover the amount of shares indicated in the contract;

(b) There is BOD and stockholders' approval on the proposed increase in capital stock for which a deposit was received by the Company; and,

(c) The application for the approval of the proposed increase has been presented for filling or has been filed with the SEC.

If any or all of the foregoing elements are not present, the transaction should be recognized as a liability. The amount of deposit for future stock subscriptions will be reclassified to equity accounts when the Company meets the foregoing criteria.

2.7 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.8 Revenue and Expense Recognition

To determine whether to recognize revenue, the Company follows a five-step process:

(a) identifying the contract with a customer;
(b) identifying the performance obligation;
(c) determining the transaction price;
(d) allocating the transaction price to the performance obligations; and,
(e) recognizing revenue when/as performance obligations are satisfied.

The Company determines whether a contract with customer exists by evaluating whether the following five gating criteria must be present:

(i) the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
(ii) each party's rights regarding the goods or services to be transferred or performed can be identified;
(iii) the payment terms for the goods or services to be transferred or performed can be identified;
(iv) the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract); and,
(v) collection of the consideration in exchange of the goods and services is probable.

Revenue is recognized only when (or as) the Company satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time.

A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

(i) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
(ii) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
(iii) the Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

As indicated in Note 1, the Company has no commercial operations yet and currently, it only earns interest income on its Cash in banks (see Note 2.3).

Expenses are recognized in profit or loss at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis.

2.9 Foreign Currency Transactions and Translation

The accounting records of the Company are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

2.10 Impairment of Non-financial Assets

The Company's non-financial assets, if any, are subject to impairment testing. Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

2.11 Income Taxes

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method, on temporary differences at the end of each reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets, if any, are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

2.12 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when the Company currently has legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and, must be legally enforceable for both entity and all counterparties to the financial instruments.

2.13 Related Party Relationships and Transactions

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Transactions amounting to ten percent (10%) or more of the total assets based on the latest audited financial statements that were entered into with related parties are considered material.

All individual material related party transactions shall be approved by at least 2/3 vote of the BOD, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the Company's total assets based on the latest audited financial statements, the same board approval would be required for the transaction(s) that meets and exceeds the materiality threshold covering the same related party.

2.14 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's executive committee, its chief operating decision maker. The executive committee is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Company's products and service lines as well as geographical location of its operation. Because the Company has no commercial operations yet (see Note 1), the Company does not present any segment information.

2.15 Equity (Capital Deficiency)

Capital stock represents the nominal value of shares that have been issued and subscribed, less subscriptions receivable.

Additional paid-in capital includes any premium received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Deficit represents all current and prior period results of operations as reported in the profit or loss section of the statement of comprehensive income.

2.16 Earnings (or Loss) per Share

Basic earnings (or Loss) per share (EPS) is computed by dividing net profit attributable to equity holders of the Company by the weighted average number of shares issued and outstanding, adjusted retroactively for any stock dividend, stock split or reverse stock split declared during the current period.

Diluted EPS is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares. Currently, the Company does not have dilutive potential shares outstanding; hence, the diluted EPS is equal to the basic EPS.

2.17 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the judgments that follow, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements.

(a) Assessment of Going Concern

The Company's management has made an assessment of its ability to continue as going concern. Management believes that the steps that it has already undertaken will propel and support the viability of its new business plan for the Company (see Note 1.2). Therefore, the financial statements are prepared on a going concern basis.

(b) Determination of ECL on Due to Related Parties

The Company uses external benchmarking to calculate ECL for Due to Related Parties. The Company applies the PFRS 9 using internal credit ratings translated to external credit ratings [i.e., Standard & Poor's] in order to reference/benchmark with published equivalent external cumulative probability of default. It has established a policy to perform an assessment, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Details about the ECL on the Company's Due to Related Parties are disclosed in Note 4.1.

(c) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.7 and disclosures on relevant contingencies are presented in Note 16.

3.2 Key Sources of Estimation Uncertainty

Described on the succeeding page are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(a) *Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behaviour (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 4.1.

(*b*) *Determination of Realizable Amount of Deferred Tax Assets*

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. As of December 31, 2019 and 2018, the deferred tax assets are not recognized because based on management's assessment, there would be no sufficient future taxable profits yet against which the deductible temporary differences and carry forward benefits of unused net operating loss carry-over (NOLCO) could be utilized (see Note 12).

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to certain financial risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 5. The main types of risks are credit risk and liquidity risk.

The Company's risk management is coordinated with the Board of Directors (BOD) and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

The Company does not engage in the trading of financial assets for speculative purposes nor does it write options. Following are the relevant financial risks to which the Company is exposed to:

4.1 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for certain financial instruments arising from placing deposits with banks and obtaining advances from related parties.

The Company continuously monitors defaults of counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statements of financial position or in the detailed analysis provided in the notes to the financial statements, as summarized as on the succeeding page.

	Notes	2018	2017
Cash in banks	6	**P 1,465,805**	P 541,540
Due from related parties	13	**28,000,000**	-
		P 29,465,805	P 541,540

None of the Company's financial assets are secured by collateral or other credit enhancements, except for cash in banks as described below.

(a) Cash in Banks

The credit risk for cash in banks is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 for every depositor per banking institution.

(b) Due to Related Parties

Management determines possible impairment based on each related party's ability to repay the receivables and advances upon demand at the reporting date. Management assessed that the outstanding receivables from related parties as at December 31, 2019 (nil in 2018) are recoverable since its related parties were assessed to have capacity to pay the advances upon demand. Hence, no impairment is also necessary.

4.2 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The Company maintains sufficient cash to meet its liquidity requirements for up to 60-day periods.

As of December 31, 2019 and 2018, the Company's financial liabilities have contractual maturities which are summarized below.

	On demand	Within one year	Total
December 31, 2019			
Due to related parties	P 8,818,812	P -	P 8,818,812
Accrued expenses and other payables (except withholding taxes)	151,000	-	151,000
	P 8,969,812	P -	P 8,969,812

	On demand		Within one year		Total	
December 31, 2018						
Due to related parties	P	4,852,581	P	-	P	4,852,581
Accrued expenses and other payables (except withholding taxes)		125,500		-		125,500
	P	4,978,081	P	-	P	4,978,081

The contractual maturities of the financial liabilities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting periods.

5. CATEGORIES AND FAIR VALUE MEASUREMENT AND DISCLOSURES

5.1 Carrying Amounts and Fair Values by Category

The Company has no financial assets or financial liabilities carried at fair value nor does it have any financial instruments whose fair value is required to be disclosed. The carrying values of its financial assets and financial liabilities that are carried at amortized cost approximate or equal their fair values, accordingly, comparison of their fair values and carrying values is no longer presented.

5.2 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the levels as follows.

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,

(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Company uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

5.3 Financial Instruments Measured at Fair Value

As indicated in Note 5.1, the Company has no financial assets and liabilities measured at fair value as at December 31, 2019 and 2018.

5.4 Fair Value Measurement for Non-financial Assets

The Company has no non-financial assets measured at fair value as of December 31, 2019 and 2018.

5.5 Financial Instruments Measured at Amortized Cost for which Fair Value is Not Disclosed

As discussed in Note 5.1, carrying values of its financial instruments carried at amortized costs approximate or equal their fair values, hence comparison is no longer disclosed. Accordingly, the Company does not also present a fair value hierarchy. Nevertheless, its cash in banks can be categorized as Level 1 in the hierarchy of financial instruments while the rest of the financial instruments as Level 3.

6. CASH IN BANKS

Cash in banks, which pertain to demand and savings deposits, amounts to P1,465,805 and P541,540 as of December 31, 2019 and 2018, respectively. Cash in banks generally earn interest based on daily bank deposit rates, which amounted to P2,159, P1,344, and P2,693 for 2019, 2018 and 2017, respectively, and is presented as part of Finance Income in the statements of comprehensive income (see Note 10).

7. OTHER CURRENT ASSETS

The composition of this account is shown below.

	Note	**2019**	2018
Input VAT	19*(b)*	**P 629,390**	P 476,828
Allowance for impairment		**(629,390)**	(476,828)
		-	-
Advances subject for liquidation		**-**	50,000
		P -	P 50,000

The analysis of allowance for impairment of input VAT is presented below.

	Note	**2019**	2018
Balance at beginning of year		**P 476,828**	P 327,349
Impairment during the year	11	**152,562**	149,479
Balance at end of year		**P 629,390**	P 476,828

8. INTEREST-BEARING LOAN

The movements of interest-bearing loans in 2018 (nil in 2019) are shown below:

Balance at beginning of year	P 4,285,760
Repayments	(4,285,760)
Balance at end of year	P -

The outstanding loan payable as of December 31, 2017, which bears an annual interest of 2.05% was paid in full on January 15, 2018. No additional loan was availed in 2019 and 2018.

No interest expense was recognized in 2019. Total interest expense recognized in 2018 and 2017 amounted to P4,149 and P5,273, respectively, and is presented as Finance Cost in the statements of comprehensive income.

9. ACCRUED EXPENSES AND OTHER PAYABLES

The composition of this account is shown below.

	2019	2018
Accrued professional fees	**P 141,000**	P 125,000
Withholding taxes payable	**-**	9,000
Others	**10,000**	500
	P 151,000	P 134,500

10. FINANCE INCOME

Other income includes:

	Note	**2019**	2018	2017
Interest income	6	**P 2,159**	P 1,344	P 2,693
Unrealized foreign currency exchange gains - net		**-**	4,219	1,564
		P 2,159	P 5,563	P 4,257

11. EXPENSES

Details of the Company's expenses by nature are shown below.

	Notes	**2019**	2018	2017
Taxes and licenses	19*(d)*	**P 2,543,827**	P 272,526	P 449,351
Professional fees		**1,084,000**	764,064	1,208,665
Impairment of input VAT	7	**152,562**	149,479	154,627
Printing and supplies		**38,910**	76,604	89,293
Transportation and travel		**32,326**	98,386	49,342
Communication		**9,000**	9,000	9,090
Write off of other assets		**-**	104,728	-
Directors' fees		**-**	90,000	90,000
Meetings and conferences		**-**	47,733	42,500
Advertising		**-**	-	123,900
Others		**-**	5,000	1,001
		P 3,860,625	P 1,617,520	P 2,217,769

12. CURRENT AND DEFERRED TAXES

There is no tax expense reported in the statements of comprehensive income for the years ended December 31, 2019, 2018 and 2017 because the Company is both in gross and taxable loss positions.

The reconciliation of tax on pretax loss computed at the applicable statutory rate of 30% to tax expense follows.

	2019	2018	2017
Tax on pretax loss at 30%	**(P 1,157,540)**	(P 484,832)	(P 665,636)
Tax effects of:			
Movements in NOLCO for which no deferred income tax asset was recognized	**1,108,519**	410,105	620,258
Non-deductible expenses	**49,669**	76,396	46,655
Non-taxable income	**(648)**	(1,669)	(1,277)
Tax expense	**P -**	P -	P -

There were no deferred tax assets recognized in the current and prior years since management believes that it is not probable that the Company would have sufficient future taxable profits against which deductible temporary differences and carryforward benefits of unused NOLCO could be utilized. Unrecognized deferred tax assets on NOLCO amounts to P2,138,882 and P1,672,645 as at December 31, 2019 and 2018.

The details of the Company's unexpired NOLCO with their corresponding validity or availment periods are as follows:

Taxable Years		Amount		Tax Effect	Valid Until
2019	P	3,695,063	P	1,108,519	2022
2018		1,367,018		410,105	2021
2017		2,067,526		620,258	2020
	P	**7,129,607**	**P**	**2,138,882**	

NOLCO which arose from 2016 and 2015 amounting to P2,140,940 and P66,943,529, respectively, with the tax effect of P642,282 and P20,083,059, expired in 2019 and 2018, respectively.

The Company is subject to minimum corporate income tax (MCIT), which is computed at 2% of gross income, as defined under the tax regulations or the regular corporate income tax, whichever is higher. No MCIT was reported in 2019 and 2018 as the Company did not earn income subject to MCIT.

The Company opted to claim itemized deductions in computing their income tax due in 2019, 2018 and 2017.

13. RELATED PARTY TRANSACTIONS

The Company's related parties include its stockholders and others as described in Note 2.13. A summary of the Company's transactions and outstanding balances with its related parties is presented below.

Related Party Category	Notes	Amount of Transactions			Outstanding Balances	
		2019	2018	2017	**2019**	2018
Parent Company						
Advances granted	13.1	**P 2,500,000**	P -	P -	**P 2,000,000**	P -
Deposit for future stock subscription	13.2	**(2,500,000)**	-	2,500,000	**-**	2,500,000
Stockholders						
Accommodation payments	13.3	**3,966,231**	4,852,581	4,285,760	**8,818,812**	4,852,581
Entities under common ownership						
Advances granted	13.1	**26,000,000**	-	-	**26,000,000**	-

No impairment is recognized on the outstanding receivables from related parties (see Note 4.1).

Unless otherwise stated, the outstanding receivables and payables from and to related parties are unsecured, noninterest-bearing and are generally settled in cash upon demand or through offsetting arrangement.

13.1 Advances Granted

In 2019, the Company granted advances to related parties for its working capital requirements. The outstanding balance of advances are presented under Due from Related parties in the 2019 statement of financial position. There was no similar transaction in 2018.

The movements in this account as at December 31, 2019 are summarized below.

	Note		
Balance at beginning of year		P	-
Advances during the year			30,500,000
Application of deposit for future stock subscriptions	13.2	(	2,500,000)
Balance at end of year		P	28,000,000

13.2 Deposit for Future Stock Subscriptions

In 2017, the Company's stockholder made cash infusion amounting to P2,500,000 for the planned subscriptions to the Company's authorized capital stock, which remained outstanding as at December 31, 2018.

As at December 31, 2018, this was presented as non-current liability in the statement of financial position as the requirements of SEC FRB No. 006, as revised, for classification as equity has not been complied with as of the end of the reporting period.

However, in 2019, the intended purpose of this cash infusion did not materialize, as such, this was applied as payment of the advances to related parties (see Note 13.1).

13.3 Accommodation payments

In 2019, 2018 and 2017, the Company's stockholders accommodated certain expenses, including principal and interest payments on its bank loan, on behalf of the Company. As of December 31, 2019 and 2018, the outstanding payable to its stockholders amounted to P8,818,812 and P4,852,581, respectively, which was presented as Due to Related Parties in the statements of financial position.

13.4 Key Management Compensation

The Company does not have key management personnel compensation in 2019, 2018 and 2017 as it has not yet started commercial operations.

14. EQUITY (CAPITAL DEFICIENCY)

14.1 Capital Stock

Capital stock consists of:

	Shares		Amount	
	2019	2018	**2019**	2018
Capital Stock – par value: 2019 – P1.000 2018 – P0.005				
Authorized	**700,000,000**	40,000,000,000	**P 700,000,000**	P 200,000,000
Issued	**199,825,000**	39,965,000,000	**P 199,825,000**	P 199,825,000
Subscribed	**125,175,000**	35,000,000	**125,175,000**	175,000
Subscriptions receivable	**-**	-	**(93,866,668)**	(116,668)
	125,175,000	35,000,000	**31,308,332**	58,332
Total issued and subscribed	**325,000,000**	40,000,000,000	**P 231,133,332**	P 199,883,332

On October 26, 2017, in addition to the items disclosed in Note 1, the BOD also approved several amendments to the Company's Articles of Incorporation as concurred by at least 2/3 of the Company's stockholders, which includes, among others the following: (1) effecting a reverse stock split by increasing the par value from P0.005 to P1.000 per share; and, (2) increasing the authorized capital stock of the Company to P5,000,000,000 divided in 5,000,000,000 shares with a par value of P1.000 per share, which shall be implemented in one or more tranches.

As a result of the reverse stock split, the number of authorized capital stock of the Company will decrease from 40,000,000,000 shares with a par value of P0.005 per share to 200,000,000 shares with a par value of P1.000 per share. Subsequently, on September 18, 2018, the BOD resolved to approve the implementation of the first tranche of the increase in the authorized capital stock of the Company from P200,000,000 divided into 200,000,000 shares with a par value of P1.000 per share to P700,000,000 divided into 700,000,000 shares with par value of P1.000 per share.

In 2018, the Company applied the foregoing amendments for approval by SEC. These were subsequently approved by SEC on November 26, 2019.

14.2 Listing with PSE

On November 23, 1959, the Company offered a portion of its stocks for listing with the PSE. The number of common shares registered was 25,345,216,000 with an issue price of P0.005. As of December 31, 2019 and 2018, the number of holders of such securities for both years is 3,296. As at the same dates, the Company has 3,296 stockholders owning 100 or more shares of the Company's capital stock.

The closing market price of the Company's shares as of December 31, 2019 and 2018 is P4.750 and P0. 0370, respectively. The total number of issued shares not listed with the PSE were 73,273,920 and 14,654,784,000 shares, as at December 31, 2019 and 2018, respectively.

On June 21, 2011, pursuant to the approval by the BOD, a delinquency sale was held for all 14,654,784,000 delisted delinquent shares 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 SEC and the PSE. This is the Company's confirmation of management's initiative to source funds. The delinquency sale was undertaken by the Company in its principal office and in the presence of a Notary Public. During the said auction, a total of 14,654,784,000 shares were bought by the winning bidders. Pursuant to the rules of the delinquency sales, payment of the winning bid shall be made on or before August 4, 2011. As at May 2, 2012, all winning bidders have fully paid their bids and have been issued certificates of stock.

The public auction of the delisted delinquent shares was ratified on October 16, 2015 during the Company's Annual Stockholders Meeting.

As at December 31, 2019 and 2018, 126,726,080 and 25,345,216,000 common shares of the Company remain listed with the PSE while the remaining 73,273,920 and 14,654,784,000, respectively, delisted shares are in the process of relisting. As at the same dates, the Company has no other securities listed in any capital markets.

14.3 Capital Management Objectives, Policies and Procedures

The Company maintains a capital base to cover risk inherent in the business. The primary objective of the Company's capital management is to ensure that it maintains an adequate and strong capital base to support its business.

The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statements of financial position. Capital for the reporting periods under review is summarized below.

	2019	2018
Total liabilities	**P 8,969,812**	P 7,487,081
Equity (capital deficiency)	**20,495,993**	(6,895,541)

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and total liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

15. LOSS PER SHARE

Basic and diluted loss per share were computed as follows:

	2019	2018	2017
Net loss	**P 3,858,466**	P 1,616,106	P 2,218,785
Weighted average number of outstanding shares	**210,416,667**	200,000,000	200,000,000
Basic and diluted loss per share	**P 0.01834**	P 0.00808	P 0.01109

On November 26, 2019, the Company effected a reverse stock split by increasing the par value to P1.000 per share and decreasing the number of shares (see Note 14.1). In computing the loss per share, the number of shares presented for the years ended December 31, 2019, 2018 and 2017 have been retroactively adjusted to reflect the reverse stock split.

The Company has no potentially dilutive common shares as of December 31, 2019, 2018 and 2017. Thus, the basic and diluted loss per share are the same as of those dates.

16. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities that are not given recognition in the accompanying financial statements. As of December 31, 2019 and 2018, management believes that losses, if any, that may arise from these commitments and contingencies will not have a material effect on the financial statements.

17. EVENTS AFTER THE END OF THE REPORTING PERIOD

In December 2019, a novel strain of corona virus (COVID-19) was reported to have surfaced in China. The World Health Organization has declared the outbreak as a 'public health emergency of international concern.' COVID-19 started to become widespread in the Philippines in early March 2020 causing the government to declare the country in a state of public health emergency followed by implementation of enhanced quarantine and social distancing measures and restrictions within the Luzon area with other cities and provinces in the country enacting similar measures thereafter. This resulted in a wide-ranging business suspension - disrupting the supply chains, affecting production and sales across a range of industries, and weakening the stock market.

Management has not been aware of any cases of COVID-19 infection among its people and the outbreak has not had a significant impact to the Company, considering it has not yet started commercial operations.

In support and compliance with the government measures to protect the welfare and interest of the Company's stakeholders, including its counterparties, the Company has implemented safety measures. Management will continue to monitor and assess the ongoing development and respond accordingly.

18. OTHER INFORMATION REQUIRED BY THE SECURITIES AND EXCHANGE COMMISSION

Republic Act No. 11232, *An Act Providing for the Revised Corporation Code of the Philippines* (the Revised Corporation Code) took effect on March 8, 2019. The new provisions of the Revised Corporation Code or any amendments thereof have no significant impact to the Company's financial statements.

19. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

Following are the supplementary information on taxes, duties and license fees paid or accrued during the taxable year, which is required by the BIR under Revenue Regulation No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

(a) Output VAT

The Company does not have output VAT in 2019 since the Company has not yet generated any revenues.

(b) Input VAT

The movements in input VAT in 2019 are summarized below.

Balance at the beginning of year	P	476,828
Purchases of services		152,562
Balance at end of year	**P**	**629,390**

The outstanding balance of the input VAT is presented as Input VAT under Other Current Assets account in the 2019 statement of financial position (see Note 7).

(c) Documentary Stamp Tax (DST)

The Company paid DST amounting to P1,250,000 [see Note 19*(d)*] relating to the subscription on the increase in authorized capital stock.

(d) Taxes and Licenses

Details of taxes and licenses follow:

	Notes		
DST	19*(c)*	P	1,250,000
SEC filing fees			1,012,080
Annual listing and filing fees			250,000
Business and local taxes			16,759
Penalties			13,000
Community registration fee			660
Annual registration fee			500
Others			828
	11	**P**	**2,543,827**

(e) Withholding Taxes

The Company has no income tax payments subjected to expanded, compensation, and final taxes in 2019.

(f) Deficiency Tax Assessments and Tax Cases

As of December 31, 2019, the Company does not have final deficiency tax assessments with the BIR nor does it have tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable years.

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Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

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The Board of Directors and the Stockholders
Pacifica Holdings, Inc.
(A Subsidiary of Unido Capital Holdings, Inc.)
China Bank Corporate Center
Lot 2, Samar Loop corner Road 5
Cebu Business Park
Brgy. Mabolo, Cebu City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Pacifica Holdings, Inc. for the year ended December 31, 2019, on which we have rendered our report dated April 7, 2020. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68, and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: **Nelson J. Dinio**
Partner

CPA Reg. No. 0097048
TIN 201-771-632
PTR No. 8116543, January 2, 2020, Makati City
SEC Group A Accreditation
Partner - No. 97048-SEC (until Dec. 31, 2023)
Firm - No. 0002-FR-5 (until Mar. 26, 2021)
BIR AN 08-002511-032-2019 (until Sept. 4, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

April 7, 2020

PACIFICA HOLDINGS, INC.
(A Subsidiary of Unido Capital Holdings, Inc.)
List of Supplementary Information
December 31, 2019

PACIFICA HOLDINGS, INC.
(A Subsidiary of Unido Capital Holdings, Inc.)
SCHEDULE A - FINANCIAL ASSETS
December 31, 2019

Name of Issuing Entity and Association of Each Issue	*Number of Shares or Principal Amount of Bonds and Notes*	*Amount shown on the statement of financial position*	*Valued based on Market Quotation at End of Reporting Period*	*Income received and accrued*
Cash in banks	P 1,465,805	P 1,465,805	P 1,465,805	P 2,159
Due from related parties	28,000,000	28,000,000	28,000,000	-
	P 29,465,805	P 29,465,805	P 29,465,805	P 2,159

PACIFICA HOLDINGS, INC.

(A Subsidiary of Unido Capital Holdings, Inc.)

SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

December 31, 2019

			Deductions		*Ending Balance*		
Name and designation of debtor	*Balance at beginning of period*	*Additions*	*Amounts collected*	*Amounts written off*	*Current*	*Not current*	*Balance at end of period*

NOT APPLICABLE

PACIFICA HOLDINGS, INC.
(A Subsidiary of Unido Capital Holdings, Inc.)
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
December 31, 2019

			Deductions				
Name and designation of debtor	*Balance at the beginning of period*	*Additions*	*Amounts collected*	*Amounts written off*	*Current*	*Non current*	*Balance at the end of the period*

NOT APPLICABLE

PACIFICA HOLDINGS, INC.
(A Subsidiary of Unido Capital Holdings, Inc.)
SCHEDULE D - LONG-TERM DEBT
December 31, 2019

Title of issue and type of obligation	***Amount authorized by indenture***	***Amount shown under caption"Current portion of long-term debt" in related statement of financial position***	***Amount shown under caption"Long-Term Debt" in related statement of financial position***

NOT APPLICABLE

PACIFICA HOLDINGS, INC.
(A Subsidiary of Unido Capital Holdings, Inc.)
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)
December 31, 2019

Name of related party	*Balance at beginning of period*	*Balance at end of period*

NOT APPLICABLE

PACIFICA HOLDINGS, INC.
(A Subsidiary of Unido Capital Holdings, Inc.)
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
December 31, 2019

Name of issuing entity of securities guaranteed by the company for which this statement is filed	*Title of issue of each class of securities guaranteed*	*Total amount guaranteed and outstanding*	*Amount owned by person for which statement is filed*

NOT APPLICABLE

PACIFICA HOLDINGS, INC.
(A Subsidiary of Unido Capital Holdings, Inc.)
SCHEDULE G - CAPITAL STOCK
December 31, 2019

				Number of shares held by		
Title of Issue	*Number of shares authorized*	*Number of shares issued and outstanding as shown under the related statement of financial position caption*	*Number of shares reserved for options, warrants, conversion and other rights*	*Related parties*	*Directors, officers and employees*	*Others*
Common shares - P1 par value	700,000,000	325,000,000	-	253,340,000	5,000	71,655,000

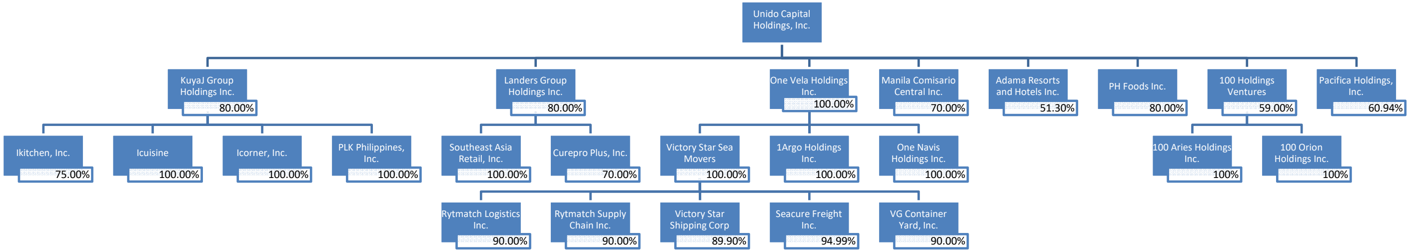
PACIFICA HOLDINGS, INC.
(A Subsidiary of Unido Capital Holdings, Inc.)
China Bank Corporate Center, Lot 2, Samar Loop corner Road 5
Cebu Business Park, Brgy. Mabolo, Cebu City

Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2019

The Company has a deficit as at December 31, 2019. Presented below is an analysis of the deficit for the purposes of this reconcilation requirement.

DEFICIT AT BEGINNING OF YEAR	(P 216,942,629)
Net loss for the year	(3,858,466)
DEFICIT AT END OF YEAR	(P 220,801,095)

PACIFICA HOLDINGS, INC.
(A Subsidiary of Unido Capital Holdings, Inc.)
Map Showing the Relationship Between and Among the Company and its Related Parties
DECEMBER 31, 2019



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Report of Independent Auditors on Components of Financial Soundness Indicators

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The Board of Directors and the Stockholders
Pacifica Holdings, Inc.
(A Subsidiary of Unido Capital Holdings, Inc.)
China Bank Corporate Center
Lot 2, Samar Loop corner Road 5
Cebu Business Park
Brgy. Mabolo, Cebu City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Pacifica Holdings, Inc. (the Company) for the years ended December 31, 2019 and 2018, on which we have rendered our report dated April 7, 2020. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2019 and 2018 and for each of the two years in the period ended December 31, 2019 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: Nelson J. Dinio
Partner

CPA Reg. No. 0097048
TIN 201-771-632
PTR No. 8116543, January 2, 2020, Makati City
SEC Group A Accreditation
Partner - No. 97048-SEC (until Dec. 31, 2023)
Firm - No. 0002-FR-5 (until Mar. 26, 2021)
BIR AN 08-002511-032-2019 (until Sept. 4, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

April 7, 2020

PACIFICA HOLDINGS, INC.
(A Subsidiary of Unido Capital Holdings, Inc.)
Supplemental Schedule of Financial Soundness Indicators
December 31, 2019 and 2018

Ratio	Formula	2019	Formula	2018
Current ratio	Total Current Assets divided by Total Current Liabilities Total Current Assets 29,465,805 Divide by: Total Current Liabilities 8,969,812 Current ratio 3.28	3.28	Total Current Assets divided by Total Current Liabilities Total Current Assets 591,540 Divide by: Total Current Liabilities 4,987,081 Current ratio 0.12	0.12
Acid test ratio	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities Total Current Assets 29,465,805 Less: Inventories - Other Current Assets - Quick Assets 29,465,805 Divide by: Total Current Liabilities 8,969,812 Acid test ratio 3.28	3.28	Quick assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities Total Current Assets 591,540 Less: Inventories - Other Current Assets 50,000 Quick Assets 541,540 Divide by: Total Current Liabilities 4,987,081 Acid test ratio 0.11	0.11
Solvency ratio	Total Liabilities divided by Total Assets Total Liabilities 8,969,812 Divide by: Total Assets 29,465,805 Solvency ratio 0.30	0.30	Total Liabilities divided by Total Assets Total Liabilities 7,487,081 Divide by: Total Assets 591,540 Solvency ratio 12.66	12.66
Debt-to-equity ratio	Total Liabilities divided by Total Equity Total Liabilities 8,969,812 Divide by: Total Equity 20,495,993 Debt-to-equity ratio 0.44	0.44	Total Liabilities divided by Total Equity Total Liabilities 7,487,081 Divide by: Total Equity (6,895,541) Debt-to-equity ratio (1.09)	(1.09)
Assets-to-equity ratio	Total Assets divided by Total Equity Total Assets 29,465,805 Divide by: Total Equity 20,495,993 Assets-to-equity ratio 1.44	1.44	Total Assets divided by Total Equity Total Assets 591,540 Divide by: Total Equity (6,895,541) Assets-to-equity ratio (0.09)	(0.09)
Interest rate coverage ratio*	Earnings before interest and taxes (EBIT) divided by Interest expense EBIT - Divide by: Interest expense - Interest rate coverage ratio N/A	N/A	EBIT divided by Interest expense EBIT - Divide by: Interest expense - Interest rate coverage ratio N/A	N/A
Return on equity*	Net Profit divided by Total Equity Net Profit - Divide by: Total Equity - Return on equity N/A	N/A	Net Profit divided by Total Equity Net Profit - Divide by: Total Equity - Return on equity N/A	N/A
Return on assets*	Net Profit divided by Total Assets Net Profit - Divide by: Total Assets - Return on assets N/A	N/A	Net Profit divided by Total Assets Net Profit - Divide by: Total Assets - Return on assets N/A	N/A
Net profit margin*	Net Profit divided by Total Revenue Net Profit - Divide by: Total Revenue - Net profit margin N/A	N/A	Net Profit divided by Total Revenue Net Profit - Divide by: Total Revenue - Net profit margin N/A	N/A
Other Ratio				
Loss per share	Net Loss divided by Weighted Average Number of Outstanding Shares Net Loss 3,858,466 Divide by: Weighted Average Number of Outstanding Shares 210,416,667 Loss per share 0.01834	0.01834	Net Loss divided by Weighted Average Number of Outstanding Shares Net Loss 1,616,106 Divide by: Weighted Average Number of Outstanding Shares 200,000,000 Loss per share 0.00808	0.00808

*The Company has not started commercial operations yet as of December 31, 2019 after the renewal of its corporate life in 2007.

PACIFICA HOLDINGS, INC

China Bank Corporate Center, Lot 2, Samar Loop corner Road 5, Cebu Business Park, Brgy. Mabolo, Cebu City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of **Pacifica Holdings, Inc.** (the **"Company"**) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2019 and 2018 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing and, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

LOWELL L. YU
Chairman of the Board

WINGLIP K. CHANG
President

MARIA ELENA E. POCONG
Treasurer

Signed this ___ day of ___

SUBSCRIBED AND SWORN before me this 07 AUG 2020 at Cebu City, Philippines

DOC. NO. 124
PAGE NO. 26
BOOK NO. 6
SERIES OF 2020

Cebu City, Philippines
ROLL NO. 62013
NOTARY PUBLIC
Rilven Christian A. Virtudazo

ATTY. RILVEN CHRISTIAN A. VIRTUDAZO
COMMISSION NO. 72-16; NOTARY PUBLIC-CITY OF CEBU
UNTIL DECEMBER 31, 2021; Roll NO. 62013
RM. 302, 8990 BLDG., Negros St., CBP, Cebu City
IBP No. AR32830751; Dec. 09, 2019; Cebu City
PTR No. 1469357; Dec. 09, 2019; Cebu City
MCLE COMPLIANCE NO. V-0008283; May 4, 2015

ANNEX "E"

SEC NUMBER 013039
FILE NUMBER
PSE CODE

PACIFICA HOLDINGS, INC.
(Company's Full Name)

Chinabank Corporate Center, Lot 2
Samar Loop corner Road 5
Cebu Business Park, Brgy. Mabolo, Cebu City
(Company's Address)

(632) 637-8851
(Telephone Number)

December 31
(Calendar Year Ended)

SEC FORM 17-Q
Form Type

(Amendment Designation (If Applicable)

June 30, 2020
(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **June 30, 2020**

2. Commission identification number **013039** 3. BIR Tax Identification No.**000-484-693**

PACIFICA HOLDINGS, INC

4. Exact name of issuer as specified in its charter

Manila, Philippines

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

China Bank Corporate Center
Lot 2, Samar Loop corner Road 5
Cebu Business Park, Brgy. Mabolo, Cebu City **6000**

7. Address of issuer's principal office Postal Code

(632) 637-8851

8. Issuer's telephone number, including area code

PACIFICA, INC.

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Shares	325,000,000

11. Are any or all of the securities listed on a Stock Exchange?

Yes [/] No [ ]
If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
Philippine Stock Exchange **Common shares**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
Yes [/] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.
Yes [/] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

The Financial Statements attached are the balance sheets as of June 30, 2020 and December 31, 2019, and the related statements of comprehensive operations, changes in stockholders' equity and cash flows for the current financial year to date, with comparative statements for the comparable year-to-date period of the immediately preceding financial year.

The interim financial reports are prepared in compliance with generally accepted accounting principles.

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

(1) Plan of Operation

Pacifica, Inc. (the "Corporation) was incorporated on September 2, 1957 to engage in the exploration, drilling and exploitation of oil, gas and other volatile substances. Its conversion into a holding company in October 6, 2000 did not result to any commercial operation due to timing and funding constraints.

In 2007, the Corporation redirected its business focus to exploration, operation, management and marketing of mining claims. Pursuant thereto, the SEC on August 31, 2007 approved its Amended Articles of Incorporation reverting 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.

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 August 14, 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 Kabasalan Mining Rights for the purpose of extracting mining products. In consideration for the rights granted by Zam-Iron, the Corporation will pay Zam-Iron royalties at a stipulated price. The loan of P50 million extended by the Corporation to Zam-Iron on January 2, 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 Corporation lost its bid for Ilijan and Malaya power plants to its opponents while in the others, the bidding process was indefinitely deferred. Despite the downturns, the Corporation does not close its doors to business opportunities in power related activities.

On November 15, 2013, Zam-Iron Mining Corp. (Zam-Iron) informed the Corporation that it received a letter from the Mines and Geosciences Bureau IX stating that its office has issued an Order of Denial for mining exploration with finality. Zam-Iron's next recourse was 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 Corporation informed Zam-Iron that insofar as it 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 P50,000,000 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.

On August 28, 2015, given that the recovery of the Corporation's receivables within the next 12 months has been deemed remote, the Board of Directors of the Corporation 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. This was ratified by the stockholders during the Corporation's annual stockholders' meeting on October 16, 2015.

On November 26, 2019, the SEC approved the following amendments to the Corporation's Articles of Incorporation:

(a) amendment of the Title and First Article to change the name of the Corporation from Pacifica, Inc. to Pacifica Holdings, Inc.;

(b) amendment of the Second Article to: (i) change the primary purpose of the Corporation to reflect that of a holding company, (ii) to include the power to guarantee as among the Corporation's secondary purposes, and (iii) to align such secondary purposes to the business of the Corporation as a holding company;

(c) amendment of the Third Article to change the principal address of the Corporation from Manila to China Bank Corporate Center, Lot 2, Samar Loop corner Road 5, Cebu Business Park, Brgy. Mabolo, Cebu City;

(d) amendment of the Seventh Article of the Articles of Incorporation: (i) increasing the par value of the common shares of stock of the Corporation from Php 0.005 per share to Php 1.00 per share, resulting in a decrease of the common shares of the Corporation then outstanding from 40 billion shares to 200 million shares; and (ii) increasing the authorized capital stock of the Company from Php200 million divided into 200 million shares with par value of Php 1.00 per share to Php700 million divided into 700 million shares with par value of Php 1.00 per share, or an increase in the authorized capital stock of Php 500 million.

For the second quarter ending June 30, 2020 and calendar year ending December 31, 2019, the Corporation experienced net losses amounting to Php 231,929 and Php 3,858,466, respectively, attributed to administrative expenses incurred.

For the year ending December 31, 2018 and 2017, the Corporation's net losses were Php1.616 million and Php 2.219 million, respectively. Moreover, in 2016 and 2015, revenues were not generated and resulted in material losses of Php 2,498,980 and Php25,558,722, respectively.

Key Performance Indicators of the Company

Since the Company has no commercial operation to date and has not generated revenues for the current period ending June 30, 2020 and fiscal years ending December 31, 2019 and 2018, it posted losses. Losses for the current period being reported and fiscal years December 31, 2019 and 2018 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 periods ending June 30, 2020 and 2019, December 31, 2019 and 2018:

	June 30, 2020	December 31, 2019	June 30, 2019	December 31, 2018
Total Revenues	0	0	0	0
Net Loss	879,131	3,858,466	1,994,078	1,616,106
Total Current Assets	29,477,371	29,465,805	23,943,607	591,540
Other Non-Current Assets	0	0	0	0
Plant, Property and Equipment	0	0	0	0
Total Assets	29,477,371	29,465,805	24,985,881	591,540
Current Liabilities	9,860,509	8,969,812	125,500	4,987,081
Non-current Liabilities	0	0	33,750,000	2,500,000
Stockholders' Equity	19,616,862	20,495,993	(8,889,619)	(6,895,541)
Total Liabilities & Stockholders' Equity	29,477,371	29,465,805	24,985,881	591,540
Current Ratio	2.989	3.285	0.738	0.079
Solvency Ratio	2.989	3.285	0.736	0.072
Debt to Equity Ratio	0.5027	0.4376	(3.8107)	(1.0858)

(a) Net loss for the quarter ending June 30, 2020 resulted to Php 231,929 or by a Php 276,204 decrease from last year of the same period.

(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 engage 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.

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

(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.

By comparing accounts in the Balance Sheets and Statements of Operations for the interim period ending June 30, 2019 with comparable data for December 31, 2018 and interim period from preceding year, the following are the material changes and their causes:

Changes in Financial Condition

(a) Current Assets

The increase of Current Assets, as of June 30, 2020 and December 31, 2019 is attributable to an advance to a related party while the decrease as of December 31, 2018 is the use of cash for the administrative expenses of the company.

(b) Input Taxes

There is movement in input taxes during the period.

(c) Property and Equipment

There have no acquisition of property and equipment in 2020, 2019 and 2018.

(d) Current Liabilities

The current liabilities increased to Php 9,860,509 as of June 30, 2020 primarily due to a number of expense accruals during the period.

(e) Deficit

Comprehensive losses as of June 30, 2020 and for fiscal years ending December 31, 2019 and 2018 contribute to the Deficit. These losses are attributable to administrative expenses. This Retained Deficit was also increased upon impairment and write-off of various uncollectible assets as determined by the Board on August 28, 2015 and ratified by the stockholders on October 16, 2015.

Changes in Operating Results

The Corporation has not yet started commercial operations as of June 30, 2020. On 26 November 2019, the SEC approved the certain amendments to the Corporation's Articles of Incorporation including the amendment of the Second Article to: (i) change the primary purpose of the Corporation to reflect that of a holding company, (ii) to include the power to guarantee as among the Corporation's secondary purposes, and (iii) to align such secondary purposes to the business of the Corporation as a holding company.

Net loss for the quarter ending June 30, 2020 resulted to Php 231,929 or by a Php 276,204 decrease from last year of the same period given that minimal administrative expenses were incurred during the recent quarter. Compared to the December 31, 2019 performance, the net loss during the recent quarter is a decrease by 2,979,336 due to administrative expenses incurred. Net loss for the period ending December 31, 2018 materially decreased from 2017 of the same period due to non-incurrence of impairment losses and write-offs of certain balances during 2015.

A significant increase in losses in 2014 versus 2013 was due to provision for probable losses and allowance for doubtful accounts. The Corporation has not participated in bidding activities during the year.

Material Events and Uncertainties

For the interim periods, 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, demands, commitments, events or uncertainties that will result in or that are reasonably 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, ease 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, obligations (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 reasonably expected to have a material favorable or unfavorable impact on net sales/revenues, income from continuing operations.

(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 operations.

PART II – OTHER INFORMATION

Other than the additional disclosures discussed below, there are no information not disclosed in SEC Form 17-C prior to preparation of this report:

i. The discussion in item 11 of the Notes to Financial Statements shall be consistent for the interim period being reported. The Company's financial instruments still pertain to cash, advances to related parties, accounts payable and accrued expenses resulting from Company's operations. The main purpose of these financial instruments is to fund the Company's administrative costs while it has no commercial operations yet.

ii. The discussion on item 2 of the Notes to Financial Statements as to Amendments to PAS 1, *Presentation of Financial Statements,* shall be consistent for the interim period being reported. As the Company has no other comprehensive income, the Company has elected to present one statement of comprehensive income.

iii. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

iv. The Company has no significant seasonality or cyclicality in its business operations that would have a material effect on the financial condition or results of operations.

v. There are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidents.

vi. There are no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

vii. There are no issuances, repurchases, and repayments of debt and equity securities this interim period.

viii. There are no dividends paid (aggregate or per share) separately for ordinary shares and other shares.

ix. Segment reporting is not applicable to the Company.

x. There are no material events subsequent to the end of the interim period that have not been reflected in the unaudited financial statements for the interim period.

xi. There is no effect in changes in the composition of the issuer during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discounting operations.

xii. There are no changes in contingent liabilities or contingent assets since the last annual balance sheet.

xiii. There are no material contingencies and any other events or transactions that are material to an understanding of the current interim period.

PACIFICA, INC.

BALANCE SHEETS

June 30, 2020 (Unaudited) and December 31, 2019 and 2018 (Audited)

	Unaudited June 30, 2020	Audited December 31, 2019	Audited December 31, 2018
ASSETS			
Current Assets			
Cash in banks (Note 6)	**1,400,547**	1,465,805	541,540
Advances for Liquidation (Note 7)	**-**	-	50,000
Input taxes (Note 7)	**76,824**	-	-
Due from related parties	**28,000,000**	28,000,000	
Total Current Assets	**29,477,371**	29,465,805	591,540
TOTAL ASSETS	**29,477,371**	29,465,805	591,540
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other liabilities	**383,000**	151,000	134,500
Due to a related party (Note 12)	**9,477,509**	8,818,812	4,852,581
Total Current Liabilities	**9,860,509**	8,969,812-	4,987,081
Non-current Liabilities			
Deposit for future stock subscription	**-**	-	2,500,000
Total Non-current Liabilities	**-**	-	2,500,000
Total Liabilities	**9,860,509**	8,969,812	7,487,081
Equity			
Capital stock –2019 ₱1.00 par value; 2018 ₱0.005 par value (Note 13)			
Authorized – 2019 700,000,000 shares,			
2018 -40,000,000,000 shares			
Issued and outstanding:			
2019 - 199,825,000; 2018 - 39,965,000,000			
total shares held by all stockholders	**199,825,000**	199,825,000	199,825,000
Subscribed and partially paid shares –	**125,175,000**	125,175,000	
2019 - 125,175,000; 2018 - 35,000,000			175,000
Subscriptions receivable	**(93,866,668)**	(93,866,668)	(116,667)
Additional paid-in Capital	**10,163,756**	10,163,756	10,163,756
Deficit	**(221,680,226)**	(220,801,095)	(216,942,630
Total Equity	**19,616,862**	20,495,993	(6,895,541)
TOTAL LIABILITIES AND EQUITY	**29,477,371**	29,465,805	591,540

See accompanying Notes to Financial Statements.

PACIFICA, INC.

STATEMENTS OF COMPREHENSIVE INCOME

For the 6 months period ended June 30, 2020, 2019 and 2018 (Unaudited)

	6 mos. Jan-Jun, 2020	6 mos. Jan-Jun, 2019	6 mos. Jan-Jun, 2018
INCOME			
Interest income (Note 9)	**146**	1,407	871
	146	1,407	871
EXPENSES (Note 10)			
Professional fees	**853,400**	606,000	617,367
Membership, association dues and fees			-
Salaries and wages			-
Transportation and travel	**25,404**	31,988	15,900
Rent			-
Representation and entertainment			-
Utilities			-
Taxes and licenses		1,351,799	22,026
Supplies		5,699	43,672
Depreciation			-
Advertising			-
Others	**473**		47,770
	879,277	1,995,485	746,735
NET LOSS	**879,131**	1,994,078	745,864
OTHER COMPREHENSIVE INCOME/(LOSS)	**-**	-	618
TOTAL COMPREHENSIVE LOSS	**879,131**	1,994,078	745,246
BASIC/DILUTED LOSS PER SHARE (Note 14)	**(0.00270502)**	(0.00004985)	0.00001863

PACIFICA, INC.

STATEMENTS OF COMPREHENSIVE INCOME

For the 3 months period ended June 30, 2020, 2019 and 2018 (Unaudited)

	3 mos. Apr-Jun, 2020	3 mos. Apr-Jun, 2019	3 mos. Apr-Jun, 2018
INCOME			
Interest income (Note 9)	**71**	559	322
	71	559	322
EXPENSES (Note 10)			
Professional fees	**232,000**	450,000	236,000
Membership, association dues and fees			-
Salaries and wages			-
Transportation and travel		29,250	15,900
Rent			-
Representation and entertainment			-
Utilities			-
Taxes and licenses		29,442	-
Supplies			3,000
Depreciation			-
Advertising			-
Others			19,431
	232,000	508,692	274,331
NET LOSS	**231,929**	508,133	274,009
OTHER COMPREHENSIVE INCOME/(LOSS)	**-**	-	1,575
TOTAL COMPREHENSIVE LOSS	**231,929**	508,133	272,434
BASIC/DILUTED LOSS PER SHARE (Note 14)	**(0.00071363)**	(0.00001270)	0.00000681

See accompanying Notes to Financial Statements.

PACIFICA, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

As at June 30, 2020, 2019 and 2018 (Unaudited)

	Capital Stock (Notes 13)		Subscriptions Receivable	Additional Paid-in Capital		
	Issued	Subscribed	(Note 13)	(Note 13)	Deficit	Total
BALANCES AT DECEMBER 31, 2017	199,825,000	175,000	(116,667)	10,163,756	(215,326,525)	(5,279,436)
Collection of subscriptions receivable	-	-	-	-	-	-
Issuance of capital stock	-	-	-	-	-	-
Net loss from Jan to Jun 2018	-	-	-	-	**(745,246)**	**(745,246)**
BALANCES AT June 30, 2018	**199,825,000**	**175,000**	**(116,667)**	**10,163,756**	**(216,071,771)**	**(6,024,682)**
BALANCES AT DECEMBER 31, 2018	199,825,000	175,000	(116,667)	10,163,756	(216,942,630)	(6,895,541)
Collection of subscriptions receivable	-	-	-	-	-	-
Issuance of capital stock	-	-	-	-	-	-
Net loss from Jan to Jun 2019	-	-	-	-	**(1,994,078)**	**(1,994,078)**
BALANCES AT June 30, 2019	**199,825,000**	**175,000**	**(116,667)**	**10,163,756**	**(218,936,708)**	**(8,889,619)**
BALANCES AT DECEMBER 31, 2019	199,825,000	125,175,000	(93,866,668)	10,163,756	(220,801,095)	20,495,993
Collection of subscriptions receivable	-	-	-	-	-	-
Issuance of capital stock	-	-	-	-	-	-
Net loss from Jan to Jun 2020	-	-	-	-	**(879,131)**	**(879,131)**
BALANCES AT June 30, 2020	**199,825,000**	**125,175,000**	**(93,866,668)**	**10,163,756**	**(221,680,226)**	**19,616,862**

PACIFICA, INC.

INTERIM STATEMENTS OF CASH FLOWS

For the 6 months period ended June 30, 2020, 2019 and 2018 (Unaudited)

	Jun 30, 2020	Jun 30, 2019	Jun 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	**(231,929)**	(508,133)	(272,434)
Impairment of receivables			-
Gain on reversal of payables			-
Loss on write-off of furniture, fixtures and equipment			-
Adjustment for depreciation			-
Unrealized foreign exchange			(1,575)
Provision for probable losses on input tax			-
Interest Income			-
Provision for doubtful accounts			-
Operating loss before working capital changes	**(231,929)**	(508,133)	(270,858)
Decrease (increase) in:			
Input taxes	**-**	(61,065)	(32,560)
Advances for liquidation			
Increase (decrease) in accounts payable and accrued expenses	**232,000**		-
Decrease in prepaid expenses	**-**		-
Increase in receivables	**-**		-
Increase in accrued expenses	**-**		-
Decrease in income tax payable	**-**		-
Net cash used in operating activities	**71**	(569,198)	(303,418)
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in due from related parties	**-**	225,218	4,285,760
Increase in deposit for future stock subscription	**-**		-
Net cash from (used in) investing activities	**-**	225,218	4,285,760
CASH FLOWS FROM FINANCING ACTIVITIES			
Collection of subscriptions receivables	**-**	-	-
Increase (decrease) in due to related parties	**-**	-	-
Increase (decrease) in loans payable	**-**	-	(4,285,760)
Net cash from financing activities	**-**	-	(4,285,760)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**-**	-	1,575
NET INCREASE (DECREASE) IN CASH IN BANKS	**71**	(343,980)	(304,993)
CASH IN BANKS, BEGINNING	**1,400,476**	1,262,505	903,165
CASH IN BANKS, END	**1,400,547**	918,525	598,172

See accompanying Notes to Financial Statements.

PACIFICA, INC.

NOTES TO FINANCIAL STATEMENTS

1. **Corporate Information and Status of Operations**

Corporate Information
Pacifica, Holdings Inc. (the Company), a publicly-listed domestic corporation, was incorporated in the Philippines on September 2, 1957.

In 2007, the Company renewed its corporate life with the Securities and Exchange Commission (SEC).

On November 26, 2019, the SEC approved the following amendments to the Company's Articles of Incorporation:

(a) amendment of the Title and First Article to change the name of the Company from Pacifica, Inc. to Pacifica Holdings, Inc.;

(b) amendment of the Second Article to: (i) change the primary purpose of the Company to reflect that of a holding company, (ii) to include the power to guarantee as among the Company's secondary purposes, and (iii) to align such secondary purposes to the business of the Company as a holding company;

(c) amendment of the Third Article to change the principal address of the Company from Manila to China Bank Corporate Center, Lot 2, Samar Loop corner Road 5, Cebu Business Park, Brgy. Mabolo, Cebu City;

(d) amendment of the Seventh Article of the Articles of Incorporation: (i) increasing the par value of the common shares of stock of the Company from Php 0.005 per share to Php 1.00 per share, resulting in a decrease of the common shares of the Company then outstanding from 40 billion shares to 200 million shares; and (ii) increasing the authorized capital stock of the Company from Php200 million divided into 200 million shares with par value of Php 1.00 per share to Php700 million divided into 700 million shares with par value of Php 1.00 per share, or an increase in the authorized capital stock of Php 500 million.

The Company's registered office address is China Bank Corporate Center, Lot 2, Samar Loop corner Road 5, Cebu Business Park, Brgy. Mabolo, Cebu City.

Status of Operations
On December 28, 2009, the Company entered into an operating agreement with Zam-Iron Mining Corporation (Zam-Iron). Zam-Iron granted the Company an exclusive right to explore, utilize and develop Kabasalan Mining Rights (see Note 4).

In 2010, the Company participated in the bidding conducted by Power Sector Assets and Liabilities Management Corporation (PSALM) for the appointment as independent power producer administrator for the contracted capacity of (a) the Ilijan Combined Cycle Power Plant at Ilijan, Batangas City, (b) the Malaya Thermal Power Plant at Pililia, Rizal, (c) the Unified Leyte Geothermal Power Plant at Tongonan, Leyte, and (d) the Naga Power Plant Complex (Cebu Thermal Power Plant 1 & 2) at Naga, Cebu and a joint venture project with R-II Builders, Inc., and the contracted lease, operation and maintenance of the Subic Diesel Power Plant (SDPP) at Causeway Extension, Subic Bay, Freeport Zone. Unfortunately, the Company's bid for Ilijan and Malaya power plants fell short and it lost the bidding to other rival companies while in the others, the bidding process did not materialize. In 2011, the Company did not participate in any bidding conducted by PSALM.

Losses in 2010 represent expenses for the conduct of bidding and administrative expenses incurred.

To generate funds to be used for the acquisition or purchase of mining claims, rights and businesses as may be identified by the Corporation, the BOD approved on July 9, 2009 the call for payment of unpaid subscriptions, which was extended until March 10, 2010. On April 6, 2010, the BOD approved the extension of the call for payment from March 10, 2010 to June 10, 2010.

On June 21, 2011, pursuant to the approval by the BOD, a delinquency sale was held for all 14,619,784,000 delisted delinquent shares 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 SEC and the Philippine Stock Exchange. This is the Company's confirmation of management's initiative to source funds. The delinquency sale was undertaken by the Company in its principal office and in the presence of a Notary Public. Pursuant to the rules of the delinquency sale, payment of the winning bid shall be made on or before August 4, 2011. As of the date of this report, all winning bidders have fully paid their bids and have been issued certificates of stock.

Infusion of funds from the auction of delinquent shares held on June 21, 2011 have been 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.

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 which was ratified by the stockholders during its annual stockholders' meeting on October 16, 2015.

2. Summary of Significant Accounting and Financial Reporting Policies

The significant accounting policies that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, Presentation of Financial Statements. The Company presents all items of income and expenses in a single statement of comprehensive income.

The Company presents a third statement of financial position as of the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

Adoption of New and Amended PFRS

(a) Effective in 2016 that are Relevant to the Company

The Company adopted for the first time the following amendment and annual improvements to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2016:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Disclosure Initiative
Annual Improvements	:	Annual Improvements to PFRS (2012-2014 Cycle)

Discussed below are the relevant information about these amendments and improvements.

(i) PAS 1 (Amendments), *Presentation of Financial Statements - Disclosure Initiative*.
The amendment encourages entities to apply professional judgment in presenting and disclosing information in the financial statements. Accordingly, it clarifies that materiality applies to the whole financial statements and an entity shall not reduce the understandability of the financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. It further clarifies that in determining the order of presenting the notes and disclosures, an entity shall consider the understandability and comparability of the financial statements.

(ii) Annual Improvements to PFRS (2012-2014 Cycle). Among the improvements, the PFRS 7 (Amendment),
Financial Instruments - Disclosure is relevant to the Company but management does not expect these to have material impact on the Company's financial statements:

The amendment provides additional guidance to help entities identify the circumstances under which a contract to "service" financial assets is considered to be a continuing involvement in those assets for the purposes of applying the disclosure requirements of PFRS 7. Such circumstances commonly arise when, for example, the servicing is dependent on the amount or timing of cash flows collected from the transferred asset or when a fixed fee is not paid in full due to non-performance of that asset.

(b) Effective in 2016 that are not Relevant to the Company

The following amendment and annual improvements to PFRS are mandatory for accounting periods beginning on or after January 1, 2016 but are not relevant to the Company's financial statements:

PAS 16 and 41 (Amendments)	:	Property, Plant and Equipment, and Agriculture – Bearer Plants
PAS 16 and 38 (Amendments)	:	Property, Plant and Equipment, and Intangible Assets – Clarification of Acceptable Methods of Depreciation And Amortization
PAS 27 (Amendments)	:	Separate Financial Statements –Equity Method in Separate Financial Statements
PFRS 11 (Amendments)	:	Joint Arrangements – Accounting for Acquisitions of interests in Joint Operations
PFRS 14	:	Regulatory Deferral Accounts
PFRS 10, PFRS 12 and PAS 28 (Amendments)	:	Consolidated Financial Statements, Disclosure of interests in Other Entities, and Investments in Associates and Joint Ventures – Investment Entities -Applying the Consolidation Exception
Annual Improvements to PFRS (2012-2014 Cycle)		
PAS 19 (Amendments)	:	Employee Benefits – Discount Rate: Regional Market Issue
PFRS 5 (Amendments)	:	Non-current Assets Held for Sale and Discontinued Operations –Changes in Methods of Disposal
PFRS 7 (Amendments)	:	Financial Instruments: Disclosures – Applicability of the Amendments to PFRS 7 to Condensed Interim Financial

Statements

PAS 34 (Amendments) : Interim Financial Reporting - Disclosure of Information "Elsewhere in the Interim Financial Report"

(c) Effective Subsequent to 2016 but not Adopted Early

There are new PFRS, amendments and annual improvements to existing standards effective for annual periods subsequent to 2016 which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Company's financial statements:

(i) PAS 7 (Amendments), *Statement of Cash Flows - Disclosure Initiative* (effective from January 1, 2017). The amendments are designed to improve the quality of information provided to users of financial statements about changes in an entity's debt and related cash flows (and non-cash changes). They require an entity to provide disclosures that enable users to evaluate changes in liabilities arising from financing activities. An entity applies its judgment when determining the exact form and content of the disclosures needed to satisfy this requirement. Moreover, they suggest a number of specific disclosures that may be necessary in order to satisfy the above requirement, including: (a) changes in liabilities arising from financing activities caused by changes in financing cash flows, foreign exchange rate or fair values, or obtaining or losing control of subsidiaries or other businesses; and, (b) a reconciliation of the opening and closing balances of liabilities arising from financing activities in the statement of financial position including those changes identified immediately above.

(ii) PFRS 9 (2014), *Financial Investments* (effective from January 1, 2018). This new standard on financial instruments will eventually replace PAS 39 and PFRS 9 (2009, 2010 and 2013 versions). This standard contains, among others, the following:

- three principal classification categories for financial assets based on the business model on how an entity is managing its financial instruments;

- an expected loss model in determining impairment of all financial assets that are not measured at fair value through profit or loss (FVTPL), which generally depends on whether there has been a significant increase in credit risk since initial recognition of a financial asset; and,

- a new model on hedge accounting that provides significant improvements principally by aligning hedge accounting more closely with the risk management activities undertaken by entities when hedging their financial and non-financial risk exposures.

In accordance with the financial asset classification principle of PFRS 9 (2014), a financial asset is classified and measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows that represent solely payments of principal and interest (SPPI) on the principal outstanding. Moreover, a financial asset is classified and subsequently measured at fair value through other comprehensive income if it meets the SPPI criterion and is held in a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. All other financial assets are measured at FVTPL.

In addition, PFRS 9 (2014) allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.

The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangements, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The amendment also requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

The Company does not expect to implement and adopt PFRS 9 (2014) until its effective date. In addition, management is currently assessing the impact of PFRS 9 (2014) on the financial statements of the Company and it will conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

(iii) PFRS 15*, Revenue from contract with Customers* (effective from January 1, 2018). The new standard will eventually replace PAS 18, *Revenue*, and PAS 11, *Construction Contracts*, the related Interpretations on revenue recognition: IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreement for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers* and

Standing Interpretations Committee 31, *Revenue -Barter Transactions Involving Advertising Services*.

This new standard establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize. The core principle in the said framework is for an entity to recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

While the Company has no commercial operations yet, management is optimistic that the Company will already have sources of revenues when the standard becomes effective, hence, considers this as relevant to the Company. Accordingly, management is currently assessing the impact of this new standard on the Company's financial statements based on its operational plans.

(iv) PFRS 16, *Leases* (effective from January 1, 2019). The new standard will eventually replace PAS 17, *Leases*.

For lessees, it requires to account for leases "on-balance sheet" by recognizing a "right of use" asset and a lease liability. The lease liability is initially measured as the present value of future lease payments. For this purpose, lease payments include fixed, non-cancellable payments for lease elements, amounts due under residual value guarantees, certain types of contingent payments and amounts due during optional periods to the extent that extension is reasonably certain. In subsequent periods, the "right-of-use" asset is accounted for similarly to a purchased asset and depreciated or amortized. The lease liability is accounted for similarly to as financial liability using the effective interest method.

However, the new standard provides important reliefs or exemptions for short- term leases and leases of low value assets. If these exemptions are used, the accounting is similar to operating lease accounting under PAS 17 where lease payments are recognized as expenses on a straight-line basis over the lease term or another systematic basis (if more representative of the pattern of the lessee's benefit).

For lessors, lease accounting remains the same as PAS 17's. In particular, the distinction between finance and operating leases is retained. The definitions of each type of lease, and the supporting indicators of a finance lease, are substantially the same as PAS 17's. The basic accounting mechanics are also similar, but with some different or more explicit guidance in few areas. These include variable payments, sub-leases, lease modifications, the treatment of initial direct costs and lessor disclosures.

Management is currently assessing the impact of this new standard in its financial statements.

Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments*. All other non-derivative financial instruments are treated as debt instruments.

(a) Classification and Measurement of Financial Assets

Financial assets other than those designated and effective as hedging instruments are classified into the following categories: FVTPL, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as of FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and the related transaction costs are recognized in profit or loss.

Loans and receivables is the only category of financial assets relevant to the Company. Those are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the end of each reporting period, which are classified as non-current assets.

The Company's financial assets categorized as loans and receivables are presented as Cash in Bank in the statement of financial position.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any.

(b) Impairment of Financial Assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate or current effective interest rate determined under the contract if the loan has a variable interest rate.

The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date of the impairment is reversed. The amount of the reversal is recognized in profit or loss.

(c) Items of Income and Expense Related to Financial Assets

All income and expenses, except those that arise from operating activities which are included as part of Other Income or Expenses, relating to financial assets that are recognized in profit or loss are presented as part of Finance Income or Finance Cost in the statement of comprehensive income.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

(d) Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) and due to a related party are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Prepayment and Other Current Assets

Prepayment and other current assets pertain to other resources controlled by the Company as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period are classified as non-current assets.

Financial Liabilities

Financial liabilities, which include interest-bearing loan and accrued interest and expenses and due to a related party are recognized when the Company becomes a party to the contractual terms of the instrument. All interest-related charges incurred on a financial liability are recognized as an expense in the statement of comprehensive income, if any.

Interest-bearing loan are raised to finance expected working capital requirements. Finance charges are charged to profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that these are not settled in the period in which they arise.

Accrued interest and expenses are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.
When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Revenue and Expense Recognition

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that future economic benefits will flow to the Company; and the costs incurred or to be incurred can be measured reliably. In addition, specific recognition criteria must also be met before revenue is recognized. As indicated in Note 1, the Company has no commercial operations yet and currently, it only earns interest income on its Cash in bank.

Interest income is recognized as the interest accrues taking into account the effective yield on the asset.

Expenses are recognized in profit or loss at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis.

Leases - Company as Lessee

Leases which do not transfer to the Company substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as repairs and maintenance and insurance, are expensed as incurred.

The Company determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Foreign Currency Transactions and Translation

The accounting records of the Company are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Impairment of Non-Financial Assets

The Company's non-financial assets, if any, are subject to impairment testing. Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method, on temporary differences at the end of each reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets, if any, are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when the Company currently has legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

Related Party Relationships and Transactions

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's executive committee, its chief operating decision maker. The executive committee is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Company's products and service lines as well as geographical location of its operation.

Because the Company has no commercial operations yet (see Note 1), the Company does not present any segment information.

Equity

Capital stock represents the nominal value of shares that have been issued.

Additional paid-in capital includes any premium received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Deficit represents all current and prior period results of operations as reported in the statement of comprehensive loss.

Earnings (or Loss) per Share

Basic earnings (or Loss) per share (EPS) is computed by dividing net profit attributable to equity holders of the Company by the weighted average number of shares issued and outstanding, adjusted retroactively for any stock dividend, stock split or reverse stock split declared during the current period.

Diluted EPS is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares. Currently, the Company does not have dilutive potential shares outstanding, hence, the diluted EPS is equal to the basic EPS.

Events after the End of the Reporting Period

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

3. Significant Accounting Judgments and Estimates

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

a. Distinction between Operating and Finance Leases

The Company has entered into a lease agreement as a lessee. Critical judgment was exercised by management to distinguish each lease agreement, as either an operating or a finance lease by looking at the transfer or retention of significant risks and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

Management has determined that its lease agreement qualify under operating leases.

b. *Recognition of Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.6 and disclosures on relevant contingencies are presented in Note 15.

Key Sources of Estimation Uncertainty

Determination of realizable amount of deferred tax asset is a key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. As of December 31, 2017 and 2016, the deferred tax assets are not recognized because based on management's assessment there would be no sufficient future taxable profits yet against which the deductible temporary differences and carryforward benefits of unused net operating loss carry-over (NOLCO) could be utilized (see Note 11).

4. Risk Management Objectives and Policies

The Company is exposed to certain financial risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 5. The main types of risks are credit risk and liquidity risk.

The Company's risk management is coordinated with the Board of Directors (BOD) and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

5. Categories and Offsetting Of Financial Assets and Financial Liabilities, and Fair Value Measurement and Disclosures

Carrying Amounts and Fair Values by Category

The Company has no financial assets or financial liabilities carried at fair value nor does it have any financial instruments whose fair value is required to be disclosed. The carrying values of its financial assets and financial liabilities that are carried at amortized cost approximate or equal their fair values, accordingly, comparison of their fair values and carrying values is no longer presented.

Offsetting of Financial Assets and Financial Liabilities

The following financial assets with net amounts presented in the statement of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements.

	Gross amounts recognized in the Statement of Financial Position			Related amounts not set off in the statement of financial position		
	Financial Assets	Financial liabilities set-off	Net amount presented in the statement of financial position	Financial Instruments	Cash collateral received	Net Amount
Jun 30, 2020						
Cash in bank	P 1,400,547		P 1,400,547			P 1,400,547
Due from related parties	28,000,000		28,000,000			28,000,000
	29,400,547		29,400,547			29,400,547

The following financial liabilities with net amounts presented in the statement of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Gross amounts recognized in the Statement of Financial Position			Related amounts not set off in the statement of financial position		
	Financial Liabilities	Financial assets set-off	Net amount presented in the statement of financial position	Financial Instruments	Cash collateral received	Net Amount
Jun 30, 2020						
Due to a related party	P 9,477,509		P 9,477,509			P 9,477,509

In 2019, the Company has no financial assets or financial liabilities subject to offsetting, enforceable master netting arrangement and similar arrangement.

Fair Value Hierarchy

In accordance with PFRS 13 *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels presented in the succeeding page.

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,

(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency; and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Financial Instruments Measured at Fair Value

The Company has no financial assets and liabilities measured at fair value as at December 31, 2017 and 2016 or financial instruments whose fair value are required to be disclosed.

Fair Value Measurement for Non-financial Assets

The Company has no non-financial assets measured at fair value as of December 31, 2017 and 2016.

Financial Instruments Measured at Amortized Cost for which Fair Value is Not Disclosed

As discussed in Note 5.1, carrying values of its financial instruments carried at amortized costs approximate or equal their fair values, hence comparison is no longer disclosed. Accordingly, the Company does not also present a fair value hierarchy. Nevertheless, its cash in bank can be categorized as Level 1in the hierarchy of financial instruments while the rest of the financial instruments as Level 3.

6. **Cash in Bank**

Cash in bank, which pertains to demand deposits, amounts to P 1,400,547 and 1,400,476 as of June 30, 2020 and December 31, 2019, respectively. It generally earns interest at rates based on daily bank deposit rates

7. **Prepayments and other Current Assets**

The composition of this account is shown below.

	Note	**June 30, 2020**	Dec. 31, 2019
Input taxes	11	**P 76,824**	P -
Advances subject for liquidation		**-**	-
Due from related parties			
		P 76,824	P -

8. **Interest-Bearing Loan**

On December 29, 2017, the Company obtained a short-term bank loan amounting to P4,285,760 from a local universal bank for working capital requirements. The loan bears annual interest of 2.05%, unsecured and is payable in lump sum on January 15, 2018.

Total interest expense recognized as of June 30, 2019 and December 31, 2018 amounted to P0.00 and P4,149 respectively, and is presented as Finance Cost in the Statement of Comprehensive income.

9. **Other Income**

Other income includes:

	Jun 30, 2019	Dec. 31, 2019	Dec. 31, 2018
Unrealized foreign currency exchange gain	**P 0.00**	P 0.00	P 4,219
Interest Income	**146**	2,159	1,344
Gain on reversal of payables	**-**	-	-
	P 146	P 2,159	P 5,564

10. **Expenses**

Details of the Company's expenses by nature are shown below.

	Notes		**Jun 30, 2019**	Dec. 31, 2019		Dec. 31, 2018
Professional fees		**P**	**853,400**	P 1,084,000	P	840,000
Taxes and licenses	16		**-**	2,543,827		272,526
Advertising			**-**	-		-
Others			**-**	-		61,797
Rent			**-**	-		-
Transportation and travel			**25,404**	32,326		57,363
Communication			**-**	9,000		9,000
Printing and supplies			**-**	-		76,604
Bank Charges			**-**	-		5,000
Impairment due from related parties	12		**-**	-		-
Membership, association dues and fees			**-**	-		-
Salaries and wages			**-**	-		-
Representation and entertainment			**-**	-		-
Utilities			**-**	-		-
Impairment of prepaid royalties and input VAT			**-**	152,562		149,479
Loss on write of furniture, fixtures and equipment			**-**	-		104,728
Courier			**-**	-		41,023
Other Service Fees			**473**	38,910		-
		P	**879,277**	P 3,860,625	P	1,617,520

As discussed in Note 1, ZMC's application for mining exploration was denied in 2013. Consequently, the Company demanded for the full refund of its P50,000,000 prepaid royalties to ZMC. The prepaid royalties which have already been provided with 100% allowance for impairment remained unpaid in 2015 and management has made an assessment that collection of the said amount is remote. Accordingly, the Company wrote off the full amount of the prepaid royalties against the related allowance for impairment in 2015.

In 2015, the Company wrote off its remaining furniture, fixtures and equipment with a carrying amount of P83,800 and recognized the corresponding loss on write-off.

11. **Current and Deferred Taxes**

There is no tax expense reported in the statement of comprehensive income for the period ended June 30, 2020, and for the years ended December 31, 2019, 2018 and 2017 because the Company is in a tax loss position.

The components of deductible temporary differences and unused NOLCO for which no deferred income tax assets were recognized as of June 30, 2019 are as follows:

	June 30, 2020	2019	2018
Allowance for probable losses	**-**	**-**	**-**
NOLCO	**879,277**	**3,695,063**	**1,367,018**
Allowance for doubtful accounts		**-**	**-**

Deferred income tax assets were not recognized as management believes that it is not probable that the Company would have sufficient future taxable profits against which deductible temporary differences and carry forward benefits of unused NOLCO could be utilized.

The details of the Company's unexpired NOLCO with their corresponding validity or availment periods are as follows:

Year Incurred	Amount	Expired	Balance as of December 31, 2017	Available Until
2019	₱ 3,695,063	-	₱ 3,695,093	2022
2018	1,367,018	-	1,367,018	2021
2017	2,067,526	₱–	2,067,526	2020
	₱7,129,607	₱-	₱71,151,995	

The Company is subject to minimum corporate income tax (MCIT), which is computed at 2% of gross income, as defined under the tax regulations or the regular corporate income tax (RCIT), whichever is higher. The Company has incurred MCIT amounting to P133,844 in 2015 which is reported as part of Other Current Assets in the statements of financial position (see Note 7). The MCIT incurred in 2015 is valid for application against income tax due until 2018. In 2016, Management has assessed that the possibility of MCIT to be applied in the future period is remote, hence, it was written-off in the current year.

12. Related Party Transactions

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.

12.1 Due from Related Parties

MTCI bills the Company for its share in rent, association dues and utilities amounting to P1,148,607 and P1,289,632 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 P30,625,286 will no longer be recovered and as such was provided with 100% allowance for impairment (see Note 11). In 2013, the Company provided 100% allowance on receivables from 9th Kingdom amounting to P20,000,000 (see 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 October 16, 2015.

12.2 Due to a Related Party

As of June 30, 2020, iHoldings, Inc. has accommodated certain expenses on behalf of the Company. Such amount is presented as Due to a Related Party.

13. **Capital Stock**

Capital stock as of June 30, 2020 and 2019 consists of:

	Shares		Amount	
	June 2020	June 2019	**June 2020**	June 2019
Capital Stock – P0.005 par value				
Authorized	**700,000,000**	40,000,000,000	**P 200,000,000**	P 200,000,000
Issued and	**199,825,000**	39,965,000,000	**P 199,825,000**	P 199,825,000
subscribed	**125,175,000**	35,000,000	**125,175,000**	175,000
Subscriptions receivable	-	-	**(93,866,668)**	(116,667)
	325,000,000	40,000,000,000	**P 231,133,332**	P 199,883,333

The following tables show the movements in the number of outstanding shares:

Issued and subscribed shares:

At June 30, 2020	325,000,000
Issuance of capital stock	0
At June 30, 2020	325,000,000

Listing with PSE

On November 23, 1959, the Company offered a portion of its stocks for listing with the PSE. The number of common shares registered was 25,345,216,000 with an issue price of P0.005. As of December 31, 2017, the number of holders of such securities is 3,307. The market price of the Company's shares as of December 31, 2017 is P0.0450. The total number of issued shares not listed with the PSE is P14,654,784,000 shares as at December 31, 2017 and 2016.

On June 21, 2011, pursuant to the approval by the BOD, a delinquency sales was held for all 14,654,784,000 delisted delinquent shares 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 SEC and the PSE. This is the Company's confirmation of management's initiative to source funds. The delinquency sales was undertaken by the Company in its principal office and in the presence of a Notary Public. During the said auction, a total of 14,654,784,000 shares were bought by the winning bidders. Pursuant to the rules of the delinquency sales, payment of the winning bid shall be made on or before August 4, 2011. As of May 2, 2012, all winning bidders have fully paid their bids and have been issued certificates of stock.
The public auction of the delisted delinquent shares was ratified on October 16, 2015 during the Company's Annual Stockholders Meeting.

Presently, 126,726,080 common shares (as adjusted due to the increase in the par value of shares as approved by the SEC on November 26, 2019) remain to be listed with the PSE while the remaining 73,273,920 (as adjusted due to the increase in the par value of shares as approved by the SEC on November 26, 2019)delisted shares are in the process of relisting to the PSE. The additional 125,000,000 shares subscribed by Unido Capital Holdings, Inc. (out of the out of the increase in the authorized capital stock of the Company approved by the SEC on November 26, 2019) has yet to be listed.

Capital Management Objectives, Policies and Procedures

The Company maintains a capital base to cover risk inherent in the business. The primary objective of the Company's capital management is to ensure that it maintains an adequate and strong capital base to support its business. Accordingly, management is currently working on getting fresh investments to revitalize the capital base of the Company (see Note 1).

The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statements of financial position. Capital for the reporting periods under review is summarized below.

	June 30, 2020		Dec. 31, 2019
Total liabilities	**P 9,860,509**	P	8,969,812
Total equity	**19,616,862**		20,495,993

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. This is manifested in December 31, 2019 positive balance of equity. However as at December 31, 2018, the Company has capital deficiency and is still working to improve it as discussed in Note 1.

14. **Basic/Diluted Loss Per Share**

Basic/diluted loss per share is computed as follows:

		Jun 30, 2020		Dec 31, 2019		Dec 31, 2018
Net loss	**₱**	**879,131**	₱	3,858,466	₱	1,616,106
Weighted average number of outstanding shares		**325,000,000**		325,000,000		40,000,000,000
Basic/diluted loss per share	**₱**	**0.00270502**	₱	0.011872	₱	0.0000404

The Company has no potentially dilutive common shares as of June 30, 2020, December 31, 2019 and December 31, 2018. Thus, the basic loss and diluted loss per share amounts are the same as of those dates.

15. **Financial Risk Management Policies and Objectives**

The Company's principal financial instruments pertain to cash in banks, due from and to related parties, and accrued expenses and other liabilities. These financial instruments arise directly from the Company's operations. The main purpose of these financial instruments is to fund the Company's administrative costs.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The BOD reviews and agrees on certain policies for managing some of these risks as summarized below:

Credit Risk
Credit risk is the risk that the Company incurs a loss because its counterparties failed to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures to such limits. The Company has no significant concentration of credit risk with any single entity.

With respect to credit risk arising from financial assets, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying values of these instruments.

Cash in banks are classified as *High grade* since these are deposited and invested with reputable banks and can be withdrawn anytime.

High grade receivables pertain to those receivables from clients or customers that consistently pay before the maturity date. *Standard grade* includes receivables and advances that are collected on their due dates even without an effort from the Company to follow them up. *Past due and impaired* are those that are long-outstanding and have been provided with allowance for bad debts.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its obligation when they fall due. To limit this risk, the Company's stockholders provide the necessary funds when the need arises.

Market Risk
Market risk is the risk of change in fair value of financial instruments from fluctuations in market interest rates (fair value interest rate risk), market prices (equity price risk) and foreign exchange rates (currency risk)

whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Fair value
The carrying amounts of cash in banks, due from and to related parties and accrued expenses and other liabilities approximate their fair values because of their short-term nature.

16. **Capital Management**

The Company maintains a capital base to cover risks inherent in the business. The primary objective of the Company's capital management is to ensure that it maintains an adequate and strong capital base to support its business. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of its activities.

No changes were made in the objectives, policies and processes from the previous year.

The capital considered by management is the same capital as those indicated in the equity section of the balance sheet.

17. **Operating Segment**

The Company is engaged in mineral exploration and considers such as its primary activity and only operating segment. The President, which is considered as the chief operating decision maker, monitors the operating results of the Company. The Company has only one geographical segment.

Net loss, total assets and total liabilities as of and for the period ended June 30, 2020, December 31, 2019 and December 31, 2018 are the same as reported elsewhere in the financial statements. Segment information for this operating segment is as follows:

	June 30, 2020	December 31, 2019	December 31, 2018
Net loss	**₱ 879,131**	P 3,858,466	P 1,616,106
Total assets	**29,477,371**	29,465,805	591,540
Total liabilities	**9,860,509**	8,969,812	7,487,081

SCHEDULE: AGING OF ACCOUNTS RECEIVABLE (1)
As of June 30, 2020

Description	Total	1 Mo	2-3 Mos	4-6 Mos	7 Mos to 1 Yr	1-2 Yrs	3-5 Yrs	5 Yrs- Above	Past Due accounts & Items in Litigation
a)Trade Receivables None (No commercial operation)	-								
b)Non-Trade Receivables 1)Advances to Related Parties Impairment/Write-off*									
Sub Total	-							-	
Less: Allow. for Doubtful Accounts Impairment/Write-off*									
Net Non-Trade Receivable	-							-	
NET RECEIVABLE (a + b)	**-**							**-**	

- End -

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this 17Q report to be signed on its behalf by the undersigned thereunto duly authorized in Manila on

________________________________.

Pacifica, Inc.
Issuer

By:

WINGLIP K. CHANG
President & CEO

Maria Elena E. Pocong
Treasurer

ANNEX "F"
REQUIREMENTS AND PROCEDURE FOR
PARTICIPATION BY REMOTE COMMUNICATION AND VOTING IN
ABSENTIA

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, the Corporation has set up a designated web address which may be accessed by the stockholders to participate and vote in absentia on the agenda items presented for resolution at the meeting. A stockholder who votes in absentia or who participating by remote communication shall be deemed present for purposes of quorum.

The following are the rules and procedures for the conduct of the meeting:

(i) Stockholders may attend the meeting remotely through Zoom (with links to be posted PA's website (the "Website"). Stockholders may send their questions or comments prior to the meeting by e-mail at info@pacifica.ph. The Company's electronic registration and voting system shall include a mechanism by which questions may be posted live during the meeting. The Company will endeavor to answer all questions submitted prior to and in the course of the meeting, or separately through the Company's Investor Relations Office.

(ii) Each of the Agenda items which will be presented for resolution will be shown on the screen during the live streaming as the same is taken up at the meeting.

(iii) Stockholders must notify the Company of their intention to participate in the meeting by remote communication to be included in determining quorum, together with the stockholders who voted in absentia and by proxy.

(iv) Voting shall only be allowed for stockholders registered in the Company's electronic registration and online-voting system at URL address: https://registration.pacifica.ph/ or through the Chairman of the meeting as proxy.

(v) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock represented at the meeting.

(vi) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.

(vii) The Company's stock transfer agent and Corporate Secretary will tabulate and validate all votes received.