

COVER SHEET

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A L T E R R A C A P I T A L

P A R T N E R S I N C .

(Company's Full Name)

2 2 8 6 P A S O N G T A M O E X T . ,

M A K A T I C I T Y

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

Gil Patrick Garcia  
Contact Person

519 3529  
Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

SEC Form 17 A

FORM TYPE

Any day of March

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles  
Number Section

11

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes.



(b) has been subject to such filing requirements for the past ninety (90) days.

Yes  No

13. Aggregate market value of the voting stock held by non-affiliates of the registrant:

Php267,568,539.60 (63,858,840 common shares @ Php41.9 per share, the closing price at which stock was sold on March 31, 2016).

**APPLICABLE ONLY TO ISSUERS INVOLVED IN  
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS  
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

**Not Applicable**

Yes  No

**DOCUMENTS INCORPORATED BY REFERENCE**

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

- (a) Audited Financial Statements as of December 31, 2015 and Supplementary Schedules (Exhibit 1)
- (b) SEC Form 17-C (Exhibit 2)
- (c) 2015 Annual Corporate Governance Report (Exhibit 3)

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## PART I - BUSINESS AND GENERAL INFORMATION

### Item 1. Business

#### (f) History and Business Development

Aterra Capital Partners, Inc. ("Aterra" or the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 21, 2000 under the name iRipple, Inc. ("iRipple").

The Company started out as a software development company and was recognized as the developer of Barter™ Merchandising Management System (MMS), a locally developed software solution that compares favorably with foreign software packages of its kind. It was listed in The Philippine Stock Exchange, Inc. ("PSE") on August 25, 2009 offering 4,578,122 new ordinary shares (approximately 29.41% of the total outstanding ordinary shares) at an offer price of P4.37 per share for a total gross proceeds of P19,987,444.

On December 16, 2014, the Board approved the sale of substantially all of the Company's net assets and on March 5, 2015, the Company ("Seller/Assignor") entered into several contracts with Movmento, Inc. ("Purchaser/Assignee") to implement said approval.

On March 12, 2015, Messrs. Alfonso S. Anggala and Conrado Rafael Camus Alcantara (the Bidder) purchased all of the rights, title and interest of certain majority shareholders of the Company (then under the name of iRipple) in a total of 13,932,990 shares, representing 89.49% of the Company's issued and outstanding capital stock, at the price of P21.93 per share. As of March 12, 2015, the total issued and outstanding common shares of the Company was 15,569,015. The Bidder proposed to acquire, under the same terms, through a mandatory tender offer (the "Tender Offer") in accordance with Section 19 of the Securities Regulation Code ("SRC") and applicable rules and regulations, the remaining 1,636,025 common shares representing approximately 10.50% of the Company's issued and outstanding common stock held by the public at a price of P21.93. At the end of the Tender Offer Period, no stockholders availed of the said offer.

On May 18, 2015, the Board approved the amendment of the Company's Amended Articles of Incorporation, as follows:

- (1) Change the corporate name from *iRipple Inc.* to *Aterra Capital Partners, Inc.*;
- (2) Change the principal office address of the Company from *Unit 2202 C East Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City* to *2286 Pasong Tamo Ext., Makati City*;
- (3) Change in the primary purpose of the Company from a information technology company to a holding company;
- (4) Denial of the pre-emptive rights of stockholders; and
- (5) Increase in the authorized capital stock from P20 Million divided into 20 Million shares at P1.00 par value to P2 Billion divided into 2 Billion shares at P1.00 par value per share.

On June 22, 2015, the Board subsequently approved the amendment of the Amended Articles of Incorporation reflecting the reduction of the par value of the Company's shares from P1.00 per share to P0.05 per share. With the reduction of the par value, there will be a change in the number of shares approved by the Board on May 18, 2015 in relation to the increase in authorized capital stock from P 20 Million divided into 20 Million shares at P1.00 par value to P2 Billion divided into 40 Billion shares at P0.05 par value per share.

The increase in the Company's capitalization is to enable it to have sufficient funding to engage in its new business as an investment holding company. Through this investment vehicle, the Board envisions two major objectives can be met: (1) provide private companies access to the capital markets,

and (2) provide investors with an avenue to gain exposure to such private companies. At the same time, these investments are value enhancing to the Company's shareholders.

Future plans as to how the Company's activities may be funded will be expounded on at a future date but will most likely include tapping the capital markets thru possible bonds/debt issuances, equity offerings, M&A transactions and by mezzanine/quasi equity funding-from strategic partners.

On July 20, 2015, the stockholders approved and ratified the above amendments to the Company's Amended Articles of Incorporation, except for the waiver of pre-emptive rights which was no longer submitted for ratification in light of the Company's discussion with the PSE that the Company is still covered by the "no waiver of pre-emptive rights" rule.

On October 29, 2015, the SEC approved the following amendments to the Amended Articles of Incorporation: (i) change of corporate name to Alterra Capital Partners, Inc., (ii) change in principal office address, and (iii) change in primary purpose to a holding company, and (iv) reduction of par value to ₱0.05 par value per share.

The Company has yet to submit its application for the increase in authorized capital stock.

#### **Bankruptcy Proceedings**

The Company is not a party to any bankruptcy, receivership or similar proceedings.

#### **Material Reclassification, Merger, Consolidation**

The Company is not a party to any merger or consolidation for the period ending December 31, 2015.

#### **(2) General Business Description**

Alterra is a holding company authorized by its primary purpose to buy, hold and sell shares of other companies.

##### **(a) Competition**

The Company currently has no operating business.

##### **(b) Sources and Availability of Raw Materials and Supplies**

As a holding company, the Company does not require raw materials in its operations. It is not dependent on any principal supplier.

##### **(c) Dependence on a Single or Few Customers**

As a holding company, the Company has no sales, thus, it is not dependent on a single or few customers.

##### **(d) Related Party Transactions**

The Company has no material business transactions with related parties.

(e) Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions, and Royalty Agreements

The Company does not hold any patents, trademarks, copyrights, licenses, franchises, concessions or royalty agreements.

(f) Government Approval of Products or Services

As a holding company with no products or services, the Company does not need any government approval for products or services. In the event any of its future operations require government approval, the Company shall comply with such requirement.

(g) Research and Development

The Company does not expect to make any significant investment for research and development.

(h) Costs and Effects of Compliance with Environmental Laws

As a holding company with no operations, the Company is not required to comply with environmental laws. In the event any of its future operations require compliance with environmental laws and regulations, the Company shall comply with such requirements.

(i) Employees

As of December 31, 2015, the Company does not have any employees.

**Item 2. Properties**

The Company does not own any real property. Up until March 31, 2015, the Company's business offices are located in Unit 2202 C&D, East Tower, PSE Centre, Exchange Road, Ortigas Center, Said offices were leased from Solar Resources, Inc. under a 2-year lease agreement that expired on December 2015 with a monthly lease payment of Php 75,736 for the first year and Php 79,523 for the second year.

The Company owns office equipment, office furniture and fixtures, vehicles and leasehold improvements with a net book value of Php3.06 million as of December 31, 2014. On March 5, 2015, the Company entered into a Deed of Sale of the Net Assets of the Company with Movmento, Inc. The carrying amount of the office equipment, office furniture and fixtures and leasehold improvement amount to P 1.37million. On the same day, March 5, 2015, the Company entered into another Deed of Sale for its motor vehicles for a total consideration of P1.2million.

No extraordinary purchases are expected beyond those in the regular course of operations of the Company. All purchases will be financed through internally generated funds and existing capitalization.

**Item 3. Legal Proceedings**

As of the date of this Annual report, the Company is not part of any material legal proceeding to which the Company is a party or of which any of its property is the subject.

**Item 4. Submission of Matters to a Vote of Security Holders**

There were no matters submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

### Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

#### (1) Market Information

Alterra shares are listed in the Philippine Stock Exchange (PSE). The following are the high and low market prices of Alterra shares for the applicable quarters from 2013 up to the last trading date March 31, 2016.

Quarter	2013		2014		2015		2016	
	High	Low	High	Low	High	Low	High	Low
1 <sup>st</sup>	8.02	7.54	21.45	10.0	68.2	68.2	4.40	3.75
2 <sup>nd</sup>	7.75	7.74	37.0	13.5	69.0	67.0		
3 <sup>rd</sup>	18.88	17.0	64.95	28.0	60.0	57.0		
4 <sup>th</sup>	11.0	11.0	83.0	30.05	3.28	3.20		

As of March 31, 2016, the latest practicable trading date, the closing price of the Company's common shares at the PSE is Php4.19 per share.

#### (2) Stockholders

As of December 31, 2015, Alterra has 311,380,300 shares outstanding held by 11 stockholders. The list of top 20 stockholders of the Company as recorded by the stock transfer agent, is as follows:

Name of Shareholder	Citizenship	Number of Shares Held	Percentage to Total Shares Outstanding
PCD Nominee Corporation	Filipino	311,123,940	99.92%
PCD Nominee Corporation	Non-Filipino	236,200	0.076%
M. J. Soriano Trading, Inc.	Filipino	20,000	0.006%
Geraldine April G. Anggala	Filipino	20	0%
Leonardo R. Arguelles, Jr.	Filipino	20	0%
Gilpatrick R. Garcia	Filipino	20	0%
Kerwin John T. Lo	Filipino	20	0%
Luther L. Jao	Filipino	1	0%
Bartolome S. Silayan Jr.	Filipino	1	0%
Wilson Y. Tieng	Filipino	1	0%
Gregorio T. Yu	Filipino	1	0%
		<b>311,380,300</b>	<b>100.00%</b>

#### (3) Dividends

The Company's Board of Directors is authorized to declare cash or stock dividends or a combination thereof. A cash dividend declaration requires the approval of the Board and no shareholder approval is necessary. A stock dividend declaration requires the approval of the Board and shareholders representing at least two-thirds (2/3) of the Company's outstanding capital stock. Holders of outstanding shares on a dividend record date for such shares will be entitled to the full dividend declared without regard to any subsequent transfer of shares.



Under the Corporation Code, the Company may not make any distribution of dividends other than that out of its unrestricted retained earnings. The Company has no restriction that limit the payment of dividend on common shares.

Each holder of a common share is entitled to such dividends as may be declared in accordance with the Company's dividend policy. The Company's current dividend policy entitles holders of common shares to receive dividends based on the recommendation of the Board of Directors. Such recommendation will take into consideration factors such as operating expenses, research and development activities, implementation of business plans, and working capital among other factors.

On January 22, 2013, the Board of Directors, during their meeting authorized the declaration of cash dividend of Fifteen Centavos (P0.15) per share. Conformably with the rules of the Exchange, the record date is set on February 28, 2013 and payable on or before March 22, 2013. These cash dividends were declared from the Company's 2012 retained earnings. A total amount of P2,335,352 were paid to stockholders on March 22, 2013.

On January 28, 2014, the Board of Directors, during their meeting authorized the declaration of cash dividend of Ten Centavos (P0.10) per share. Conformably with the rules of the Exchange, the record date is set on March 6, 2014 and payable on or before March 20, 2014. These cash dividends were declared from the Company's 2013 retained earnings.

On March 6, 2014, the Board of Directors approved the declaration of cash dividend of P0.10 per share or for a total amount of P1,556,902 which was paid to stockholders on March 20, 2014.

On December 11, 2014, the Board of Directors, during their meeting authorized the declaration of cash dividend of One Peso and Six Eight Centavo (P1.68) per share. Conformably with the rules of the Exchange, the record date is set on January 5, 2015 and payable on or before January 23, 2015. These cash dividends were declared from the Company's 2014 retained earnings. A total amount of P26,155,945 were paid to stockholders on January 21, 2015.

The Company did not declare any dividends for 2015.

#### **(4) Recent Sale of Unregistered Securities**

There are no recent sales of unregistered or exempt securities.

### **PART III – FINANCIAL INFORMATION**

#### **Item 6. Management's Discussion and Analysis or Plan of Operation.**

The following management's discussion and analysis of financial condition and results of operations should be read in conjunction with the Company's Audited Financial Statement as of and for years ended December 31, 2015 and 2014 and accompanying notes to financial statements. The Company's Audited Financial Statements as of December 31, 2015 are attached hereto in the accompanying index.

The Company was formerly an information technology company. It developed Barter™ Merchandising Management System (MMS), a software solution that compares favorably with foreign software packages of its kind. The Company started commercial operations in January, 2002 and has evolved into a well-established corporation whose MMS solution, Barter™, has been successfully marketed and installed in several major retail, supermarket, pharmacies and logistics companies.

On May 18, 2015, the Board approved the amendment of the Company's primary purpose from an information technology company to a holding company as explained in Item 1.

## Plan of Operation

### Year 2014 and First Quarter, 2015

Alterra Capital Partners, Inc. (Formerly iRipple, Inc.) is recognized as the developer of Barter™ Merchandise Management System (MMS), a locally developed software solution that compares favorably with foreign software packages of its kind. A robust and comprehensive system, Barter™ MMS is positioned to be the first choice of retailers, distributors, wholesalers, and consignors looking for a reliable, flexible and easily deployable solution at the lowest cost of ownership.

Revenues are generated through the sale of Barter™ licenses, pricing of which depends on server, Point of Sale (POS), and workstation configuration of the Company's clients. In addition, the Company charges for implementation services which include training, data migration and implementation support. The clients pay for a mandatory first year annual software maintenance agreement and generally renew such software maintenance agreements on an annual basis to avail for software support services and of regular Barter™ MMS software version enhancements and upgrades that come as part of these agreements at no additional charge.

On May 28, 2015, the Company changed its primary purpose to engage in the business of a holding company as explained fully in item 1.

### Third party products

The Company is an authorized reseller of IBM and HP servers and POS equipment and Epson printers. IBM, HP, and Epson charge the Company at dealer prices and in turn, the Company supplies IBM and HP POS equipment and Epson printers to their Barter™ clients at a margin. These reseller agreements carry no reseller quotas and no exclusivity clauses.

There is no specified expiration in the contract.

During the First Quarter, 2015 and Year 2014, the re-sales of third party products were approximately Php3.8 million and Php24 million respectively and accounted for 34.5% and 26.99% of total revenues.

The re-sale of IBM, HP and Epson products are typically at minimal margins for the Company as hardware sales are generally undertaken by the Company to facilitate the sale and installation of its Barter™ MMS solutions.

### Key Performance Indicator

The Company's management analyzes the results of operations mainly by the following performance measures for the last 3 years. The top 5 key performance indicators are:

KPI	Definition	2015	2014	2013
Operating Margin	This pertains to percentage of earnings before interest and tax (EBIT) or operating income to net sales for a given period. This measures the return obtained for every peso of revenue earned, after all cost of sales and operating expenses deducted. = $\frac{\text{Operating Income}}{\text{Net Sales}}$	-43.19%	24.6%	4.21%

KPI	Definition	2015	2014	2013
Return on Sales	This pertains to percentage of net income after tax to net sales for a given period. This provides a measure of return for every peso of revenue earned, after all other operating expenses and non-operating expenses, including provision for income taxes are deducted. = $\frac{\text{Net Income}}{\text{Net Sales}}$	-31.75%	17.32%	3.10%
Return on Equity	This pertains to percentage of net income to stockholders' equity. This is a measure of shareholders' return for every peso of invested equity = $\frac{\text{Net Income}}{\text{Total Stockholders' Equity}}$	-12.39%	42.16%	5.57%
Debt to Equity Ratio	This pertains to the ratio of debt to the total stockholders' equity. This is a measure of the Company's use of leverage and solvency position. = $\frac{\text{Total Liabilities}}{\text{Total Stockholders' Equity}}$	0.07:1.00	1.48:1.00	0.33:1.00
EBITDA	This is computed by adding back depreciation and amortization (both non-cash expenses) to earnings before interest and income tax. This is a measure of the Company's ability to generate cash from operations	Php4.3M	Php23.13M	Php5.50M

The following discussion and analysis are based on the consolidated audited financial statements for the years ended December 31, 2015, 2014, and 2013

#### Results of Operation

As the table below shows, the Company posted a net income/(loss) of PhP (3.53)million, PhP13.3 million, and PhP1.55million for the years ended December 31, 2015, 2014 and 2013.

The details of the results of operations are as follows.

(Amount in '000s)

	2015	2014	2013	% Change 2015 vs 2014	% Change 2014 vs 2013
Revenue	PhP11,131	PhP78,667	PhP60,060	-85.85%	53.19%
Cost of sales	8,816	39,619	25,614	-77.75%	54.68%
Gross profit	2,315	39,068	24,446	-94.07%	59.81%

	2015	2014	2013	% Change 2015 vs 2014	% Change 2014 vs 2013
G & A expenses	7,979	25,937	21,258	-69.24%	22.01%
Selling expenses	5	766	1,941	-99.35%	-60.54%
Other income-net	861	6,958	863	-87.62%	706.26%
Provision for income taxes	(1,274)	6,042	556	-121.09%	986.69%
<b>NET INCOME</b>	<b>Php(3,534)</b>	<b>Php13,281</b>	<b>Php1,554</b>	<b>-126.61%</b>	<b>754.63%</b>

#### Revenues

The Company generated revenues amounting to P11,131 million in 2015, a 85.92% decrease from the revenues recorded in 2014. Revenues represented first quarter sales only since the Company sold its business to Movmento, Inc. on March 5, 2015.

The Company recorded revenues amounting to Php76,687 million in 2014, a 55.09% increase from the revenues recorded in 2013. Revenue increased due to significant new contracts closed in retail solution and third party hardware during the year.

The details of the revenue are as follows:

(amount in '000s)

	2015	2014	2013	% Growth 2015 vs 2014	% Growth 2014 vs 2013
Retail solutions	Php6,423	Php45,628	Php29,420	-85.92%	55.09%
Third party sales	3,841	24,039	12,882	-84.02%	86.61%
Special projects	867	9,020	7,758	-90.39%	16.27%
Subsidiary	0	0	0	0%	0%
<b>TOTAL</b>	<b>Php11,131</b>	<b>Php76,687</b>	<b>Php50,061</b>	<b>-85.49%</b>	<b>53.19%</b>

#### Cost of Sales

The Company recorded cost of sales amounting to P8,816 million in 2015, a 77.75% decrease from the cost of sales recorded in 2014. The decrease was mainly due to the sale of the Company's business to Movmento, Inc. on March 5, 2015.

The Company recorded cost of sales amounting to Php39.6 million in 2014, a 31.9% increase from the cost of sales recorded in 2013. The increase was mainly attributed to the increase of cost of sales from retail solutions projects and third party hardware.

The details of the cost of sales are as follows:

(amount in '000s)

	2015	2014	2013	% Change 2015 vs 2014	% Change 2014 vs 2013
Retail solutions	Php5,153	Php13,339	Php6,501	-61.57%	50.91%
Third party sales	2,830	21,589	11,808	-86.89%	82.83%
Special projects	833	4,711	5,305	-82.30%	-11.18%
Subsidiary	0	0	0	0%	0%

	2015	2014	2013	% Change 2015 vs 2014	% Change 2014 vs 2013
<b>TOTAL</b>	<b>Php8,816</b>	<b>Php39,619</b>	<b>Php30,038</b>	<b>77.75%</b>	<b>31.90%</b>

#### *Gross profit (loss)*

The details of the gross profit are as follows:

(amount in '000s)

	Amount			Gross Profit Rate		
	2015	2014	2013	2015	2014	2013
Retail solutions	Php1,270	Php32,308	Php20,919	-96.07%	54.44%	70.88%
Third party sales	1,011	2,450	1,075	-58.73%	1.28%	8.34%
Special projects	34	4,309	2,453	99.21%	75.66%	31.62%
Subsidiary	0			%	0%	85.24%
<b>TOTAL</b>	<b>Php2,315</b>	<b>Php39,067</b>	<b>Php24,446</b>	<b>-86.4%</b>	<b>59.81%</b>	<b>44.88%</b>

#### *General and administrative expenses*

The Company incurred general and administrative expenses amounting to P7.98million in 2015, a 69.24% decrease from the general and administrative expenses recorded during 2014. The decrease was due to the sale of the Company's business to Movmento, Inc. on March 5, 2015.

The Company incurred general and administrative expenses amounting to Php25.9million in 2014, a 22% increase from the general and administrative expenses recorded during in 2013. The increase was mainly attributed to salary of additional employees hired during the year.

#### *Selling & marketing expenses*

During 2015, the Company incurred PHP .005 million as selling & marketing expenses, or a 99.3% decrease from the selling & marketing expenses recorded in 2014. The decrease was due to the sale of the Company's business to Movmento, Inc. on March 5, 2015.

During 2014, the Company incurred Php 0.76 million as selling & marketing expenses, or a 60.55% decrease from the same period recorded in 2013. The decrease was mainly due to decrease in marketing activities.

#### *Other income*

The Company's other income mainly consisted of interest income from short-term investments and rebates from major supplier. Other income decreased in 2015 over 2014 due to the sale of the Company's business to Movmento, Inc. on March 5, 2015.

The Company's other income mainly comprised of interest income from short-term investments and rebates from major supplier. Other income increased in 2014 over 2013 by 51.62% due rebates from major supplier.

#### *Financial Condition*

Cash and cash equivalent was at Php 28.5million as of December 31, 2015, or a 20.24% decrease over that of 2014 due to shorter operating period in 2015 (three months) compared to 2014 (1 year).

Cash and cash equivalent was at Php 39.8 million as of December 31, 2014, or a 31.92% increase over the same period of 2013. This is mainly due to higher collection received from subsidiary and new clients during year 2014.

Other current assets in 2015 represent excess tax credit and input VAT acquired after the sale of the net assets of the Company on March 5, 2015. Other current assets increased by 308.59% in 2014 over 2013 mainly due to prepayments from leasing transactions.

All the company's components of property and equipment were included in the sale of the net assets of the Company on March 5, 2015.

Trade and other receivables in 2015 were included in the sale of the net assets of the Company on March 5, 2015. Trade and other receivables during 2014 significantly went up by 36.93% mainly due to new projects billed but not yet collected during the year.

Deferred taxes in 2015 pertain to the Company's NOLCO for 2015 and excess MCIT over RCIT totaling P1.3million. Deferred tax assets decrease by 13.96% in 2014 mainly due to effect of reversal of unrealized foreign exchange gain recognized in 2013.

Trade and other payables were included in the net assets sold to Movmento, Inc. on March 5, 2015. The outstanding balance as at end of 2015 pertain to legal fees amounting to P1.7million and the balance outsourced accounting services. Trade and other payables during 2014 had increased by 15.31% mainly because of increased purchases from hardware suppliers.

The Company incurred a deficit for the year 2015 due to losses incurred during the period after the business was sold to Movmento on March 5, 2015. Although the Company changed its primary purpose from information technology company to holding company, it has not commenced its operations as such. Retained earnings increased by 58.47% and 11.66% for year ended December 31, 2014 and 2013 mainly due to net income generated for the year.

- a. There are no known trends or any known demands, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way. Expected inflows from operations are deemed sufficient to sustain the Company's operations for the remaining quarter of the year.
- b. There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- c. There are no known material off-balance sheets transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
- d. There are no material commitments for capital expenditures.
- e. There are no known trends, events, uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on revenues or income from continuing operations.
- f. There is no significant element of income or loss that did not arise from continuing operations.
- g. The causes for any material change from period to period which shall include vertical and horizontal analysis of any material items:

Results of our vertical analysis showed the following material changes

1	Cash & cash equivalents	93.73%
2	Trade and other receivables	0.39%
3	Finance Lease receivables - current	Nil
4	Inventories	Nil
5	Other current assets	1.48%
6	Finance Lease receivables - non current	Nil
7	Property and equipment-net	Nil
8	Deferred taxed assets	4.40%
9	Trade and other payables	6.13%
10	Finance Lease obligation	Nil
11	Income payable	Nil
12	Retirement benefit	Nil
13	Capital stock	51.23%
14	APIC	45.83%
15	Retained earnings	-3.19%

Results of our horizontal analysis showed the following material changes:

1	Cash & cash equivalents	-20.24%
2	Trade and other receivables	-99.64%
3	Finance Lease receivable - current	Nil
4	Inventories	Nil
5	Other current assets	-7.76%
6	Property and equipment-net	Nil
7	Finance Lease receivable - non current	Nil
8	Deferred taxed assets	94.37%
9	Trade and other payables	-87.52%
10	Finance Lease obligation	Nil
11	Income payable	Nil
12	Retirement benefit	Nil
13	Capital stock	0.00%
17	APIC	0.00%
18	Retained earnings	-1.38%

All of these material changes were explained in detail in the Management's Discussion and analysis of Financial Condition and Results of Operations as stated above

- h. There are no seasonal aspects that had a material effect on the financial condition or results of operations.

#### Liquidity and Capital Resources

The Company's principal requirements for liquidity are mainly for the payment of operating expenses. Since the Company's inception, the Company has met these requirements out of the operating cash flows and has not incurred any short-term loan except the advances from stockholders to assist with the

temporary liquidity requirements. As of December 31, 2015, the Company's current assets exceeded the current liabilities by Php27.19 million. The current ratio in year ended 2015 slightly decreased as compared to previous year.

(amount in '000s)

		2015		2014	%Change
Current assets	₱	29,057	₱	73,403	-60.41%
Current liabilities		1,864		45,111	-95.87%
Net current assets		27,193		28,292	-0.04%
Current ratio	₱	1.59:1	₱	1.63:1	-0.50%

#### Item 7. Financial Statements

The 2015 Audited Financial Statements of the Company and Supplementary Schedules attached as Exhibit 1 are filed as part of annual report.

#### Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

##### Independent Public Accountant

The external auditor of the Company is the accounting firm of R.S. Bernaldo & Associates. Ms. Rosano S. Bernaldo is the Partner-in-Charge for 2014, 2012, 2011, 2009, 2007 and 2006 and Mr. Romeo De Jesus, Jr. for 2015, 2013, 2010 and 2008. There is no need to change external auditors pursuant to SRC Rule 68, par 3 (b) (iv).

##### External Audit Fees

The Company paid its external auditors the following audit fees for the last 2 years:

Year	Amount
2015	112,000
2014	336,000

There are no other assurance and related services extended by the external auditors that are reasonably related to performance of audit or review of the Company's financial statements.

The Audit Committee reviews and approves all audit plans, including the scope and frequency, one (1) month prior to the conduct of the external audit.

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

The Company has not had any disagreements on accounting and financial disclosures with R.S. Bernaldo & Associates during the last 5 years or any subsequent interim periods.



## PART IV - CONTROL AND COMPENSATION INFORMATION

### Item 9. Directors and Executive Officers of the Issuer

#### (1) Board of Directors

As of December 31, 2015, the following are the directors and executive officers of the Company:

Office	Name	Age	Nationality
Chairman	Conrado Rafael C. Alcantara	43	Filipino
Director	Geraldine G. Anggala	46	Filipino
Director	Marco Angelo C. Alcantara	38	Filipino
Director	Gilpatrick R. Garcia	53	Filipino
Director	Leonardo R. Arguelles, Jr	66	Filipino
Independent Director	Joseph T. Tan	58	Filipino
Independent Director	Kerwin T. Lo	48	Filipino

Set forth below are the business experience of the Board during the last five years:

**Conrado Rafael C. Alcantara** is currently the Chairman and President of Infinicor Holdings, Inc. and Director of Aisons Consolidated Resources Inc. He also became a Director of C. Alcantara & Sons, Inc. in July 2006, Lima Land, Inc., Lima Utilities Corporation, Lima Water Corporation in August 2007, and of Aisons Land Corporation in July 2009. He graduated from Boston University with a degree in Political Science and attended a Post Baccalaureate Program in Management at Harvard University.

**Geraldine G. Anggala** is currently the President of Garsano Grand Group of Companies and ACL Venture Link. She also currently holds a directorship in Boulevard Holdings, Inc. Prior to her current positions, she was the Merchandising Manager of Garsano South Group of Companies from 1987 to 1990, and also became the Vice President for Merchandising in the same company from 1991 to 2007. She served as Director of Lodestar Investment Holdings Corporation from 2007 to 2008. Ms. Anggala graduated *Cum Laude* and obtained her Bachelor of Science degree in Accountancy from the University of San Carlos in 1991.

**Marco Angelo C. Alcantara** is currently the General Manager of Aisons Insurance Brokers Corporation. He also currently serves as President of 58 Florence Holdings Inc. and director at Bankone Savings and Trust Corporation, Bancasia Finance Corporation, and AAISI. He graduated from Clark University Worcester, Massachusetts with a BA in Management / Economics in 2000 and an MBA with a concentration in Finance from Clark University in 2001.

**Gilpatrick R. Garcia** is a trader and salesman in Value Quest Securities. Prior to his present positions, he was the Manager and Trader in L. M. Garcia Securities from 1987 to 1990, and served as VP and Director from 1991 to 1996. In 1996 to 1997, Mr. Garcia held the AVP position in Multi Grade Securities, and became the VP & PSE Member of Multi - Grade Securities in 1997 to 1999. He also served as the Managing Director in Bidshot Wireless Services from 2001 to 2009. In 2007 to 2009, he became a Director in Chikka Holdings Inc. Mr. Garcia participated in various training programs. He obtained his Salesman Certificate issued by the Securities and Exchange Commission in 1988. In October 2009, he participated in the PAM certification conducted by PSE. Mr. Garcia graduated from Ateneo de Manila in 1984 with a Bachelor of Science degree in Business Management.

**Leonardo R. Arguelles, Jr.** is currently the Managing Director of Unicapital, Inc. and is member of the Advisory Board of Basic Energy Corporation. He was also the co-founder of Keppel IVI Investments, Inc., a local investment house in partnership with the Keppel Group of Singapore and

served as Independent Director of Royal Bank of Scotland (Philippines) Inc. (formerly ABN AMRO Bank (Philippines) Inc.) for eight years. He has a Bachelor of Arts degree in Economics from the Ateneo de Manila University and attended the Strategic Business Economics Program for Senior Executives at the University of Asia and the Pacific.

Joseph T. Tan is one of the founding partners of MOST Law. Prior to founding MOST Law, Atty. Tan was special counsel to Agus Cruz & Manzano Law Office from 2004 to August 2006 and was also Senior Associate in Puno & Puno Law Offices from 1991 to 1995. Atty. Tan obtained his Bachelor of Laws from the Ateneo de Manila Law School in 1985, graduating with honors.

Kerwin John T. Lo is currently the President of KC Wonderland. In 1990, Mr. Lo obtained a bachelor's degree in Ateneo de Manila with a course in AB Management Economics.

**(2) Executive Officers**

The Company's executive officers are set forth below:

Position	Name	Age	Nationality
President	Conrado Rafael C. Alcantara	43	Filipino
Treasurer	Afonso S. Anggala	46	Filipino
Corporate Secretary	Geraldine G. Anggala	46	Filipino
Corporate Information Officer	Gipatrick R. Garcia	53	Filipino

The business experience of Mr. Conrado Rafael C. Alcantara, Ms. Geraldine G. Anggala and Mr. Gipatrick R. Garcia during the last five years is provided above. Below sets forth the business experience of the Company's other executive officers during the last five years:

**Afonso S. Anggala** is currently the President of Star Alliance Securities Corp., the President of ACL Venture Link, a Director of Boulevard Holdings, Inc., the Treasurer of Liberty Agro-Ventures, Inc., and the President of Jaral Realty Corporation. Prior to his current positions, he was the Chief Operations Officer from 1991 to 1998 in Gazini Plaza, Inc. In 1994 until 2007, he served as the Managing Director in Heva Management & Development Inc. and Taipan Development, Inc. He was also the President of Gaisano Grand Group of Companies from 2007 to 2008. In 2006 to 2010, Mr. Anggala became a Director in Value Quest Securities Corp. He also served as the President of Lodestar Investment Holdings Corp. in 2008 to 2009. Mr. Anggala obtained his Bachelor of Science degree in Business Management at the De La Salle University Manila in 1989.

**(3) Significant Employees**

There are no employees not included in the list of executive officers who are expected to provide significant contribution to the business.

**(4) Family Relationships**

Conrado Rafael C. Alcantara, the Chairman of the Board and President, and Marco Angelo C. Alcantara, Director, are brothers.

Afonso S. Anggala, the Treasurer is married to Geraldine G. Anggala, Director and Corporate Secretary.

(5) *Involvement in Certain Legal Proceedings*

To the knowledge and/or information of the Company, the present members of the Board of Directors or the Executive Officers are not, presently, or during the last five (5) years, involved or have been involved in criminal, bankruptcy or insolvency investigations or proceedings.

**Item 10. Executive Compensation**

For years 2013 and 2014, the directors received a per diem of ₱5,555.55 for each board meeting attended. In 2013 and 2014, the directors as a group received a total aggregate per diem of ₱56,111.05 and ₱68,888.80, respectively.

The following table summarizes the actual aggregate compensation of the directors of and officers of the Company in year 2014 and 2013. There are only three (3) executives during 2014 and 2013.

Name and Principal Position	Year	Salary	Bonus	Other Compensation (Per diem)	Total
Top 3 Executive Officers ▪ Victor T. Javier (President) ▪ Hubert C. Dy (Chief Technology Officer) ▪ Juke J. Keng (Chief Operations Officer)	2014	2,153,100	243,800	40,000	2,370,232
	2013	2,146,432	223,800	30,000	2,400,232
Top 4 Executive Officers ▪ Conrado Rafael C. Alcantara (President) ▪ Geraldine G. Anggala (Corporate Secretary) ▪ Alfonso S. Anggala (Treasurer) ▪ Gilpatrick R. Garcia (Chief Information Officer)	2015*	0.00	0.00	0.00	0.00

\*As the Company was just recently acquired, the newly-elected directors and officers of the Company do not intend to be compensated for their services and did not receive any salary, bonus or other compensation for the year 2015.

Other than directors' per diems, the directors of the Company do not receive any other compensation from the Company, including any of the following arrangements:

- a. standard arrangement and any other material arrangements;
- b. employment contract (between the Company and named executive officers);
- c. compensatory plan or arrangement;
- d. outstanding warrants or options;
- e. adjustments or amendments on the price of stock warrants or options.

**Item 11. Security Ownership of Certain Beneficial Owners and Management**

*(1) Security Ownership of Certain Record and Beneficial Owners*

The table below shows persons or groups known to the Company as of December 31, 2015 to be directly or indirectly the record or beneficial owner of more than 5% of the Company's voting securities:

Title of Class	Name, Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner And Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership
Common	PCD Nominee Corporation 37F Tower 1, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City  Stockholder	PCD Participants*	Filipino	311,123,940	99.92%

\*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 are the beneficial owners of such shares.

*(2) Security Ownership of Management*

The table below shows the securities beneficially owned by all directors and executive officers of the Company as of December 31, 2015.

Title of Class	Name and Address of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	% of Ownership
Common	Conrado Rafael C. Alcantara	141,680,840 (1)	Filipino	45.50%
Common	Geraldine G. Anggala	20(1)	Filipino	0.00%
Common	Marco Angelo C. Alcantara	20(1)	Filipino	0.00%
Common	Gipatrck R. Garcia	20(1)	Filipino	0.00%
Common	Leonardo R. Arguelles, Jr.	20(1)	Filipino	0.00%
Common	Joseph T. Tan	200(1)	Filipino	0.00%
Common	Kenwin T. Lo	20(1)	Filipino	0.00%
Common	Afonso S. Anggala	105,840,320(1)	Filipino	44.00%
	<b>Total</b>	<b>247,521,460</b>		<b>79.49%</b>

Directors and officers as a group hold a total of 247,521,460 common shares, equivalent to approximately 79.49% of the Company's issued and outstanding capital stock.

(e) Voting Trust Holders of 5% or more

No person holds 5% or more of the issued and outstanding shares of stock of the Company under a voting trust or similar agreement.

(f) Changes in Control

On March 12, 2015, Alfonso S. Anggala and Conrado Rafael C. Acanlara purchased 13,932,990 shares representing 89.49% of the total issued and outstanding capital stock of the Corporation for a total aggregate amount of ₱305,488,201.88 or ₱21.93 per share from Mr. Victor T. Javier, for himself and as the representative of several shareholders, thus resulting in a change in control of the Corporation.

## **Item 12. Certain Relationships and Related Transactions**

The Company previously leased its former office in Philippine Stock Exchange from Solar Resources, Inc., a company in which Mr. Wilson Tieng is a member of the Board of Directors. The contract is for two (2) years expiring on December 2015. The contract is renewable every two (2) years subject to mutual agreement by both parties. The contract stipulates a monthly rental fee of Php 71,905.05 for the first year and Php 75,500.30 for the second year. Mr. Willy Tieng, a shareholder in the Company is likewise a shareholder in the Solar Resources, Inc.

In 2014, the Company provided software support services under a maintenance agreement entered into with KLG International Inc. Mr. Willy Tieng, a major shareholder of the Company is likewise a shareholder of KLG International, Inc.

Similarly, the Company has entered into a Software Support Service Agreement with Dynamic Development Corporation ("DDC"). Software Support Service Agreement is a standard license implementation and maintenance contract for all the Company's clients. Mr. Edward Lee is the principal shareholder of DDC and is likewise a shareholder in the Company. The Company provides these support services at rates considering the duration of DDC's relationship with the Company.

Aside from the foregoing related party transaction, the Company has not entered into any contract or agreement involving former stockholders, key officers, managers or employees other than in the ordinary course of business and on an arm's length basis.

The Company's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those from unrelated third parties.

## **PART V – CORPORATE GOVERNANCE**

### **Item 13. Corporate Governance**

Please refer to the Company's Annual Corporate Governance Report for the year ended December 31, 2015 attached as Exhibit 3.

## PART VI - EXHIBITS AND SCHEDULES

### Item 14. Exhibits and Reports on SEC Form 17-C

#### (a) Exhibits

The following exhibits are incorporated by reference in this report:

Exhibit 1 – 2015 Audited Financial Statements and Supplementary Schedules

#### (b) Reports on SEC Form 17-C

Reports on SEC Form 17-C filed during the last six month period covered by this report are attached as Exhibit 2 of this Annual Report.

<b>Date Filed</b>	<b>Description</b>
September 28, 2015	Alfonso S. Anggala, a majority shareholder of the Company, sold a total of 1,556,932 shares RPL shares ("Sale Shares") via a special block sale in favor of (i) Socorro P. Lim i) Socorro P. Lim; (ii) Victory Y. Lim, Jr., (iii) Mananne Joy Siao, (iv) Maria Socorro M. Benavidez and (v) Edmundo Angelo T. Goducco. The Sale Shares comprise 10.00% of the outstanding capital stock of the Company.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of PASIG CITY on APR 20 2016.

By:


  
CONRADO RAFAEL C. ALCANTARA  
President

  
ALFONSO S. ANGGALA  
Treasurer

  
GERALDINE G. ANGGALA  
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 20 2016 2016, affiants exhibiting to me the following documents:

Name	Passport No.	Date of Issuance	Place of Issuance
Conrado Rafael C. Alcantara	EC25861488	Oct. 30, 2014	DFA Manila
Alfonso S. Anggala	XX06071291	May 6, 2011	DFA Manila
Geraldine G. Anggala	EB66647561	Oct. 30, 2012	DFA Manila

  
KRISTINE R. BONGCARON  
Appointment No. 253 (2016-2017)  
Notary Public Pasig City

Until December 31, 2017  
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