

COVER SHEET

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S.E.C.Registration Number

M I L L E N N I U M G L O B A L H O L D I N G S , I N C .

(F o r m e r l y I P V G C O R P .)

(Company's Full Name)

2 N D F L O O R S E N S E S S P A B U I L D I N G ,

M I A R O A D C O R N E R P I L D E R A S T . ,

T A M B O P A R A N A Q U E C I T Y 1 7 0 1

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

Janine G. Manzano
Contact Person/s

(02) 218-0437
Company Telephone Number

1 2
Month

3 1
Day

SEC Form 17-A
December 31, 2017
FORM TYPE

June
Month

Last Friday
Month

Day

Fiscal Year

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.
Number/Section

Amended Articles

Total No. of Stockholders
Foreign

Domestic

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended December 31, 2017
2. Commission identification number. 25160
3. BIR Tax Identification No 000-189-138-000
4. Exact name of issuer as specified in its charter Millennium Global Holdings, Inc.
5. Province, country or other jurisdiction of incorporation or organization: Metro Manila, Philippines
6. Industry Classification Code: (SEC Use Only)
7. 2nd Floor Senses Spa Bldg., MIA Road corner Pildera St. Tambo, Paranaque City 1701
Address of issuer's principal office Postal
Code

Issuer's telephone number, including area code (632) 551-2575
8. IPVG Corp., 34F RCBC Plaza Tower 2, 6819 Ayala Avenue 1200, Makati City
Former name, former address and former fiscal year, if changed since last report
9. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	2,500,000,000 shares

10. 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

11. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 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

12. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

The aggregate market value of the voting stock held by non-affiliates of the Company as of December 31, 2017 is Php230,644,320 (1,130,609,412 shares @ Php0.204/share)

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

13. 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.

Yes No (N/A)

DOCUMENTS INCORPORATED BY REFERENCE

14. 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) Any annual report to security holders; (N/A)

(b) Any information statement filed pursuant to SRC Rule 20; (N/A)

(c) Any prospectus filed pursuant to SRC Rule 8.1. (N/A)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*Our discussions in the succeeding sections of this report pertain to the results of our company's operations for the twelve (12) months ended **December 31, 2017**. References are going to be made on results of operations for the same period of the previous year 2016.*

This report may also contain forward-looking statements that reflect our current views with respect to the company's future plans, events, operational performance, and desired results. These

statements, by their very nature, contain substantial elements of risks and uncertainties, and therefore, may not be 100% accurate. Actual results may be different from our forecasts.

Furthermore, the information contained herein should be read in conjunction with the accompanying audited consolidated financial statements and related notes. Our financial statements, and the financial discussions below, have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

PART I. BUSINESS AND GENERAL INFORMATION

Millennium Global Holdings, Inc. (the “Company”), formerly IPVG Corp. (IPVG), was incorporated and registered with the Philippine Securities and Exchange Commission (“SEC”) per SEC Registration No. 25160 on May 19, 1964. A general holding company, it is listed in the Philippine Stock Exchange, Inc. (the “PSE”) with the stock symbol MG.

On July 1, 2011, the stockholders of the Company, pursuant to a corporate restructuring, approved the sale of all assets and liabilities of IPVG to a new private company, IP Ventures, Inc., (“IPVI”), having the same shareholding structure of IPVG. The corporate restructuring aimed to achieve the Company’s business and operational targets and create shareholder value for the group. Pursuant thereto, IPVG has transferred substantially all of its assets to IPVI.

On February 16, 2012, the stockholders of the Company approved the amendment of its Articles of Incorporation changing the primary purpose of the Company, allowing it to, among others, establish a refinery in the Philippines to refine metal ores, precious stones, oil, gas, coal, and minerals intended primarily for export purposes.

On October 22, 2012, the stockholders of the Company further approved the amendment of its Articles of Incorporation, changing the primary purpose of the Company to a general holding company, allowing business ventures in areas involving seafood, aqua-culture, seafood processing, and agriculture. The amendment is in line with the Company’s strategic direction and focus on natural resource plays. The stockholders likewise approved to change the principal office of the Corporation, subject to the determination of the Board.

On February 14, 2013, the SEC approved the following changes:

- Change of name from “IPVG Corp.” to “Millennium Global Holdings, Inc.”;
- Change of primary purpose to a general holding company; and
- Change of principal place of office from “34thFloor, Tower 2, RCBC Plaza, 6819 Ayala Avenue, Makati City” to “2ndFloor Senses Spa Building, MIA Road corner Pildera Street, Tambo, Paranaque City”

On July 25, 2013, the SEC also approved the Company’s increase in authorized capital stock from Php2 Billion to Php2.5 Billion.

On December 20, 2013, the stockholders approved the investment in and/or acquisition of various businesses and operating companies, including 51% controlling interest in Millennium Ocean Star Corporation (“MOSC”), majority-owned by the Company’s Chairman and President, Yang Chi Jen. On January 10, 2014, the Company acquired 51% controlling interest in MOSC.

On May 14, 2014, the SEC approved the Company’s application for extension of term for another fifty (50) years from and after May 19, 2014.

On October 14, 2014, the Board of Directors approved to enter into an Investment Agreement with Chen Chih-Hsing, a Chinese national, for Php15 million, payable in 3 years and convertible into equity at the option of the investor. On the same date, the Board of Directors approved the acquisition of Cebu Canning Corporation (C3) through a combined acquisition of primary and secondary shares, making it a wholly-owned subsidiary of the Company. Notably, on April 17, 2015, C3 became a subsidiary (51%) of MG.

On December 16, 2015, the stockholders of the Company approved the conduct of an equity restructuring to wipe out/reduce its continuing deficit, with corresponding amendment to the Company's Articles of Incorporation to decrease the authorized capital stock from Php2.5 Billion to Php250 Million and the par value from Php1.00/share to Php0.10/share, without change in the number of common shares. The stockholders also delegated authority to the Board to finalize the terms of the transaction.

On August 8, 2016, MG disclosed to the Philippine Stock Exchange and the Securities and Exchange Commissions (SEC) that MG temporarily holds office at Blk. 1 Lot 1, Dahlia St. corner J. P. Rizal St., Sto. Niño, Parañaque City, pending the demolition of the building at the site of its registered address and the completion of the construction of a new building which will rise on the same site. The Company shall return to the site of its registered address in 2019 or earlier, upon completion of the construction of the new building.

On February 1, 2017, the SEC approved the Company's application for decrease in authorized capital stock to Php250 Million and equity restructuring. On March 20, 2017, the SEC approved a further equity restructuring to partially wipe out the remaining deficit as of December 31, 2015.

BUSINESS MILESTONES IN 2017

Highlights in the First Quarter:

- On February 1, 2017, the SEC approved the company's application for (1) decrease in authorized capital stock from Php2,500,000,000 to Php250,000,000; and (2) equity restructuring whereby additional paid-up capital of Php1,920,793,500 has been approved to partially wipe out deficit as of December 31, 2015 in the amount of Php2,845,049,107.
- On March 20, 2017, the SEC approved the company's application for further equity restructuring to partially wipe out the remaining deficit as of December 31, 2015 in the amount of Php924,255,607 against the additional paid-up capital of Php820,128,895.
- On March 22, 2017, the Company's Board of Directors (BOD) approved the subscription by the Company's Chairman and President, Yang Chi Jen, to the remaining 365,785,000 unissued shares of the company at Php0.20 per share amounting to a total of Php73,157,000 with premium of Php36,578,500.
- On March 22, 2017, the BOD approved the increase of authorized capital stock of the Company from Php250,000,000 to Php750,000,000. The BOD likewise approved the subscription by Yang Chi Jen to at least 25% of the increase in authorized capital stock of the Company at Php0.20 per share.
- On March 22, 2017, the BOD approved the acquisition of 49% of the Philippine 101 Hotel, Inc., a domestic corporation majority owned by Yang Chi Jen. To date, the terms of the

acquisition are under negotiation. On the same date, the BOD also approved the acquisition of 49% of a Vietnamese seafood company.

Highlights in the Second Quarter:

- On May 31, 2017, the Company entered into an agreement acquiring 49% ownership and control of Pacific Seafoods Company Limited (PASECO), a non-stock Vietnamese enterprise primarily engaged in aqua foods and products processing and preservation.
- On June 29, 2017, the BOD approved the additional subscription to 117,091,837 primary shares of its subsidiary, MOSC, at par value of Php1.00 per share, to maintain the Company's 51% ownership in MOSC.

Highlights in the Third Quarter:

- On August 17, 2017, the amount of the increase in authorized capital stock was amended to an amount as may be determined by the BOD but not exceeding Php10 Billion. The planned increase is aimed to further raise additional funds for future investments/acquisitions and fund business operations.
- On the same date, the BOD approved the acquisition of 81% of listed company Calata Corporation ("CAL") by subscribing to 2.5 Billion shares from CAL's increase in authorized capital stock.

Highlights in the Fourth Quarter:

- On October 24, 2017, the BOD approved its final decision not to proceed with the Company's acquisition of 81% of listed company CAL. The Company shall instead tap its other business opportunities and areas of growth to fortify its business within the country and abroad.
- On November 9, 2017, the BOD approved the appointment of a new stock transfer agent, STOCK TRANSFER SERVICE, INC. ("Stock TSI"), effective December 20, 2017 to replace its stock transfer agent, SECURITIES TRANSFER SERVICES, INC. ("Securities TSI"). This is in light of the notification received by the Company from Securities TSI terminating the December 4, 2015 Stock Transfer Agreement between the parties as part of the latter's efforts to "drastically scale down its business preparatory to a possible temporary suspension or cessation of operations".

Status of Operations

To date, the Company has two subsidiaries—the MOSC and C3.

The Company owns 51% controlling interest in MOSC. MOSC is primarily engaged in the processing of high quality seafood and aquaculture products for export and trading of imported marine and other related products. Its key business activity is the processing and export of several quality and high valued seafood products such as Black Tiger Shrimps, Kisu (asohos) fillet, frozen lobsters, etc. Its processing plants and buying stations are strategically located all over the country, enabling it to have a strong market foothold in Japan, Taiwan, Hong Kong, Vietnam, Malaysia, Singapore, United States of America, Canada, etc. MOSC also imports salmon, mackerel scad, scallops, shrimps, etc. for the local market, supplying supermarkets, groceries, food processors, hotels, and restaurants nationwide.

The Company also owns 51% stake in C3, with the intention of making it a 100%-owned subsidiary. To date, the Company's acquisition of the remaining 49% of C3, through purchase of secondary shares from existing shareholders of the Subsidiary, is yet to be completed. C3 is a domestic company engaged in the business of manufacturing, processing and dealing in pasteurized canned crabmeat, frozen marine products and other food products for export purposes. The raw crab meat which is the main material used in the business is locally sourced by C3.

Key Competitors

No key competitors are identifiable for the year 2017.

Principal Suppliers

No principal suppliers are identifiable for the year 2017.

Dependence on a Few or Single Customer

No customer/s are identifiable for the year 2017.

Transaction with and/or Dependence on Related parties

As a result of the Asset Purchase Agreement executed on September 28, 2011, all Management Agreements and Related Parties were transferred to IPVI.

In 2013, the stockholders approved the investment in and/or acquisition of various businesses and operating companies, including 51% controlling interest in MOSC, majority-owned by the Company's Chairman and President, Yang Chi Jen. A Subscription Agreement acquiring 51% controlling interest in MOSC was consequently executed on January 10, 2014.

In 2014, the stockholders approved the issuance and listing of 9.125 Million shares at par value of Php1.00/share which were subscribed by the Company's Chairman/President and CEO, Yang Chi Jen.

In 2017, the Company made additional subscription to 117,091,837 primary shares of its subsidiary, MOSC, at par value of Php1.00 per share, to maintain the Company's 51% ownership in MOSC.

In 2017, Yang Chi Jen, subscribed to the remaining 365,785,000 unissued shares of the Company at Php0.20 per share, double the lowered par value of Php0.10 per share, equivalent to a total amount of Php73,157,000 with premium of Php36,578,500. The BOD likewise approved the subscription by Yang Chi Jen to at least 25% of the increase in authorized capital stock of the Company at Php0.20 per share. The increase in authorized capital stock of the Company was initially pegged from Php250,000,000 to Php750,000,000 but was later amended during the year to an amount as may be determined by the BOD but not exceeding Php10 Billion.

Effect of Existing or Probable Government Regulations on the Business

The government regulations affecting the Company have no significant impact on its business.

Development Activities

Other than the corporate restructuring activities, the Company has not spent or engaged in any other significant development activities.

Cost and Effects of Compliance with Environmental Laws

The Company is committed to complying with the relevant environmental laws and regulations. Its costs and effects have no significant impact on its business.

Employees

In line with the Company's restructuring plan with IPVI dated September 28, 2011, all personnel employed or under the payroll of the Company were transferred to IPVI.

Beginning 2014, personnel support has been provided to the Company through its subsidiaries, MOSC and C3. The Company in the normal course of business will hire personnel, as needed, to support the businesses that it will undertake in the future. Furthermore, the Company complies with government prescribed labor standards.

Description of Properties

The Properties are comprised mostly of land, processing plants and equipment, machinery and delivery equipment owned by the Company's subsidiaries.

Submission of Matters to a Vote of Security Holders

On December 19, 2017, the stockholders of the Company representing 1,563,384,740 issued and outstanding shares, or 62.54% thereof, elected the following members of the Board of Directors for the ensuing year:

1. Yang Chi Jen (a.k.a Michael Yang)
2. Hsin –Jan Wan
3. Hsien-Tzu Yang
4. Willy O. Dizon
5. Maria Soledad C. Lim
6. Nancy T. Golpeo
7. Ernesto S. Go
8. Amelia T. Tan
9. Aracelli G. Co
10. Maria Luisa T. Wu (Independent)
11. Cristina Hiltrude L. Aganon (Independent)

On the said meeting, the following matters were approved and/or ratified by the stockholders:

1. Minutes of previous Annual Stockholders' Meeting held on December 13, 2016;
2. Audited Financial Statements for the calendar year ended December 31, 2016, as contained in the Annual Report;
3. Issuance and listing of 365,785,000 common shares of the Company at Php0.20 per share, an amount twice the par value, subscribed to by the Corporation's Chairman/President and CEO, Yang Chi Jen (a.k.a. Michael Yang);
4. Waiver by majority of the minority stockholders of the requirement to conduct a rights or public offering with respect to the immediately preceding item;
5. All prior acts and proceedings of the Board of Directors, Officers and Management; and
6. Appointment of Valdes Abad & Company, CPAs, as external Auditor for the calendar year 2017.

During the organizational meeting of the new Board following the stockholders' meeting, the following were duly elected:

Name	Positions
Yang Chi Jen a.k.a. Michael Yang	Chairman / President & CEO
Hsin – Jan Wan	Deputy Chairman
Amelia T. Tan	Treasurer
Lyra Gracia Y. Lipae-Fabella	Corporate Secretary

The Board likewise approved the appointments of Atty. Lyra Gracia Y. Lipae-Fabella as Corporate Information Officer and Alternate Compliance Officer; Mr. Yang Chi Jen as Alternate Corporate Information Officer and Alternate Compliance Officer; and Ms. Janine G. Manzano as Compliance Officer and Alternate Corporate Information Officer.

PART II. RESULTS OF OPERATIONS

Financial Highlights and Key Performance Indicators				
Consolidated Statements of Financial Position	As of December 31		Increase (Decrease)	
	2017	2016	Amount	%
Total Assets	2,040,982,036	1,681,246,710	359,735,326	21%
Current Assets	1,542,801,934	1,213,926,400	328,875,534	27%
Property and Equipment	419,820,316	436,317,861	(16,497,545)	(4%)
Total Liabilities	1,679,894,485	1,454,678,029	225,216,456	15%
Current Liabilities	1,581,816,432	1,384,624,363	197,192,069	14%
Interest-bearing Loans	969,101,848	758,816,609	210,285,239	28%
Equity (capital deficiency)	361,087,551	226,568,681	134,518,870	59%
Consolidated Statements of Comprehensive Income	For the 12 Months Ended		Increase (Decrease)	
	2017	2016	Amount	%
Revenues	1,824,715,335	1,620,122,333	204,593,002	13%
Gross Profit	133,817,416	128,097,891	5,719,525	4%
General and administrative expenses	93,344,043	92,306,953	1,037,090	1%
Earnings Before Interest, Taxes, Depreciation & Amortization	103,510,799	85,466,588	18,044,211	21%
Profit / (Loss) before tax	8,604,658	4,151,877	4,452,781	107%
Profit / (Loss) after tax	5,210,029	2,395,535	2,814,494	117%
Total Comprehensive Income (Loss)	5,210,029	2,395,535	2,814,494	117%
Consolidated Cash Flows	For the 12 Months Ended		Increase (Decrease)	
	2017	2016	Amount	%
Net Cash from operating activities	(163,952,717)	(199,075,386)	35,122,669	(18%)
Net Cash from investing activities	(32,937,411)	(42,420,571)	9,483,160	(22%)
Proceeds from disposal	-	-		
Acquisition of property & equipment	(32,937,411)	(42,420,571)	9,483,160	(22%)
Business combination	-	-	-	-
Net Cash from Financing Activities	226,737,740	222,575,514	4,162,226	2%
Key Performance Indicators	For the 12 Months Ended			
	2017	2016		
Current Ratio	0.98	0.88		
Quick Ratio	0.46	0.41		
Solvency Ratio	1.21	1.16		
Debt Ratio	0.82	0.87		
Debt to Equity	4.65	6.42		
Interest Coverage	1.18	1.10		

Asset to Equity Ratio	5.65	7.42
Gross Profit Margin	0.0733	0.0791
Net Profit Margin	0.0029	0.0015
Return on Assets	0.0026	0.0014
Return on Equity	0.0144	(0.0106)
Price/Earnings Ratio	92.46	222.82
Book Value per Share	0.1444	0.10616
	<u>As of Dec. 31</u>	<u>As of Dec. 31</u>
	<u>2017</u>	<u>2016</u>
Outstanding Shares	2,500,000,000	2,134,215,000
Number of Employees	248	250
Ave. Exchange Rates (\$ to Peso)	49.96	49.77
<i>Please refer to Financial Statement Notes</i>		

Ratios

- *Current Ratio is computed by dividing Current Assets by Current Liabilities.*
- *Quick Ratio is computed by dividing Current Assets less Inventory and Prepayments by Current Liabilities.*
- *Solvency Ratio is computed by dividing Total Assets by Total Liabilities.*
- *Debt Ratio is computed by dividing Total Debts by Total Assets.*
- *Debt to Equity Ratio is computed by dividing Total Debts by Total Equity.*
- *Net Profit Margin Ratio is computed by dividing Net Profit (Loss) by Total Revenue.*
- *Gross Margin is computed by dividing Gross Profit by Total Revenue.*
- *Interest Coverage Ratio is computed by dividing EBIT by Interest Charges.*
- *Return on Assets Ratio is computed by dividing Net Profit (Loss) by Total Assets.*
- *Return on Equity Ratio is computed by dividing Net Profit (Loss) by Total Equity.*
- *Price/Earnings Ratio is computed by dividing Price per Share by Earnings per Share.*

Discussion on Financial Results

Assets

Total assets increased by Php360 Million from Php1.681 Billion as of December 31, 2016 to Php2.04 Billion as of December 31, 2017. Comprising mainly of an increase in trade and other receivables of Php129 Million; inventories by Php104 Million and cash of Php30 Million; and decrease in prepayments and other current assets by Php3.8 Million.

Liabilities

The increase in total liabilities by Php169 Million from Php1.455 Billion in December 31, 2016 to Php1.623 Billion in December 31, 2017 was due to the increase in trade and other payable by Php13.5 Million, increase in borrowings, current portion by Php210 Million, and decrease in due to related party by Php80.4 Million and decrease in obligation under finance lease, non-current by Php15.1 Million.

Equity

The total equity increased by Php191 Million from P226 Million as of December 31, 2016 to Php417 Million as of December 31, 2017.

Revenues

Total revenues increased by Php204 Million from P1.62 Billion as of December 31, 2016 to Php1.824 Billion as of December 31, 2017.

Finance cost of Php48.5 Million as of December 31, 2017 represents interest expense on loans for Php45.5 Million and retirement benefits for Php3 Million.

Additional details on balance sheet accounts may be found in the accompanying Notes to Financial Statements.

Expenses

Comparing the twelve (12) months ended December 31, 2017 against twelve (12) months ended December 31, 2016, the top expenses in Peso terms are as follows:

- **Cost of Sales**

Total cost of sales for Php1.691 Billion in 2017 represents cost of 93% of gross sales of Php1.825 Billion.

- **Salaries and Benefits**

Total salaries for 2017 amounted to Php13.7 Million which represents 23% of general and administrative expenses.

Below is the headcount summary for year ended December 2017 and proceeding four (4) quarters:

Headcount Summary	Dec.-16	Mar-17	Jun-17	Sep-17	Dec.-17
MGHI	-	-	-	-	-
MOSC					
Managerial	9	9	9	9	9
Rank and File	217	215	215	215	215
Consultants	-	-	-	-	-
C3					
Managerial	1	1	1	1	1
Rand and File	23	23	23	23	23
Consultants					
Total	250	250	248	248	248

- **Taxes and licenses** for the year 2017 amounted to Php0.364 Million. This accounts for about 0.006% of the group's total operating expenses.
- **Transportation and travel** for the year 2017 amounted to Php7.17 Million. This accounts for about 12% of groups' total operating expenses. For the year 2016 it amounted to Php7.26 Million.

Liquidity and Capital Resources

The following table shows our consolidated cash flows as of December 31, 2017 and 2016:

Consolidated Cash Flows	For the 12 Months Ended		Increase (Decrease)	
	2017	2016	Amount	%
Net Cash used in operating activities	-163,952,717	(199,075,386)	35,122,669	-18%
Net Cash from investing activities	-32,937,411	(42,420,571)	9,483,160	-22%
Proceeds from disposal		-		
Acquisition of property & equipment	-32,937,411	(42,420,571)	9,483,160	-22%
Net Cash from Financing Activities	226,737,740	222,575,514	4,162,226	2%

Cash as of December 31, 2017 is Php150 Million as compared to Php121 Million on December 31, 2016. Cash was reduced by Php32.9 Million for the acquisition of property and equipment and Php15 Million due to payment of finance lease.

Operating Activities

Total cash used for operations in 2017 increased by Php35,122,669 Million from Php199 Million in 2016 to Php163,952,717 Million in 2017. The increase was mainly due to cash used in the operation of the company's subsidiary MOSC.

Investing Activities

Total net cash outflows from investing activities in 2017 of Php32,937,411 Million were from acquisition of additional PPE. There was no disposal of PPE for the year 2017.

Financing Activities

In 2016, the cash flow from financing activities was from the increase in borrowings for Php145 Million and increase in due to related party of Php124.5 Million.

In 2017, the cash flow from financing activities was from the Php37,636,935 deposit for future shares subscription and Php210,285,239 proceeds from availments of borrowings.

Seasonal aspects that had a material effect on the financial condition or results of operations

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

Requirements under SRC Rule 17 and 68.1

We have extensively disclosed the risks in this report and Financial Statements filed with the exchange.

Financial Risk Assessment

The Company and its operating subsidiaries face various categories and levels of risk. Inherent in all of the businesses is Counterparty risk, or the risk that clients may stop or delay payments of their service invoices, and that suppliers may fail to deliver the goods and services. Each company is addressing these issues through continuous dialogue with, and management of, the specific counterparty at risk. We do not see, at this point, that any failure on the part of our customers, our suppliers, or a group thereof, would materially affect the financial conditions and results of the company.

Currency Risk

During the period when the Peso was still strong, the company decided to hedge its net USD inflows with a foreign bank, by fixing the USD-Peso exchange rate until the end of the contract. Since then, the Peso has depreciated and we may see the USD to strengthen as the other economies are affected by the credit crisis, and inflows from OFW remittances may slow down.

Disclosure on Financial Instruments

The Company does not carry any market-based financial instruments, derivatives, and other similar products in their portfolios. Hence, the evaluation of these financial instruments, comparison to fair values and realization of gains or losses, criteria for determining fair values, are not applicable to the Company.

Aside from risks that are inherent in our businesses, such as risks from competitive forces and from the performance of business operations, we do not foresee any other trend, event or uncertainty that will have a material impact on our net sales and income from the continuing operations of our subsidiaries.

Any events that will trigger direct or contingent financial obligation, which is material to the company, including default or acceleration of an obligation.

We do not foresee any event that would trigger direct or contingent financial obligation, including default or acceleration of any obligation.

All 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.

Other than those disclosed by the Company, there are no 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.

Any significant elements of income or loss that did not arise from the issuer's continuing operations.

The Company does not foresee any extraordinary income or charges that would arise from non-core operating business.

Issuances, repurchases, and repayments of debt and equity securities.

Except as disclosed, there are no significant issuances, repurchases, and repayments of debt and equity securities during the year.

Any change in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring, and discontinuing operations.

There are no significant changes in the composition of the issuer during the year.

Changes in contingent liabilities or contingent assets since the last annual balance sheet date.

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

Disclosures not made under SEC Form 17-C.

All disclosures made under SEC Form 17-C have been filed during the period.

Other subsequent events disclosed under SEC Form 17-C.

There are no other subsequent events disclosed under SEC Form 17-C.

PART III. SECURITIES OF THE REGISTRANT

(A) Market Price of and Dividends on Registrant’s Common Equity and Related Stockholder Matters:

1. Market Information

The Company has outstanding 2,500,000,000 common shares. Its common shares are listed and traded principally on the Philippine Stock Exchange (“PSE”). The closing price as of December 31, 2017 is Php0.204 per share.

The Summary of Trading Prices at the PSE for each of the quarterly periods in 2017 and 2016 is as follows:

	2017			
	Q1	Q2	Q3	Q4
High	0.39	0.33	0.31	0.23
Low	0.24	0.25	0.21	0.18

	2016			
	Q1	Q2	Q3	Q4
High	0.29	0.33	0.30	0.26
Low	0.24	0.27	0.26	0.23

Source: PSE

2. Holders

As of **December 31, 2017**, the Company has a total outstanding common stock of **2,500,000,000** shares, held by 746 individuals and/or corporate stockholders. The top twenty (20) stockholders, their respective number of shares held, and the corresponding percentage of these shares out of the total shares outstanding, are as follows:

Rank	Name	Class of Securities	No. of Shares	Percentage
1	PCD NOMINEE CORPORATION (FILIPINO)	Common	1,290,057,534	51.60%
2	PCD NOMINEE CORPORATION (FOREIGN)	Common	551,828,233	22.07%
3	YANG, CHI JEN YEH	Common	505,000,000	20.20%
4	ELITE HOLDINGS, INC.	Common	55,052,300	2.20%
5	IPVG EMPLOYEES, INC.	Common	38,000,000	1.52%
6	STONE, ROGER G.	Common	18,500,001	0.74%
7	MIRANDA, OLEEN	Common	6,000,000	0.24%
8	CUNNINGHAM, PAUL JOSEPH	Common	6,000,000	0.24%
9	GONZALEZ, JAIME ENRIQUE Y.	Common	5,141,530	0.21%
10	LI, CHIH-HUI	Common	5,000,000	0.20%
11	DIZON, WILLY ONG OR DIZON, NENE C.	Common	3,500,000	0.14%
12	TRANSNATIONAL DIVERSIFIED CORP.	Common	2,507,639	0.10%
13	CATANI, ARNOLD	Common	2,076,802	0.08%
14	E-STORE EXCHANGE.COM, INC.	Common	1,763,080	0.07%
15	POLISHETY, SRINIVAS	Common	1,461,761	0.06%
16	LI, CHI HUI	Common	1,000,000	0.04%
17	REDIX INC.	Common	856,889	0.03%
18	TABLIGAN, VICTOR	Common	190,140	0.01%
19	HOJAS, RUBIN M.	Common	189,790	0.01%
20	DILIG, RODOLFO	Common	181,040	0.01%
TOTAL SHARES (TOP 20)			2,494,306,739	99.77%
TOTAL SHARES (REST OF STOCKHOLDERS)			5,534,300	0.23%
TOTAL ISSUED AND OUTSTANDING SHARES			2,500,000,000	100%

The total number of shares held by the top 20 shareholders at **2,494,468,120** represents **99.7787%** of the company's total outstanding stock.

3. Dividends

The Company's Board of Directors has not declared any dividend for the past three (3) years.

Under the By-Laws of the Company, dividends shall be declared only from surplus profits and shall be payable at such time and in such amounts as the Board of Directors shall determine; provided, however, that no stock dividends shall be issued without the approval of the stockholders representing not less than two-thirds (2/3) of all stock then outstanding and entitled to vote at a general meeting of the Company or at a special meeting called for the purpose. No dividends shall be declared that impair the capital of the Company. Other than the

aforsaid, there are no other restrictions that would limit or would likely to limit in the future the ability of the Company to pay dividends on common equity.

(B) Authorization or Issuance of Securities Other than for Exchange

1. Title and amount of Securities issued/ to be issued

As of December 31, 2017, the Company has a total of 2,500,000,000 issued and outstanding common shares with par value of Php0.10 per common share.

2. Description of Securities

As of December 31, 2017, 2,500,000,000 common shares are subscribed and outstanding. The common shares are entitled to vote and to dividends.

3. Description of transactions in which the securities are to be issued

On March 22, 2017, the BOD approved the subscription of the Company's Chairman and President, Yang Chi Jen, to the remaining 365,785,000 unissued shares of the company at Php0.20 per share amounting to a total of Php73,157,000, premium of Php36,578,500.

4. Reason for Issuance

The purpose of the issuance of shares is to raise additional funds for investments/acquisitions and business operations.

(C) Modification or Exchange of Securities

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

(D) Information on Independent Accountant

The auditing firm of Valdes Abad and Company ("VAC") conducted the audit for the periods ended December 31, 2015, December 31, 2016 and December 31, 2017.

The total fee for this engagement in 2017 amounted to Php165,000 exclusive of value-added tax and out of pocket expenses.

The engagement fees in 2015 and 2016 are as follows:

	Audit Fees (excl. VAT)	OPE
2016	150,000	22,500
2015	120,000	18,000

The Company has not engaged VAC for any other services.

VAC, formerly known as Carlos J. Valdes & Associates, one of the oldest accounting firms in the Philippines today, was founded in 1951 by Carlos J. Valdes, a certified public accountant, lawyer, civic leader, educator, businessman and former Philippine Ambassador to Japan and other countries.

VAC was a member firm of Touche Ross in the 1970's; Coopers & Lybrand International in the 1980's up to 1996 and a correspondent firm of RSM International from 1997 up to 2007. This long history of international membership was recognition of its professional standing and track record of world-class service to clients over the years. It is a member firm of GMN International, the association of legally independent firms worldwide.

PART IV. CONTROL AND COMPENSATION INFORMATION

DIRECTORS & EXECUTIVE OFFICERS

Name	Age	Citizenship	Position	Term of Office*
Yang Chi Jen (a.k.a Michael Yang)	48	Filipino	Chairman/ President & CEO	December 19, 2017 – present
Hsin – Jan Wan	53	Taiwanese	Director	December 19, 2017 – present
Hsien – Tzu Yang	76	Taiwanese	Director	December 19, 2017 – present
Willy O. Dizon	61	Filipino	Director	December 19, 2017 – present
Maria Soledad C. Lim	57	Filipino	Director	December 19, 2017 – present
Nancy T. Golpeo	56	Filipino	Director	December 19, 2017 – present
Ernesto S. Go	66	Filipino	Director	December 19, 2017 – present
Amelia T. Tan	52	Filipino	Director	December 19, 2017 – present
Aracelli G. Co	52	Filipino	Director	December 19, 2017 – present
Maria Luisa T. Wu (Independent)	62	Filipino	Independent Director	December 19, 2017 – present
Cristina Hiltrude L. Aganon (Independent)	51	Filipino	Independent Director	December 19, 2017 – present
Lyra Gracia Y. Lipae-Fabella	41	Filipino	Corporate Secretary	December 19, 2017 – present
Janine G. Manzano	24	Filipino	Compliance Officer and Alternate Corporate Information Officer	December 19, 2017 – present

*Since date of last election

PROFILES

YANG CHI JEN (a.k.a Michael Yang)

Chairman, President & CEO, Alternate Corporate Information and Alternate Compliance Officer

Mr. Yang has 3 decades of extensive experience in the export/import business as he has been immersed in the day to day operations of various businesses owned by his family. Mr. Yang is the controlling shareholder of Millennium Ocean Star Corporation; ShieJie Corporation, a company engaged in the business of seafood processing, packing, and import/export trading; Jomark Food Corporation, a company engaged in fish and squid ball, kikiyam, crab nuggets processing and serves as the local distributor of Millennium products; and Lion Head Int'l Corporation, a company engaged in spa business. He was educated in Taiwan where he attended Kweishan Junior High School.

HSIN – JAN WAN

Director, Deputy Chairman

Mr. Wan has served as Finance Vice President of the Manhattan International Co., Ltd (Cambodia) from September 2013 until October 2014; Acting CFO & MBOS Director of Nippecraft Limited (Singapore) from November 2006 until July 2013; Finance & Administration Director of Jinxing Paper Industry Co. (China) from September 2005 – November 2006; Verification Deputy Manager of PT Pabrik Kertas Tjiwi Kimia Tbk (Indonesia) from August 2000 - November 2004; Finance & Administration Manager of Contex Textile Co. (Philippines), Logimas Manufacturing Co. (Philippines) and Markwins Cosmetics Co. (China) from 1996- 2004. He received his BA (Accounting) degree from Chong Yuan Christian University (Taiwan) and MBA (Finance Major) degree from the George Washington University (USA).

HSIEN-TZU YANG

Director

Mr. Yang has had more than three (3) decades of experience in the areas of seafood processing, packing, canning, and manufacturing of marine products. For a number of years, he ran ShieJie Corporation, South Sea Marine Products, Tawi-Tawi King Fisher Incorporated and South Phil. Marine Products, Incorporated. He was educated in Taiwan where he attended Taichung Elementary School.

WILLY O. DIZON

Director

Mr. Dizon is the Chairman/President of Timbercity Jetti Gas Station and De Luxe Construction Supply Co., Inc. He is a seasoned businessman with more than 22 years track experience in sales and marketing. He took up BS Chemical Engineering at Mapua Institute of Technology.

MARIA SOLEDAD C. LIM

Director

Ms. Lim is the Executive Vice President in Optimum Solutions, Inc. and Secretary of Fuji Zipper Manufacturing Inc., a family owned business. She has extensive experience in marketing and finance. Ms. Lim is a graduate of the University of the East in Business Administration.

NANCY T. GOLPEO

Director

Ms. Golpeo is engaged in the real estate business and has been a licensed real estate appraiser since 2011. She has a Bachelor of Science degree in Commerce from the University of Santo Tomas.

AMELIA T. TAN

Director, Treasurer

Ms. Tan is the Treasurer of the Corporation and Chief Finance Officer and Corporate Secretary of Millennium Ocean Star Corporation. She has more than 19 years of combined banking experience in Bank of the Philippine Islands (1999-2004), Far East Bank (1987-1999) and Urban Bank (1985-1987). She obtained her degree in Bachelor of Science in Commerce major in Management Financial Institution from De La Salle University.

ARACELLI G. CO

Director

Ms. Co is the Manager of Aracelli Plastic Products. She is also a member of the faculty of Northern Rizal Yorklin School since 1984 up to present. She has been an Asst. Treasurer of the Philippine Plastic Industry Association and Treasurer of Northern Rizal Yorklin Alumni Assn. since 2013 up to present. She is a Certified Public Accountant. She obtained her degree in Bachelor of Science in Business Administration major in Accounting from the Philippine School of Business Administration.

ERNESTO S. GO

Independent Director

Atty. Go is a Senior Partner at the Cerilles Navarro Nuval & Go Law Offices since 1978. He has an extensive background in Corporate and Litigation practice. He holds a Bachelor of Laws degree from the Ateneo De Manila University Law School and placed 20th in the 1975 Bar Examinations.

MARIA LUISA T. WU

Independent Director

Ms. Wu is a Financial Consultant for Planters and Green Revolutionist Association Inc.; President of Uniq Intertrade Corporation; and Proprietor of the Giant Builders and the Ad-Reds International Trading. She is also a member of the Filipino-Chinese Eastern Chamber of Commerce. She was previously connected with Giant Footwear (Shanghai, China) and Masterx Footwear (Mariveles, Bataan) as production manager. Ms. Wu took up Bachelor of Science in Commerce, Major in Accountancy, at the University of the East.

CRISTINA HILTRUDE L. AGANON

Independent Director

Ms. Aganon is a Certified Public Accountant. She serves as the Treasury Officer/Budget Officer/Accounting Officer of Private Infra Dev. Corp. since 2011. Previously, she has worked as Branch Manager for the Philippine National Bank from 2008 to 2010. Ms. Aganon obtained her degree in BS Commerce Major in Accounting from St. Mary's University in Nueva Vizcaya. She likewise earned 36 MBA units from the University of Santo Tomas.

LYRA GRACIA Y. LIPAE-FABELLA

Corporate Secretary, Corporate Information Officer and Alternate Compliance Officer

Atty. Lipae-Fabella is a Certified Public Accountant and member of the Integrated Bar of the Philippines. She serves/has served as Corporate Secretary to a number of publicly-listed and private

companies. At present, she is the Managing Partner of the Fabella and Fabella Law Office. Her work experience includes having been a Junior Auditor in a leading auditing firm, Associate in a law firm and Securities Counsel III at the Securities and Exchange Commission. Atty. Lipae-Fabella graduated from San Beda College of Law and obtained her BS Business Administration and Accountancy degree from the University of the Philippines-Diliman.

JANINE G. MANZANO

Compliance Officer and Alternate Corporate Information Officer

Ms. Manzano is a licensed teacher who found joy working in the corporate field. Prior to immersing in the corporate practice, she taught at St. Benedict School of Novaliches. She obtained her degree in BS Secondary Education in Divine Word College of Vigan.

Family Relationship

Yang Chi Jen (a.k.a. Michael Yang) is the son of Hsien-Tzu Yang.

There are no other family relationships known to the Company other than the ones disclosed herein.

Involvement of Directors and Officers in Certain Legal Proceedings

To the best knowledge and information of the Corporation, none of its incumbent directors and officers/nominees has been involved during the past five (5) years, up to the time this Information Statement is submitted to the Securities and Exchange Commission and the Philippine Stock Exchange, in any legal proceedings, which are material to the evaluation of the ability or integrity of any director, executive officer or nominee of the Corporation. They are not directly or indirectly involved in such legal proceedings, to wit:

- a. There is no bankruptcy petition filed by or against any business which any of the incumbent directors/ officers was a general partner or executive officer at any time within five (5) years or more;
- b. The incumbent directors/officers had no conviction by final judgment for any offense, in criminal proceedings, domestic or foreign, nor is the Corporation aware of any fact to the effect that any of them is the subject of a pending criminal proceeding, not even for a minor offense;
- c. Not one of the incumbent directors/officers has been the subject of 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 his/her involvement in any type of business, securities, commodities or banking activities;
- d. The incumbent directors are not found by a domestic or foreign court of competent jurisdiction, the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market of self-regulatory organization, to have violated a securities or commodities law or regulation and said judgment has not been reversed, suspended or vacated

EXECUTIVE COMPENSATION

The following table is a summary of all plan and non-plan compensation awarded to, earned by, paid to, or estimated to be paid to, directly or indirectly, the Chief Executive Officer (“CEO”), the four (4) most highly compensated executive officers other than the CEO who served as executive officers, and all officers and directors as a Group as of December 31, 2017 (including the preceding three years):

	Year	Salary (In Philippine Pesos)	Bonus	Other Annual Compensation
Top five (5) most highly compensated executive officers	2015	5,000,000	0	<i>None</i>
	2016	5,000,000	0	<i>None</i>
	2017	Waived	0	<i>None</i>
All other officers and directors as a group	2015	7,600,000	0	<i>None</i>
	2016	7,600,000	0	<i>None</i>
	2017	Waived	0	<i>None</i>

Four Most Highly Compensated Executive Officers Other Than the CEO

Year	Executive Officer
2015*	Amelia Tan Luzviminda Lachica Domingo Dino Ma. Loreto Saldajeno
2016*	Amelia Tan Luzviminda Lachica Domingo Dino Ma. Loreto Saldajeno
2017*	Luzviminda Lachica Amelia Tan Domingo Dino Ma. Loreto Saldajeno

**The President and CEO, Treasurer and Corporate Secretary are not receiving compensation from the Company for services rendered. Some receive compensation directly from the subsidiaries. Beginning 2017, directors and officers waived their per diems for each meeting of the Board of Directors of the Company.*

Since the date of their elections, except for per diems, the directors have served without compensation. The directors did not also receive any amount or form of compensation for committee participation or special assignments. Under Section 7, Article III of the By-Laws of the Corporation, the compensation of directors, which shall not be more than ten percent (10%) of the net income before income tax of the corporation during the preceding year, shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. As of this date, no standard or other arrangements have been made in respect of director's compensation.

Employee Stock Purchase Plan

The Corporation has not issued any employee stock option nor approved any stock option plan for employees for the past five (5) years.

Security Ownership of Owners of more than 5% of voting securities as of December 31, 2017

Title of Class	Name, address of record owner and relationship with issuer	Name of Beneficial owner and relationship with record owner (direct)	Citizenship	No. of Shares	Percentage
Common	PDC Nominee Corp. (Filipino) 37F Tower 1, Enterprise Bldg. 6766 Ayala Avenue, Makati City Stockholder	Yang Chi Jen is the beneficial owner of 371,091,130 shares; PDC Nominee Corp. is the record owner	Filipino	1,290,057,534	51.6023%
Common	PDC Nominee Corp. (Foreign) 37F Tower 1, Enterprise Bldg. 6766 Ayala Avenue, Makati City Stockholder	Conqueror Space Ltd. (BVI) is the beneficial owner of 489,744,458 shares; PDC Nominee Corp. (Foreign) is the record owner.	Foreign	551,828,233	22.0731%
Common	Yang Chi Jen Blk 4 Lot 6 John St. Multinational Village, Paranaque City Chairman/ President & CEO/ Alternate Corporate Information Officer and Alternate Compliance Officer	Yang Chi Jen is the beneficial owner and record owner	Filipino	*505,000,000	20.2%

*excluding shares lodged with PDC Nominee Corp.

Security Ownership of Management

The following are the security ownership of the directors and executive officers of the Corporation as of December 31, 2017:

	Name of Beneficial Owner; Relationship with Issuer	No. of Shares and Nature of Beneficial Ownership (Direct & Indirect)	Citizenship	Percentage Held
Common	Yang Chi Jen (a.k.a. Michael Yang); President, Chairman & CEO	505,000,000 (Direct); 371,091,130 (Indirect)	Filipino	35.04 %
Common	Hsin-Jan Wan; Deputy Chairman	10,000 (Indirect);	Taiwanese	0%
Common	Hsien-Tzu Yang; Director	1,000 (Direct);	Taiwanese	0%
Common	Willy O. Dizon; Director	3,501,000 (Direct);	Filipino	0.16%
Common	Maria Soledad C. Lim; Director	1,000 (Direct);	Filipino	0%
Common	Nancy T. Golpeo; Director	1,000 (Direct);	Filipino	0%
Common	Ernesto S. Go; Director	1,000 (Direct);	Filipino	0%
Common	Amelia T. Tan; Director/Treasurer	10,000 (Indirect);	Filipino	0%
Common	Aracelli G. Co; Director	10,000 (Indirect);	Filipino	0%
Common	Maria Luisa T. Wu; Independent Director	10,000 (Indirect);	Filipino	0%
Common	Cristina Hiltrude L. Aganon; Independent Director	10,000 (Indirect);	Filipino	0%
Common	Lyra Gracia Y. Lipae-Fabella	None	Filipino	0%
Common	Janine G. Manzano	None	Filipino	0%

The total security ownership, direct and indirect, of the directors and corporate officers of the Company as of December 31, 2017 is 879,646,130 common shares, equivalent to 35.19% of the outstanding capital stock of the Company.

Public Ownership

As of December 31, 2017, the public ownership in the Company is as follows:

Particular	Shares / Percentage (%)
Total Number of Shares owned by the Public	1,130,609,412
Total Issued and Outstanding Shares	2,500,000,000
Percentage Public Ownership	45.22%
Number of Outstanding shares	2,500,000,000
Number of Treasury Shares	0
Number of Listed Shares	1,869,684,619
Number of Foreign-Owned Shares	1,369,390,588
Foreign Ownership Level (%)	54.78%
Foreign Ownership Limit (%)	No Limit

Voting Trust Holders of 5% or more

There are no persons holding 5% or more of a class under a voting trust or similar arrangement.

Changes in Control

There were no changes in control during the year.

Certain Relationships and Related Transactions

In the ordinary course of business, the Corporation had transactions with its then associates, affiliates, subsidiaries and other related parties consisting principally of cash advances and reimbursement of expenses, various guarantees, management and service agreements and intercompany charges.

On March 22, 2017, the BOD approved the following:

- Subscription of the Company's Chairman and President, Yang Chi Jen, to the remaining 365,785,000 unissued shares of the company at Php0.20 per share amounting to a total of Php73,157,000, premium of Php36,578,500.
- Subscription by Yang Chi Jen to at least 25% of the increase in authorized capital stock of the Company at Php0.20 per share. The increase of authorized capital stock of the Company was initially set from Php250,000,000 to Php750,000,000, and amended to up to Php10 Billion.
- Acquisition of 49% of the Philippine 101 Hotel, Inc., a domestic corporation majority owned by Yang Chi Jen.

On June 29, 2017, the BOD approved the additional subscription to 117,091,837 primary shares of its subsidiary, MOSC, at par value of Php1.00 per share, to maintain the Company's 51% ownership.

Further discussion on Related Party Transaction are provided under Note 27 of the 2017 Consolidated Financial Statements.

Parents and immediate parents as of December 31, 2017

The Company has no Parent and immediate parent relationships as of December 31, 2017.

Transactions with Promoters

The Company has not had any transactions with promoters for the past five (5) years.

PART V. CORPORATE GOVERNANCE

The Board of directors and shareholders, management and employees of the Company believe that corporate governance is a necessary component to achieve strategic business management. Going beyond compliance to laws and the implementation of rules and regulations, the Company's governance cultivates a corporate culture of integrity and empowering leadership, and significantly contributes to long-term growth and enhanced shareholder value.

The Company is committed to adhering to the highest level of sound corporate governance practices in setting values that serve as its foundation in guiding both employees and stockholders alike. With a dedicated team of professionals who share such passion, its business practices and work ethics put in place a philosophy of corporate transparency and public accountability.

In compliance with SEC Memorandum Circular No.19, Series of 2016, the Corporation revised its Manual on Corporate Governance, adopting all the mandatory provisions of the Revised Code of Corporate Governance pursuant to the aforesaid Memorandum Circular. There has been no material deviation from the Corporation's Revised Manual on Corporate Governance.

THE BOARD OF DIRECTORS

A Board leads the Company, which is the highest authority in matters of governance and in managing the business of the Company.

It is the Board's responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders.

The Board meets regularly throughout the year to ensure a high standard of business practice for the Corporation and its stakeholders and to ensure soundness, effectiveness, and adequacy of the Corporation's internal control environment. Independent judgment is exercised at all times.

COMMITTEES

To aid in complying with the principles of good corporate governance and as expressly provided in the Corporation's Revised Manual of Corporate Governance, the following committees were established with specific responsibilities.

Nomination, Compensation and Election Committee

The Nomination, Compensation and Election Committee is composed of three (3) members of the Board of Directors and at least one of who is an independent director. The members of the Committee are as follows:

1. Maria Luisa T. Wu (Independent Director) – Chairman
2. Yang Chi Jen – Member
3. Hsin-Jan Wan – Member

The Committee has established a formal, transparent procedure developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors. It provides oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment. It determined the amount of remuneration, which is sufficient to attract and retain directors and officers who are needed to run the company successfully.

It is also tasked to install and maintain a process to ensure that all directors to be nominated for election at the annual stockholders' meeting have all the qualifications and none of the disqualifications for directors as stated in the By-Laws, the Revised Manual on Corporate Governance of the Corporation and the pertinent rules of the SEC.

It likewise reviews and evaluates the qualifications of all persons nominated to positions in the Corporation, which require appointment, by the Board.

Audit Committee

The Audit Committee is composed of three (3) members of the Board and chaired by an independent director. The members of the Committee are as follows:

1. Cristina Hiltrude L. Aganon (Independent Director) – Chairman
2. Aracelli G. Co – Member
3. Maria Luisa T. Wu (Independent Director) – Member

The members have adequate understanding at least or competence at most of the company's financial management systems and environment. The Committee checks all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements. It performs oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management.

The committee function includes a direct interface with the internal and external auditors, which are separate and independent of each other.

Corporate Governance Committee/Risk Management and Oversight Committee

The Committee is composed of one (1) independent director and two (2) regular directors. The members are as follows:

1. Maria Luisa T. Wu – (Independent Director) Chairman
2. Yang Chi Jen – Member
3. Amelia T. Tan – Member

The Committee is tasked to assist the Board in the performance of its corporate governance responsibilities. It shall ensure compliance with and proper observance of corporate governance principles and practices.

The Committee is likewise tasked for the oversight of a Company's Risk Management system to ensure its functionality and effectiveness.

Executive Committee

The Executive Committee is composed of a minimum of three (3) members. The members of the Committee are as follows:

1. Yang Chi Jen – Chairman
2. Amelia T. Tan – Member
3. Atty. Ernesto S. Go – Member
4. Maria Luisa T. Wu (Independent Director) – Member
5. Hsin – Jan Wan – Member

The Executive Committee acts in accordance with the authority granted by the Board, or during the absence of the Board, on specific matters within the competence of the Board of Directors, except with respect to approval of any action for which shareholders' approval is also required; distribution of cash dividends; filling of vacancies in the Board or in the Executive Committee; amendment or repeal of By-Laws or the adoption of new By-Laws; amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable; and the exercise of powers delegated by the Board exclusively to other committees.

Compliance Officer

The Compliance Officer is designated to ensure adherence to corporate principles and best practices.

The duties of the Compliance Officer include monitoring of compliance with the provisions and requirements of the Revised Manual on Corporate Governance; determine violation/s of the Manual and recommend penalty for violation thereof for further review and approval of the Board; appear before the Securities and Exchange Commission upon summon; and identify, monitor and control compliance risks.

Content and Timing of Disclosures

The Company updates the investing public with strategic, operating and financial information through adequate and timely disclosures filed with the Securities and Exchange Commission and the Philippine Stock Exchange.

In addition to compliance with periodic reportorial requirements, the Corporation ensures that not only major and market-sensitive information but material information such as earnings, dividend declarations, joint ventures and acquisitions, sale and disposition of significant assets are punctually disclosed to the SEC, PSE and through the Corporation's website.

PART VI. EXHIBITS AND SCHEDULES

The reports on SEC Form 17-C, which were filed in 2017, pertain to the following:

1. SEC Form 17-C dated December 19, 2017 reported the following:

- The Company held its Annual Stockholders' Meeting and the following were elected members as Board of Directors for the ensuing year:

Name
1. Yang Chi Jen (a.k.a Michael Yang)
2. Hsin –Jan Wan
3. Hsien-Tzu Yang
4. Willy O. Dizon
5. Maria Soledad C. Lim
6. Nancy T. Golpeo
7. Ernesto S. Go
8. Amelia T. Tan
9. Aracelli G. Co
10. Maria Luisa T. Wu (independent)
11. Cristina Hiltrude L. Aganon (independent)

- On the said meeting, the following matters were approved and/or ratified by the stockholders:
 - Minutes of the Annual Meeting of the Stockholders held on December 13, 2016;
 - Audited Financial Statements for the calendar year ended December 31, 2016, as contained in the Annual Report;
 - Issuance and listing of 365,785,000 common shares of the Company at Php0.20 per share, an amount twice the par value, subscribed to by the Corporation's Chairman/President and CEO, Yang Chi Jen (a.k.a. Michael Yang);
 - Waiver by majority of the minority stockholders of the requirement to conduct a rights or public offering with respect to the immediately preceding item;
 - All prior acts and proceedings of the Board of Directors, Corporate officers and Management; and
 - Appointment of Valdes Abad & Company, CPAs as external Auditor for the calendar year 2017.

The matter on the proposed increase of the authorized capital stock up to Php10 Billion was deferred and shall be taken up during the following stockholders' meeting since the needed stockholders' approval is at least 66.67% of the issued and outstanding shares. The attendance was at 62.54%.

- During the organizational meeting of the new Board following the stockholders' meeting, the following were duly elected:

Name	Positions
Yang Chi Jen a.k.a. Michael Yang	Chairman / President & CEO
Hsin – Jan Wan	Deputy Chairman
Amelia T. Tan	Treasurer
Lyra Gracia Y. Lipae-Fabella	Corporate Secretary

The Board then elected the following committee members:

Audit Committee

Chairman	-	Cristina Hiltrude L. Aganon *
Member	-	Aracelli G. Co
Member	-	Maria Luisa T. Wu*

Nomination, Compensation and Election Committee

Chairman	-	Maria Luisa T. Wu*
Member	-	Yang Chi Jen
Member	-	Hsin-Jan Wan

Corporate Governance Committee/ Risk Management and Oversight Committee

Chairman	-	Maria Luisa T. Wu*
Member	-	Yang Chi Jen
Member	-	Amelia T. Tan

Executive Committee

Chairman	-	Yang Chi Jen
Member	-	Amelia T. Tan
Member	-	Ernesto S. Go
Member	-	Maria Luisa T. Wu*
Member	-	Hsin-Jan Wan

*Independent Director

The Board likewise approved the appointments of Atty. Lyra Gracia Y. Lipae-Fabella as Corporate Information Officer and Alternate Compliance Officer; Mr. Yang Chi Jen as Alternate Corporate Information Officer and Alternate Compliance Officer; and Ms. Janine G. Manzano as Compliance Officer and Alternate Corporate Information Officer.

2. SEC Form 17-C dated October 24, 2017

On the said meeting, the Board of Directors has decided with finality that the Company will no longer proceed with its planned acquisition of 81% of listed company Calata Corporation ("CAL"). The company shall instead tap its other business opportunities and areas of growth to fortify its business within the country and abroad.

3. SEC Form 17-C dated August 17, 2017

On the said meeting, the Board of Directors approved the following:

- Increase in authorized capital stock of the Company from Php250 Million up to Php10 Billion, amending all previous board approval relating to the matter; and

- Acquisition of 81% of listed company Calata Corporation (“CAL”) by subscribing to 2.5 Billion shares from CAL’s increase in authorized capital stock. The company commits to make necessary disclosures as soon as appropriate.

4. SEC Form 17-C dated June 29, 2017

On the said meeting, the Board of Directors approved the following:

- Postponement of the annual stockholders’ meeting which pursuant to its By-Laws should be held on the last Friday of June of every year. The postponement aims to give the Company sufficient time to prepare for additional matters which may have to be presented to the stockholders. The Board shall convene at a later date to determine the exact date, time and venue of the annual stockholders’ meeting as well as record date.
- Subscription to additional 117,091,837 primary shares of its subsidiary, Millennium Ocean Star Corporation (MOSC), at par value of Php1.00 per share, to maintain its 51% ownership in MOSC.

5. SEC Form 17-C dated March 22, 2017

On the said meeting, the Board of Directors approved the following:

- Subscription of the Company’s Chairman and President, Yang Chi Jen, to the remaining 365,785,000 unissued shares of the company at Php0.20 per share amounting to a total of Php73,157,000, premium of Php36,578,500. The listing of the same with the Philippine Stock Exchange was also approved, as may be appropriate.
- Increase of authorized capital stock of the Company from Php250,000,000 to Php750,000,000 whereby Yang Chi Jen subscribed to at least 25% of the increase in authorized capital stock of the Company at Php0.20 per share.
- Acquisition of 49% of the Philippine 101 Hotel, Inc., a domestic corporation majority owned by Yang Chi Jen. To date, the terms of the acquisition are under negotiation. On the same date, the BOD also approved the acquisition of 49% of a Vietnamese seafood company.

6. SEC Form 17-C dated March 21, 2017

The Company reported that it received the approval of SEC on the Company’s application for further “equity restructuring to partially wipe out the deficit as of December 31, 2015 in the amount of Php924,255,607 against the additional paid in capital of Php820,128,895.

7. SEC Form 17-C dated February 8, 2017

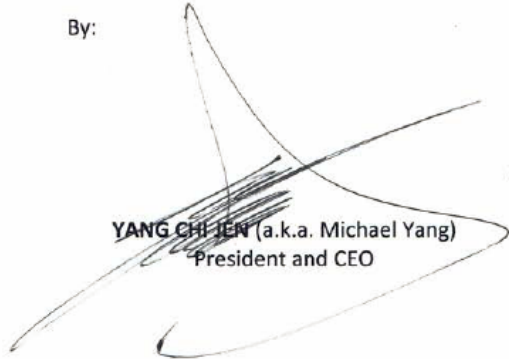
The Company reported that it received the approval of SEC on the Company’s application for decrease in authorized capital stock and equity restructuring. In view thereof, the present authorized capital stock becomes Php250,000,000, via decrease in par value from Php1.00 to Php0.10 per share, and additional paid-in capital of Php1,920,793,500 has been approved to partially wipe out deficit as of December 2015 in the amount of Php2,845,049,107.

- End -

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the Company by the undersigned, thereunto duly authorized, in CALOOCAN CITY on APR 26 2018

By:


YANG CHI JEN (a.k.a. Michael Yang)
President and CEO



AMELIA T. TAN
Treasurer


LYRA GRACIA Y. LIPAE-FABELLA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 26 2018 affiants exhibiting to me the following documents, to wit:

NAMES	ID No.	PLACE OF ISSUE
Yang Chi Jen	TIN 114-348-293	BIR
Amelia T. Tan	TIN 117-981-959	BIR
Lyra Gracia Y. Lipae-Fabella	SSS ID No. 0918363020	SSS

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Book No. 44 ;
Series of 2018 .


ORLANDO O. AILES
Commission No. 358
Notary Public for Caloocan City
Until December 31, 2019
2/F ARCA Bldg., fronting SSS Deparo
Celia Subd., Deparo, Caloocan City
PTR-9405176-1/03/2018-Cal.
IBP-AR000549-1/03/2018-Cal.
Rolli No. 20332-3/19/65