



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

☒ Preliminary Information Statement  
☐ Definitive Information Statement

2. Name of Registrant as specified in its charter: **SOCRESOURCES, INC.**  
**(formerly known as SOUTH CHINA RESOURCES, INC.)**
3. Province, country or their jurisdiction of incorporation or organization: **Philippines**
4. SEC Identification Number: **ASO92-6441**
5. BIR Tax Identification Code: **001-945-016**
6. Address of Principal Office: **4<sup>th</sup> Floor ENZO Bldg. 399 Sen. Gil Puyat Ave. Makati City**  
Postal Code: **1200**
7. Registrant's telephone number, including area code: **(632) 8804-1978 / 8804-1977**
8. Date, time and place of the meeting of security holders:

**24 July 2020 at 2:00 p.m.**  
Meeting through Remote Communication via Zoom

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **03 July 2020**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on numbers of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
<b>Common Shares</b>	<b>901,920,568</b>

11. Are any or all registrant's securities listed on a Stock Exchange?

Yes: ☒ No: ☐

Name of Stock Exchange	Class of Securities Listed
<b><u>Philippine Stock Exchange</u></b>	<b><u>Unclassified Common Shares</u></b>



# SOCResources, Inc.

4<sup>th</sup> Flr. ENZO Building 399 Senator Gil Puyat Avenue, Makati City  
Metro Manila, Philippines 1200

## NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To all Stockholders:

Notice is hereby given that the 2020 Annual Meeting of the stockholders of SOCResources, Inc. shall be held on 24 July 2020 at 2:00 P.M. Based on the resolution of the Board of Directors during its special meeting held on 03 June 2020, the Annual Meeting will be conducted virtually via Zoom.

The Agenda for said meeting is as follows:

1. Proof of notice and quorum;
2. Reading and approval of previous Minutes;
3. Report of Management;
4. Ratification of the acts of the Board of Directors and Officers;
5. Election of Directors;
6. Appointment of Auditors;
7. Other Matters: and
8. Adjournment.

For the purpose of the meeting, only stockholders of record at the close of business on 25 June 2020 shall be entitled to notice of and to vote at the meeting.

In light of the COVID-19 global pandemic, the Company will not be conducting a physical Annual Stockholders' Meeting. The stockholders may only attend by remote communication, by voting in absentia, or by appointing the Chairman as proxy. Stockholders intending to participate via remote communications must notify the Corporation by sending an email to [socinfo@socres.com.ph](mailto:socinfo@socres.com.ph). Attached is the instruction for joining and participating in the virtual annual meeting

If you cannot attend the meeting but would like to be represented thereat, you may appoint a proxy in writing and file the same, together with the appropriate Board resolution for corporate stockholders and Special Power of Attorney for individual stockholders, with the Corporation on or before 10 July 2020. Duly accomplished proxies may be sent to [socinfo@socres.com.ph](mailto:socinfo@socres.com.ph) or hard copies at SOCResources, Inc. 4<sup>th</sup> Floor Enzo Bldg. 399 Sen. Gil Puyat Avenue Makati, City. Said proxies shall be validated until 5:00 pm of 16 July 2020.

The Organizational Meeting of the Board of Directors will immediately follow after the annual stockholders' meeting. It will likewise be conducted via remote communication.

WE ARE NOT SOLICITING PROXY.

  
**MAGILYN T. LOJA**  
Corporate Secretary

## **PARTICIPATION VIA REMOTE COMMUNICATION**

The annual stockholders' meeting will be conducted by remote communication via Zoom Application. Stockholders may attend and participate at the annual meeting by following the instructions below:

1. Stockholders who intend to participate remotely should notify the Corporation by sending an email to [socinfo@socres.com.ph](mailto:socinfo@socres.com.ph) not later than 10 July 2020 at 5:00 pm.
2. An email confirmation, link for registration and other instructions for the registration and voting will be provided to the stockholders who will indicate their intention to participate at the annual meeting. All successfully registered Stockholders will receive an electronic invitation via email containing the Meeting link and password, including the rules and procedures for the meeting.
3. We advise all stockholders to log onto the meeting link at least 45 minutes before the meeting starts, to avoid any technical difficulty. The meeting broadcast will start promptly at 2:00 in the afternoon.
4. Only Stockholders who have notified the Company of his/her/its intention to participate in the Meeting by remote communication, have registered therewith or in their proxies, will be included in the determination of the existence of a quorum.
5. Further, the meeting shall be recorded in audio and video format and copies thereof shall be retained by the Corporation.

A handwritten signature in black ink, consisting of stylized, overlapping loops and strokes, located in the bottom right corner of the page.



# SOCResources, Inc.

4<sup>th</sup> Flr. ENZO Building 399 Senator Gil Puyat Avenue, Makati City  
Metro Manila, Philippines 1200

## PROXY

The undersigned, a common stockholder of SOCResources, Inc., hereby nominates, constitutes and appoints \_\_\_\_\_ or in his absence, the Chairman of the meeting as PROXY to represent the undersigned, and vote \_\_\_\_\_ number of common shares owned by, and/or registered in the name of the undersigned in the books of the Corporation, at the annual stockholders' meeting on July 24, 2020 and at any of the adjournments thereof, for the purpose of acting on the following matters:

1. Approval of minutes of previous Annual Stockholders' Meeting held on June 26, 2019.

☐ Yes ☐ No ☐ Abstain

2. Approval of Annual Report/Report of Management for the year 2019.

☐ Yes ☐ No ☐ Abstain

3. Ratification of all acts and resolutions of the Board of Directors and Officers from the date of the last annual stockholders' meeting up to the date of this meeting.

☐ Yes ☐ No ☐ Abstain

4. Appointment of the accounting firm of Sycip Gorres Velayo & Co. as the Corporation's external auditors for the calendar year 2020 with Mr. Kristopher S. Catalan as the engagement Partner.

☐ Yes ☐ No ☐ Abstain

5. Election of Directors

☐ Vote for all nominees listed below:

1. Mr. Edgardo P. Reyes
2. Mr. Wilfrido P. Reyes
3. Ms. Belen R. Castro
4. Mr. Manuel G. Arteficio – Independent Director
5. Mr. Francisco M. Bayot, Jr. – Independent Director

☐ Withhold authority for all nominees listed above.

☐ Withhold authority to vote for the nominees listed below:


PRINTED NAME OF STOCKHOLDER	SIGNATURE OF STOCKHOLDER/AUTHORIZED SIGNATORY	DATE
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THIS PROXY SHOULD BE REQUIRED BY THE CORPORATE SECRETARY ON OR BEFORE JULY 10, 2020, THE DEADLINE FOR SUBMISSION OF PROXIES.

THIS PROXY IS NOT REQUIRED TO BE NOTARIZED, AND WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED "FOR" THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

A STOCKHOLDER GIVING PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED AND SHALL NOT BE EFFECTIVE IN INSTANCES WHEREIN THE UNDERSIGNED PERSONALLY ATTENDS THE MEETING.



# SOCResources, Inc.

4<sup>th</sup> Flr. ENZO Building 399 Senator Gil Puyat Avenue, Makati City  
Metro Manila, Philippines 1200

## AGENDA DETAILS AND RATIONALE

### 1. Proof of notice and quorum.

To inform the stockholders that notice requirements for the 2020 Annual Stockholders' Meeting (ASM) have been complied with in accordance with the Company's By-Laws and the Revised Corporation Code of the Philippines and that quorum exists for the transaction of business.

The corporate secretary, Atty. Magilyn T. Loja will certify that copies of this notice were sent to stockholders as of record date, 25 June 2020 and will certify the number of attendees for the purpose of determining the existence of quorum to validly transact business.

**2. Reading and approval of previous Minutes.** The approval of the previous year's Annual Stockholders' Meeting is made part of the agenda for transparency and in order to comply with the requirement of the Company's By-Laws, the Corporation Code and the rules and regulation of Securities and Exchange Commission. The resolution that will be submitted for approval of the stockholders' states as follows:

**"RESOLVED**, that the minutes of the meeting of the Stockholders Annual Meeting held on 26 June 2019, be, as they are hereby, **APPROVED.**"

**3. Report of Management.** The report summarizes the key achievements, milestones, results and updates on operations as well as opportunities and future prospects for the company. The resolution that will be submitted for the approval of the stockholders states as follows:

**"RESOLVED**, that the report of Management on the operations of the Corporation for fiscal year ended 31 December 2019, as well as the Audited Financial Statements for the same period be, as they are hereby, approved."

**4. Ratification of the acts of the Board of Directors and Officers.** All acts of the Board of Directors are submitted for approval to the stockholders. The resolution that will be submitted for the approval of the stockholders states as follows:

**"RESOLVED**, that all acts of, and all transactions entered into by, the Board of Directors and Officers of the Corporation on the latter's behalf during the fiscal year ending 31 December 2019 and to date, be, as they are hereby, ratified and approved."

**5. Election of Directors.** The stockholders will approve the election of the regular and independent directors to hold office until the next Annual Stockholders' Meeting and until their respective successors have been qualified and elected. The nominees were evaluated on the basis of all qualifications required by By-Laws, and the new Manual on Corporate Governance and that no provision or disqualification would apply to them. Details on the candidates to the Board of Directors and Independent Directors are provided in the Information statement.

**6. Appointment of Auditors.** Upon the recommendation of the Audit Committee, the Board approved the reappointment of Sycip Gorres & Velayo (SGV) as the company's external auditor for the year 2020. The SGV's appointment is submitted for approval to the stockholders. Below is the text of the proposed resolution:

**“RESOLVED**, that the accounting firm of Sycip Gorres Velayo & Co. be, as it is hereby, re-appointed as the Corporation’s external auditors for the calendar year 2020 with Mr. Kristopher S. Catalan as the Engagement Partner.”

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

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

## CERTIFICATION OF INDEPENDENT DIRECTORS

I, Francisco M. Bayot, Jr., Filipino, of legal age and a resident of 94 11<sup>th</sup> Street, New Manila, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of SOCResources, Inc..
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
PGA Somp Insurance Corp.	Independent Director	2018- present
Cebu Beacon Storage Corporation	President/Director	2015- present
Madrigal-Bayot Dev. Corp.	President/Director	2008- present
Madrigal Business Park Association, Inc.	President/Director	1994- present
Perop Realty, Inc.	President/Director	1993- present
Porep Realty, Inc.	President/Director	1993- present
Septimo Realty, Inc.	President/Director	1993- present
Susana Realty, Inc.	President/Director	1993- present
Madrigal Condominium Corp. I	President/Director	1992- present
Madrigal Condominium Corp. II	President/Director	1992- present
JM Investment Corp.	President/Director	1990- present
Josue Corp.	President/Director	1990- present
Alabang Commercial Corp.	Director	1990- present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of SOCResources, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
Not applicable		

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

Offense Charged/Investigated	Tribunal or Agency Involved	Status
Not applicable		



6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of agency/department) to be an independent director in SOCResources, Inc., pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

NOT APPLICABLE.

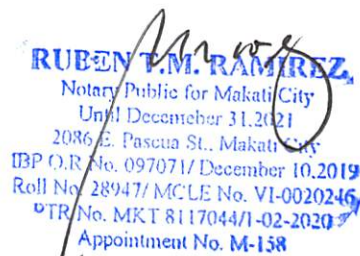
7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities and Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of SOCResources, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this JUN 1 6 2020, at Makati City.

  
Francisco M. Bayot, Jr.  
Affiant  
JUN 1 6 2020

SUBSCRIBED AND SWORN to before me \_\_\_\_\_ day of \_\_\_\_\_ at the city of Makati, affiant who is personally known to me, and/or has satisfactorily proven to me his identity through competent evidence, exhibiting to me his Passport No. EC8399440 issued on 26 July 2016, valid until 25 July 2021 and issued at DFA, Manila.

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Page No. 97  
Book No. 24  
Series No. 2020.

  
RUBEN T.M. RAMIREZ  
Notary Public for Makati City  
Until December 31, 2021  
2086 E. Pascua St., Makati City  
IBP O.R. No. 097071/ December 10, 2019  
Roll No. 28947/ MCLE No. VI-0020246/  
PTR No. MKT 8117044/1-02-2020  
Appointment No. M-158

## CERTIFICATION OF INDEPENDENT DIRECTORS

I, Manuel G. Arteficio, Filipino, of legal age and a resident of Suite 201, Orient Mansion, 108 Tordesillas St., Salcedo Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of SOCResources, Inc..
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Assissi Mining Corp.	President	1994- Present
Bonaventures Mining Corp.	President	1994- Present
Ignatius Mining Corp.	President	1994- Present
San Manuel Mining Corp.	Chairman Emeritus	2016- Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of SOCResources, Inc., as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

Name of Director/Officer/Substantial Shareholder	Company	Nature of Relationship
Not applicable		

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

Offense Charged/Investigated	Tribunal or Agency Involved	Status
Not applicable		

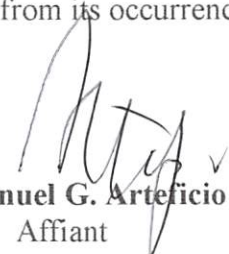
6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of agency/department) to be an independent director in SOCResources, Inc.,

pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

NOT APPLICABLE.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities and Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of SOCResources, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this \_\_\_\_ day of JUN 16 2020 at Makati City.

  
**Manuel G. Arteficio**  
Affiant

JUN 16 2020

SUBSCRIBED AND SWORN to before me \_\_\_\_ day of \_\_\_\_\_ at the city of Makati, affiant who is personally known to me, and/or has satisfactorily proven to me his identity through competent evidence, exhibiting to me his Social Security System identification No. 03-1866028-4 issued at Makati City.

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Page No. 99  
Book No. 24  
Series No. 2020.

  
**RUBEN T. RAMIREZ**  
Notary Public for Makati City  
Until December 31, 2021  
2086 E. Pasqua St., Makati City  
IBP O.R. No. 097071/ December 10, 2019  
Roll No. 28947/ MCLE No. VI-0020246,  
PTR No. MKT 8117044/1-02-2020  
Appointment No. M-158

## CERTIFICATION

I, Magilyn T. Loja, Filipino, of legal age and with office address at 4th Floor S&L Building, Dela Rosa corner Esteban Streets, Legaspi Village, Makati City, Metro Manila, after having been duly sworn to in accordance with law do hereby certify that:

1. I am the Corporate Secretary of **SOCResources, Inc.**, (the "Corporation", a corporation duly organized and existing under and by virtue of laws of the Philippines with principal office address at 4<sup>th</sup> Floor Enzo Building 399 Senator Gil Puyat Avenue, Makati City.
2. To the best of my knowledge, none of the foregoing directors and key officers of the Corporation is currently employed in any government office of the Republic of the Philippines:

NAME	POSITION
Edgardo P. Reyes	Chairman/CEO
Wilfrido P. Reyes	President
Belen R. Castro	VicePresident - Treasurer
Manuel G. Arteficio	Independent Director
Francisco M. Bayot, Jr.	Independent Director
David R. Baladad	Vice President Operations
Zosimo L. Padro, Jr.	Vice President - Finance

IN WITNESS WHEREOF, I have hereunto set my hand this JUN 16 2020 of 6 in Makati City, Metro Manila.

  
MAGILYN T. LOJA  
Corporate Secretary

SUBSCRIBED AND SWORN to before me JUN 16 2020 day of 6 at the city of Makati, affiant who is personally known to me, and/or has satisfactorily proven to me her identity through competent evidence, exhibiting to me Driver's License No. N02-94237237 expiring on 6 May 2022.

Doc. No. 472  
Page No. 91  
Book No. 34  
Series No. 2020;

  
RUBEN T.M. RAMIREZ  
Notary Public for Makati City  
Until December 31, 2021  
2086 E. Pasqua St., Makati City  
IBP O.R. No. 097071/ December 10, 2019  
Roll No. 28947/ MCLE No. VI-0020246  
PT. No. MKT 8117044/1-02-2020  
Appointment No. M-158

## **A. GENERAL INFORMATION**

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

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The annual stockholders' meeting shall be held on Friday, 24 July 2020 at 2:00 p.m. through remote communication via Zoom application. In light of the COVID-19 global pandemic, the Company will not be conducting a physical Annual Stockholders' Meeting.

The Company's Principal Office is at 4<sup>th</sup> Floor ENZO Bldg. 399 Sen. Gil Puyat Avenue, Makati City.

July 03, 2020 (Friday) is the approximate date on which the Information Statement is first to be sent or given to security holders.

### **PARTICIPATION VIA REMOTE COMMUNICATION**

The annual stockholders' meeting will be conducted by remote communication via Zoom Application. Stockholders may attend and participate at the annual meeting by following the instructions below:

1. Stockholders who intend to participate remotely should notify the Corporation by sending an email to [socinfo@socres.com.ph](mailto:socinfo@socres.com.ph) not later than 10 July 2020 at 5:00 pm.
2. An email confirmation, link for registration and other instructions for the registration and voting will be provided to the stockholders who will indicate their intention to participate at the annual meeting. All successfully registered Stockholders will receive an electronic invitation via email containing the Meeting link and password, including the rules and procedures for the meeting.
3. We advise all stockholders to log onto the meeting link at least 45 minutes before the meeting starts, to avoid any technical difficulty. The meeting broadcast will start promptly at 2:00 in the afternoon.
4. Only Stockholders who have notified the Company of his/her/its intention to participate in the Meeting by remote communication, have registered therewith or in their proxies, will be included in the determination of the existence of a quorum.
5. Further, the meeting shall be recorded in audio and video format and copies thereof shall be retained by the Corporation.
6. Stockholders who intend to vote in absentia are required to submit their vote through the online voting portal to be provided by the company upon confirmation of their registration. Votes should be submitted not later than July 15, 2020 at 5:00 pm.
7. Stockholders who intend to attend and vote by proxy should submit their respective proxies by mail at SOCResources, Inc. 4th Floor Enzo Bldg. 399 Sen. Gil Puyat Avenue Makati, City or by email to [socinfo@socres.com.ph](mailto:socinfo@socres.com.ph) not later than July 10, 2020 at 5:00 pm. No further changes on the proxies will be accommodated after the deadline.

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

### **Item 2: DISSENTERS' RIGHT OF APPRAISAL**

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A stockholder may exercise the right of appraisal (i.e. the right to dissent and demand payment of the fair value of his shares) in the instances provided under the Revised Corporation Code of the Philippines ("Revised Code"), as follows: a) in case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; b) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; c) in case of merger or consolidation; and d) investment of corporate funds in another corporation or business. (Section 80 of the Revised Corporation Code) SOCResources, Inc. (SOC) adopts the procedure laid down in Section 81, Title X, of the Revised Corporation Code of the Philippines for a valid exercise of appraisal right.

No corporate actions, however, will be taken up during the meeting involving any of the foregoing instances in which a stockholder may exercise the right of appraisal.

**Item 3: INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON**

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- (a) No director, nominee for election as director, associate of the nominee or executive officer of the company at any time since the beginning of the last fiscal years has had any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the meeting, other than election to the office.
- (b) No director has informed the company that he intends to oppose any action to be taken by the company at the meeting.

<b>B. CONTROL AND COMPENSATION INFORMATION</b>
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**Item 4: VOTING SECURITIES AND PRINCIPAL HOLDERS**

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The Registrant has 901,920,568 unclassified common shares issued and outstanding (excluding treasury shares which total to 4,639,000) as of May 31, 2020. Total foreign equity ownership is 8,293,271 common shares representing 0.92% of the total issued and outstanding shares. Each common share shall be entitled to one vote with respect to all matters to be taken up during the annual stockholders' meeting.

Pursuant to the Revised Corporation Code, each share being held by every stockholder is entitled to one vote for as many persons as there are directors or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.

**RECORD DATE**

For the purpose of the meeting, only stockholders of record at the close of business on 25 June 2020 shall be entitled to notice of and to vote at the meeting.

No solicitation shall be conducted and no proxies shall be solicited for the annual stockholders' meeting.

**(1) Security Ownership of Certain Record and Beneficial Owners and Management**  
**As of June 15, 2020 (owning more than 5% of any class of voting securities)**

Title of Class	Name & Address of Record Owner	Relationship with Issuer	Name of Beneficial Ownership & Relationship w/ Record Owner	Citizen ship	No. of Shares Held	Percent
Common	Belen R. Castro 4889 Pasay Road Dasmariñas Villa. Makati	Director	Belen R. Castro same person	Filipino	231,531,122	25.67%
Common	Edgardo P. Reyes 1371 Caballero St. Dasmariñas Vill. Makati	Director	Edgardo P. Reyes same person	Filipino	229,853,123	25.48%
Common	Wilfrido P. Reyes 1545 Mahogany St., Dasmariñas Vill. Makati	Director	Wilfrido P. Reyes same person	Filipino	226,853,123	25.15%
Common	PCD Nominee Corp. (Filipino) G/F MKSE Bldg., 6767 Ayala Ave., Makati	Stockholder	PCD Nominee Corp. (Filipino), depository agent	Filipino	161,975,229	17.96%

There are no beneficial owners of more than 5% under the PCD Nominee Corporation (Filipino), which owns 17.96% of the total shares of the Company.

**(2) Security Ownership of Management Directors as of June 15, 2020:**

Title of Class	Name	No. of Shares Held	Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Belen R. Castro	231,531,122	<u>Direct</u>	Filipino	25.67%
Common	Edgardo P. Reyes	229,853,123	<u>Direct</u>	Filipino	25.48%
Common	Wilfrido P. Reyes	226,853,123	<u>Direct</u>	Filipino	25.15%
Common	Franciso M. Bayot, Jr.	400,000	<u>Direct</u>	Filipino	0.04%
Common	Manuel G. Arteficio	100,000	<u>Direct</u>	Filipino	0.01%
<b>TOTAL</b>		<b>688,737,368</b>			<b>76.36%</b>

**Executive Officers**

Title of Class	Name	No. of Shares Held	Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	David R. Baladad	50,000	Direct, Record and Beneficial	Filipino	0.0055%
<b>TOTAL</b>		<b>50,000</b>			<b>0.0055%</b>

**Directors and Officers as a Group**

Title of Class	Name of Beneficial Owner	Amount of Beneficial Ownership	Percent of Class
Common	Directors as a Group	688,737,368	76.36%
Common	Executive Officers as a Group	50,000	0.01%
<b>TOTAL</b>		<b>688,787,368</b>	<b>76.37%</b>

**(1) Voting Trust Holders of 5% or More**

No person holding more than 5% of a class is under a voting trust or similar agreement.

The Company has no arrangements which may result in a change in control of the registrant.

**Item 5: DIRECTORS AND EXECUTIVE OFFICERS (Information for the last five years)****(1) Directors and Executive Officers (Information for the last five years)**

NAME	POSITION	BIRTHDATE
Edgardo P. Reyes	Chairman/CEO	December 2, 1945
Wilfrido P. Reyes	President	January 21, 1947
Belen R. Castro	VP & Treasurer	April 9, 1948
Manuel G. Arteficio	Independent Director	January 13, 1945
Francisco M. Bayot, Jr.	Independent Director	January 29, 1954
Magilyn T. Loja	Corporate Secretary	May 06, 1968
David R. Baladad	VP – Operations	September 13, 1956
Zosimo L. Padro, Jr.	VP – Finance	August 3, 1959

**EDGARDO P. REYES**, 74 years of age, Filipino, has been the CHAIRMAN of the Board of Directors of the Company since 1992.; PRESIDENT of International Pipe Industries Corp., Pipe Machinery Corp., Apo Pipe Industries Corp., Reyson Realty & Development Corp., Puyat Flooring Products Inc., Proleo Realty Inc., and BenePara Realty Inc.; SENIOR VICE PRESIDENT of PFM Agro-Industrial Development Corp. and Armormply Concrete Forming Systems Inc.; and, DIRECTOR of Surigao Development Corp., and Puyat Investment & Realty for the past five (5) years. Mr. Reyes is the brother of Mr. Wilfrido P. Reyes and Ms. Belen R. Castro.

**WILFRIDO P. REYES**, 73 years of age, Filipino, has been the PRESIDENT of the Company since 1992. CHAIRMAN/PRESIDENT of Astranniquin Corp.; EXECUTIVE VICE PRESIDENT/DIRECTOR of Gonzalo Puyat & Sons Inc.; EVP/GENERAL MANAGER of Philippine Flour Mills; SENIOR EXECUTIVE VICE PRESIDENT/DIRECTOR of Puyat Steel Corporation; TREASURER/DIRECTOR of Surigao Development Corp.; SECRETARY/DIRECTOR of Surigao Marine Products, Inc. PRESIDENT of Proleo Realty Inc., and TREASURER/DIRECTOR of International Pipe Industries Corp. for the past five (5) years. Mr. Reyes is the brother of Mr. Edgardo P. Reyes and Ms. Belen R. Castro.



**BELEN R. CASTRO**, 72 years of age, Filipino, has been the VICE PRESIDENT, TREASURER & DIRECTOR of the Company since 1992 up to the present and DIRECTOR & ASST. TREASURER of Gonzalo Puyat & Sons, Inc. for the past five(5) years. She is the sister of Mr. Edgardo P. Reyes and Mr. Wilfrido P. Reyes.

**MANUEL G. ARTEFICIO**, 75 years of age, Filipino, has been an INDEPENDENT DIRECTOR of the Company since 2007. He has been PRESIDENT of San Manuel Mining Corp. from 1990 to 2016; Assissi Mining Corp., Bonaventures Mining Corp. and Ignatius Mining Corp., all three from 1994 to present.

**FRANCISCO M. BAYOT, JR.**, 66 years of age, Filipino, has been an INDEPENDENT DIRECTOR of the Company since 2008.; He is the DIRECTOR of Alabang Commercial Corp. since 1990; PRESIDENT/DIRECTOR of Josue Corp since 1990; PRESIDENT/DIRECTOR of JM Investment Corp. since 1990; PRESIDENT/DIRECTOR of Madrigal Condominium Corp. I & Madrigal Condominium Corp. II since 1992; PRESIDENT/DIRECTOR of Susana Realty, Inc., Septimo Realty, Inc., Porep Realty Inc., and Perop Realty, Inc. since 1993; PRESIDENT/DIRECTOR of Madrigal Business Park Association, Inc. since 1994; PRESIDENT/DIRECTOR of Madrigal-Bayot Dev. Corp. since 2008; PRESIDENT/DIRECTOR of Cebu Beacon Storage Corporation since 2015 and INDEPENDENT DIRECTOR of PGA Somp Insurance Corp. since 2018.

**MAGILYN T. LOJA.**, 52 years of age, Filipino, has been the CORPORATE SECRETARY of the Company since 2010. She is a Senior Partner of the Esguerra & Blanco Law Offices. Atty. Loja obtained his Bachelor of Science in Business Administration and Accountancy and Bachelor of Laws from the University of the Philippines. Atty. Loja since 1996, and during the last five (5) years, has been engaged in the practice of law.

**DAVID R. BALADAD**, 63 years of age, Filipino, has been the VICE PRESIDENT FOR OPERATIONS of the Company since 1994. He obtained his Bachelor of Science in Geology in the University of the Philippines and he is also a licensed Geologist. Prior to joining the Company, Mr. Baladad was the Chief of the Oil and Gas Division of the former Office of Energy Affairs (now DOE) and a consultant to other local exploration companies. He has been directing the operating activities of the Company since 1994 and for the last five (5) years.

**ZOSIMO L. PADRO, JR.**, 60 years of age, Filipino, has been the VICE PRESIDENT FOR FINANCE of the Company since January 2010. He obtained his Bachelor of Science in Business Administration Major in Accounting from the University of Eastern Philippines and Bachelor of Laws from Jose Rizal College. Atty. Padro is also the Vice President for Finance of International Pipe Industries Corp. Atty. Padro since 1990, and during the last five (5) years, has been engaged in the practice of law. He is also a Certified Public Accountant.

#### **Nomination of Directors& Independent Directors**

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On the stockholders' annual meeting held last June 26, 2019, Mr. Francisco M. Bayot, Jr., an independent director has been designated as chairman of the Nomination & Remuneration Committee with Mr. Wilfrido P Reyes and Ms. Belen R. Castro as members for the ensuing year 2019 – 2020.

The Nomination committee reported that the following individuals have been nominated for election on 2019 Annual Stockholders' Meeting as members of the Board of Directors for the ensuing year 2019-2020:

- (1) Edgardo P. Reyes;
- (2) Wilfrido P. Reyes;
- (3) Belen R. Castro;
- (4) Manuel G. Arteficio &
- (5) Francisco M. Bayot, Jr.

The stockholders at their annual meeting held on June 26, 2019, have re-elected the following Directors for the ensuing year 2019-2020:

- (1) Edgardo P. Reyes;
- (2) Wilfrido P. Reyes;
- (3) Belen R. Castro;
- (4) Manuel G. Arteficio &
- (5) Francisco M. Bayot, Jr.

Among the directors stated above, Mr. Manuel G. Arteficio and Mr. Francisco M. Bayot, Jr. are Independent Directors. All Directors were elected for the term of one (1) year and until their successors are elected.

Pursuant to SEC Memorandum Circular No. 9 in relation to Section 38 of the Securities Regulation Code (Republic Act No. 8799), and in order to enhance the effectiveness of independent directors and encourage the infusion of fresh ideas in the board of directors, the company adopted the following rules on the election of independent Directors effective January 02, 2012.

1. There shall be no limit in the number of covered companies that a person may be elected as Independent Director (ID), except in business conglomerate where an ID can be elected to only five (5) companies of the conglomerate. (i.e., parent company, subsidiary or affiliate);
2. IDs can serve as such for five (5) consecutive years, provided that service for a period of at least six (6) months shall be equivalent to one (1) year, regardless of the manner by which the ID position was relinquished or terminated;
3. After completion of the five-year service period, an ID shall be ineligible for election as such in the same company unless the ID has undergone "cooling off" period of two (2) years, provided, that during such period, the ID concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as ID in the same company;
4. An ID re-elected as such in the same company after the "cooling off" period can serve for another five (5) consecutive years under the conditions mentioned in the paragraph 2 above;
5. After serving as ID for ten (10) years, the ID shall be perpetually barred from elected as such in the same company, without prejudice to being elected as ID in other companies outside of the business conglomerate, where applicable, under the same conditions provided for in this circular;
6. All previous terms prior to January 02, 2012 served by existing IDs shall not be included in the application of the term limits as provided by this circular.

Mr. Manuel G. Arteficio and Mr. Francisco M. Bayot, Jr. were elected Independent Directors during the 2019 Annual Stockholders' Meeting. The Nomination Committee reported Mr. Arteficio and Mr. Bayot as independent directors to be elected on the 2019 Annual Stockholders' Meeting, upon the nomination of Mr. David R. Baladad and Ms. Remedios J. Manguiat who are not related to the nominees. Both Mr. Arteficio and Mr. Bayot are qualified to be nominated and elected as Independent Directors of the Company in accordance with the qualifications specified with SEC Circular No. 16 Series of 2002 and SEC Circular No. 16 Series of 2006.

#### **Nominees for Election of Directors**

The Nominations Committee screened the nominees to determine whether they have all of the qualifications and none of the disqualification for election to the Board of Directors in accordance with the company's Revised Code of Corporate Governance. The Committee assessed the candidates' background, educational qualifications, work experience, expertise and stature as would enable them to effectively participate in the deliberations of the Board.

In the case of Independent directors, the Committee reviewed their business relationships and activities to ensure that they have all the qualifications and none of the disqualifications for Independent directors as set forth in the Company's Revised Code of Corporate Governance, the Securities Regulation Code (SRC) and the SRC implementing Rules and Regulations.

The Nomination Committee reported that the following individuals have been nominated for election on 2019 Annual Stockholders' Meeting as members of the Board of Directors for the ensuing year 2019-2020:

1. Edgardo P. Reyes (Executive Director);
2. Wilfrido P. Reyes (Executive Director);
3. Belen R. Castro (Executive Director);
4. Manuel G. Arteficio (Independent Director); and
5. Franciso M. Bayot, Jr. (Independent Director)

SOCResources has adopted the provisions of Rule 38 of the SRC on nominations and election of independent directors. (Article III, Section 3 of the Amended By-Laws, as approved by the SEC on October 05, 2011)

Directors elected in the annual stockholders' meeting have a term of office of one (1) year and serve as such until their successors are elected and qualified in the succeeding annual meeting of stockholders.

No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders because of a disagreement with the company on any matter relating to the its operations, policies or practices. Furthermore, there is no director who has furnished the company with a letter describing such disagreement and requesting that the matter be disclosed.

## **(2) Significant Employees**

While all employees are expected to make a significant contribution to the Company, there is no one particular employee, not an executive officer, expected to make a significant contribution to the business of the Company on his own.

## **(3) Family Relationships**

Mr. Edgardo P. Reyes, Chairman and CEO; Mr. Wilfrido P. Reyes, President; and Ms. Belen R. Castro, Vice President, Treasurer and Director of the Company are brothers and sister. All other Directors and Executive Officers are not related to each other. Other than the ones disclosed, there are no other family relationships known to the registrant.

## **(4) Involvement in Certain Legal Proceedings**

None of the directors, nominees for election as a director, executive officers or control persons of the Company have been involved in any legal proceeding required to be disclosed under Part IV paragraph (A)(4) of SRC Rule 12 (Annex C, Amended), including without limitation being the subject of any:

- (a) bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) 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 involvement in any type of business, securities commodities or banking activities; and
- (d) order or judgment of a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization finding him/her to have violated a securities or commodities law or regulation, for the past five (5) years up to the latest date, that is material to the evaluation of the ability or integrity to hold the relevant position in the Company.

## **(5) Certain Relationship and Related Transactions**

Please refer to Note 19 of 2019 Audited Consolidated Financial Statements for details on related party transaction.

### **INFORMATION REQUIRED BY PART I(C) OF "ANNEX C, AS AMENDED"**

The following cases were filed by the Company regarding the Makati City's assessment of alleged deficiency business taxes:

1. South China Resources, Inc. v. Office of the City Treasurer and/or Makati City  
Civil Case No. 14-165  
Regional Trial Court, Makati City, Branch 66

CTA Case No. AC-NO-197  
CTA-EB No. 2154  
Court of Tax Appeals, Quezon City

This is a petition under Section 195 of the Local Government Code (LGC) of 1991 assailing the: (a) City Treasurer of Makati's "Notice of Assessment No. 13-00381" dated 12 November 2013 issued against the Corporation, for the amount of ₱4,872,182.45, allegedly representing local business taxes deficiencies, fees and surcharges; and (b) the "Notice of Assessment for South China Resources, Inc. under Letter of Authority No. 2013-0502" dated 8 January 2014, which denied the Corporation's Protest dated 21 December 2013.

This case proceeded to trial before the Regional Trial Court (RTC), Makati City, Branch 66 after mediation proceedings before the Philippine Mediation Center and Judicial Dispute Resolution (JDR) hearings failed.

Having submitted their formal offer of documentary evidence, the parties submitted their respective memoranda and the case was thereafter submitted for decision.

In a Decision dated 11 October 2017, the case was dismissed by the Regional Trial Court (RTC). The Corporation filed a Motion for Reconsideration dated 10 November 2017, which was denied by the RTC.

Thus, the Corporation filed its Petition for Review before the Court of Tax Appeals (CTA) on 9 February 2018, which the CTA granted in its Decision dated 30 April 2019. Thereafter, respondent filed his "Respondent's Motion for Reconsideration" dated 21 May 2019, which the CTA denied in its Resolution dated 30 August 2019 for lack of merit.

Thus, the City Treasurer of Makati filed his "Petition for Review (of the Decision dated 30 August 2019)" dated 18 September 2019 with the CTA-En Banc. SOCResources, Inc. then filed its "Comment [On Petitioner's "Petition for Review (of the Decision dated 30 August 2019)"]" dated 18 September 2019 dated 28 November 2019. Thereafter, in its Resolution dated 26 December 2019, the CTA-En Banc submitted the Petition for resolution.

2. South China Resources, Inc. v. Office of the City Treasurer and/or Makati City  
S.P. Proc. No. M-7835  
Regional Trial Court, Makati City, Branch 147

This is a petition under Section 195 of the LGC of 1991, assailing: (a) the Billing Assessment dated 13 January 2015 ("Billing Assessment") issued by the Business Permits Office of the City of Makati against the Corporation for the amount of ₱981,478.00, allegedly representing local business taxes and fees in connection with the Corporation's application for business permit renewal for 2015; and (b) respondent Treasurer's inaction on the Corporation's Letter Protest dated 25 February 2015.

In view of respondents' failure to file their answer within fifteen (15) days from service of the Summons on 17 August 2015, or until 1 September 2015, petitioner filed its "Motion to Declare Respondents in Default" dated 6 January 2016 (the "Motion"). Meanwhile, respondents filed their "Comment (to Plaintiff's Motion to Declare Respondents in Default)" dated 28 January 2016, stating that they failed to file their answer due to excusable negligence, consisting of heavy workload and manpower constraints in the Office of the City Attorney.

In its Order dated 21 March 2016, the court granted our Motion. Respondents filed their "Motion for Reconsideration (to Set Aside Order of Default and to Admit Attached Answer)" dated 6 May 2016. In its Order dated 30 June 2016, the court lifted the order of default against respondents and admitted their Answer.

The court-annexed mediation and JDR in this case were terminated by both parties. In view thereof, the court issued the Order dated 7 December 2016, referring this case to the Office of the Clerk of Court for re-raffle. The case was re-raffled to Regional Trial Court, Makati City, Branch 147.

Upon its re-raffle, trial ensued and the case was submitted for decision. The RTC dismissed the case together with Civil Case No. 14-165. SOCResources filed its Motion for Reconsideration on 10 November 2017, which was denied by the RTC on 12 January 2018.

Thus, the Corporation filed a Petition for Review dated 12 February 2018 before the Court of Tax Appeals (CTA), which was granted in the Decision of the CTA dated 17 October 2018. In said Decision, the CTA cancelled Billing Assessment and ordered the respondents to credit the Corporation's payment in the amount of ₱981,478.90 to its future business tax and regulatory fee obligations, including the Corporation's regulatory fee as a holding company for taxable years 2014 and 2015. The respondents filed a Motion for Reconsideration dated 19 November 2018, which the Corporation opposed through the filing of an "Opposition with Motion to Expunge" dated 18 December 2018. The CTA denied respondents' Motion for Reconsideration in its Resolution dated 29 April 2019, for lack of merit.

Thus, the City Treasurer filed his “Petition for Review (of the Decision dated April 16, 2019)” dated 4 June 2019 with the CTA-En Banc, which the Corporation opposed in its “Opposition with Motion to Expunge” dated 18 October 2019. Petitioner then filed his “Comment/Opposition” dated 28 November 2019. Thereafter, the Corporation filed its Reply dated 13 December 2019.

The following case was likewise filed by the Company in relation to its application for the registration of the trademark “Bluemoon”:

3. Application for the Registration of Trademark for “Bluemoon”  
Application No.: 4-2018-017704  
Intellectual Property Office, Taguig City

This is an application for the registration of the trademark “Bluemoon”, Class 30, dated 3 October 2018, which SOCResources, Inc. filed with the Intellectual Property Office (IPO). The IPO then sent its Registrability Report dated 26 October 2018, urging SOCResources, Inc. to file its Responsive Action dated 2 January 2019. Thereafter, the IPO sent its “Notice of Allowance” dated 19 January 2018 requiring SOCResources, Inc. to pay the first and second publication fee and insurance fee in the aggregate amount of Php3,151.60, which SOCResources, Inc. complied with in its letter dated 26 February 2019 enclosing its payment of the said amount.

On 24 May 2019, the IPO issued SOCResources, Inc.’s Certificate of Registration, with the following details: (a) Registration Number 4/2018/00017704; (b) Registered on 4 April 2019; and (c) for a term of ten years or until 4 April 2029.

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

There are no bonuses, profit sharing or other compensation plan, contract or arrangement in which any director, nominee for election as a director, or executive officer of the registrant will participate.

The Company has no pension or retirement plan in which any such person will participate. There are no employment contract arrangements for this year.

The Aggregate compensation paid or accrued during the last two calendar years and to be paid in the ensuing calendar year to the Chief Executive Officer and four most highly compensated executive officers are as follows:

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (P)</b>	<b>Bonus (P)</b>	<b>Other Annual Compensation</b>
Edgardo P. Reyes Chairman / CEO				
David R. Baladad VP-Operations				
Zosimo L. Padro VP-Finance				
Ronna C. De Leon Accounting Manager				
Aggregate compensation –	2020	2,250,000(est.)	550,000(est.)	N/A
CEO & all other officers and	2019	2,202,870	530,640	N/A
Directors as a group unnamed	2018	1,960,646	469,140	N/A

There are no Directors’ per diem paid for the year 2019. Among the directors and officers of the company, only the four (4) stated above are being compensated.

## **Item 7: INDEPENDENT PUBLIC ACCOUNTANTS**

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### **Information on Independent Public Accountant**

SyCip Gorres Velayo & Co. ("SGV") has acted as the Corporation's external auditors since the company's incorporation in November 1992 and has not resigned, been dismissed, or nor has its services ceased since its appointment. The engagement partner who conducted the audit for calendar year 2019 is Mr. Kristopher S. Catalan and was appointed starting from the audit period of 31 December 2015. In accordance with the five-year rotation requirement of external auditors pursuant to SRC Rule 68 (3)(b)(ix), there is still no need to change the audit partner assigned to the Corporation at this time. Similarly, the two-year cooling off period for the re-engagement of the same audit partner assigned to the Corporation pursuant to the same rule finds no application at this time.

The company has had no material disagreement with SGV on any matter of accounting principle or practices or disclosures in the company's financial statements.

The Company, through its Audit Committee, recommends the re-appointment of Sycip Gorres Velayo & Co. as the Principal Accountant of the Corporation. The Company's Audit Committee is composed of Mr. Manuel G. Arteficio as Chairman, Mr. Edgardo P. Reyes, Member, and Mr. Wilfrido P. Reyes, Member.

Representatives of Sycip Gorres Velayo & Co. are expected to be present on the company's upcoming annual stockholders' meeting on July 24, 2020. They will be given the opportunity to make a statement if they desire to do so and are expected to respond to appropriate questions.

## **Item 8: COMPENSATION PLANS**

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No action is to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

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

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### **Item 9: AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE**

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There is no matter or action to be taken with respect to the authorization or issuance of any securities.

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

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

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

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- (1) The Tentative Audited Consolidated Financial Statements of the Company are attached.
- (2) The Management's Discussion & Analysis is incorporated in the Management Report.
- (3) There are no changes in and disagreements with independent accountants on accounting and financial disclosure and no change in the Company's independent accountants during the two most recent fiscal years or any subsequent interim period.
- (4) Representatives of the external auditor, Sycip Gorres Velayo & Co. are expected to be present at the Annual Stockholders' Meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions from the stockholders.

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

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This is not applicable to the group.

**Item 13: ACQUISITION OR DISPOSITION OF PROPERTY**

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There is no acquisition/disposition of property that is to be included in the agenda of the annual stockholders' meeting. There is no matter or action to be taken with respect to the acquisition/disposition of property by the company.

**Item 14: RESTATEMENT OF ACCOUNTS**

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There are no actions to be taken with respect to the restatement of any asset, capital, or surplus account.

<b>D. OTHER MATTERS</b>
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**Item 15: Action with Respect to Reports**

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Section 49 of the Revised Code pertains to the Regular and Special Meetings of stockholders. Regular meeting of the stockholders is being held annually every last Friday of May. Written notice of meeting is provided to the stockholders at 10 trading days before the record date.

The minutes of the Annual Stockholders' Meeting held last June 26, 2019 will be presented for approval by the stockholders. Such action on the part of the stockholders will not constitute approval or disapproval of the matters referred to in the said minutes since stockholder approval and action on those items were already obtained during the said meeting. These matters are listed below:

1. Minutes of the Annual Stockholders' Meeting held on May 25, 2018;
2. The Corporation's Annual Report which consists of the Chairman's Message and Management Report for the Preceding year;
3. The Corporation's audited consolidated financial statements for the years ended December 31, 2018 and 2017;
4. All acts and resolutions adopted by the board of directors and management from the 2018 Annual Stockholders' Meeting up to the date of the meeting;
5. Election of members of the board of directors for the period 2019-2020; and
6. Appointment of SGV as the Corporation's external auditors for 2019-2020.

In addition to the approval of the minutes of the June 26, 2019 Annual Stockholders' Meeting, actions will be taken regarding the following matters on annual stockholders' meeting on 24 July 2020:

1. Audited Consolidated Financial Statements for the years ended December 31, 2019 and 2018;
2. Ratification of all corporate acts and resolutions of the board of directors and management of the Corporation for the year 2019;
3. The Corporation's Annual Report which consists of the Chairman's Message and Management Report for the year 2019; and
4. Approval of the appointment of SyCip Gorres Velayo & Co. as the company's external auditors for 2020-2021.

**Item 16: MATTERS NOT REQUIRED TO BE SUBMITTED**

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There are no actions to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

**Item 17: AMENDMENTS OF CHARTER, BY-LAWS, AND OTHER DOCUMENTS**

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There are no actions to be taken with respect to any amendment of the charter, by-laws, and other documents.

#### **Item 18: OTHER PROPOSED ACTION**

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List of Corporate acts and resolutions of the board of directors and management of the Corporation for the year 2019 to be approved by the majority of the stockholders is attached on this report as ANNEX TO INFORMATION STATEMENT.

#### **Item 19: VOTING PROCEDURES**

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1. The approval of the minutes of the last stockholders meeting and the report of management, ratification of the acts and transactions of the Board of Directors, election of Directors and appointment of Independent Public Accountant will require approval of a majority of all the stockholders present or represented during the annual meeting. The vote required for the election of Directors shall be through cumulative voting. The voters will be counted by *viva voce* facilitated by the Corporate Secretary unless a request by a security holder is made that the election of directors be by ballot.
2. Only stockholders of record as of record date , June 25, 2020 shall be entitled to vote or be voted at the Meeting to be conducted via remote communication. The stockholders of record may participate in voting on the items listed in the agenda for Meeting by appointing the Chairman of the Meeting as their proxy or by Voting in absentia through the online voting system to be provided by the Corporation.
3. Each stockholder shall be entitled to vote in person and by proxy and, unless otherwise provided by law, he shall have one (1) vote for each share of stock entitled to vote and recorded in his name in the books of the Company.
4. The right to vote of stockholders may be exercised through audio or video conference (and such other means of electronic communication). The voting instructions will be included in the confirmation email upon successful registration by the stockholder.
5. The Corporate Secretary shall be responsible to count and validate the votes.

#### **UNDERTAKING TO PROVIDE ANNUAL REPORT**

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THE COMPANY UNDERTAKES TO PROVIDE WITHOUT CHARGE A COPY OF ITS ANNUAL REPORT ON SEC FORM 17-A UPON WRITTEN REQUEST ADDRESSED TO:

**ATTY. MAGILYN T. LOJA**  
CORPORATE SECRETARY  
SOCRESOURCES, INC., 4<sup>TH</sup> FLOOR ENZO BLDG. 399 SEN. GIL PUYAT AVENUE MAKATI CITY 1200

#### **UNDERTAKING TO PROVIDE 1<sup>ST</sup> QUARTER 2020 UNAUDITED FINANCIAL STATEMENTS**

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A COPY OF THE INTERIM UNAUDITED FINANCIAL STATEMENTS (IUFS) WITH MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE 1ST QUARTER OF 2020 WILL BE POSTED IN THE COMPANY'S WEBSITE AT LEAST FIVE (5) CALENDAR DAYS BEFORE THE SCHEDULED DATE OF ANNUAL STOCKHOLDERS' MEETING. UPON REQUEST BY ANY STOCKHOLDER, THE COMPANY SHALL PROVIDE A HARD COPY OF THE IUFS AS SOON AS AVAILABLE BUT NOT LATER THAN AT LEAST FIVE (5) CALENDAR DAYS BEFORE THE SCHEDULED DATE OF MEETING. IN THE CASE THAT THE REQUEST WAS MADE AT A LATER DATE, THE COMPANY SHALL ENDEAVOR TO PROVIDE SUCH REPORT AS SOON AS POSSIBLE.


The Company's Annual Report, Definitive SEC Form 20-IS and 1<sup>st</sup> Quarter 2020 report will be uploaded to the Company's website (<http://socres.com.ph/> and PSE EDGE, for your reference.



## **SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on 19 JUNE 2020.

By:

  
**MAGLYN T. LOJA**  
Corporate Secretary

<b>MANAGEMENT REPORT</b>
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**Item1: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

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There are no changes in and disagreements with independent accountants on accounting and financial disclosure and no change in the Company's independent accountants during the two most recent fiscal years or any subsequent interim period.

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**Item 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION**

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**BUSINESS**

The Securities and Exchange Commission (SEC), on October 30, 2003, approved the amendment of the Company's Articles of Incorporation to change the primary purpose thereof to that of a holding company and to include its then primary purpose of oil exploration as among the secondary purposes of the Company.

On April 25, 2014, the Board of Directors approved the amendment in the Articles of Incorporation to change the name of South China Resources, Inc. to SOCResources, Inc. (SOC). The change was approved by the Philippine SEC on September 04, 2014.

SOC was incorporated and registered with the SEC on September 25, 1992 primarily to undertake oil and gas exploration, development and production and became one of the leading exploration companies upon its listing in 1994. Starting in 1995, SOC opted to strengthen its core business by diversifying then into other investments which after two decades the company has now turned out to be one of the strongest holding companies in the market having had investments in real estate, steel fabrication, banking, telecommunications and energy exploration. The company is debt free and has a robust balance sheet.

SOC Land Development Corporation (SOC Land) is a wholly-owned subsidiary of the issuer with an authorized capital stock of One Hundred Sixty Million Pesos (PHP 160,000,000.00), a subscribed capital stock of Forty Million Pesos (PHP 40,000,000.00) and a paid-up capital of Ten Million Pesos (PHP 10,000,000.00). The subsidiary is the property development arm of the company that will develop a 2.4-hectare community, called Anuva Residences which is situated near Sucat Interchange. It will have four (4) tandem buildings. The total estimated cost of the Project is ₱4.0 billion.

The first tandem building of ANUVA RESIDENCES, the "ANALA", projects a Fun Zone image showcasing the Wet and Dry Play Area for children. The building was completed and delivered last May 16, 2015 during the turnover ceremony held on the same day.

Amenities facing Anala including the wading pool, children's playground, al fresco area, cascading water, pond and Trellis Park have been finished as of end 2016 for the residents' use and enjoyment as well as the parking slots in the lower ground floor for the residents to use.

The second tandem building known as AZALEA is currently in a preselling stage focusing on the Green Urban Living image with amenities like the reflecting pool, adult and kiddie pool, cascades, picnic groves, clubhouse, garden party and BBQ area.

SOC Land's latest project is a horizontal residential development, ALTHEA RESIDENCES. It is situated in Brgy. Zapote, Biñan City, Laguna and featuring modern homes with tranquil vibe spread in 4.3 hectares of land.

SOC has identified other areas for potential investment. To address a growing population, now estimated at 100 million Filipinos and increasing every year, the company looks at food production. The Company believes that a rising population coupled with rising incomes will drive greater food consumption. Opportunities have been identified to get in this value chain to grow a long-term business that will allow expansion laterally and vertically.

Principal products or services and their distribution; competition in the industry; sourcing of raw materials and principal suppliers; dependence on one or few customers; transactions with and/or related parties; and patents, trademarks,

licenses, franchises, concessions, royalty agreement, or labor contracts are not applicable with the registrant at this time.

The Company's subsidiary is SOC Land Development Corporation as of December 31, 2019.

The Company does not expect any significant changes in its number of employees. Presently, the Company has a total of six (6) officers and employees, all working full-time, one (1) Chairman, one (1) Vice-President for Operations, one (1) Vice-President for Finance, one (1) Accounting Manager, one (1) Accounting Assistant and one (1) Messenger. The Company has no Collective Bargaining Agreements (CBA).

### **External Audit Fees and Services**

In compliance with SEC Memo Circular No. 14 Series of 2004, External Audit Fees, year ended 2019 audit progress billing for SOCResources, Inc. and subsidiary, SOC Land Development amounted to P473,776 and ₱734,765, respectively. External Audit Fees, year ended 2018 audit for SOCResources, Inc. and subsidiary, SOC Land Development amounted to P571,200 and ₱874,720 respectively. No other services were provided and billed for by the external auditors for the last two (2) fiscal years.

The Company's Audit Committee is composed of Mr. Manuel G. Arteficio as Chairman, Mr. Edgardo P. Reyes, Member, and Mr. Wilfrido P. Reyes, Member.

### **The Audit Committee's approval of policies and procedures for the above services:**

The Audit Committee approves the terms of engagement and scope of services of the independent auditors as endorsed by Management. For non-audit services, Management is required to disclose to the Audit Committee any non-audit engagement for the appointed independent auditors to ensure that their independence will not be compromised.

## **Item 3: RESULTS OF OPERATIONS & FINANCIAL POSITION**

The Company's financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

### **CONSOLIDATED RESULTS OF OPERATIONS**

#### **2019 VS 2018 (AUDITED)**

*(in Philippine pesos)*

ACCOUNTS	December 31, 2019	December 31, 2018	% CHANGE
REVENUES	135,921,219	164,398,236	-17.32%
COST AND EXPENSES	136,998,936	151,311,532	-9.46%
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>(1,077,717)</b>	<b>13,086,704</b>	<b>-108.24%</b>
PROVISION FOR INCOME TAX	(71,680)	5,250,251	-101.37%
<b>NET INCOME/(LOSS)</b>	<b>(1,006,037)</b>	<b>7,836,453</b>	<b>-112.84%</b>
OTHER COMPREHENSIVE INCOME (LOSS)	(9,835,701)	8,180,637	-220.23%
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>(10,841,738)</b>	<b>16,017,090</b>	<b>-167.69%</b>

### **2019 VS 2018: RESULTS OF OPERATIONS**

Revenue for the year ended 2019 consists of: (1) recognized sale on real estate for SOC Land amounting to ₱115.67M; (2) Interest Income on time deposits, savings account and installment sales of real estate amounting to ₱23.13M and; (3) Dividend Income from domestic shares of stocks amounting to ₱0.39M. The decrease in the total cost and expenses is attributable to the 6% decrease in the general and administrative expenses of the group coupled with the 45% decrease in the sales and marketing expense. Other comprehensive loss for the current year 2019 pertains to the decrease in market value of equity holdings by the parent company and the consolidated actuarial losses.

**CONSOLIDATED RESULTS OF OPERATIONS****2018 VS 2017 (AUDITED)***(in Philippine pesos)*

ACCOUNTS	December 31, 2018	December 31, 2017	% CHANGE
REVENUES	164,398,236	83,850,699	96.06%
COST AND EXPENSES	151,311,532	106,670,361	41.85%
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>13,086,704</b>	<b>(22,819,662)</b>	<b>157.35%</b>
PROVISION FOR INCOME TAX	5,250,251	3,444,809	52.41%
<b>NET INCOME/(LOSS)</b>	<b>7,836,453</b>	<b>(26,264,471)</b>	<b>129.84%</b>
OTHER COMPREHENSIVE INCOME (LOSS)	8,180,637	701,277	1066.53%
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>16,017,090</b>	<b>(25,563,194)</b>	<b>162.66%</b>

**2018 VS 2017: RESULTS OF OPERATIONS**

Revenue for the year ended 2018 consists of: (1) recognized sale on real estate for SOC Land amounting to ₱137M;(2) Interest Income on time deposits, savings account and installment sales of real estate amounting to ₱17.5M;(3) Dividend Income from domestic shares of stocks amounting to ₱0.4M;(4) net foreign exchange gain amounting to ₱0.3M (5) other income amounting to ₱8.3M and (6) gain on redemption of UITF amounting to ₱0.09M. The increase in the total cost and expenses is attributable to the increase in the recognized cost of sales for real estate sales and the general and administrative expenses of the group. Other comprehensive income for the current year 2018 pertains to the increase in market value of equity holdings by the parent company and the consolidated actuarial gain.

**CONSOLIDATED RESULTS OF OPERATIONS****2017 VS 2016 (AUDITED)***(in Philippine pesos)*

ACCOUNTS	December 31, 2017	December 31, 2016	% CHANGE
REVENUES	83,850,699	211,507,476	-60.36%
COST AND EXPENSES	106,670,361	184,369,488	-42.14%
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>(22,819,662)</b>	<b>27,137,988</b>	<b>-184.09%</b>
PROVISION FOR INCOME TAX (Current)	1,276,648	1,373,128	-7.03%
PROVISION FOR INCOME TAX (Deferred)	2,168,161		100.00%
<b>NET INCOME/(LOSS)</b>	<b>(26,264,471)</b>	<b>25,764,860</b>	<b>-201.94%</b>
NET GAINS(LOSSES) ON AFS FINANCIAL ASSETS	736,513	8,114,806	-90.92%
ACTUARIAL GAINS (LOSS)	(35,236)	195,764	-118.00%
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>(25,563,194)</b>	<b>34,075,430</b>	<b>-175.02%</b>

**2017 VS 2016: RESULTS OF OPERATIONS**

Revenue for the year ended 2017 consists of: (1) recognized sale on real estate for SOC Land amounting to ₱65M;(2) Interest Income on time deposits, savings account and installment sales of real estate amounting to ₱13.M;(3) Dividend Income from domestic shares of stocks amounting to ₱0.3M;(4) net foreign exchange gain amounting to ₱0.2M and (5) other income amounting to ₱5M. The decrease in the total cost and expenses is attributable to the decrease in the recognized cost of sales for real estate sales and the general and administrative expenses of the group.

**CONSOLIDATED FINANCIAL POSITION**  
**2019 VS 2018 (AUDITED)**  
*(in Philippine pesos)*

ACCOUNTS	December 31, 2019	December 31, 2018	% CHANGE
CURRENT ASSETS	1,739,471,101	1,646,737,122	5.63%
NONCURRENT ASSETS	134,083,540	153,928,258	-12.89%
<b>TOTAL ASSETS</b>	<b>1,873,554,641</b>	<b>1,800,665,380</b>	<b>4.05%</b>
CURRENT LIABILITIES	238,744,740	148,422,424	60.85%
NONCURRENT LIABILITIES	8,037,681	15,251,498	-47.30%
<b>TOTAL LIABILITIES</b>	<b>246,782,421</b>	<b>163,673,922</b>	<b>50.78%</b>
EQUITY	1,626,772,220	1,636,991,458	-0.62%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,873,554,641</b>	<b>1,800,665,380</b>	<b>4.05%</b>

**2019 VS 2018: FINANCIAL CONDITION**

The net effect of the following has caused the 6% increase in the current assets of the group: (1) 2% increase in cash and cash equivalents as against 2018 due to the interest income earned from investments and collections made by the subsidiary, SOCLand from sale of real estate;(2) Receivable's decrease was brought about by reclassification of P26.74 million to contract assets;(3) Contract asset increased by 14% or P3.6 million to the net effect of decrease in inventory of related sold units for both Anala and Althea units, payments to designs contractors for Azalea Project.:(5) Decrease in Real Estate Inventories due to the recognition of cost of sales amounting to P66M and (5) Other current assets increased by P15.47 million due to advance commissions paid on units not yet recognized as sales, offset of creditable income tax against tax payable of P1.25 million and amortization of prepayments. As at December 31, 2019, contract liabilities amounted to P178.56M. These are expected to be recognized as revenue in the following year. Contract liabilities as of December 31, 2018 amounting to P97.84M were recognized as revenue in 2019.

Decrease in noncurrent liabilities refers to the recognized retirement liability for the year 2019 and the deferred tax liabilities.

**CONSOLIDATED FINANCIAL POSITION**  
**2018 VS 2017 (AUDITED)**  
*(in Philippine pesos)*

ACCOUNTS	December 31, 2018	December 31, 2017	% CHANGE
CURRENT ASSETS	1,460,287,201	1,391,605,336	4.94%
NONCURRENT ASSETS	340,378,179	366,464,918	-7.12%
<b>TOTAL ASSETS</b>	<b>1,800,665,380</b>	<b>1,758,070,254</b>	<b>2.42%</b>
CURRENT LIABILITIES	148,422,424	128,277,782	15.70%
NONCURRENT LIABILITIES	15,251,498	8,818,104	72.96%
<b>TOTAL LIABILITIES</b>	<b>163,673,922</b>	<b>137,095,886</b>	<b>19.39%</b>
EQUITY	1,636,991,458	1,620,974,368	0.99%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,800,665,380</b>	<b>1,758,070,254</b>	<b>2.42%</b>

**2018 VS 2017: FINANCIAL CONDITION**

The net effect of the following has caused the 4.94% increase in the current assets of the group: (1) 5X increase in cash equivalents as against 2017 due to the investment of proceeds from sale of treasury bills to time deposit, interest income earned from investments and gain in redemption of UITF;(2) Receivable's decrease was brought about by reclassification of P26.74 million to contract assets;(3) Real estate for sale dropped by 2.38% or P25.96 million due to the decrease in the inventory of units sold.; and (4) Increase in other current assets was due to the creditable taxes

remitted on fully paid units and refundable deposits for office rental and (5) the decrease in Real estate inventories for the year 2018 as against 2017 was due to the decrease in the development cost incurred and the repossessed inventory. The increase in the current liabilities was due to the increase in the customers' deposit for real estate sales. Increase in noncurrent liabilities refers to the recognized retirement liability for the year 2017 and the deferred tax liabilities. The 2.42% increase in the total assets of the group as of year ended 2018 was due to SOCLand's net income of P 13.52 million a 176% turnaround from last year's net loss of P17.89 million.

**CONSOLIDATED FINANCIAL POSITION**  
**2017 VS 2016 (AUDITED)**  
*(in Philippine pesos)*

ACCOUNTS	December 31, 2017	December 31, 2016	% CHANGE
CURRENT ASSETS	1,391,605,336	1,583,484,810	-12.12%
NONCURRENT ASSETS	366,464,918	181,480,430	101.93%
<b>TOTAL ASSETS</b>	<b>1,758,070,254</b>	<b>1,764,965,240</b>	<b>-0.39%</b>
CURRENT LIABILITIES	128,277,782	114,205,459	12.32%
NONCURRENT LIABILITIES	8,818,104	4,222,219	108.85%
<b>TOTAL LIABILITIES</b>	<b>137,095,886</b>	<b>118,427,678</b>	<b>15.76%</b>
EQUITY	1,620,974,368	1,646,537,562	-1.55%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,758,070,254</b>	<b>1,764,965,240</b>	<b>-0.39%</b>

**2017 VS 2016: FINANCIAL CONDITION**

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The net effect of the following has caused the dropped of 12% in the current assets of the group: (1) 4% increase in cash and cash equivalents due to interest income earned from investment in treasury bills and gain in redemption of UITF;(2) Receivables decreased by 24% due to the net effect of the collection of accounts pertaining to Anala, the first tandem building of SOCLand, which were turned over last May 2015 and the recognition of sales for those units of which 20% of the total contract price was collected;(3) Real Estate for sale increase by 1% due to the recognition of the cost of units sold; and (4) other current assets decreased due to the decrease in input vat recognized as current. (5) reclassification of P188M of real estate inventories from current asset to non-current asset category.

The increase in the current liabilities was due to the 42% increase in the customers' deposit for real estate sales.

Increase in noncurrent liabilities refers to the recognized retirement liability for the year 2017 and the deferred tax liabilities.

## **KEY PERFORMANCE INDICATORS**

The following are the major financial ratios of the Company for the years ended December 31, 2019, 2018 and 2017 and the manner by which the Company calculates the foregoing indicators:

Key Financial Ratios	December 31, 2019	December 31, 2018	December 31, 2017
<b>Revenue Growth</b>			
(Total Revenues (current period) - Total Revenues (prior period))/Total Revenues (prior period)	-17.32%	96.06%	-60.36%
<b>Net income Growth/(Decline)</b>			
Net Income (after tax) (current period)- Net income (prior period, after tax)/Net income (prior period, after tax)	-112.84%	129.84%	201.94%
<b>Solvency Ratio</b>			
(After Tax Net Income+Depreciation)/Total Liabilities	0.89%	6.54%	-17.39%
<b>EBITDA</b>			
Income from operations plus depreciation and amortization	P 2,206,689	P10,708,661	(P 23,842,405)
<b>Asset to Equity Ratio</b>			
Total Assets/Total Equity	1.1517 x	1.1000 x	1.0846 x
<b>Return on Equity (ROE)</b>			
Net income/ Equity	-0.06%	0.48%	-1.62%
<b>Return on assets (ROA)</b>			
Net income/ Total Assets	-0.05%	0.44%	-1.49%
<b>Current/Liquidity ratio</b>			
Current Assets/ Current Liabilities	7.29 x	11.09 x	12.32 x
<b>Debt to Equity Ratio</b>			
Total Liabilities/ Equity	0.1517 x	0.1000 x	0.0846 x

### **2019 VS 2018**

The 5.6% and 61% increase in current assets and current liabilities as of year ended 2019 has caused the current ratio to go down by 3.8 x as against year ended 2018.

A slight increase on the asset to equity ratio was due to the increase in the total assets of the group.

The increase in debt to equity ratio was mostly driven by the recognition of deferred tax liabilities pertaining to difference between tax and book basis of accounting for real estate transactions, gain on repossession, unrealized foreign exchange gain and fair value changes of equity investments at fair value through other comprehensive income.

### **2018 VS 2017**

The 4.94% and 15.7% increase in current assets and current liabilities as of year ended 2018 has caused the current ratio to go down by 1.1 x as against year ended 2017.

There has been an outstanding 96.06% revenue growth as of year ending 2018 as against the negative 60.36% the prior year. The subsidiary posted a net income of P 13.52 million a 176% turnaround from last year's net loss of P17.89

million. Total sales recognized for the Anala and Althea is at P25.74 million and P111.92, respectively, for the year 2018.

A 6.51% solvency ratio for the group, 0.48% return on equity and 0.44% return on assets was due to the ₱7.8M net income as of year ended December 31, 2018.

A slight increase on the asset to equity ratio was due to the increase in the total assets of the group.

The increase in debt to equity ratio was mostly driven by the recognition of deferred tax liabilities pertaining to difference between tax and book basis of accounting for real estate transactions, gain on repossession, unrealized foreign exchange gain and fair value changes of equity investments at fair value through other comprehensive income.

## **2017 VS 2016**

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The 0.4% decrease in current assets coupled with the 12% increase in current liabilities for the year ended 2017 has caused the current ratio to go down by 1.38 x as against year ended 2016.

A slight increase on the asset to equity ratio was due to the decrease in the total assets of the group particularly receivables and a decrease also on the equity.

The group was able to maintain its high debt to equity ratio. Increase on total liabilities was mostly driven by the recognition of deferred tax liabilities pertaining to difference between tax and book basis of accounting for real estate transactions, gain on repossession, unrealized foreign exchange gain and fair value changes of AFS financial assets

## **PROSPECTS FOR THE FUTURE**

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The outlook for SOC in the coming years is quite optimistic. Even with the refocus in business interests, new opportunities seem to look very promising and are discussed below.

### **(1) Prospects for SOC Land Development Corporation**

SOC's investment into property development is seen as an important aspect in enhancing its shareholder value. In November 2010, SOC diversified its business and invested into real property development through SOC Land Development Corporation (SOC Land), a wholly-owned subsidiary with the primary purpose of SOC Land is to deal and engage in real estate business.

SOC Land is developing a 2.4-hectare community, called Anuva Residences (the Project), situated near Sucat Interchange and will have four (4) tandem buildings. The first tandem building, Anala, has been completed and delivered last May 16, 2015 during the turnover ceremony held on the same day.

The second tandem building known as AZALEA is currently in a preselling stage focusing on the Green Urban Living image with amenities like the reflecting pool, adult and kiddie pool, cascades, picnic groves, clubhouse, garden party and BBQ area.

SOC Land officially launched in Nov. 15, 2015, its latest horizontal residential development project, Althea Residences. It is situated in Brgy. Zapote, Biñan City, Laguna and will feature modern homes with a tranquil vibe spread in 4.3 hectares of land. Homeowners can choose from three housing options and the subdivision offers a variety of first class amenities. It is strategically located near schools, churches, commercial establishments and malls, hospitals and government offices.

### **(2) Prospects for Agri-based businesses**

The Company entered into an agreement with the Palawan ICC (Indigenous Cultural Community) Campong It Mapangarapan It Palawano (CAMPAL) of Rizal, Palawan to undertake agro-industrial development of their ancestral land. The National Commission for Indigenous Peoples (NCIP) awarded the Company the Certificate of Pre-condition with FPIC (Free Prior Informed Consent) for the agreement last June 2016. The Company has completed project documentation with the LGUs (Local Government Units). SOC and CAMPAL conferred with the LGUs and the Palawan



Council for Sustainable Development (PCSD) to secure the Strategic Environmental Plan (SEP) Clearance needed for the agro-industrial development with coffee as the initial undertaking. On March 8, 2018 the PCSD issued the SEP Clearance Certificate for the development of 3212 hectares of the IP area. The Company together with CAMPAL are securing documentation for an ECC for the project.

Coffee and coconut are envisioned to be the main crops of the area. Coffee is the second most traded commodity worldwide. The Philippines consumes about 170,000 metric tons of coffee (Phil. Coffee Board) and is a net importer of coffee. It imports almost 70% of its coffee needs at a cost of P7B.

Coconut, also called the “tree of life” is an established commercial plant wherein its derived products are used domestically and internationally.

The Company is also investigating the possibility into entering the dairy/livestock industry.

### (3) Prospects for Other Energy, Mineral and Other Resource Based Opportunities

The Company continues to review potential energy resources as it explores entry into opportunities in other conventional and renewable energy resources.

The Company applied for an Exploration Permit Application with the Mines and Geosciences Bureau Regional Office No. VII covering an area of 843 hectares, completing payment of fees last August 5, 2020. The application is undergoing evaluation by MGB Region VII office.

The global situation in recent years presents opportunities for the Company to seek entry into the mineral resource based sector.

### **KEY VARIABLE AND OTHER QUALITATIVE AND QUANTITATIVE FACTORS**

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There are no material trends, events or uncertainties that are reasonably expected to occur in the next twelve months that will have a material favorable or unfavorable impact on the results of the Company's liquidity. Should there be material changes in working capital it would be advances from the management to support the Company's operation or a sale of non-current assets.

There are no significant elements of income or loss that did not arise from the Company's continuing operations. There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or accumulation of an obligation.

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

The Company has no plans of changing the number of employees for the next twelve months.

The material changes for this year in comparison with the prior year-end based on line items in the comparative financial statements as of December 31, 2019, 2018 and 2017 are summarized as follows:

ACCOUNTS	For the Period December 31			% CHANGE	
In Millions	2019	2018	2017	2019 vs 2018	2018 vs 2017
<b>Statement of Financial Position</b>					
Cash & Cash Equivalents	557.46	455.63	115.03	22.35%	296.09%
Receivables	12.45	30.40	57.48	-59.04%	-47.11%
Contract Assets - current	30.39	26.74	-	13.64%	100.00%
Real estate inventories	1,056.58	1,066.91	1,092.87	-0.97%	-2.38%
Due from a related party	0.24	0.23	0.19	5.50%	20.40%
Prepayments & Other Current Assets	82.34	66.82	59.02	23.23%	13.21%
Receivables - net of current portion	15.00	15.00	61.84	0.00%	-75.74%
Equity investments at FVTOCI	43.21	52.29	-	-17.37%	100.00%
Contract Assets - net of current portion	24.12	26.74	-	-9.81%	100.00%
Property & Equipment	38.69	35.98	34.87	7.53%	3.19%
Other noncurrent assets	13.07	17.95	27.50	-27.19%	-34.73%
Accounts Payable & other Liabilities	60.18	50.58	128.28	18.98%	-60.57%
Contract liabilities	178.56	97.84	-	82.50%	100.00%
Retirement benefit obligation	5.78	4.28	4.80	35.05%	-10.72%
Deferred Tax Liability	2.26	10.97	4.02	-79.44%	172.70%
Retained Earnings - Unappropriated	123.74	124.75	116.81	-0.81%	6.80%
<b>Statement of Comprehensive Income</b>					
<b>REVENUES</b>					
Interest Income	23.13	17.66	12.90	31.01%	36.91%
Real estate sales from contract with customers	115.67	137.58	64.93	-15.93%	111.88%
Dividend Income	0.39	0.41	0.3501	-5.69%	17.01%
<b>COST AND EXPENSES</b>					
Cost of real estate sales	66.17	65.72	33.41	0.69%	96.69%
Sales and marketing expenses	13.43	24.51	22.46	-45.21%	9.16%
General and Administrative Expenses	57.40	61.08	50.80	-6.03%	20.24%
Provision for Income Tax	(0.07)	5.25	3.44	-101.37%	52.41%

## Discussion for 2019 VS 2018

### *Cash & Cash Equivalents*

Collection of payments from the unit owners of Anala Building as well as reservation fees for the Althea, late payment penalties, forfeited payments, interest earned on in house financing, interest income from short term investments and time deposits and dividend income has caused the increase in cash.

### *Receivables*

Receivable decreased by 59% brought about by reclassification of P26.74 million to contract assets.

### *Real Estate inventories*

Real estate inventories dropped by 0.97% or P10.32 million due to the decreased in the inventory of units sold.

### *Prepayments & other Assets*

Increase is mainly due to the increase in input VAT, advance payment of commission on units sold not recognized yet as sales, offset of creditable income tax as against payable and amortization of prepayments.

### *Available for Sale Financial Assets*

The decrease in the market value of domestic stock holdings of the company.

#### *Accounts Payable & Other Liabilities*

Increase was due to increase in customers' deposits.

#### *Retirement Benefit Obligation*

The group recognized ₱0.67M benefit obligation for the retirement plan of the group under defined benefit plans for the year 2019. The group has unfunded, noncontributory defined benefit retirement plan which covers all of its regular employees. The benefits are based on years of service and compensation on the last years of employment. Normal retirement is the attainment of age 60 and completion of at least 5 years of service.

#### *Other Income*

This consists of forfeited buyer deposits, gain on repossession, penalty income and late charges.

#### *Sales and Marketing Expense*

46% of the total sales and marketing expense pertains to the commissions and incentives amounting to ₱6.16M, 18.43% pertains to consultancy fees amounting to ₱2.4M, 20.87% pertains to product presentation amounting to ₱2.8M and 7.29% makes up for the advertising expense amounting to ₱0.98M.

#### *General and Administrative Expenses*

The following expenses take the biggest share in the general and administrative expenses: Personnel Cost amounting to ₱21.29M (37.08%), Property Management Expense amounting to ₱3.47M (6.04%), Professional fees amounting to ₱3.46M (6.02%), Travel and transportation amounting to ₱6.9M (12.08%) and Taxes & Licenses amounting to ₱3.44M (5.99%).

### **Discussion for 2018 VS 2017**

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#### *Cash & Cash Equivalents*

Collection of payments from the unit owners of Anala Building as well as reservation fees for the Althea, late payment penalties, forfeited payments, interest earned on in house financing, interest income from short term investments and time deposits and dividend income has caused the increase in cash. The increase in cash equivalent is due to the investment of proceeds from sale of treasury bills to time deposit.

#### *Receivables*

Receivable decreased by 47.11% brought about by reclassification of P26.74 million to contract assets.

#### *Real Estate inventories*

Real estate for sale dropped by 2.38% or P25.96 million due to the decreased in the inventory of units sold.

#### *Prepayments & other Assets*

Decrease is mainly due to the increase in input VAT and refundable deposits.

#### *Available for Sale Financial Assets*

The decrease in the market value of domestic stock holdings of the company.

#### *Accounts Payable & Other Liabilities*

Increase was due to increase in customers' deposits.

#### *Retirement Benefit Obligation*

The group recognized ₱0.65M benefit obligation for the retirement plan of the group under defined benefit plans for the year 2017. The group has unfunded, noncontributory defined benefit retirement plan which covers all of its regular employees. The benefits are based on years of service and compensation on the last years of employment. Normal retirement is the attainment of age 60 and completion of at least 5 years of service.

#### *Other Income*

This consists of forfeited buyer deposits, gain on repossession, penalty income and late charges.

#### *Sales and Marketing Expense*

44% of the total sales and marketing expense pertains to the commissions and incentives amounting to ₱10.9M, 33% pertains to consultancy fees amounting to ₱8.14M, 9.58% pertains to product presentation amounting to ₱2.35M and 7.62% makes up for the advertising expense amounting to 7.3M.

#### *General and Administrative Expenses*

The following expenses take the biggest share in the general and administrative expenses: Personnel Cost amounting to ₱17.15M (28%), Property Management Expense amounting to ₱15.06M (24.65%), Professional fees amounting to ₱4.84M (7.93%), Research and development cost amounting to ₱4.47M (7.32%), Travel and transportation amounting to ₱4.1M (6.73%) and Depreciation amounting to ₱2.82M (4.61%).

### **Discussion for 2017 VS 2016**

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#### *Cash & Cash Equivalents*

Collection of payments from the unit owners of Anala Building as well as reservation fees for the Althea, late payment penalties, forfeited payments, interest earned on in house financing, interest income from short term investments and dividend income has caused the increase of 4% in cash and cash equivalents. An amount of P252M was invested in treasury bills which has already earned an income of P3.3M for the year 2017.

#### *Receivables*

The decrease on the receivable is due to the collection of sales on account.

#### *Real Estate inventories*

An addition of P25.6M for development cost incurred and repossessed inventory amounting to P18.5M with a recognition of P33.4M in cost of real estates caused the slight increase in real estate inventories.

#### *Prepayments & other Assets*

Decrease is mainly due to the decrease in input VAT – current portion by P13.6M.

#### *Available for Sale Financial Assets*

The decrease in the market value of domestic stock holdings of the company.

#### *Accounts Payable & Other Liabilities*

Increase was due to increase in customers' deposits.

#### *Retirement Benefit Obligation*

The group recognized ₱0.54M benefit obligation for the retirement plan of the group under defined benefit plans for the year 2017. The group has unfunded, noncontributory defined benefit retirement plan which covers all of its regular employees. The benefits are based on years of service and compensation on the last years of employment. Normal retirement is the attainment of age 60 and completion of at least 5 years of service.

#### *Other Income*

This consists of forfeited buyer deposits, gain on repossession, penalty income and late charges.

#### *Sales and Marketing Expense*

37% of the total sales and marketing expense pertains to the commissions and incentives amounting to ₱8.4M, 20% pertains to product presentation amounting to ₱4.5M and 32% makes up for the consultancy fees amounting to 7.3M.

#### *General and Administrative Expenses*

The following expenses take the biggest share in the general and administrative expenses: Personnel Cost amounting to ₱14.3M (28%), Taxes and Licenses amounting to ₱4.8M (9%) and Travel and transportation amounting to ₱6.2M (12%).

## RESULTS AND PLANS OF OPERATIONS

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### Real Estate: SOC Land

SOC Land's vertical residential development project, ANUVA RESIDENCES located at Muntinlupa City has completed its first tandem building project known as ANALA. ANALA the first tandem building of ANUVA RESIDENCES project has sold 512 of the 533 units as of December 2019 which corresponds to 96% of the total inventory. 436 units have been turned over to end users. Out of this, 423 units are occupied with more than 1,000 people currently residing in the building.

AZALEA the second tandem building of ANUVA RESIDENCES is still in a pre-selling stage which is focusing on the Green Urban Living image. Azalea has sold 403 of its 618 units that correspond to 65% of the total inventory.

SOC Land's horizontal residential development project, ALTHEA RESIDENCES located at Biñan City Laguna has sold a total of 216 of 229 units, a combination of townhouses, lots and house & lots that correspond to 94% of the total inventory. Sixty-five (65) units have already constructed, and fifty-five (55) of these have been turned over to end-users. Out of this, forty-four (44) units are occupied and already residing in the subdivision. In addition, there are nine (9) more units being constructed and the target completion will be in 2020.

### Other Energy, Mineral and Resource Based Opportunities

The Company entered into an agreement with the Palawan IP group Campong It Mapangarapan It Palawano (CAMPAL) of Rizal, Palawan to undertake agro-industrial development of their ancestral land. The National Commission for Indigenous Peoples (NCIP) handed over to the Company the Certificate of Pre-condition with FPIC (Free Prior Informed Consent) for the agreement last June 2016. The Company has completed project documentation with the LGUs (Local Government Units). SOC and CAMPAL conferred with the LGUs and the Palawan Council for Sustainable Development (PCSD) to secure the Strategic Environmental Plan (SEP) Clearance needed for the agro-industrial development. On March 8, 2018 the PCSD issued the SEP Clearance Certificate for the development of 3212 hectares of the IP area. The company is on the later stages of securing documentation for an ECC for the project after recently being given a Protected Area Management Board Endorsement.

Coffee and coconut are envisioned to be the main crops of the area. Coffee is the second most traded commodity worldwide. The Philippines consumes about 170,000 metric tons of coffee (Phil. Coffee Board) and is a net importer of coffee. It imports almost 70% of its coffee needs at a cost of P7B.

Coconut, also called the "tree of life" is an established commercial plant wherein its derived products are used domestically and internationally.

The global situation in recent years presents opportunities for the Company to seek entry into mineral exploration and exploitation sector.

The Company is in a favorable situation wherein its current cash position allows it to review other businesses wherein it may invest.

Agri-Business	\$3MM
Other Energy, Mineral & Resources Based Opportunities	\$ 300K for Assessment Studies

## Item 5: MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

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### (1) Market Information

The Principal Market where the Issuer's common equity is traded is in the Philippine Stock Exchange.

As of the first quarter ending March 31, 2020, the high, low and closing price is at ₱0.63, ₱0.63, and ₱0.63 respectively. As of the trading date June 15, 2020 the high, low and closing price is at ₱0.66, ₱0.64 and ₱0.64 respectively. The Corporation has no securities to be issued about an acquisition, business combination or other re-organization. Furthermore, the following are the high and low sales prices for each quarter within the last two years (2019 and 2018).

#### Stock Prices

<b>2019</b>	<b>High</b>	<b>Low</b>
First Quarter	1.10	1.00
Second Quarter	0.86	0.82
Third Quarter	0.89	0.86
Fourth Quarter	0.79	0.74
<b>2018</b>	<b>High</b>	<b>Low</b>
First Quarter	0.83	0.81
Second Quarter	0.78	0.78
Third Quarter	0.81	0.81
Fourth Quarter	0.74	0.74

### (2) Holders

The number of shareholders of record as of June 15, 2020 was 358. Common shares issued as of June 15, 2020 were 906,559,568. Total number of common shares outstanding as of June 15, 2020 were 901,920,568.

**Top Twenty (20) Stockholders**

As of June 15, 2020

	HOLDER NAME	TOTAL SHARES	% OWNED
1	CASTRO, BELEN R.	231,531,122	25.6709%
2	REYES, EDGARDO P.	229,853,123	25.4849%
3	REYES, WILFRIDO P.	226,853,123	25.1522%
4	PCD NOMINEE CORP. (FILIPINO)	161,975,229	17.9589%
5	CHUA, BENJAMIN UY	10,551,500	1.1699%
6	PCD NOMINEE CORP. (NON-FILIPINO)	7,859,271	0.8714%
7	R. COYIUTO SECURITIES, INC.	1,825,000	0.2023%
8	DE VILLA, LUISMI GALA	808,000	0.0896%
9	ESCALER, MICHAEL	630,000	0.0699%
10	PEREZ, MA. GEORGINA V.	610,000	0.0676%
11	MANGUIAT, REMEDIOS J.	580,000	0.0643%
12	CRUZ, BENITO T. DELA	520,000	0.0577%
13	MERCADO, TERESITA P.	500,000	0.0554%
14	CHUA, ROJAS	500,000	0.0554%
15	MITRA, RAMON	500,000	0.0554%
16	OSMENA, RAMON	500,000	0.0554%
17	CABANES, LORETO	500,000	0.0554%
18	ESTRADA, JOSEPH	500,000	0.0554%
19	LAYOSA, EDNA L.	500,000	0.0554%
20	F. YAP SECURITIES, INC.	440,000	0.0488%

**DIVIDEND DECLARATION**

The Company has no earnings yet from commercial production pertaining to the oil exploration segment of the business hence there were no dividends declared for the period ended December 31, 2019 and two years ended December 31, 2018 and December 31, 2017.

The Corporation has a dividend policy to declare dividends to stockholders of record, which are paid out of its unrestricted retained earnings. The declaration and payment of cash dividends are subject to approval by the Board of Directors without any further need for stockholders' approval. On the other hand, the declaration and payment of stock dividends require the further approval of the stockholders representing no less than two-thirds (2/3) of the Corporation's outstanding capital stock.

**RECENT SALE OF UNREGISTERED OR EXEMPT SECURITIES**

There had been no sale of unregistered or exempt securities, including recent issuance of securities constituting an exempt transaction by the Company in the last three years.

## Item 6: CORPORATE GOVERNANCE

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The Board of Directors and Management of the corporation hereby commit themselves to the principles and best practices contained in the **Revised Manual on Corporate Governance** and acknowledge that the same may guide the attainment of their corporate goals.

This Manual shall institutionalize the principles of good corporate governance in the entire organization. The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization.

An evaluation system is being set in place in relation to the provisions of the Manual on Corporate Governance to measure the level of compliance by directors and top management.

The company has been implementing its formal compliance program such that its officers and employees on various occasions attended training sessions and seminars provided by the PSE, SEC and other third-party providers.

There has been no deviation from the company's Manual of Corporate Governance.

The Company believes that the current corporate governance of the Company is sufficient to address its needs.

The Company revised its Corporate Governance Manual in accordance with SEC Memorandum Circular No. 6 Series of 2009.

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## **ANNEX TO INFORMATION STATEMENT 2020**

Corporate acts and resolutions of the board of directors and management of the Corporation for the year 2019.

### **A. SPECIAL MEETING OF THE BOARD OF DIRECTORS HELD ON 8 FEBRUARY 2019:**

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In connection with the Corporation's need to apply for an Exploration Permit with the Department of Environment and Natural Resources (DENR)-Mines and Geosciences Bureau, the following resolution was unanimously adopted and approved:

"RESOLVED, as it is hereby resolved, that the Corporation authorized, as it hereby authorizes, its Vice-President for Operations/Geologist, MR. DAVID R. BALADAD, and Technical Assistant, MR. BERLIN B. BALBOA, to apply for an Exploration Permit with the DENR-Mines and Geosciences Bureau, Region 7, for its exploration project in Basay, Negros Oriental, and for which said officers are authorized to execute, sign, deliver, receive for and in behalf of the Corporation, the necessary documents to implement this resolution."

### **B. SPECIAL MEETING OF THE BOARD OF DIRECTORS HELD ON 04 MARCH 2019:**

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The directors appointed the Corporation's authorized playing representative to the Wack-Wack Golf and Country Club, and thus the following resolution was unanimously adopted and approved:

"RESOLVED, that the Board of Directors of SOCRESOURCES, INC. (the "Corporation") appointed, as it hereby appoints, its Chairman, Mr. Edgardo P. Reyes, as the Corporation's authorized signatory and the authorized playing representative to the Wack-Wack Golf and Country Club."

### **C. SPECIAL MEETING OF THE BOARD OF DIRECTORS HELD ON 10 APRIL 2019:**

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#### Publication of Notice to Distribute the Corporation's 1st Interim 2019 Unaudited Financial Statements

The directors authorized the Corporation's any one of Mr. Edgardo P. Reyes and Ms. Belen R. Castro to effect the necessary publication in two (2) newspapers of general circulation of the Notice to Distribute the Corporation's 2019 1st Interim Unaudited Financial Statements and thus the following resolution was unanimously adopted and approved:

"RESOLVED, that the Board of Directors of SOCRESOURCES, INC. (the "Corporation") authorized, as it hereby authorizes, the Corporation's Chairman, Edgardo P. Reyes, President, Wilfrido P. Reyes, or Treasurer, Belen R. Castro, to effect the publication in two (2) newspapers of general circulation of the notice to distribute the Corporation's 2019 1st Interim Unaudited Financial Statements (IUFS), which reads as follows:

TO ALL THE STOCKHOLDERS OF SOCRESOURCES, INC.:

WE WILL NOT BE ABLE TO PROVIDE THE 2019 1ST INTERIM UNAUDITED FINANCIAL STATEMENTS (IUFS) ON 9 MAY 2019. INSTEAD, A COPY OF SUCH REPORT WITH MANAGEMENT'S DISCUSSION AND ANALYSIS WILL BE POSTED IN THE COMPANY'S WEBSITE AT LEAST FIVE (5) CALENDAR DAYS BEFORE THE ANNUAL STOCKHOLDERS' MEETING ON 31

MAY 2019. UPON REQUEST BY ANY STOCKHOLDER, THE COMPANY SHALL PROVIDE A HARD COPY OF THE IUFs AS SOON AS IT IS AVAILABLE BUT NOT LATER THAN AT LEAST FIVE (5) CALENDAR DAYS BEFORE THE SCHEDULED DATE OF MEETING. IN THE CASE THAT THE REQUEST WAS MADE AT A LATER DATE, THE COMPANY SHALL ENDEAVOR TO PROVIDE SUCH REPORT AS SOON AS POSSIBLE.

#### Approval of 2018 Audited Financial Statements

“RESOLVED FURTHER, that the Board of Directors of SOCRESOURCES, INC. (the “Corporation”) hereby approves the Corporation’s Audited Financial Statements for year ending 31 December 2018, as certified by the external auditor, Sycip Gorres Velayo & Co.

#### Release of the Corporation’s Audited Financial Statements

The directors authorized any one of Mr. Edgardo P. Reyes, Mr. Wilfrido P. Reyes and Ms. Belen R. Castro to effect the release of the Corporation’s Audited Financial Statement and thus the following resolution was unanimously adopted and approved:

“RESOLVED, FURTHER, that the Corporation’s Chairman, Mr. Edgardo P. Reyes, President, Wilfrido P. Reyes and Treasurer, Belen R. Castro, are hereby authorized to make the necessary arrangements in order to effect the release of the Corporation’s Audited Financial Statements, including the authority to sign, execute and/or deliver the same and any and all documents in the name of the Corporation in connection therewith;

“RESOLVED, FINALLY, that a signed true copy of these resolutions be submitted to the External Auditor and shall serve as the written authority of the aforementioned Officers in effecting the approval and release of the Corporation’s Audited Financial Statements ending 31 December 2018, which resolutions shall remain valid until the same are otherwise revoked.”

#### **D. SPECIAL MEETING OF THE BOARD OF DIRECTORS HELD ON 07 OCTOBER 2019:**

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The Corporation availed of a life insurance policy for Mr. David R. Baladad with Pru Life Insurance Corporation of UK. Thus, the following resolution was unanimously adopted and approved:

“RESOLVED, that the Corporation be authorized, as it is hereby authorized, to open a Life Insurance Policy for Mr. David R. Baladad with Pru Life Insurance Corporation of UK.

#### **E. ANNUAL STOCKHOLDERS MEETING HELD ON 26 JUNE 2019:**

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The Chairman, Mr. Edgardo P. Reyes, presided and called the meeting to order while the Corporate Secretary, Atty. Magilyn T. Loja, recorded the minutes of the meeting. Upon the request of the Chairman, the Corporate Secretary certified that printed notices for the annual meeting were sent to all stockholders.

The Chairman then stated that the first item on the agenda was the reading and approval of the minutes of the annual stockholders meeting held on 25 May 2018. There being no comments on the Minutes, the Stockholders, on motion duly made and seconded, adopted the following resolution:

“RESOLVED, that the minutes of the meeting of the Stockholders Annual Meeting held on 25 May 2018, be, as they are hereby, **APPROVED.**”

The Chairman then stated that the next item on the agenda was the report of Management. Inasmuch as printed copies of the Definitive Information Statement report containing a review of the

Company's operations, as well as of the Company's Audited Financial Statements as of 31 December 2018, were furnished the stockholders prior to the meeting, the Chairman proceeded to read the Chairman's Statement. Thereafter, and on motion duly made and seconded, the following resolution was unanimously approved and adopted:

"RESOLVED, that the report of Management on the operations of the Corporation for fiscal year ended 31 December 2018, as well as the Audited Financial Statements for the same period be, as they are hereby, approved."

The Chairman then stated that the next item on the agenda was the ratification of all acts of the Board of Directors and Officers. Whereupon, on motion duly made and seconded, the following resolution was unanimously approved and adopted:

"RESOLVED, that all acts of, and all transactions entered into by, the Board of Directors and Officers of the Corporation on the latter's behalf during the fiscal year ending 31 December 2018 and to date, be, as they are hereby, ratified and approved."

The next item on the agenda being the election of Directors, the Chairman declared the table open for nomination. Whereupon, the following were nominated as Directors of the Company for the ensuing year:

Edgardo P. Reyes  
Wilfrido P. Reyes  
Belen R. Castro

as well as Messrs. Manuel G. Arteficio and Francisco M. Bayot, Jr. as the Company's Independent Directors. There being no other nominations, and upon motion duly made and seconded, the Chairman declared the nominations closed and thereupon directed the Corporate Secretary to cast all the votes in favor of the five (5) candidates who were then declared unanimously elected.

The Chairman then stated that the next item on the agenda was the appointment of the Company's external auditors. Whereupon, on motion duly made and seconded, the following resolution was unanimously approved and adopted:

"RESOLVED, that the accounting firm of Sycip Gorres Velayo & Co. be, as it is hereby, re-appointed as the Corporation's external auditors for the calendar year 2019 with Mr. Kristopher S. Catalan as the Engagement Partner."

The Chairman then opened the floor for the stockholders to ask questions from the Management regarding the state of the Corporation. Thereafter, there being no further business to handle, the meeting was, on motion duly made and seconded, adjourned.

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**SOCRESOURCES, INC. AND SUBSIDIARY**

## Schedule 3: Other long term investments and other Investments

## Available for Sale Financial Assets

As of December 31, 2019

*In Philippine Peso unless stated*

Name of Issuing Entity & Description of Investment	Number of Shares or Principal Amount of Bonds & Notes	Value Based on Market Quotations at the end of Reporting Period	Dividends, Interest Received from Investments not accounted for by the equity Method
<b>Investment in Shares of Stocks</b>			
<i>Listed - Domestic</i>			
Aboitiz Equity Ventures, Inc.	7,800	401,310	30,334
Lepanto Consolidated Mining Company "A"	2,078,000	189,098	
Manila Mining Corporation "A"	26,480,000	198,600	
Manila Water Company, Inc.	265,000	2,740,100	241,203
Petron	1,147,500	4,429,350	114,750
		<b>7,958,458</b>	<b>386,287</b>
<i>Not Listed - Domestic</i>			
Wackwack Golf & Country Club	1	35,000,000	
Southwest Resources, Inc.		3,333,500	
Mt. Malarayat Golf & Country Club	1	250,000	
		38,583,500	
Allowance for Impairment on AFS - Unlisted		(3,333,500)	
		<b>35,250,000</b>	
<b>TOTAL AVAILABLE FOR SALE FINANCIAL ASSETS</b>		<b>43,208,458</b>	

**SOCResources, Inc. and Subsidiary**

Schedule 4: Aging of Consolidated Accounts Receivable

As of December 31,2019

CURRENT					PAST DUE			Past due Accounts
Total	1 Month	2-3 Mos.	4-6 Mos.	7 Mos. To 1 Year	1-2 Years	3-4 Years	5 Years - Above	
Accounts Receivable								
1 Advances to Suppliers & Contractors	339,795	170,672	50,953	-	22,424	90,746	5,000	
2 Officers and employees	4,241,592	221,449	161	7,169	12,813	-	4,000,000	
3 IGC Securities, Inc.	10,296	10,296	-	-	-	-	-	
4 Unit Owners	4,140,538	4,140,538	-	-	-	-	-	
5 Due from Anuva Condo	(4,083)	(4,083)	-	-	-	-	-	
6 Due from Althea HOA	35,141	-	-	-	35,141	-	-	
7 Due from HDMF	1,191,174	823,074	224,706	143,395	-	-	-	
8 Others	2,499,107	946,934	13,218	223,804	126,097	783,827	396,827	8,400
Subtotal	12,453,560	6,308,880	289,037	374,368	138,910	841,392	487,573	4,013,400
Less: Allow. For Impairment losses on receivables	-	-	-	-	-	-	-	-
A/R - net	12,453,560	6,308,880	289,037	374,368	138,910	841,392	487,573	4,013,400
Net Receivables	12,453,560	6,308,880	289,037	374,368	138,910	841,392	487,573	4,013,400
								NONE

**Notes:** If the Company's collection period does not match with the above schedule and revision is necessary to make the schedule not misleading, the proposed collection period in this schedule may be changed to appropriately reflect the Company's actual collection period.

Accounts Receivable Description :

Type of A/R :	Nature/Description	Collection Period
		monthly payment of interest & quarterly payment of principal
1) Amount owed by a related party	Receivable from SCPI	monthly
2) Officers and employees	Advances to employees for emergency purpose on a 1 year term payable monthly	past due yet collectible
3) Others	Receivable from third party	
<b>Notes :</b> Indicate a brief description of the nature and collection period of each receivable accounts with major balances or separate receivable captions, both for trade and non-trade accounts.		

Normal Operating Cycle: 1 (one) year

**SOCRESOURCES, INC. AND SUBSIDIARY**

Schedule 5: Amounts Receivable from Related Parties which are eliminated during the consolidation of Financial Statements

As of December 31, 2019

		<b>Beginning Balance</b>	<b>Deductions</b>	<b>Ending Balance</b>
		<b>December 31, 2018</b>		<b>December 31, 2019</b>
SOC Land Development, Corp.		1,001,200,241	(96,000,000)	905,200,241

**SOCRESOURCES, INC. AND SUBSIDIARY**

## Schedule 7: Key Performance Indicator

	KEY FINANCIAL RATIOS	December 31, 2019	December 31, 2018
I.	Current/Liquidity Ratios	7.29 x	11.09 x
II.	Solvency Ratio	0.89%	6.54%
III.	Debt-to-equity ratio (in x)	0.1517 x	0.1000 x
IV.	Asset to Equity Ratio	1.1517 x	1.1000 x
V.	Interest Rate Coverage Ratio	N/A	N/A
VI.	Profitability Ratio		
	Return on Equity (ROE)	-0.06%	0.48%
	Return on Assets (ROA)	-0.05%	0.44%
VII.	Other Relevant Ratios		
	Revenue Growth/ (Decline)	-17.32%	96.06%
	Net Income Growth/ (Decline)	-112.84%	129.84%
	EBITDA	Php 2,206,689	Php 10,708,661

**SOCRESOURCES, INC. AND SUBSIDIARY**

Schedule 8: Map of the Relationships of the Companies within the Group

As of December 31, 2019

