

6 December 2016

**PHILIPPINE STOCK EXCHANGE, INC.**

Disclosure Department  
4/F, Philippine Stock Exchange Center  
PSE Center, Exchange Road  
Ortigas Center, Pasig City

Attention: **MR. JOSE VALERIANO B. ZUÑO III**  
OIC - Head, Disclosure Department

Gentlemen:

We advise that Paxys, Inc. (“Paxys” or the “Company”) held its 2016 Annual Stockholders’ Meeting today, 6 December 2016, at 2:00pm at Manila Golf & Country Club, Harvard Road, Forbes Park, Makati City. The highlights of the meeting were as follows:

1. Annual Report for 2015 and Update for 2016

2015 and 2014 Comparative Consolidated Results:

- Paxys has two remaining operating subsidiaries, namely, wholly-owned ScopeWorks Asia, Inc. (SWA) and 50%-owned Paxys Global Services (Dalian) Ltd. Both are generating profits to cover part of the overhead expenses of the Group.
- Y2015 Revenue is lower by 11% vs. Y2014 due to lower volume of business of SWA. Y2015 Cost of Services are lower by 10% vs. 2014 for the same reason. Y2015 General and Administrative Expenses are likewise lower by 6% due to cost cutting measures. Y2015 Other Income is 12% higher vs. Y2014 due mainly to increase in interest income. Overall, Y2015 Net Loss went down by 40% vs. 2014.
- Improvement in the USD/PHP exchange rate from Php44.72 at the end of 2014 to Php47.06 by end of 2015 resulted to translation gain amounting to Php118.4 Million on the Group’s USD funds.

Financial Update for the first nine months ended 30 September 2016

- Revenue and Cost of Services went down by 35% and 34%, respectively, due to lower SWA volume. Other Income increased by 72% due to higher interest income and gain from settlement of long outstanding receivables.
- Overall, Net Income for 3Q 2016 improved to Php13.5 Million from a Net Loss of Php2.1 Million for the same period in 2015. Other Comprehensive Income is slightly lower at Php83.8 Million coming from the further appreciation of the USD from Php47.06 as of 31 December 2015 to Php48.50 as of 30 September 2016.

The following were elected directors for the current term 2016:

Tarcisio M. Medalla  
Roger Leo A. Cariño  
Christopher B. Maldia  
Lim Ghee Keong  
Roberto A. Atendido  
Sivam Kandavanam  
Mark David P. Martinez  
George Y. SyCip (Independent Director)  
Jose Antonio A. Lichauco (Independent Director)

The shareholders approved the appointment of Reyes Tacandong & Co. as the Company's external auditors for the year 2016.

During the organizational meeting of the newly elected Board of Directors held immediately after the stockholders' meeting, the following matters were likewise approved:

1. The following were elected as the Company's officers:

Tarcisio M. Medalla	Chairman and President
Roger Leo A. Cariño	Treasurer
Mark David P. Martinez	Corporate Secretary, Corporate Information Officer and Compliance Officer
Ana Maria A. Katigbak	Assistant Corporate Secretary and Assistant Corporate Information Officer:

2. Appointment of the members of the various Board Committees, as follows:

Executive Committee

Tarcisio M. Medalla, Chairman  
Lim Ghee Keong  
Roger Leo A. Cariño  
Roberto A. Atendido  
Sivam Kandavanam

Audit, Risk Management, and Related Party Transactions Committee

Jose Antonio A. Lichauco, Chairman (Independent Director)  
George Y. SyCip (Independent Director)  
Roberto A. Atendido  
Roger Leo A. Cariño

Compensation Committee

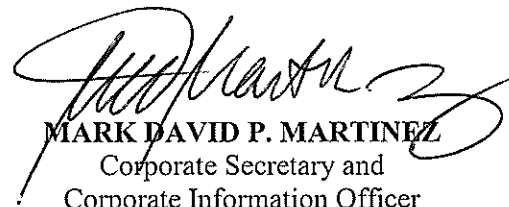
Tarcisio M. Medalla, Chairman  
Roger Leo A. Cariño  
George Y. SyCip (Independent Director)

Nominations and Governance Committee

Tarcisio M. Medalla, Chairman  
George Y. SyCip (Independent Director)  
Jose Antonio A. Lichauco (Independent Director)  
Roger Leo A. Cariño (non-voting).

We trust that the foregoing disclosure is sufficient to inform the investing public.

Very truly yours,



**MARK DAVID P. MARTINEZ**  
Corporate Secretary and  
Corporate Information Officer