



112092014001644



## SECURITIES AND EXCHANGE COMMISSION

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Company Information

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Industry Classification  
Company Type Stock Corporation

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# COVER SHEET

SEC Registration Number

6609

PAXYS, INC.

(Company's Full Name)

15th Floor, 6750 Ayala  
Office Tower, Ayala Avenue  
Makati City 1226

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

Atty. Mark David P. Martinez  
Contact Person

(632) 908-7500  
Company Telephone Number

## SEC Form 17-C

1 2      3 1  
Month      Day  
Fiscal Year

FORM TYPE

0 5                 
Month      Day  
Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc

Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings  
Domestic      Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17 THEREUNDER

1. 9 December 2014  
Date of Report (Date of earliest event reported)
2. SEC Identification Number 6609                      3. BIR Tax Identification  
No. 000-233-218
4. PAXYS, INC.  
Exact name of registrant as specified in its charter
5. Philippines    6. (SEC Use Only)  
Province, country or other jurisdiction of incorporation
7. 15<sup>th</sup> Floor 6750 Ayala Tower Office, Ayala Avenue, Makati City 1226  
Address of principal office    Postal Code
8. 02-908-7500  
Registrant's telephone number, including area code
9. n/a  
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC.

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	1,148,534,866 common shares

Item 9.

Please see attached letter to PSE dated 5 December 2014.

Very truly yours,



MARK DAVID P. MARTINEZ  
Corporate Secretary /  
Corp. Information Officer

Date: 9 December 2014

5 December 2014

**PHILIPPINE STOCK EXCHANGE, INC.**

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

Attention: **Ms. Janet Encarnacion**  
Head, Disclosure Department  
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Gentlemen:

We advise that Paxys, Inc. (“Paxys” or the “Company”) held its 2014 annual stockholders’ meeting today, 5 December 2014, 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 2013 and Update for 2014

2013 and 2012 Comparative Consolidated Results:

- Due to operating efficiency, Consolidated Gross Profit improved in 2013 amounting to Php24.6 Million compared to a Gross Loss of Php25 Million for 2012. Operating Expenses are substantially lower by 54%, resulting into a decrease in Operating Loss by about Php180 Million compared to 2012.
- Overall, Net Loss from Continuing Operations was unchanged at about Php74 Million. The bottom line was, after translation gain, the Company posted lower results in 2013 compared to 2012 which included an extraordinary gain on the sale of Paxys Australia amounting to about Php2.37 Billion in 2012.

Financial Update for the first nine months ended September 30, 2014

- For the year 2014, the only remaining operating subsidiaries of Paxys are Scopeworks Asia, Inc. (SWA), a wholly-owned domestic data transcription company; and Paxys Dalian, a 50%-owned BPO company operating in Dalian, China. SWA is now operating on a stand-alone basis and is generating profit to partly cover the corporate overhead of Paxys. SWA is also providing operational support to Paxys Dalian. Paxys Dalian is expected to achieve breakeven on cash flow this year.
- Consolidated Service Income of Paxys decreased by 2% versus same period in 2013 due to net decline in revenues.
- The net decrease in Cost of Sales of about Php17.6 Million resulted to a higher Gross Profit, an improvement of about 207% versus same period last year. The cost improvement came from the savings in personnel cost arising from efficiency of operations.

- Consolidated Operating Expenses decreased by Php5.7 Million or by about 9% from Php66 Million to Php60 Million brought about by lower management costs in 2014.
- Operating Loss went down by 36% amounting to around Php20.9 Million.
- Other Income increased by 75% coming mainly from the foreign exchange gain of Php8.3 Million in 2014 compared with net other losses of about Php8.4 million in 2013 for a favorable variance of about Php16.7 Million.
- Net Income after Tax went up to about Php1.3 Million from a loss of about Php36.3 Million from last year.

#### Completion of Tender Offer

- On September 30, 2014, Paxys completed the buyback of its shares through a Tender Offer made by its wholly-owned subsidiary, Paxys N.V. The Company's public ownership level is currently at 14.97%, which is above the 10% minimum public float requirement.
- A total of about Php1.0 Billion was utilized to complete the Tender Offer for buying back 345 Million shares. As a result, the Company's Net Asset Value (NAV) decreased from Php4.5 Billion to Php3.5 Billion.
- The Company's NAV per share has however gone up from Php3.93 as of December 31, 2013 to Php4.30 as of October 31, 2014, as a result of the reduction in the number of outstanding shares by 345 Million.
- As of end October 2014, the Company remains to be debt-free and very liquid with about 97% of its assets in cash. The Company is now looking at various investment opportunities. The main focus will be on the acquisition of existing businesses outside of the BPO space. We anticipate an extensive selection and evaluation process before a decision is made on the new business of Paxys.

#### 2. Amendment of Article III of the Articles of Incorporation

The stockholders approved the amendment of the Articles of Incorporation to specify the address of the Company's principal place of office at the 15<sup>th</sup> Floor, 6750 Ayala Office Tower, Ayala Avenue, Makati City, Philippines. The amendment was made in compliance with SEC Memorandum No. 6 dated 20 February 2014.

#### 3. The following were elected directors for the current term until 2015:

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)

4. The authority to appoint the Company's external auditors for the year 2014 was delegated to the Chairman to be based upon the favorable recommendation of the finance officer in charge.

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

1. Election of the following officers for the year 2015:

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  
Lim Ghee Keong  
Roger Leo A. Cariño  
Roberto A. Atendido  
Sivam Kandavanam

Audit and Risk Management 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)

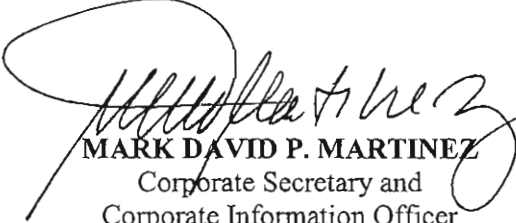
Nominations and Governance Committee

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

3. Amendment of the Articles of Incorporation to specify the address of the Company's principal place of office at the 15th Floor, 6750 Ayala Office Tower, Ayala Avenue, Makati City, Philippines. The amendment was made in compliance with SEC Memorandum No. 6 dated 20 February 2014.

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