

SEC Number 184228
File Number _____

MRC ALLIED, INC.

(Company's Full Name)

5th Floor Eurovilla 4 Building
853 A. Arnaiz Avenue, Makati City

(Company's Address)

(032) 846-7910

(Telephone Number)

(Quarter Ending)

SEC Form 20-IS

(Form Type)

Amendment Designation (If Applicable)

(Period Ended Date)

(Secondary License Type and File Number)

**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: **MRC ALLIED, INC.**

3. **Philippines**

Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **184228**

5. BIR Tax Identification Code **490-000-275-291**

6. **5/F Eurovilla 4 Building, 853 A. Arnaiz Avenue, Makati City**

Address of principal office

1223

Postal Code

7. Registrant's telephone number, including area code: **02-253-1536**

8. **18 June 2018, 9:00 a.m., Manila Polo Club, McKinley Road, Forbes Park, Makati City**

Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **28 May 2018**

10. Name of person filing the statement/solicitor: **Management of MRC Allied, Inc.**

Address and telephone: **5/F Eurovilla 4 Building, 853 A. Arnaiz Avenue, Makati City, 02-846-7910**

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number 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
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<u>Common Stock</u>	<u>8,512,658,975</u>
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12. Are any or all of registrant's securities listed on a Stock Exchange?

Yes / No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange

Common Stock

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of MRC Allied, Inc. (the "Corporation") will be held at Manila Polo Club, McKinley Road, Forbes Park, Makati City, Metro Manila at 9:00 a.m. on **18 June 2018**.

Agenda:

1. Call to Order
2. Proof of the Required Notice of Meeting
3. Proof of Presence of a Quorum
4. Approval of the Minutes of the Previous Meeting
5. Approval of the 2017 Audited Financial Statements
6. Report of the President
7. Ratification of the Corporate Acts of the Board of Directors & Management during year 2017;
(i) The renewal and/or extension of the Lease Agreements involving its principal office in Makati City;
(ii) The renewal and/or extension of agreements with service providers and suppliers; and
(iii) The renewal and/or extension of authority granted to lawyers and paralegals representing the company in legal proceedings involving the company and pending before tribunals and quasi-judicial tribunals.
(iv) The renewal and/or extension of the Firm Reyes Tacandong & Company as external Auditor
8. Election of Directors
9. Other Matters
10. Adjournment

The record date for the determination of the stockholders entitled to notice of and vote at the said meeting is fixed at the close of business hours on **26 April 2018**.

Should you be unable to attend the meeting in person, you may appoint a Proxy by executing the appropriate form. **MRC MANAGEMENT IS NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND A PROXY.** For validation, however, please return your proxies to the undersigned at 5/F Eurovilla 4 Bldg., 853 A Arnaiz Avenue, Makati City.

For your convenience in registering, please have available some form of identification such as driver's license, voter's ID card, TIN card, etc.

For the Board of Directors



ATTY. MARGARETH P. REYES-MENDOZA
Corporate Secretary

**PART I
INFORMATION STATEMENT**

WE ARE NOT ASKING FOR A PROXY

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders

The annual meeting of the stockholders (Annual Meeting) of MRC Allied, Inc. (Corporation) is scheduled to be held at **Manila Polo Club, McKinley Road, Forbes Park, Makati City**, Metro Manila at 9:00 a.m. on **18 June 2018**. The complete mailing address of the principal office of the Corporation is 5th Floor Eurovilla 4 Building, 853 A. Arnaiz Avenue, Makati City.

Definitive copies of this Information Statement will be sent to all stockholders entitled to notice and vote approximately on or before 28 May 2018.

Item 2. Dissenter's Right of Appraisal

Any stockholder of the Corporation may exercise his appraisal right in case he has voted against any proposed corporate action which involves:

- (a) any amendment to the articles of incorporation which has the effect of changing or restricting the rights of the stockholders or class of shares;
- (b) any 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;
- (d) in case the corporation decides to invest its funds in another corporation or business for any purpose other than its primary purpose.

The procedure to be followed in exercising the appraisal right is provided by Sections 81 to 86 of the Corporation Code.

Such dissenting stockholder, within thirty (30) days after the date of the annual meeting at which meeting such stockholder voted against the corporate action, shall make a written demand on the Corporation for the value of his shares. The failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stocks representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Corporation, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the Corporation within thirty (30) days after such award is made.

The foregoing notwithstanding, no payment shall be made to any dissenting stockholder unless the Corporation has unrestricted retained earnings in its books to cover such payment. Furthermore, upon payment by the Corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Corporation.

The foregoing notwithstanding, there is nothing in the scheduled meeting that the Management understands to involve the above matters that may give rise to the exercise of the appraisal right.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

The issuer is not aware of any substantial interest, direct or indirect, by security holdings or otherwise, in matters to be acted upon at the meeting, other than election to office.

None of the incumbent directors has informed the Corporation in writing of an intention to oppose an action to be taken by the Corporation at the meeting.

B.CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

Number of Shares Outstanding/Record Date/Voting Rights

- a) The number of shares outstanding and entitled to vote at the annual meeting is 8,512,658,975 shares. Each share is entitled to one (1) vote.

Class	No. of shares outstanding	No. of votes to which entitled
Common	8,512,658,975	8,512,658,975

As of 31 March 2018.

- b) The record date for purpose of determining the stockholders entitled to vote at the annual meeting is 26 April 2018.
- c) Stockholders are entitled to cumulative voting only in the election of directors, as provided in the Corporation Code. As to other matters, only one vote can be made per share of stock.
- d) The solicitation is made by management of MRC ALLIED INC.
- e) The security ownership of certain record and beneficial owners and management are as follows:
- (i) Security ownership of certain record and beneficial owners owning more than 5% of any class of securities (as of 31 March 2018):

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage of Class
Common Stock	Menlo Capital Corporation 5/F Eurovilla 4 Bldg., 853 A Arnaiz Ave., Makati City	Atty. Gladys N. Nalda	Filipino	4,387,672,720	51.54
	PCD Nominee Corp.* G/F MKSE Building Ayala Avenue, Makati City	PCD Participants/Brokers	Filipino	3,852,327,583	45.25

*PCD Nominee Corporation, a private company and wholly-owned subsidiary of the Philippine Central Depository, Inc. (PCDI), is the registered owner of the MRC shares. However, beneficial ownership of such shares pertains to the PCD participants (brokers) and/or their clients (corporations or individuals), in whose names these shares are recorded in their respective books. Per PCD list of Beneficial Owners dated 31 March 2018, there is no specific nominee to vote these shares, as the shares are held by different brokers. Brokers issue the proxy in accordance with the instructions of their principals-clients/beneficial owners of the shares. The Company has no knowledge as to whether a single individual or entity holds beneficial ownership of at least 5% or more of MRC shares registered in the name of PCD Nominee Corporation.

There are no participants who own more than 5% of MRC's voting securities. The name/s of the person/s authorized to vote the shares under this account are unavailable at the time of the distribution of this Report.

- (ii) Security ownership of directors and management (as of 31 March 2018):

There are no shares held or acquired beneficially by any of the directors and executive officers of MRC other than to vote the shares under this account are unavailable at the time of the distribution of this Report.

Title of Class	Name of Beneficial Ownership	Amount and Nature of Ownership	Citizenship	Percentage of Class
Common Stock	Carlos Jose P. Gatmaitan Director/Chairman c/o MRC Allied, Inc. 5/f Eurovilla 4, 853 Arnaiz Ave. Makati City	1,000 Record & Beneficial	Filipino	0.0000

Common Stock	Gladys N. Nalda Director/President c/o MRC Allied, Inc. 5/f Eurovilla 4, 853 Arnaiz Ave. Makati City	1,000 Record & Beneficial	Filipino	0.0000
Common Stock	Jimmy T. Yaokasin Director/Vice- Chairman c/o MRC Allied, Inc. 5/f Eurovilla 4, 853 Arnaiz Ave. Makati City	1 Record & Beneficial	Filipino	0.0000
Common Stock	Bernard B. Rabanzo Director c/o MRC Allied, Inc. 5/f Eurovilla 4, 853 Arnaiz Ave. Makati City	1,000 Record & Beneficial	Filipino	0.0000
Common Stock	Carlos Jericho L. Petilla Independent Director c/o MRC Allied, Inc. 5/f Eurovilla 4, 853 Arnaiz Ave. Makati City	1 Record & Beneficial	Filipino	0.0000
Common Stock	Edita S. Bueno Independent Director c/o MRC Allied, Inc. 5/f Eurovilla 4, 853 Arnaiz Ave. Makati City	1 Record & Beneficial	Filipino	0.0000
Common Stock	Celia Chao Director c/o MRC Allied, Inc. 5/f Eurovilla 4, 853 Arnaiz Ave. Makati City	1 Record & Beneficial	Filipino	0.0000
Common Stock	Margareth P. Reyes-Mendoza Corporate Secretary c/o MRC Allied, Inc. 5/f Eurovilla 4, 853 Arnaiz Ave. Makati City	0	Filipino	N.A.

Notes:

*The aggregate number of shares held by all directors and officers are 3,004 common shares.

That out of the total outstanding shares of MRC Allied, Inc. of 8,512,658,975, the shares allowed only to foreigners is 40% or equivalent to 3,405,063,590 shares. That the equity ownership of foreigners to MRC shares is 88,891,222 or 1.04 percent as of March 31, 2018.

Voting Trust Holders of 5% or More

There are no persons holding more than 5% of the Corporation's common stocks who are under a voting trust of similar agreement.

Changes in Control

In the Annual Stockholders Meeting held last 28 February 2013, stockholders representing 2/3 of the outstanding capital stock approved the debt to equity conversion in the maximum amount of Pesos: One Billion (Php1,000,000,000.00) and the reduction of the par value of the shares of stock of MRC from Twenty Centavos (Php0.20) to Ten Centavos (P0.10) per share.

On 8 November 2013, the Securities and Exchange Commission (SEC) approved the application for debt to equity conversion and the reduction of par value from P0.20 to P0.10. This was disclosed to the PSE last 12 November 2013.

The approved debt to equity conversion involves the advances made by Menlo Capital Corporation to MRC in the amount of Php 877, 531,795.00. The said advances were converted into 4,387 658,975 shares of stock or 51.54% of the authorized capital stock of MRC.

With the issuance of new shares in favor of Menlo Capital Corporation, MRC's outstanding capital stock increased to 8,512,658,975 shares.

Any change in control in MRC shall be subject to the requirements of the By- Laws on the nomination and election of directors, and the holding of stock holders' and/or board meetings.

Certain Relationship and Related Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

The Company, in the normal course of business, has transactions with its related parties. The following summarizes the related party transactions of the Company and its outstanding balances as at and for the years ended December 31, 2017 and 2016:

Stockholder

a. The Company provides noninterest-bearing cash advances for working capital requirements to a stockholder. These have aggregated P=16.1 million and P=15.9 million as at December 31, 2017 and 2016, respectively, and are due and collectible on demand (see Note 4).

b. The Company obtains noninterest cash advances from MCC for its working capital requirements. These have aggregated P=163.7 million and P=124.6 million as at December 31, 2017 and 2016, respectively, and are due and payable on demand.

Other Related Parties

Transactions with other related parties mainly consist of the following:

a. Noninterest-bearing cash advances made to officers aggregated P= 349,000 and nil as at December 31, 2017 and 2016. In 2016, the Company's advances to officers and employees were fully provided with allowance.

b. Management and professional fees of key management personnel of the Company amounted to P=1.1 million 2017 and 2016.

Item 5. Directors and Executive Officers

Board of Directors and Executive Officers

NAME	AGE	CITIZENSHIP	CURRENT POSITION	TERM OF OFFICE	NO. OF YEARS IN SERVICE
Carlos Jose P. Gatmaitan		Filipino	Chairman	1 year & 3 months	1 year & 3 months
Gladys N. Nalda		Filipino	President	1 year & 4 months	1 year & 4 months
Jimmy T. Yaokasin		Filipino	Vice-Chairman	6	6
Carlos Jericho L. Petilla		Filipino	Independent Director	11 months	11 months
Edita S. Bueno		Filipino	Independent director	11 months	11 months
Bernard B. Rabanzo		Filipino	Director/Compliance Officer	6	6

Celia Chao		Taiwanese	Director	1 year & 2 months	1 year & 2 months
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The Articles of Incorporation and By-laws provide for Seven (7) Members of the Board of Directors. The directors are elected for a term of one (1) year and serve until the election and acceptance of their qualified successors.

On 03 January 2017, the Board Directors elected Atty. Gladys N. Nalda as Member of the Board of Directors to replace Mr. Edwin Monzon and thereafter elected as the new President to replace Mr. Benjamin M. Bitanga.

On 01 February 2017, the Board accepted the resignation of Engr. Joel Muyco as Independent Director and during the meeting the Board of Directors elected Ms. Zenaida Y. Monsada as Independent Director to replace Mr. Muyco. On June 30, 2017 the Board accepted the nomination and election of Mr. Carlos Jericho Petilla and Ms. Edita Bueno, in lieu of Ms. Zenaida Y. Monsada and Atty. Michael B. Arciso, respectively, as Independent members of the Board of Directors, effective 30 June 2017.

The reorganization of the Company's Board Committee as of 17 November 2017 as follows:

Audit Committee

The Company conforms to the procedures for nominations of directors as provided under the provisions of Revised Code of Corporate Governance and the Company's Manual on Corporate Governance on the nomination and election of the members of the Committee.

The Audit Committee is composed of the following: Edita S. Bueno (Chairperson - Independent Director); Carlos Jericho L. Petilla (Member-Independent Director); Bernard B. Rabanzo (Member), Elaine B. Nicolasora (Secretariat)

Nomination & Remuneration Committee

The Company conforms to the procedures for nominations of directors as provided under SRC Rule 38, as amended, and the Corporation's Manual on Corporate Governance. Nominations for Regular Directors and Independent Directors are being conducted through the Nominations & Remuneration Committee.

The Nomination & Remuneration Committee is composed of the following: Bernard B. Rabanzo (Chairperson); Atty. Gladys N. Nalda (Member); and Jimmy T. Yaokasin (Member), Elaine B. Nicolasora (Secretariat)

Executive Committee

The Executive Committee is composed of the following: Atty. Gladys N. Nalda (Chairperson), Carlos Jose P. Gatmaitan (Member-Chairman of the Board); Celia Chao (Member); Alejandro A. Palacio (Member), Atty. Margareth R. Mendoza (Member) Maria May P. Militante (Member) and Atty. Jan Vincent S. Soliven (Secretariat).

Governance Committee

The Governance Committee is composed of the following: Carlos Jose P. Gatmaitan (Chairperson-Chairman of the Board); Atty. Gladys N. Nalda (Member-President & CEO); Bernard B. Rabanzo (Member); Atty. Jan Vincent S. Soliven (Secretariat)

In compliance with the Company's 2017 Revised Manual on Corporate Governance, the Board constituted the Risk and Oversight Committee and elected the following as its member:

Risk and Oversight Committee

The Risk and Oversight Committee is composed of the following: Carlos Jericho L. Petilla (Chairperson-Independent Director), Edita S. Bueno (Member- Independent Director), Atty. Gladys N. Nalda (Member), Elaine B. Nicolasora (Secretariat).

Nomination Procedure

A nominating stockholder shall submit the name and other required information to the Nomination Committee prior to the stockholder's meeting. This recommendation shall be signed by the nominating stockholder together with the acceptance and conformity by the would-be nominee.

The Nomination Committee then prepares a Final List of Candidates which contains all the names and required information about the nominees for Director. Only nominees whose names appear on the Final List are eligible for election as director. No other nomination is entertained after the Final List has been prepared. No other nomination allowed on the floor during the annual meeting.

In case of failure of election for independent directors, the Chairman of the meeting shall call for a separate election during the same meeting to fill up the vacancy.

In case of resignation, disqualification or cessation of independent directorship, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Nomination Committee, otherwise said vacancy shall be filled by the stockholders in a regular or special meeting called for the purpose. Independent director so elected shall serve only for the unexpired term of his predecessor.

Nominees for Directorship

The following are nominated for directorships in the forthcoming annual stockholders meeting. The list below includes directorships/officerships held by the Corporation's present directors in other corporations. Most of these directorship/officerships have been held by the directors for the past five (5) years up to present:

Carlos Jose P. Gatmaitan, Filipino
Chairman

Mr. Gatmaitan previously served as President & CEO of the state-owned PNOG Renewables Corporation. He is also a former director and alternate member of the National Renewable Energy Board. He obtained both his Master's in Business Administration and bachelor's degree in Business Administration from Pepperdine University in Malibu, California. He is an active member and Fellow at the Institute of Corporate Directors-Manila.

Jimmy Tiu Yaokasin, Filipino
Vice-Chairman

Mr. Yaokasin serves as member of the Board of Directors in various companies such as the Development Academy of the Philippines, Splash Corporation, Bethel International School Inc., China Philippine Mining Development Inc. and Leyte Cable TV Network Inc.

He is a Certified Public Accountant who obtained his bachelor's degree from the University of the Philippines where he graduated Cum Laude. He has a Master's in Business Administration degree, which he obtained from the Kellogg School of Management of the Northwestern University of Chicago.

Atty. Gladys N. Nalda, Filipino
President & CEO

Ms. Nalda is former Vice President for Legal and Corporate Services of PNOG Renewables Corporation. She was previously connected with PNOG Exploration Corporation and the Department of Energy as legal counsel. She is a lawyer by profession with extensive background in renewable energy law and project finance.

She obtained her Bachelor of Business Administration degree from the University of the Philippines and her Bachelor of Laws degree from the University of Santo Tomas. She further completed a certificate course in International and Comparative Laws at the University of Strasbourg in France. She is also a graduate of the Professional Directors Program of the Institute of Corporate Directors.

Bernard B. Rabanzo, Filipino
Director/Chief Admin & Finance

Mr. Rabanzo sits in the Board of Menlo Renewable Energy Corporation, MRC Tampakan Mines Inc. and MRC Surigao Mines Inc. He also serves as the head of the Compliance Division of MRC.

He holds a degree in Bachelor of Science in Commerce with a Major in Banking and Finance from St. Louis University in Baguio City. Prior to joining MRC, he was employed at Philippine Wireless Inc.

Carlos Jericho L. Petilla, Filipino
Independent Director

Mr. Petilla served as former Secretary of the Department of Energy (DOE) of the Philippines. He served as Governor of the Province of Leyte for three consecutive terms before joining the cabinet of President Benigno Aquino in 2012.

He is a graduate of Management Engineering from Ateneo de Manila University. After graduating in college, he briefly taught Information Technology (IT) and Computer Programming in Ateneo. Thereafter, he co-founded a private corporation engaged in business process outsourcing and knowledge process outsourcing with geographic reach in the Philippines, USA, Canada and Europe.

Edita S. Bueno, Filipino
Independent Director

Ms. Bueno served as former Administrator of the National Electrification Administration (NEA). She joined the rural electrification movement right after graduating from college and has been connected with NEA for more than 30 years. She is considered as one of the pioneers and technocrats in the area of energy development, corporate governance and policy administration.

She is a Fellow of the Institute of Corporate Directors (ICD). She earned her bachelor's degree in Public Administration and graduated magna cum laude from the University of the Philippines (UP). She also earned units in master's degree in the same field from the same university.

Celia Chao, Taiwanese
Director

Ms. Celia Chao is a member of the board of various multinational companies such as Yichang Technology (Taiwan), Power Silicon Semiconductors Inc. and Action Integrated Asia Corporation. Ms. Chao is a graduate of Tamkang University in Taiwan and is an advocate of clean and sustainable energy. She is a Taiwanese national who is fluent in English, Mandarin and Taiwanese.

Atty. Margareth P. Reyes-Mendoza, Filipino
Corporate Secretary/Chief Legal & Compliance

Atty. Margareth P. Reyes-Mendoza, who was admitted in the Philippine Bar on April 2007, is currently the Chief Legal Counsel & Compliance of MRC Allied Inc. Immediately upon admission to the Bar, she served for four (4) years as Public Attorney II at the Manila District Office of the Public Attorney's Office (PAO-MDO). During her stint at PAO-MDO, she has also taken up a position in the academe as a Part-time Professional Instructor in the College of Accountancy and Economics at Pamantasan ng Lungsod ng Maynila (PLM). Prior to joining MRC Allied Inc. she was connected with Diamond Motor Corporation, where she served as In-house Counsel for Three (3) years.

Atty. Reyes-Mendoza obtained her Bachelor of Science Degree in Business Administration Major in Economics and her Bachelor of Laws Degree both from Pamantasan ng Lungsod ng Maynila (PLM) where she graduated with a status of scholar for both instances.

Significant Employees

Other than the above-mentioned directors and corporate officers, there are no significant employees who are expected by the Company to make significant contributions to the business of MRC.

Family Relationships

No officers and member of the Board are related by consanguinity.

Involvement in Certain Legal Proceedings

Sps. Japson, Sps. Vivares, MRC Allied Inc, et al. vs. Salubre Civil Case No. CEB-224928 Regional Trial Court Branch 23, Cebu City

The Company is involved as a co-plaintiff in Civil Case No. CEB-34982, entitled Sps. Japson, Sps. Vivares and MRC Allied Industries, Inc. vs. Salubre in the latter's capacity as Provincial Treasurer of the Province of Cebu. The complaint sought to stop the auction sale of the real properties of MRC previously scheduled last 26 November 2008 at Naga, Cebu, allegedly for nonpayment of real property tax. The Regional Trial Court did not issue a temporary restraining order but the case is still pending. The auction did not push through and no notice of auction sale has been sent to the Company as of this date.

The case is currently in the Pre-Trial Stage. The parties are in continuous discussion on how the case can be settled amicably but no formal agreement for the purposes has been finalized.

San Gabriel Holdings Corp. et al v. MRC Allied Holdings, Inc. and Benjamin Bitanga, Civil Case No. CEB-37433 Regional Trial Court Branch 12, Cebu City

The Company is a defendant in a civil case for rescission of contract and restitution involving the principal amount of Php 14.9 million with prayer for preliminary attachment before the Regional Trial Court of Cebu City, Branch 12. The case was filed on February 7, 2011 by San Gabriel Holdings Corporation and Gabriel V. Leyson, and docketed as Civil Case No. 37433. Sometime in 1997, the Company's previous management entered into a contract to sell with San Gabriel Holdings. The object of the contract was a parcel of land located in San Isidro, Leyte. San Gabriel Holdings alleges that it had fully paid the purchase price and that MRC failed to comply with its corresponding obligations. San Gabriel sought to rescind the contract, recover the purchase price with damages. Consequently, San Gabriel Holdings sent a demand letter on April 6, 2000 for the delivery and execution of a deed conveying title to the property. More than 10 years later, another demand letter was sent to the new management.

MRC filed a Motion to Dismiss dated April 23, 2012 on the ground of improper service of summons and has moved to set aside the writ of preliminary attachment. The company believes that based on the allegations of the complaint, the cause of action has already prescribed pursuant to the provisions of the Civil Code on prescription of action.

The Company had already filed its Answer with Compulsory Counterclaim and the Pre-Trial Conference is scheduled on October 01, 2014.

The case has been **dismissed without prejudice for the unjustified failure of the Plaintiffs to submit a Pre-Trial brief and for their failure to attend the Pre-Trial Hearing** set for the case. The plaintiffs has filed a Motion for Reconsideration of the Dismissal of the case. The Motion for Reconsideration is set for hearing on June 26, 2015. MRC Allied will file an opposition to the Motion.

On 10 August 2016 the Company received **order of dismissal dated 12 July 2016** the case has been **dismissed again** without prejudice pursuant to Sections 4,5 & 6 of Rule 18 of the Rules of Court.

Note: Aside from the foregoing, there are no other pending civil, criminal or administrative cases involving the Company or any of its directors or officers, whether commenced before the concerned administrative agencies or before the regular courts as of the date of this certification.

MRC ALLIED INC. VS. KINSEKI CRYSTAL DEVICE LTD. KYOCERA CRYSTAL DEVICE PHILIPPINES INC. All other persons claiming rights under Kinseki Ltd. Case No. R83

Nature of the case: Ejectment (Unlawful detainer)
Court: Municipal Trial Court in Cities, Naga City, Cebu
Acting Judge: Hon. Veronico Sardoncillo

Facts:

Plaintiff is the owner of a portion of land in New Cebu Township One Special Ecozone, Barangay Cantao-an,

Naga City, Cebu.

The Defendant Kinseki and Plaintiff entered into a Lease Contract dated December 1, 1996 over the 35,000 sqm portion of the above-mentioned property.

That sometime December 2014, Plaintiff came to know that Defendant Kinseki have allowed another entity, Kyocera Crystal Devices Philippines, Inc., to occupy its leased premises without the required express consent of the plaintiff, in violation of one of the express provisions in the contract of lease.

Status:

The case is currently pending in the Pre-Trial Stage. Due to the appointment of new presiding Judge, next hearing is still to be set by the Court.

Jimmy T. Yaokasin

Case Title	Leyte Development Company, Inc. vs. Pilipinas Shell Petroleum Corporation, Isla LPG Corporation, Brandon Briones, Nolan Supat and Jimmy T. Yaokasin, Jr.
Parties	Plaintiff: Leyte Development Company, Inc. Defendants: (1) Pilipinas Shell Petroleum Corporation (2) Isla LPG Corporation (3) Brandon Briones (4) Nolan Supat and (5) Jimmy T. Yaokasin, Jr.
Case Number	Case No. 2013-07-61
Court	Branch 8 of the Regional Trial Court of Tacloban City
Nature of the Case	Claim for Damages with Application for Issuance of Preliminary Injunction
Brief Description and Issues Involved	Plaintiff is previously the distributor of shellane products in Leyte. After the expiry of the Plaintiff's contract, they sought for the extension thereof. Extension was denied and the contract was awarded to the individual defendants. Plaintiff sued the defendants asking for damages on the claim that it developed the market for shellane products in Leyte. The claim for damages has no basis as the award of the contract for distribution of shellane products lies in the sole management discretion of Defendants Isla LPG Corporation/Pilipinas Shell Petroleum Corporation
Amount Involved	PHP50,000,000.00
Status	Plaintiff filed a Motion for Reconsideration of the Order Lifting the previously issued Writ of Preliminary Injunction

Carlos Jericho L. Petilla

Case Title	Department of Transportation (DOTr) through its representative Reiner Yebra, DOTr Undersecretary for Legal Affairs and Procurement vs. Former Transportation Secretary Joseph Emilio Abaya, former Interior Secretary Manuel Roxas II, et al.
Parties	Complainant/s: Department of Transportation through its representative Reiner Yebra, DOTr Undersecretary for Legal Affairs and Procurement Respondent/s: Former DOTr Secretary Joseph Emilio Jun Abaya and other former cabinet officials; former Bids and Awards Committee (BAC) officials; officials of Busan Universal Rail Inc., and a certain Marlo Dela Cruz.
Case Number	Case No. OMB-C-C-17-0447/OMB C-C-17-0420
Court	Office of the Ombudsman
Nature of the Case	Violation of Section 2 of the Anti-Plunder Act/Violation of Section 3 of the Anti-Graft & Corrupt Practices Act (RA 3019)
Brief Description and Issues Involved	This is a complaint against former DOTr Joseph Emilio Abaya and other former cabinet officials, and Busan Universal Rail, Inc. (BURI), the maintenance provider of the Metro Rail Transit Line (MRT3) whose contract was terminated. The DOTr officials and BAC members under Abaya were alleged to have violated several procurement and bidding rules. The case is filed in the official capacity of respondents including undersigned who is former DOE Secretary. Considering that the act/s being complained of occurred at the time when the undersigned was no longer a DOE secretary or cabinet official, a dismissal is now being sought by the lawyers of the undersigned.
Amount Involved	PHP3.8 Billion
Status	Preliminary Investigation

Other than the foregoing, there are no more cases involving the other directors and officers of the Company that are pending as of this report.

Resignation of Directors

On June 30, 2017 the Board accepted the nomination and election of Mr. Carlos Jericho Petilla and Ms. Edita Bueno, in lieu of Ms. Zenaida Y. Monsada and Atty. Michael B. Arciso, respectively, as Independent members of the Board of Directors, effective 30 June 2017.

On 07 March 2017, the Board accepted the nomination and election of Celia Chao in lieu of Atty. Margareth P. Reyes-Mendoza as Director in order to allow Atty. Mendoza to focus on her work as Legal Counsel and Administrative Officer of the Company.

On 01 February 2017, the Board accepted the nomination and election of Carlos Jose Gatmaitan and Zenaida Y. Monsada in lieu of Benjamin M. Bitanga and Engr. Joel Muyco as Chairman and Independent Director, respectively.

On 03 January 2017, the Board accepted nomination and election of Atty. Gladys N. Nalda in lieu of Mr. Benjamin M. Bitanga as President & CEO and Mr. Edwin H. Monzon as member of the Board of Directors, respectively.

Item 6. Compensation of Directors and Executive Officers

a. Compensation of Directors and Executive Officers

Summarized below are the compensation of directors and executive officers of the Corporation for the years ended 2017, 2016 and 2015:

Name and Principal Position	Year	Amount		
		Salary	Bonus	Other Annual Compensation
*CEO/President & top four (4) highly compensated executive officers: Gladys N. Nalda (President & CEO) Alejandro A. Palacio – Chief Finance Officer Jan Vincent S. Soliven- Corp. Sec. Bernard B. Rabanzo- Compliance Maria May P. Militante-Chief Public Relations Officer	*2018	4,822,688.14	0	0
	2017	4,822,688.14	0	0
	2016	2,044,000	0	0
Total	2015	2,044,000	0	0
	Total			
	Total			
	Total			
* All other officers & directors as a group named: Carlos Jose P. Gatmaitan Jimmy T. Yaokasin Celia Chao Edita S. Bueno Carlos Jericho L. Petilla				
Total	*2018	0	0	1,105,000
Total	2017	0	0	1,105,000
Total	2016	0	0	0
Total	2015	0	0	0

* Estimated Compensation for 2018 (CEO & top 4 highly compensated officers all other as a group)

*CEO + top four (4) highly compensated executive officer.

b. Standard Arrangement/Material Terms of Any Other Arrangement/Terms and Conditions of Employment Contract with Above Named Corporate/Executive Officers

No member of the board of directors have received per diem or any compensation for any service provided as directors for the years, 2017, 2016 and 2015.

The Company has no other arrangements in material terms, including consulting contracts, pursuant to which any director was compensated, or is to be compensated directly or indirectly for the years 2017, 2016 and 2015.

c. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no *changes* in or disagreements with accountants on accounting and financial disclosures during the last two calendar years.

Item 7. Independent Public Accountants

The firm of Reyes Tacandong & Company (RT & Company) is being recommended to the stockholders for election, approval or ratification for the current year. Representatives of the said firm are expected to be present at the annual meeting. They will have an opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions, if any.

The Corporation has complied with SEC Memorandum Circular No. 8 regarding rotation of external auditor or engagement partners.

The Audit Committee is composed of the following: Edita S. Bueno (Chairperson-Independent Director) Carlos Jericho L. Petilla (Member-Independent Director, and Bernard B. Rabanzo (Member), Elaine B. Nicolasora (Secretariat).

Recent Sales of Unregistered Securities

In 1995, the Corporation listed its entire 500 million shares in the Philippine Stock Exchange (PSE). All are fully sold and outstanding.

In October 7, 2010, the PSE approved the listing of an additional 3,121,416,747 common shares via debt to equity conversion subject to 180-day lock up period pursuant to the rules of the PSE.

In May 23, 2012, the PSE likewise approved the listing of an additional 503,583,253 common shares as the final tranche of the debt to equity conversion.

On February 28, 2013, the stockholders approved a debt-to-equity conversion of up to P1.0 billion of previously contracted debt at P0.20 a share and the reduction in par value of shares from P0.20 to P0.10 to implement a quasi-reorganization by offsetting the resulting additional paid-in capital against the Company's deficit to improve the Company's financial position. The Company still has to file the necessary documents for the debt-to-equity conversion and the quasi-reorganization with the SEC.

On November 8, 2013, Securities & Exchange Commission approved the (1) debt-to-equity conversion payable to a stockholder amounting to P877.5 million as consideration for the issuance of 4,387,658,975 shares of stock with a par value of 0.20 per share and, (2) the Company's equity restructuring. The equity restructuring reduced the par value of shares from 0.20 to 0.10 and the resulting additional paid-in capital of P851.3 million was applied against the Company's deficit. As at December 31, 2013, the company has a positive equity of P755.4 million from a capital deficiency of P99.4 million as at December 31, 2012.

With the issuance of new shares in favor of Menlo Capital Corporation, MRC's outstanding capital stock increased to 8,512,658,975 shares.

There are no recent sales of unregistered securities or exempt transactions, neither are there recent issuances covered by rules on Exempt Transactions.

Item 8. Compensation Plans

The Board recently approved the Committee Charter of the Nominations and Remunerations Committee. The Committee will draft and propose a Compensation Plan for both executive and non-executive employees.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Otherwise than for Exchange

On 05 April 2017 the approval of the Board and stockholders meeting on 16 June 2017, approved the following:

Stock Split

The increase in par value from Php0.10 to Php0.50 aims to reduce the company's total issued and outstanding shares to a level more appropriate to the industry, and to encourage the participation of institutional investors by raising the market price to at least Php1.00. Each five (5) shares of issued and outstanding common stock will be automatically converted into one (1) newly issued and outstanding share of common stock. At the average traded price to Php0.246 per MRC share, a 1-for-5 reverse stock split could raise the traded price to Php1.23 per share. It does not impact the financial holding of existing investors. It does, however, increase the price barrier for new investors.

There will be a proportionate reduction of the number of issued and outstanding common shares from 8,512,658, 975 to 1,702,531,795 and par value from Php0.10 to Php0.50 per share. Although the number of shares held decreases based on the split ratio, the value does not change. Proportionate voting rights and other rights of the stockholders will not be affected by the reverse stock split, other than the treatment of fractional shares.

Private Placement

The approval for the management to explore the option of conducting a private placement for the outstanding and unissued portion of the authorized capital stocks in order to raise capital, subject to the terms of reference to be approved by the board & stockholders.

Item 10. Modification or Exchange of Securities

Currently, Management has no immediate or approved plan for the modification or exchange of Securities for the Company.

Item 11. Financial and Other Information

(a) Please find attached copy of the following:

1.) The Company's consolidated financial statements were prepared in accordance with the Philippine Financial Reporting Standards and were audited by Reyes Tacandong & Company, attached as Annex "A."

2.) Consolidated Interim Financial Statements for the period ended March 31, 2018 SEC Form 17-Q attached as Annex "B".

(b) Representatives of Reyes Tacandong & Co., the principal accountants for the current year and for the most recently completed fiscal year are expected to be present at the annual meeting. They will have an opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Item 13. Acquisition or Disposition of Property

No action is to be taken with respect to the acquisition or disposition of property.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

In the Annual Stockholders Meeting held last 28 February 2013, stockholders representing 2/3 of the outstanding capital stock approved the debt to equity conversion in the maximum amount of Pesos: One Billion (Php1,000,000,000.00) and the reduction of the par value of the shares of stock of MRC from Twenty Centavos (Php0.20) to Ten Centavos (P0.10) per share.

On 8 November 2013 Securities and Exchange Commission (SEC) approved the application for debt to equity conversion and the reduction of par value from P0.20 to P0.10. This was disclosed to PSE last 12 November 2013.

The approved debt to equity conversion involves the advances made by Menlo Capital Corporation to MRC in the amount of Php 877, 531,795.00. The said advances was converted into 4,387 658,975 shares of stock.

With the issuance of new shares in favor of Menlo Capital Corporation, MRC's outstanding capital stock increased to 8,512,658,975 shares.

On March 25, 2010, the Securities and Exchange Commission ("SEC") approved equity restructuring of the Corporation which involved the following: (i) the decrease in authorized capital stock from Php 500,000,000 to Php 100,000,000 divided into 500,000,000 shares with a par value of Php 0.20 per share; (ii) the subsequent increase in authorized capital stock from Php 100,000,000 to Php 3,000,000,000 divided into 15,000,000,000 shares with a par value of Php 0.20 each share, and (iii) the issuance to stockholder Menlo of 3,625,000,000 common shares by way of conversion of liabilities to equity.

Prior to the equity restructuring and Menlo's subscription to 3,625,000,000 common shares, Menlo owned 0.00% of the Corporation's outstanding capital stock. After the equity restructuring and its subscription to 3,625,000,000 common shares, Menlo owned 87.87% of the Corporation's outstanding capital stock.

Under Section 5, Article V of the Amended Rule on Additional Listing of Securities of the PSE, in case a transaction shall result in the issuance by a listed company to a Related Party of new voting shares amounting to at least 10% of the company's total issued and outstanding capital stock, the listed company is required to: (i) obtain in a regular or special meeting the stockholders' approval for the transaction; and (ii) in case of related party transactions, obtain the majority vote of the minority stockholders present or represented at the meeting, approving a waiver of the requirement to conduct a rights or public offering of the shares to be subscribed.

In this regard, at least two-thirds (2/3) of the Corporation's stockholders previously approved at its meeting on 21 July 2008, the equity restructuring and issuance of new shares to Menlo by way of conversion of debt-to-equity. On the basis of such approval, the equity restructuring and issuance of new shares to Menlo was implemented and approved by the SEC on 25 March 2010.

In the annual meeting held 21 September 2010, the Corporation's Management requested the minority stockholders to waive the PSE requirement to conduct a rights or public offer in connection with the issuance to Menlo of 3,625,000,000 new shares and their listing on the PSE.

All the 3,625,000,000 common shares issued under the proposed transaction have the same dividend and voting rights as the Corporation's outstanding common shares. The preemptive right has been denied under the Seventh Article of the Company's Articles of Incorporation.

Any change in control in the Corporation shall be subject to the requirements of the Corporation's By-laws on the nomination and election of directors and holding of stockholders' and board meetings.

Existing shareholders before the issuance of the new shares will continue to enjoy the same shareholder rights but shall be subject to dilution as a result of the new shares issued.

Item 16. Matters Not Required to be Submitted

Ratification of Corporate Acts, Substance of each matter/act to be ratified

The following corporate acts will be submitted for approval of stockholders during the annual meeting:

- a. Approval of audited financial statements for the year ended 31 December 2017.
- b. Approval of the appointment of RT & Company as independent auditor for the year ended 31 December 2017
- c. Ratification of other acts of the Board of Directors and Management during the year 2017

The corporate acts of the Board and the Management which will be ratified include:

- (1) The renewal and/or extension of the Lease Agreements involving its principal office in Makati City;
- (2) The renewal and/or extension of agreements with service providers and suppliers; and
- (3) The renewal and/or extension of authority granted to lawyers and paralegals representing the company in legal proceedings involving the company and pending before tribunals and quasi-judicial tribunals.
- (4) The renewal and/or extension of the Firm Reyes Tacandong & Company as external auditor

Item 17. Amendment of Charter, By Laws or Other Documents

No action is to be taken with respect to Amendments of Charter, By Laws or Other Documents to a vote of security holders.

Item 18. Other Proposed Action

Discussion on Other Proposals

During the Special Stockholders Meeting held last 20 September 2017, 2/3 of the Corporation's outstanding capital stock approved the following:

- a. Change in the Company's primary purpose to reflect shift of business to renewable energy;
- b. Increase in the number of BOD from seven (7) to nine (9);
- c. Creation of two billion preferred shares; and
- d. 5 for 1 stock split; change in par value from P0.10 to P0.50 of the common shares.

The implementation of the approval of these amendments are pending submission and approval by the SEC.

During the Annual Stockholders Meeting held last 28 February 2013, 2/3 of the Corporation's outstanding capital stock approved the following matters:

- (a) The conversion of previously contracted debts, loans and other obligations of the Corporation to equity up to a maximum of One Billion Pesos (PhP 1,000,000,000.00).
- (b) The reduction of par value from Twenty Centavos (PhP 0.20) to Ten Centavos (PhP 0.10) per share

With the approval by the stockholders of the conversion of previously contracted debts, loans and other obligations to equity as well as the reduction of the par value of the Corporation's shares of stock, the Corporation filed with the SEC an application for a debt-to-equity conversion. The said application was approved by the SEC last 8 November 2013.

The debt-to-equity conversion approved by the SEC involved the following: (i) the decrease in authorized capital stock from PhP 3,000,000,000 to PhP 1,500,000,000 divided into 30,000,000,000 shares with a par value of PhP 0.10 per share; (ii) the conversion of advances made by stockholder Menlo in the amount of PhP 877,531,795.00 to equity, and (iii) the issuance to stockholder Menlo of 4,387,658,975 common shares by way of conversion of liabilities to equity.

With the approval by the SEC of the foregoing transactions, the Management of the Corporation will seek the approval of the minority of the stockholders to waive the PSE requirement to conduct a rights or public offer in connection with the issuance to Menlo of 4,387,658,975 new common shares and for their listing with the PSE.

Item 19. Voting Procedure

- (a) At the election of directors, there must be present, either in person or by proxy, the owners of the majority of the outstanding capital stock of the Corporation.
- (b) The voting shall be by viva voce. However, in the case of election of directors, every stockholder entitled to vote shall be entitled to vote by ballot as his option.
- (c) The affirmative votes of at least a majority of the stockholders present or represented at the meeting, or 2/3 of the outstanding capital stock in matters that may require such under the Corporation Code, shall be necessary in order to approve a motion at the annual meeting of stockholders. However, in the election of directors, the seven (7) candidates obtaining the most number of votes shall be proclaimed as directors for the ensuing year.

The persons duly authorized to count the votes during the annual meeting would be and Atty. Margareth P. Reyes-Mendoza (Corporate Secretary).

SIGNATURES

After reasonable inquiry and to the best of my personal 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 24 May 2018.

MRC ALLIED, INC.

By:

A handwritten signature in black ink, appearing to read "G. Nalda", written in a cursive style.

ATTY. GLADYS N. NALDA
President & CEO

FINANCIAL AND OTHER INFORMATION

Business and Description of Company

MRC Allied, Inc. (MRC) is the first publicly listed property development firm in the Philippines which has found its niche in development of master planned, integrated residential, commercial, recreational, tourism and industrial areas within a single community or township.

Incorporated on November 20, 1990 and formerly known as Makilala Rubber Corporation, the activities of MRC had been primarily on processing and export of baled natural rubber. In 1993, MRC diversified into a real property development firm, more particularly, into township development. And on October 25, 1994, the Securities & Exchange Commission (SEC) approved the change of name of Makilala Rubber Corporation to MRC Allied Industries, Inc.

In 1995, MRC listed its entire 500 million shares in the Philippine Stock Exchange (PSE) with an initial public offering share price of three pesos (P3.00) per share. In 1997, MRC decided to divest its rubber business to Makrubber Corporation, its wholly owned subsidiary, to focus on its core business - real property development. Makrubber stopped its operations in 2000 because of the worsening raw material supply due to the Land Reform Program and the peace and order problems in North Cotabato.

Since 2000, MRC has had minimal operations and simply continued and maintained its two eco-friendly projects: the New Cebu Township One (NCTO) of Naga, Cebu; and Amihan Woodlands Township (AWT) of Northern Leyte.

In 2010, MRC diversified its business into the mining exploration industry acquiring various mining assets located in the provinces of Davao del Sur, Sultan Kudarat, Surigao del Sur, and Davao Oriental.

In 2015, MRC disclosed its plan to venture into the renewable energy sector and created a subsidiary that will carry out its clean energy projects. The subsidiary is called Menlo Renewable Energy Corporation and is set to implement its very first renewable energy project – the 60MW Solar Project in Naga City, Cebu.

Description of Business/Projects

Property Development

The Company currently has two major landbanks consisting of a 160-hectare property in Naga City, Cebu known as the New Cebu Township One (NCTO) project and a 700-hectare raw land in San Isidro, Leyte known as the Amihan Woodland Township (AWT) Project.

Both parcels of land are registered as an economic zone under the Philippine Economic Zone Authority (PEZA).

Renewable Energy

The renewable energy projects of the Company will be pursued mainly through its subsidiary Menlo Renewable Energy Corporation (MREN) and other affiliates.

MREN will develop at least 60MW solar power plant within its property in Naga City, Cebu that will either supply electricity to the Visayas grid and/or offer its production to large power consumers within and around Southern Cebu.

a. Clean and Renewable Energy

- Solar Power Plant

The Company, through its subsidiary MREN will develop in New Cebu Township One(NCTO) at least 60 megawatt solar power plant that can either supply electricity to the Visayas grid and/or offer its production to large power consumers within and around Naga City, Cebu.

On October 10, 2015, MREN pre-qualified for the award of the service contract related to the solar project. On December 23, 2015, MREN was granted a service contract by the Department of Energy (DOE) for the development of the 60 megawatt solar power project

(Naga Solar Project). The said project is currently in its pre-development phase. On January 25, 2017, the BOD of MREN approved the increase of its authorized capital stock from P=100 million to P=500 million and decrease in par value from P=100 per share to P=1 per share in order to allow the infusion of additional capital. Management is in discussions with local

distribution utilities, end-users and other stakeholders for possible supply of electricity from the Naga Solar Project through the execution of a Power Sales Agreement.

The Company executed a Memorandum of Understanding with Merge Energy and Environment Corporation (MEEC). The purpose of the MOU is to confirm that both parties have an interest in developing renewable energy projects in the properties identified by MEEC as target or locations. MEEC is a domestic private corporation engaged in the business of exploration and development of renewable energy resources such as but not limited to biomass, geothermal, oil and gas.

The Company executed a Memorandum of Understanding with China Energy Engineering Group Guangdong Power Engineering Co., LTD. (GPEC). The purpose of the MUO is to confirm that both parties have an interest in developing renewable energy projects in the Philippines as identified by MRC Allied, Inc. GPEC is a foreign company based in Guangzhou in China which is engaged in the business of exploration, development and construction of energy projects.

The Company executed a Memorandum of Understanding with Uni Solar Inc. (Uni Solar). The purpose of the MOU is to confirm that both parties have an interest in developing Solar Photo Voltaic Rooftop projects in the Philippines as identified by Uni Solar. Uni Solar is a company based in the Philippines which is engaged in the business of design, global sourcing, local distribution, manufacturing, and sales of quality and environment-friendly solar power products especially in solar photo voltaic (pv) for rooftops.

On October 2, 2017, the Company acquired 15% ownership in Sulu Electric Power and Light Philippines, Inc. (SEPALCO), which owns and operates a 50 megawatt solar project located in Palo, Leyte for P255.3 million (see Note 6).

On October 10, 2017, the Company, through Sunray Power Inc. (SPI), an affiliate, entered into a Solar Energy Service Contract with the DOE to develop a 100MW Solar Project located within the Clark Green City in Bambang, Tarlac.

- Solar Photovoltaic Systems Project

On February 8, 2018, the Company entered into a contract with Uni Solar Inc. (USI) for the design, supply, delivery, installation, testing and commissioning of solar PV rooftop systems with a target capacity of 4MW of Xentro Mall Developer, Inc., a Company which owns and operates shopping malls in the Philippines and the operation and maintenance of the same.

b. Real Estate

The Company has two land banks consisting of 160 hectare industrial estate in Naga City, Cebu known as the New Cebu Township One (NCTO) and 700 hectares of raw land in San Isidro Municipality, Leyte known as Amihan Woodlands Township (AWT) (see Note 3). The NCTO comprises of parcels of land that is registered with the Philippine Economic Zone Authority (PEZA). Based on the latest appraisal, the properties, the properties have a fair market value of P1.8 billion.

The Company leased out portions of the NCTO property for the use and development of the Naga Solar Project to MREN. The Company will also sell unused portions of the NCTO & AWT property to interested buyers.

c. Mining Claims

The Company currently owns mining assets located in various locations in the Mindanao regions, namely:

Location	No of Hectares
Kiblawan, Davao del Sur and Columbio, Sultan Cudarat	7,955.70
Marihatag, Surigao del Sur	3,759.30
Paquibato, Mindanao	8,475.60
Boston and Cateel, Davao Oriental	4,860.00
Total	25,050.60

MRC created subsidiaries for the purpose of exploring and developing these mining assets and entered into Mines Operating Agreements (MOA) for gold and copper with Alberto Mining Corporation (AMC) and Pensons Mining Corporation (PMC).

Business Plan & Plan of Action

Property Development

Situated at the heart of Naga City, Cebu and about thirty five (35) kilometers away from the Mactan International Airport, the Naga Property is registered with the Philippine Economic Zone Authority (PEZA) as a special economic zone. At present, the lead locator in the park is Kinseki Ltd., a Japanese manufacturer of Quartz and Crystal devices. Other major locators are Seagate Technology, Inc. of the United States, Air Liquide of France and AP Precisions Philippines, Inc.

Currently, Management is currently reviewing the NCTO masterplan for further development and is likewise in talks with various manufacturing and industrial companies for possible buyer and/or locatorship or lease of lots within the Naga Property.

Reclamation Projects

In line with the thrust of the government to be more aggressive in pursuing reclamation projects within the Visayas and Mindanao areas, the Company plans to participate in proposed reclamation projects by the national and local government units.

The Naga Property will give the company an opportunity to participate actively in the planned areas of reclamation within and around Naga City. Management is currently in initial talks with the local government of Naga City for possible joint venture or other partnership in its planned reclamation projects within the city.

Major Risks Related to the Business

- The Company's profits are subject to price volatility and competition.
- The Company has had minimal operating activities and incurred losses in its recent past.
- The Company's business is subject to operational risks and the Company is not insured against all potential losses.
- Competition in the industries in which the Company is engaged in is intense.
- Additional capital may be needed for operations in the future. If the Company is unable to raise the needed financing, its operations may be adversely affected

To mitigate these risks, the Company is undertaking all cost-effective and cost-efficient means to support its operations, and to prevent incurring further losses.

Furthermore, the Company created a committee that handles risk management. This unit is tasked to review, study and propose concrete ways to manage, if not, mitigate risks relating to the business of the Company.

Patents and Trademarks

MRC's operations are not dependent on patents, trademarks, copyrights and the like.

Cost and Effects of Existing/Probable Regulations

On September 30, 1996, the President of the Philippines issued Proclamation No. 889 designating MRC as an ecozone developer/operator of **New Cebu Township Ecozone** pursuant to Republic Act No 7916 and its implementing Rules and Regulations. On February 3, 1997, the President of the Philippines issued Proclamation No. 955 amending Proclamation No. 889, to increase area covered from 366,643 sq. m. to 1,228,261 sq. m. The President of the Philippines issued Proclamation No. 247 on February 24, 2000 proclaiming **Amihan Woodlands Township** as a Special Economic Zone pursuant to Republic Act No. 7916 as amended by Republic Act No. 8748.

Research and Development

In the last ten (10) years, MRC has not undertaken any significant research and development activities.

Government Approval of Principal Products or Services

MRC's mining engineers, in coordination with the communities' indigenous community representatives, are conducting geological exploration. Laboratory testing will be completed by month-end as MRC awaits the approval of the exploration permit by the Mine and Geosciences Bureau (MGB) to proceed and thereby complete the preliminary requirements to pave the way for eventual drilling and operations.

Cost and Effects of Compliance with Environmental Laws

MRC has already obtained the following environmental compliance certificates: ECC to develop and operate NCTO and to construct an administration building; and ECC for the developments of high-end residential, airstrip, and marina for AWT. Likewise, the Company had entered into a joint monitoring activity with respective local government units for NCTO and AWT to monitor environment compliance.

MRC has complied with all environmental regulatory requirements as evidenced by the permit secured from DENR. There is no material costs involved.

Competition

So far, there are five known competitors in the area, namely: Mactan Economic Zone 1 and 2, Cebu Light & Industrial Park, West Cebu Industrial Park and Danao (Mitsumi) Special Economic Zone. NCTO's unique setting, abundant water supply with much lesser rate, more stable power supply and hundreds of fiber-optic cabled high-speed voice and data telephone lines. These make NCTO a competitor to reckon with.

The MRC Tampakan project has the Sagittarius Mines, Inc. (SMI) as competitor. The Tampakan deposit is one of the largest underdeveloped copper-gold deposits in the world, and has the potential to be the largest mine in the Philippines, and the fifth largest copper mine in the world by 2016.

Customers

The Company has a wide market base due to the fact that its initial areas of operations are principally in the Central and Southern Philippines. MRC's township projects are strategically located in non-congested areas, near centers of educated and highly productive work force and ample sources of water and power.

Employees

As of the date of this report, the manpower complement of MRC consists of sixteen (16) permanent personnel. These employees are not covered by a collective bargaining agreement. The Company does not expect any significant changes in the number of its manpower complement.

There is nothing to disclose as of the date of this report regarding any supplemental benefits or incentive arrangements which MRC has or will have with its employees.

Management Discussion and Analysis or Plan of Operation

Discussion on Financial Highlights:

2017 – The company total assets is P1.340 billion and P1.084 billion as at December 31, 2017 and December 31, 2016, respectively. Receivables amounted to P16.533 million and P15.960 million as at December 31, 2017 and 2016, respectively, are advances made to stockholders and officers and employees and are settled through liquidation and salary deduction for a specified period of time. In 2017 and 2016, the Company provided allowance for impairment losses amounting to P0.254 million. Real estate projects are valued at P359.26 million and P203.55 million for AWT and NCTO, respectively. There were no borrowing costs capitalized as at December 31, 2017 and 2016. The Company, in its normal course of business, has transactions with its related parties. Noninterest bearing cash advances to MCC of P16.1 million in December 31, 2017 and P15.9 million in December 31, 2016. The Company obtained cash advances from its stockholder for working capital requirements which amounted to P163.7 million and P124.6 million as at December 31, 2017 and 2016, respectively. These advances are due and payable on demand. Noninterest bearing cash advances made to officers amounted to P0.349 million and nil as at December 31, 2017 and 2016, respectively. In 2017 and 2016, the Company provided allowance for impairment losses on advances to officers and employees amounting to P0.254 million. There were no compensation of key management personnel of the Company in 2017 and 2016. Other current assets amounting to P4.232 million and P3.337 million as at December 31, 2017 and 2016, respectively. The Company recognized allowance for impairment losses amounting to P8.619 million and P8.133 million in 2017 and 2016, respectively. Property and equipment amounted to P10.557 million and P12.529 million as at December 31, 2017 and 2016, respectively. The cost of fully depreciated property and equipment that are being used by the Company amounted to P5.3 million and P45.6 million in 2017 and 2016, respectively. No movement on exploration and evaluation assets of P464.25 million as at December 31, 2017 and 2016, respectively. Other noncurrent assets of P281.2 million and P24.5 million as at December 31, 2017 and 2016, respectively. The increase was due to 15% investment in the shares of stock of SEPALCO and the predevelopment costs incurred by the Company in acquiring licenses and service contracts in relation to Menlo Renewable Energy's solar energy service contract with DOE in Naga City, Cebu. Bank loans of P25.0 million as at December 31, 2017 and 2016,

represents due and demandable, unsecured loans payable to First Metro Investment Corporation, with 13% annual interest. Trade and Other Payable consists of Accrued Interest and penalties incurred on the outstanding loans amounting to P342.18 million and P317.22 million for 2017 and 2016, respectively. Due to related party of P163.75 for 2017 and P124.56 million for 2016. These are transactions made from a stockholder for working capital advances and acquisition of licenses for Menlo Renewable Corporation. Retirement liabilities amounted to P7.00 million for 2017 and P11.79 million for 2016. These are unfunded, defined benefit retirement plan covering all its qualified employees. As a result, the Company's deficit for 2017 is at negative P306.25 million while for 2016, it's a negative P245.55 million.

In terms of profitability, MRC's net loss stood at P60.70 million in 2017 compared to P65.80 million net loss in 2016. The decrease in net loss of P5.10 are primarily attributable to the Company's other income particularly on reversal of allowance for impairment losses and remeasurement gain on net retirement liability.

2016 – The company's total assets is P1.084 billion and P1.063 billion as at December 31, 2016 and December 31, 2015, respectively. Receivables amounted to P54,052 and P344,440 as at December 31, 2016 and 2015, respectively are advances made to officers and employees and are settled through liquidation and salary deduction for a specified period of time. In 2016, the Company provided allowance for impairment losses amounting to P0.3 million. In 2015, long outstanding trade and other receivables previously provided with allowance for impairment losses amounting to P82.0 million were written off. Real estate projects are valued at P539.8 million and P1, 071.7 million for NCTO and AWT, respectively. There were no borrowing costs capitalized as at December 31, 2016 and 2015. The Company, in its normal course of business, has transactions with its related parties. Noninterest bearing cash advances to MCC of P=15.9 million in December 31, 2016 and P13.3 million in December 31, 2015. The Company obtained cash advances from its stockholder for working capital requirements which amounted to P123.6 million and P62.3 million as at December 31, 2016 and 2015, respectively. These advances are due and payable on demand. Non-interest bearing cash advances made to officers amounted to P54, 052 and P0.3 million as at December 31, 2016 and 2015. In 2016, the Company provided allowance for impairment losses on advances to officers and employees amounting to P0.3 million. There were no compensation of key management personnel of the Company in 2016 and 2015. Other current assets amounting to P3.33 million and P1.60 million as at December 31, 2016 and 2015, respectively. The Company recognized other income reversal of allowance for impairment losses amounting to P0.6 million and P0.3 million in 2016 and 2015, respectively. Property and equipment amounted to P12.52 million and P11.64 million as at December 31, 2016 and 2015, respectively. The cost of fully depreciated property and equipment that are being used by the Company amounted to P45.6 million and P33.5 million in 2016 and 2015, respectively. No movement on exploration and evaluation assets of P464.25 million and P464.25 million as at December 31, 2016 and 2015, respectively. Other non-current assets of P24.5 million and P9.62 million as at December 31, 2016 and 2015, respectively. The increase was due to the pre-development costs incurred by the Company in acquiring licenses and services contract in relation to Menlo Renewable Energy's solar energy project. Bank loans of P25.0 million and P25.0 million as at December 31, 2016 and 2015, respectively, represents due and demandable loans payable to First Metro Investment Corporation, with interest ranging from 12.0% to 19.5% a year. Trade and Other Payable consists of Interest and penalties incurred on the outstanding loans amounting to P318.15 million and P294.70 million for 2016 and 2015, respectively. Due to related party of P123.61 for 2016 and P62.25 million for 2015. These are transactions made from a stockholder for working capital advances and acquisition of licenses for Menlo Renewable Corporation. Retirement liabilities amounted to P11.79 million for 2016 and P10.33 million for 2015. These are unfunded, defined benefit retirement plan covering all its qualified employees. As a result, the Company's deficit for 2016 is at negative P245.55 million while for 2015, it's a negative P179.74 million. In terms of profitability, MRC's net loss stood at P65.80 million in 2016 compared to P41.14 million net loss in 2015. The increase in net loss of P24.65 are primarily attributable to the Company's operating expenses particularly on the accrual of interest and penalties on the remaining loans and overhead expenses.

2015- The total assets of the company is P1.063 billion and P1.060 billion as at December 31, 2015 and 2014 respectively. The carrying amount of Trade and Other Receivables amounted to P0.3 million as at December 31, 2015 and 2014. Allowance for impairment losses of trade and other receivables to nil and P81.9 million as at December 31, 2015 and 2014 respectively. The company has written off due from related parties amounting to P161.1 million. Allowance for impairment losses due from related parties amounted to P0.0 and P161.1 million as at December 31, 2015 and 2014, respectively. The carrying amount of due from related parties amounted to P13.3 million and P12.6 million as at December 31, 2015 and 2014 respectively. The amount of the Real estate projects amounted to P562.8 million as at December 31, 2015 and 2014 respectively. The fair value of the real estate projects aggregated P1, 611.5 million and P1, 541.3 million as at December 31, 2015 and 2014 respectively. The company's property and equipment amounted to P18.8 million and P16.9 million in 2015 and 2014 respectively. No impairment losses on property and equipment were recognized in 2015 and 2014 respectively. Other current assets amounted to P1.6 million and P1.0 million in 2015 and 2014 respectively. Allowance for probable loss of other current assets amounted to P8.7 million and P9.0 million as at December 31, 2015 and 2014 respectively. The net amount pertains to deposits, input VAT and other prepayment. Exploration and evaluation assets amounted to P464.3 million in 2015 and 2014, no impairment is recognized. Retirement liability amounted to P10.3 million and P9.0 million in 2015 and 2014 respectively. *(Other info please refer to 17-A 2017).*

Comparable Discussion of Interim Period as of 31 March 2018

The Group's aggregate resource stood at P1.340 Billion, while total liabilities and equity amounted to P805.50 Million and P534.91 Million respectively, as of 31 March 2018. Comparing March 31, 2018 against December 2017 level, total resources net increased by P0.086 million attributed principally on accumulated depreciation and advances of subsidiaries and affiliates. Total liabilities went up by P10.18 Million in 31 March 2018 due to the following: (i)) accrual of interest and penalties of the existing bank loans and transactions recorded in the related parties and advances to stockholders to fund the day to day operations of the Company. Total stockholders' equity was recorded at P534.91 Million in 31 March 2018 as against of P545.01 Million in 31 December 2017 due mainly to the general expenses for the first quarter of 2018.

On a quarter to quarter basis, total assets of the Group for the first quarter of 2018 amounted to P1.340 Billion compared to the total assets as of end of first quarter of 2017 were increased by P0.256 million. The increase is due to investments in the shares of stock of SEPALCO and predevelopment costs incurred in relation to Menlo Renewable Energy Corporation's solar energy service contract.

Total liabilities of the Group as of first quarter of 2018 increased by P0.322 Million net of P483.80 million compared to P805.50 million this quarter against the same quarter of 2017. This increase was due to subscription payable which represents investments of stocks and to the advances made to stockholders for working capital requirements of its subsidiaries and the accrual of interest on the bank loan and other payables for this quarter of 2018.

MRC ended the first quarter of 2018, with a total net loss of P10.10 Million compared to P5.15 Million in the first quarter of 2017. The increase was largely due to the related party transaction with Menlo Capital Corporation to support the general and administrative expenses of the company and the accrual of interest on the bank loans.

Key Performance Indicators

	2018	2017
Current/liquidity ratio	0.73	0.74
Current Assets	585,222,882	584,287,946
Current liabilities	796,368,140	786,182,879
Solvency ratio	(0.013)	(0.083)
After tax income (loss) less dep	(10,098,913)	(65,657,050)
Total liabilities	805,496,533	795,311,272
Debt-to-equity ratio	1.51	1.46
Total liabilities	805,496,533	795,311,272
Total equity	534,914,060	545,012,973
Asset-to-equity ratio	2.51	2.46
Total assets	1,340,410,593	1,340,324,245
Total equity	534,914,060	545,012,973
Interest rate coverage ratio	(12.43)	(1.73)
Loss before interest and taxes	(10,098,913)	(42,203,639)
Interest expense	812,450	24,433,443
Profitability ratio		
Return on assets	(0.01)	(0.05)
After tax income	(10,098,913)	(65,657,050)
Total assets	1,340,410,593	1,340,324,245
Return of equity	(0.019)	(0.12)
After tax income	(10,098,913)	(65,657,050)
Total equity	534,914,060	545,012,973

Discussion and Analysis of Material Events

(1). (i) MRC's debt-to-equity restructuring have a material impact on its liquidity and equity in the first quarter of 2014. The quasi-reorganization, debt-to-equity conversion and the decrease in MRC's par value resulted to a positive equity.

(ii) There are no other known trends, commitments, events or uncertainties that will have a material impact on MRC's liquidity within the next twelve (12) months except for those mentioned above.

- (2) (i) There are no material commitments as yet for capital expenditures.
- (ii) There are no events that will trigger any direct or contingent financial obligation that is material to the Company or any default or acceleration of an obligation for the period.
- (3) (i) There is nothing to disclose regarding any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of MRC with unconsolidated entities or other persons created during the reporting period.
- (4) There are no other significant elements of income or loss that did not arise from the MRC's operations or borrowings for its projects.
- (5) The material changes of 5% or more from period to period of the following accounts are as follows:

Balance Sheet Accounts:

Total assets is P1.340 billion and total liabilities and equity is P805.50 million and P534.91 million, respectively. Total assets went up by P0.086 million this quarter due to advances from officers and employees and other current assets.

Trade and other payables of P342.83 million went up by P0.649 million because of the accrual of interest on the bank loan, statutory liabilities and other payables in first quarter of 2018.

Due to a related party amounted to P173.28 million in 2018. The increase of P9.54 million was due to the advances made from a stockholder for working capital operation of its subsidiary.

Net loss of P10.10 million compared to the Company's net loss of P5.15 for 2017 of the same quarter. Net loss for this quarter is attributed to the accrual of interest of loans amounting to P0.812 million, depreciation of P0.849 million.

General and administrative expenses of P9.29 million as against P4.33 million for first quarter of 2017. The increase in general and administrative expenses is attributed to the depreciation and amortization amounting to P0.849 million; salaries and wages of P2.537 million; and other expenses in the day to day operation of the Company.

Financial Risk Disclosure under SRC RULE 17.1 (1) (A) (ii)

The Company's principal financial instruments are cash, due from a stockholder, loans payable, accrued interest and penalties and other payables (excluding statutory payables) and due to a related party.

The BOD is responsible for the Company's risk management. The Company has risk management policies to identify and manage Company exposure to financial risks, to set appropriate transaction limits and controls, and to monitor and assess risks and compliance to internal control policies. Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to liquidity risk and credit risk from the use of its financial instruments. The BOD reviews and approves the policies for managing each of these risks which are summarized below.

1. Liquidity Risk. The Company's objective is to maintain a balance between continuity of funding and flexibility through availing of loans and advances from related parties. The maturity profile of the Company's financial liabilities as at December 31, 2017 and 2016 based on contractual payments follow:

2. Credit Risk. Credit risk refers to potential loss arising from failure by counter parties to fulfill their obligations.

Cash amounted to P=0.7 million and P=0.9 million as at December 31, 2017 and 2016, respectively. These are high grade receivables.

Due from a stockholder amounted to P=16.1 million and P=15.9 million as at December 31, 2017 and 2016, respectively. These are standard grade receivables having risks of default but are still collectible.

OPERATIONAL AND FINANCIAL INFORMATION

Item 1. Market for Issuer's Common Equity and Related Stockholder Matters

a. Market Information

MRC's common shares are traded in the Philippine Stock Exchange. The volume of its shares traded from 2015 to 2017 has been negligible due to market conditions.

The following are the highlights of trading during every quarter for the past three years where the last trading date was April 30, 2018 at P0.59.

2018	High	Low
1 st Quarter	0.60	0.55
2017		
1 st Quarter	0.22	0.21
2 nd Quarter	0.40	0.37
3 rd Quarter	0.35	0.33
4 th Quarter	0.34	0.33
2016		
1 st Quarter	0.09	0.09
2 nd Quarter	0.10	0.10
3 rd Quarter	0.24	0.23
4 th Quarter	0.13	0.13
2015		
1 st Quarter	0.13	0.12
2 nd Quarter	0.12	0.11
3 rd Quarter	0.09	0.09
4 th Quarter	0.08	0.07

That out of the total outstanding shares of MRC Allied, Inc. of 8,512,658,975, the shares allowed only to foreigners is 40% or equivalent to 3,405,063,590 shares. That the equity ownership of foreigners to MRC shares is 88,891,222 or 1.04 percent as of March 31, 2018.

b. Security Holders

The number of shareholders of record as of the date of this Report is 635 and outstanding common shares 8,512,658,975.

MRC's Top 20 Stockholders as of March 31, 2018 are as follows:

MRC's Top 20 Stockholders as of March 31, 2018 are as follows:

TOP	NAME	TOTAL SHARES	PERCENTAGE
1.	Menlo Capital Corporation	4,387,672,720	51.5429
2.	PCD Nominee Corporation	3,852,327,583	45.2541
3.	Pan Asia Securities Corp	199,540,000	2.3440
4.	EMRO Holdings, Inc.	40,833,000	0.4797
5.	Philippine TA Sec., Inc.	3,750,000	0.0441
6.	Bayan Financial Brokerage	3,399,500	0.0399
7.	1997 Bougainvillea Corporation	2,429,000	0.0285
8.	Lucky Securities, Inc.	1,878,000	0.0221
9.	William T. Gabaldon	1,850,000	0.0217
10.	Pua Yok Bing	1,000,000	0.0117
11.	Moises Ocampo &/or Josefina	915,000	0.0107
12.	Victor G. Sy	900,000	0.0106
13.	Leoncio Tan Tiu	700,000	0.0082
14.	Winston F. Garcia	600,000	0.0070

15.	Celso L. Lobregat	500,000	0.0059
16.	Roberto Tan Yap	500,000	0.0059
17.	Elpidio Duca	460,000	0.0054
18.	Asian Appraisal Holdings, Inc.	413,562	0.0049
19.	Fely C. Ley	400,000	0.0047
20.	Leonardo T. Seguion-Reyna	400,000	0.0047

There is no information available as of this date of this Report which relates to acquisition, business combination or other reorganization which could affect the present holdings of MRC's shareholders.

c. Dividends

No cash dividends declared on each class for the two most recent fiscal years and any subsequent interim period. Furthermore, there is currently no restriction that affects or limits the payment of dividend on common shares.

d. Recent Sales of Unregistered Securities or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

In 1995, the Company listed its entire 500 million shares in the Philippine Stock Exchange. All are fully sold and outstanding.

In October 7, 2010, the PSE approved the listing of an additional 3,121,416,747 common shares via debt to equity conversion subject to 180-day lock up period pursuant to the rules of the Exchange.

In May 23, 2012, the PSE likewise approved the listing of an additional 503,583,253 common shares as the final tranche of the debt to equity conversion.

On February 28, 2013, the stockholders approved a debt-to-equity conversion of up to P1.0 billion of previously contracted debt at P0.20 a share and the reduction in par value of shares from P0.20 to P0.10 to implement a quasi-reorganization by offsetting the resulting additional paid-in capital against the Company's deficit to improve the Company's financial position. The Company still has to file the necessary documents for the debt-to-equity conversion and the quasi-reorganization with the SEC.

On November 8, 2013, Securities & Exchange Commission approved the (1) debt-to-equity conversion payable to a stockholder amounting to P877.5 million as consideration for the issuance of 4,387,658,975 shares of stock with a par value of 0.20 per share and, (2) the Company's equity restructuring. The equity restructuring reduced the par value of shares from 0.20 to 0.10 and the resulting additional paid-in capital of P851.3 million was applied against the Company's deficit. As at December 31, 2013, the company has a positive equity of P755.4 million from a capital deficiency of P99.4 million as at December 31, 2012.

With the issuance of new shares in favor of Menlo Capital Corporation, MRC's outstanding capital stock increased to 8,512,658,975 shares.

With the issuance of new shares in favor of Menlo Capital Corporation, MRC's outstanding capital stock increased to 8,512,658,975 shares.

There are no recent sales of unregistered securities or exempt transactions; neither are there recent issuances covered by rules on Exempt Transactions.

Audited and Interim Financial Statements

The audited Financial Statements of MRC for the period ended December 31, 2017 and Interim Financial Statements for the period ended March 31, 2018 are attached hereto.

Reconciliation of Retained Earnings Available for Dividend Declaration

MRC has no retained earnings available for Dividend Declaration. Please refer to Consolidated FS of MRC Allied Inc.

Conglomerate Map

Please refer to the attached Consolidated FS of MRC Allied Inc.

Item 5. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There have been no disagreements between MRC and its accountants/external auditors on any accounting matter since the last annual stockholders meeting to date.

Fees and Other Arrangements

The estimated external auditor's fees are based on the agreed timetable that will enable the Company's statutory obligations in relation to the filing of financial statements with the Securities and Exchange Commission. Other services include the assistance in the preparation of the annual income tax return.

For services rendered, fees for the year 2017 is P350,000.00, exclusive of evat and out of pocket expenses; and for the years 2016 and 2015 is P350,000.00, exclusive of €VAT and out of pocket expenses.

Item 1. Corporate Governance

The Company's Revised Manual on Corporate Governance was filed on 31 May 2017 in compliance with SEC Memorandum Circular No. 19 Series of 2016, the directors and officers of MRC are all exerting their best efforts to comply with the leading practices and principles on good corporate governance. The compliance evaluation of the company centers on the self-rating form prepared by the Compliance Officer. It is the key documents that determines compliance to the Company manual on Corporate Governance and is prepared annually included in the SEC form 17-A. The SRF includes discussion on the result of the periodic review being made by the Compliance Officer. During the Company's annual stockholders' meeting held on 16 June 2017, the stockholders of MRC have elected the new members of its Board. The Board is composed of executive and non-executive directors.

The Company, through the Board, has created various committees pursuant to the provisions of the Revised Manual. The Company has also designated a Compliance Officer, who oversees compliance with the provisions of the Company's Manual. The Company has adopted the self-rating form prescribed by Securities and Exchange Commission.

To ensure compliance with the Company's Manual of Corporate Governance the following were adopted and enforced:

- a. Appointment of Compliance officer
- b. Creation of Board Committees
- c. Conduct of orientation programs/workshops to operationalize the Manual
- d. Attendance by all members of the Board of Directors in every Board Meeting
- e. Disclosure of all material information that could potentially affect the Corporation
- f. Filing of all required information for the interest of the stakeholders

So far, there is no known deviation from the Manual except for the following:

- a. Given the minimal operations and manpower of the Corporation, the Company has no professional development program in place at present and there was no perceived need for such program during the preceding calendar year.
- b. There are as yet no written policies and strategic guidelines on major capital expenditures. Such policies and guidelines will be fleshed out after the Board has completed its reviews of the financial and operational aspects of the company.

The Company, however, is working on its systems and procedures to improve compliance with the Company's Revised Manual.

PART III EXHIBITS AND SCHEDULES

Item 1. Exhibits and Reports on SEC Form 17-C

- a. **Exhibits** – See accompanying Index to Exhibits

The other exhibits, as indicated in the Index to Exhibits are either not applicable to the Company or require no answer.

- b. **Reports on SEC Form 17-C**

During the period covered by this report, the reports on 17-C Current filed with the Commission include the following:

DISCLOSURE DATE	TITLE
03-Jan-17	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
04-Jan-17	List of Top 100 Stockholders as of December 31, 2016
17-Jan-17	Public Ownership Report
20-Jan-17	Initial Statement of Beneficial Ownership of Securities
25-Jan-17	Material Information/Transactions
01-Feb-17	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
08-Feb-17	Material Information/Transactions
08-Feb-17	Results of Organizational Meeting of Board of Directors
08-Feb-17	Initial Statement of Beneficial Ownership of Securities
02-Mar-17	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
08-Mar-17	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
20-Mar-17	Initial Statement of Beneficial Ownership of Securities
23-Mar-17	[Amend-1] Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
30-Mar-17	Compliance Report on Corporate Governance
06-Apr-17	Notice of Annual or Special Stockholders' Meeting
06-Apr-17	Material Information/Transactions
06-Apr-17	Change in Par Value
06-Apr-17	Amendments to Articles of Incorporation
11-Apr-17	Annual Report
11-Apr-17	[Amend-1] Annual Report
17-Apr-17	Public Ownership Report
19-Apr-17	List of Top 100 Stockholders
02-May-17	Quarterly Report
09-May-17	Information Statement
09-May-17	[Amend-1] Notice of Annual or Special Stockholders Meeting
16-May-17	Material Information/Transactions
22-May-17	Information Statement
30-May-17	Annual Corporate Governance Report
31-May-17	Other SEC Forms, Reports and Requirements
19-June-17	Result of Annual or Special Stockholders' Meeting
19-June-17	Result of Organizational Meeting of the Board of Directors
19-June-17	Clarification of News Reports
19-June-17	[Amend-1] Amendments to Articles of Incorporation
19-June-17	[Amend-1] Change in Par Value
30-June-17	Material Information/Transactions
30-June-17	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
30-June-17	Amendments to Articles of Incorporation
30-June-17	Notice of Annual or Special Stockholders' Meeting
05-July-17	Initial Statement of Beneficial Ownership of Securities
06-July-17	Material Information/Transactions
10-July-17	List of Top 100 Stockholders
12-July-17	Public Ownership Report
14-July-17	Material Information/Transactions
21-July-17	Update on Corporate Actions/material Transactions/Agreements

24-July-17	Quarterly Report
27-July-17	Information Statement
27-July-17	Material Information/Transactions
28-July-17	[Amend-1] Material Information/Transactions
07-Aug-17	Clarification of News Reports
08-Aug-17	[Amend-1] Notice of Annual or Special Stockholders' Meeting
09-Aug-17	Material Information/Transactions
20-Sep-17	Material Information/Transactions
21-Sep-17	Substantial Acquisitions
21-Sep-17	[Amend-1] Amendments to Articles of Incorporation
21-Sep-17	Clarifications of News Report
21-Sep-17	Creation and Issuance of New Equity Security
03-Oct-17	[Amend-1] Substantial Acquisitions
10-Oct-17	Material Information/Transactions
11-Oct-17	List of Top 100 Stockholders
13-Oct-17	Public Ownership Report
26-Oct-17	Material Information/Transactions
30-Oct-17	Quarterly Report
17-Nov-17	Material Information/Transactions
17-Nov-17	Material Information/Transactions
24-Nov-17	Material Information/Transactions
24-Nov-17	Reply to Exchange Query
04-Dec-17	Reply to Exchange Query
11-Dec-17	Material Information/Transactions
11-Dec-17	[Amend-1] Update on Corporate Actions/material Transactions/Agreements
29-Dec-17	Clarification of News Report

UNDERTAKING

The Management of MRC Allied, Inc. undertakes to provide to its stockholders of record, or other persons solicited, as of the cut-off date, upon their written request, a copy of the company's annual report of SEC Form 17-A free of charge and shall indicate the name and address of the person to whom such written request is to be directed. Copies of exhibits and attachments thereto may also be provided subject to the payment of reasonable charges to cover reproduction costs.

All written requests for copies of the annual report and exhibits may be addressed to the Management at MRC Allied Inc., 5th Floor, Eurovilla 4 Building, 853 A. Arnaiz Avenue, Makati City 1223.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, CARLOS JERICHO L. PETILLA, Filipino, of legal age and a resident of #6 Naples St, Country Villas, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of MRC Allied
2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
International Data Conversion Solutions, Inc.	President and Chief Executive Officer	2001 - 2004; 2015 – present
Freight Process Outsourcing, Inc.	President and Chief Executive Officer	2015 – present
DDC Group of Companies	Director	1989-2004; 2015 – present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of MRC Allied, as provided for in Section 38 of the Securities Regulation Code, its implementing rules and regulations and other issuances of the Securities and Exchange Commission (“SEC”).
4. To the best of my knowledge, I disclose that I am the subject of the following criminal/administrative investigation or proceeding:

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
Investigated on GPPB resolution issued in August 2015 allowing MRT to negotiate procurement	Ombudsman	On going
Investigated on violation of Section 3 (e) on purchase of fertilizer in 2004	Ombudsman	On Going

5. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its implementing rules and regulations, the Code of Corporate Governance and other SEC issuances.
6. I shall inform the Corporate Secretary of MRC Allied of any changes in the abovementioned information within five (5) days from its occurrence.

Done this APR 10 2018, at QUEZON CITY

[Signature]
Affiant

APR 10 2018 QUEZON CITY

SUBSCRIBED AND SWORN to before me this ___ day of ___ at ___ affiant personally appeared before me and exhibited to me his/her CTC 23226668 issued at MARIKINA CITY on JANUARY 26, 2018

Doc. No. 7/
Page No. 4
Book No. XXII
Series of 2018.

[Signature]
ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
AM Adm. Not. Com. No. NP-000 1-12-17 until 12-31-2018
IGP O.R. No. 1008374 Jan. 2017 up to Dec. 2018
PTR O.R. No. 5522485 C 1-3-18 / Pub. No. 20152 / TWR 123-671-009
MCLE No. V-0010226 valid from 04/15/2010 to 04/14/2019 - QUEZON CITY
Address: 31-F Harvard St. Cubao, Q.C.

CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR

I, **EDITA S. BUENO**, Filipino of legal age and a resident of Blk. 1 Lot 30&35 Sampaguita Avenue, Maligaya Park Subd. Pasong Putik Novaliches Q.C., after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of MRC ALLIED, INC., and been its independent director since 30 June 2017.

2. I am affiliated with following companies or organizations (including Government Owned and Controlled Corporations).

<i>Company/Organization</i>	<i>Position/Relationship</i>	<i>Period of Service</i>
N/A	N/A	N/A

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of MRC ALLIED, INC., as provided for Section 38 of the Securities Regulation Code and its Implementing Rules and Regulation 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.

<i>Name of Director/Officer/Substantial Shareholder</i>	<i>Company</i>	<i>Nature of Relationship</i>
N/A	N/A	N/A

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):

<i>Offense Charged/Investigated</i>	<i>Tribunal or Agency Involved</i>	<i>Status</i>
N/A	N/A	N/A

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 the agency/department) to be an independent director in MRC Allied Inc., pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC Issuances.

8. I shall inform the Corporate Secretary of MRC ALLIED, INC. of any changes in the above mentioned information within five (5) days from its occurrence.

Done this APR 10 2018 day of 2018, at Makati City, Philippines.

EDITA S. BUENO
EDITA S. BUENO
Affiant

SUBSCRIBED AND SWORN TO before me this APR 10 2018 day of April 2018, at Makati City, Philippines, affiant exhibited to me his TIN ID No. 130-466-015.

NOTARY PUBLIC

JOHNSTON R. BRUSOLA
ATTY. JOHNSTON R. BRUSOLA
Commission No. M-276
Notary Public for Makati City
Until December 31, 2019
Euroville 4 Bldg. 5th Fl.,
#852 A. Amalaz Ave, Makati City
Roll No. 69649 / 06-01-2017
MCLE No. 2017 BAR passer
PTR No. 6623721 / 01-19-18 Makati City
IBP No. 021958 / 01-19-18 Makati City

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