

COVER SHEET

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S.E.C. Registration No.

[illegible]

(Company's Full Name)

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C	E	N	T	E	R		1	2	1		V	A	L	E	R	O		S	T		S	A	L	C	E	D	O	
V	I	L	L	A	G	E		M	A	K	A	T	I		C	I	T	Y										

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

MARK S. GORRICETA

MARK S. GORRICETA

(02) 8889-6467

(02) 8889-6467

1	2
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3	1
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Month Day
Fiscal Year

17-C

FORM TYPE

2nd Wednesday of August

Month _____ Day _____
Annual Meeting

N/A

Secondary License Type, If Applicable

M	S	R	D
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Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

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Total No. of Stockholders

	N/A
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Domestic

	N/A
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Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document I.D.

Cashier

STAMPS

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **August 15, 2023**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **A200117708**
3. BIR Tax Identification No. **219-934-330-000**
4. **Xurpas Inc.**
Exact name of issuer as specified in its charter
5. **Philippines**
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code:
7. **Unit 804 Antel 2000 Corporate Center, 121 Valero St., Salcedo Village, Makati City**
Address of principal office
- 1227**
Postal Code
8. **(632) 8889-6467**
Issuer's telephone number, including area code
9. **Not Applicable**
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class

Number of Shares of Common Stock
Outstanding

Common Shares

2,054,615,059

11. Indicate the item numbers reported herein: **Item 9**

Item 9. Other Events

On June 30, 2023, the Board of Directors (the "Board") of the Company approved the conversion of the advances to equity made by Mr. Fernando Jude F. Garcia and Mr. Nico Jose S. Nollado (the "Assignors"). The aggregate amount of the advances to be converted into equity is Php136,520,626.34. The Company and the Assignors signed the MOA on June 30, 2023.

The MOA provides that the Conversion Price per Share shall be above market price, calculated based on the weighted average of the closing prices for a period of thirty (30) trading days prior to the execution of the Memorandum of Agreement ("Effective Date"), and shall be supported by a Fairness Opinion issued by an independent firm in relation to the transaction. Within thirty (30) calendar days from the Effective Date, the Assignors shall execute a Deed of Assignment of Advances.

On July 28, 2023, the Board of Directors of Xurpas approved the conversion price of Php0.30 per share. The foregoing conversion price is supported by a Fairness Opinion issued by Isla Lipana & Co.

("PWC"). Accordingly, the Company shall issue 455,068,753 common shares from the unissued portion to the Assignors upon receipt of approval of the Securities and Exchange Commission (SEC). The Company and the Assignors signed the Deed of Assignment of Advances on July 28, 2023.

In line with the foregoing approval, the Company submitted with the PSE via PSE Edge the attached PSE Disclosure Form LR-1 (Comprehensive Corporate Disclosure on Issuance of Shares).

The disclosure is amended to adjust the total shareholder advances from Php136,520,626.35 to Php136,520,626.34. We have also attached the notarized copies of the Memorandum of Agreement and Deed of Assignment.

The Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

XURPAS INC.
Issuer

ATTY. MARK S. GORRICETA
Corporate Secretary and Chief Legal Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

Aug 15, 2023

2. SEC Identification Number

A200117708

3. BIR Tax Identification No.

219-934-330-000

4. Exact name of issuer as specified in its charter

Xurpas Inc.

5. Province, country or other jurisdiction of incorporation

Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

Unit 804 Antel 2000 Corporate Center, 121 Valero St., Salcedo Village, Makati City

Postal Code

1227

8. Issuer's telephone number, including area code

(632) 8889-6467

9. Former name or former address, if changed since last report

Not applicable

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	2,054,615,059

11. Indicate the item numbers reported herein

Item 9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

The logo for Xurpas Inc. features the word "Xurpas" in a bold, blue, italicized sans-serif font. The letters "X" and "p" are stylized with horizontal lines extending from them.

Xurpas Inc.



**PSE Disclosure Form LR-1 - Comprehensive Corporate Disclosure on Issuance of Shares
(Private Placements, Share Swaps, Property-for-Share Swaps
or Conversion of Liabilities/Debt into Equity)
Reference: Rule on Additional Listing of Securities**

Subject of the Disclosure

Comprehensive Corporate Disclosure of Xurpas Inc. (the "Company") on Issuance of Shares in relation to the Memorandum of Agreement (MOA) executed among the Company, Mr. Fernando Jude F. Garcia and Mr. Nico Jose S. Nollado.

Background/Description of the Disclosure

On June 30, 2023, the Board of Directors (the "Board") of the Company approved the conversion of the advances to equity made by Mr. Fernando Jude F. Garcia and Mr. Nico Jose S. Nollado (the "Assignors"). The aggregate amount of the advances to be converted into equity is Php136,520,626.34. The Company and the Assignors signed the MOA on June 30, 2023.

The MOA provides that the Conversion Price per Share shall be above market price, calculated based on the weighted average of the closing prices for a period of thirty (30) trading days prior to the execution of the Memorandum of Agreement ("Effective Date"), and shall be supported by a Fairness Opinion issued by an independent firm in relation to the transaction. Within thirty (30) calendar days from the Effective Date, the Assignors shall execute a Deed of Assignment of Advances.

On July 28, 2023, the Board of Directors of Xurpas approved the conversion price of Php0.30 per share. The foregoing conversion price is supported by a Fairness Opinion issued by Isla Lipana & Co. ("PWC"). Accordingly, the Company shall issue 455,068,753 common shares from the unissued portion to the Assignors upon receipt of the confirmation of valuation from the Securities and Exchange Commission (SEC). The Company and the Assignors signed the Deed of Assignment of Advances on July 28, 2023.

Date of Approval by Board of Directors

Jul 28, 2023

Comprehensive Corporate Disclosure
Description of the proposed transaction including the timetable for implementation, and related regulatory requirements

In relation to the foregoing transaction, the Company shall secure approval from the SEC through an application for Confirmation of Valuation. Upon receipt of the approval from the SEC, the Company shall issue the common shares to the Founders.

The Company shall also submit an application for additional listing of the shares with the Philippine Stock Exchange.

Rationale for the transaction including the benefits which are expected to be accrued to the listed issuer as a result of the transaction

The foregoing transaction will improve Xurpas' equity position.

The aggregate value of the consideration, explaining how this is to be satisfied, including the terms of any agreements for payment on a deferred basis

The aggregate amount of the advances that will be converted into equity is Php136,520,626.34.

The basis upon which the consideration or the issue value was determined

The parties have mutually agreed on a conversion price of Php0.30 per share, that is:

- 1) above market price, or 19% higher than the weighted average of the closing prices for a period of 30 trading days prior to the execution of the Memorandum of Agreement; and
- 2) supported by a Fairness Opinion issued by PWC.

Detailed work program of the application of proceeds, the corresponding timetable of disbursements and status of each project included in the work program. For debt retirement application, state which projects were financed by debt being retired, the project cost, amount of project financed by debt and financing sources for the remaining cost of the project

The Parties have agreed to convert the advances to equity to address and improve Xurpas' financial condition, by strengthening its equity position and reducing its interest expense.

Identity and/or corporate background of the beneficial owners of the shares subscribed, including the following

Beneficial Owners/Subscribers	Nature of Business	Nature of any material relationship with the Issuer and the parties to the transaction, their directors/officers or any of their affiliates
Fernando Jude F. Garcia	Not applicable	He is a principal stockholder of the Company, holding more than 10% of the total issued and outstanding shares. He is also currently a director, the Treasurer and Chief Technology Officer of the Company. Please see attached Annex "A".
Nico Jose S. Nollado	Not applicable	He is a principal stockholder of the Company, holding more than 10% of the total issued and outstanding shares. His mother, Atty. Mercedita S. Nollado, is currently a non-executive director in the Company. Please see attached Annex "B".

Organizational/Ownership Structure of Subscribers

Controlling Shareholders of Subscribers	Number of Shares Held	%
Not applicable	-	-

For subscribers with no track record or with no operating history: the Subscriber must present a statement of active business pursuits and objectives which details the step undertaken and proposed to be undertaken by the Issuer in order to advance its business. Projected financial statements shall only be required should there be references made in the Statement to forecasts or targets

Not applicable

The interest which directors of the parties to the transaction have in the proposed transaction

Aside from Mr. Garcia, no other director of Xurpas have interest in the proposed transaction.

Statement as to the steps to be taken, if any, to safeguard the interests of any independent shareholders

The foregoing transaction has been duly approved by the Audit / RPT Committee of the Company. The Company has also appointed a third party (PWC) that prepared a valuation report and issued a fairness opinion for the foregoing transaction.

The proposed listing of the foregoing shares shall also be subject to the approval of the stockholders.

Any conditions precedent to closing of the transaction

The Company will need to secure SEC confirmation on the valuation, prior to the issuance of the new shares.

Change(s) in the composition of the Board of Directors and Management

No change in the composition of the Board of Directors and Management.

Effects on the following

Ownership structure

Principal Shareholders	Before		After	
	Number of shares	%	Number of shares	%
Nico Jose S. Nollado	464,875,041	22.63	730,213,914	29.1
Fernando Jude F. Garcia	375,073,960	18.26	564,803,840	22.5
Raymond Gerard S. Racaza	375,765,960	18.29	375,765,960	14.97

Capital structure

Issued Shares

Type of Security /Stock Symbol	Before	After
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X - Common Shares	2,116,744,034	2,571,812,787	
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Outstanding Shares

Type of Security /Stock Symbol	Before	After	
X - Common Shares	2,054,615,059	2,509,683,812	

Treasury Shares

Type of Security /Stock Symbol	Before	After	
X – Common Shares	62,128,975	62,128,975	

Listed Shares

Type of Security /Stock Symbol	Before	After	
X - Common Shares	1,797,700,660	1,797,700,660	

Effect(s) on the public float, if any	There will be a decrease in the public float to 31.72%.
Effect(s) on foreign ownership level, if any	There will be a decrease in the foreign ownership level to 9.84%.

Other Relevant Information

Attached is a copy of the Fairness Opinion issued by PWC.

The disclosure is amended to adjust the total shareholder advances from Php136,520,626.35 to Php136,520,626.34. We have also attached the notarized copies of the Memorandum of Agreement and Deed of Assignment.

ANNEX “A”: BACKGROUND ON BENEFICIAL OWNER

Name of Beneficial Owner: **FERNANDO JUDE F. GARCIA**

Background of the Private Placement Investor:	<p>Fernando Jude F. Garcia has been the Chief Technology Officer and Director of the Corporation since 2001. He was also appointed as Treasurer effective February 1, 2019. He also served as Corporate Secretary of the Corporation until December 2014.</p> <p>He created the Corporation’s Griffin Platform, the mobile consumer content gateway and platform for all of the Corporation’s mobile consumer content products and services. He also created the Corporation’s modular middleware system that can easily integrate with any modern billing gateway.</p> <p>He is the chief engineer responsible for the Corporation’s software architecture and systems integration. Examples of such systems and protocols are the following: SMS (CIMD2/EMI- UCP/SMPP), MMS (EIAF/MM7), Voice Services (SIP), Billing/IN (Diameter/UCIP/ParlayX2.1), Security (IPSEC), Publish-subscribe Systems and Video Streaming (RTMP/HLS) and blockchain technology (BTC/ETH).</p> <p>He is also responsible for architecting the Corporation’s fully Cloud-based system infrastructure. Before founding the Corporation, he was a software developer in iAyala. Mr. Garcia holds a Bachelor of Science degree in Applied Physics from the University of the Philippines in Diliman, Quezon City.</p>
Affiliations within Xurpas Group	<ul style="list-style-type: none">• Xurpas Inc – Treasurer and Chief Technology Officer• Xeleb Inc. – Chairman and President• Xeleb Technologies Inc. – Chairman and President• Xurpas Enterprise Inc. - Chairman

ANNEX “B”: BACKGROUND ON BENEFICIAL OWNER

Name of Beneficial Owner: **NICO JOSE S. NOLLEDO**

Background of the Private Placement Investor:	<p>Mr. Nico Jose S. Nollodo (“Mr. Nollo”do”), Filipino, was the Chairman and Director of Xurpas Inc. (the “Corporation”) since 2001. He resigned as Chairman and Director of the Corporation effective June 6, 2022. As of date, he remains the largest shareholder of Xurpas wherein he owns 24.53%.</p> <p>He is the first Filipino entrepreneur chosen by the Endeavour network, He is also the Ernst and Young’s 2015 Philippine Entrepreneur of the Year and was chosen as one of The Outstanding Young Men (“TOYM”) in the Philippines in 2015.</p> <p>Mr. Nollo</p> do holds a Bachelor of Science degree in Management from Ateneo de manila University.
Affiliations within Xurpas Group	<p>Within Xurpas Group:</p> <ul style="list-style-type: none">• Seer Technologies, Inc. – Director / Shareholder• Storm Technologies Inc. – Director / Shareholder• Art of Click Pte Ltd - Director



Isla Lipana & Co.

28 July 2023
The Board of Directors
Xurpas Inc.
Unit 804 Antel 2000 Corporate Center
121 Valero St., Salcedo Village
Makati City 1227

Gentlemen:

You, the Board of Directors of Xurpas Inc. ("You", the "Company", or "Xurpas") have requested our opinion ("Opinion") as to the fairness of the value of the shares (the "Shares") of the Company and its subsidiaries (collectively, the "Group") in relation to the planned conversion of the Company's outstanding founders' advances into equity (the "Transaction"). Based on the Company's disclosures, the founders converting their advances into equity are Nico Jose S. Nollado and Fernando Jude F. Garcia (the "Founders").

The valuation exercise is in compliance with the requirements of the Philippine Stock Exchange ("PSE") in relation to debt-to-equity conversion transactions involving publicly-listed companies. The Valuation Date is 31 March 2023.

In connection with our Opinion, we have:

- i. Considered certain financial and other information relating to the Group that were furnished to us by the Group's Management, including the audited financial statements, trial balances, financial forecasts, impairment analysis, status of existing and future projects, and key contracts, among others;
- ii. Discussed with the members of the Group's Management to understand the business practices, operations, policies, strategies, growth plans, and historical financial results of the Group;
- iii. Considered certain financial data of the Group and compared those with similar data for other publicly-held companies engaged in businesses similar to those of the Group;
- iv. Performed the discounted cash flows ("DCF") approach as a primary method in estimating the fair value of the Shares and the relative valuation approach as a cross-check;
- v. Considered such other information, analyses and investigations, and financial, economic and market data as we deemed relevant and appropriate for purposes of this Opinion.

The details of the key information, supporting documents, resulting values per methodology, and other material inputs to the valuation are disclosed in the accompanying valuation report dated 28 July 2023.



The Opinion expressed below is subject to the following qualifications and limitations:

- i. In arriving at our Opinion, we have relied upon and assumed, without independent verification, the accuracy and completeness of all financial and other key information that were substantially furnished to us by the Group's Management. With respect to the financial forecasts used by us, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of Management as to the Group's contractual rights and obligations, future financial performance, strategic direction, and short-, medium- and long-term plans.
- ii. In arriving at our Opinion, we have adopted the relevant provisions of the latest edition of the International Valuation Standards ("IVS") in the valuation of the Shares. In particular, we have used the following relevant provisions in performing the valuation procedures:
 - a. IVS 101 Scope of Work
 - b. IVS 103 Reporting
 - c. IVS 104 Bases of Value
 - d. IVS 105 Valuation Approaches and Methods, and
 - e. IVS 200 Business and Business Interests
- iii. Our services with respect to the Transaction do not constitute, nor should they be construed to constitute in any way, a review, audit, or financial, tax, and legal due diligence of or any other procedures with respect to any financial information, nor should such services be relied upon by any person to disclose weaknesses in internal controls or financial statement errors or irregularities.
- iv. Our Opinion does not address, and should not be construed to address, either the underlying business decision to effect the Transaction or whether the share price used in the Transaction represents the best price. Further, any decisions and/or actions of the Founders, the Group's Management, and/or their shareholders that are outside the scope of the Transaction described herein, and that are not included in our valuation report, shall not be construed to be covered and supported by our Opinion.
- v. We express no view as to the potential national or local tax consequences of the Transaction.
- vi. Our estimates of share value reflect the cash flows estimated to be derived by the Group from its key segments, namely enterprise services, mobile consumer services and other revenues.
- vii. We have used third party industry reports and Management information from the Group in coming up with our valuation estimates. These include details of the historical financial information, including revenues, cost of services, operating expenses, capital expenditures, operational statistics, and other key estimates; pipeline of projects; impairment analysis on investments in associates; sample revenue contracts; sample cryptocurrency token agreements; and disclosures from the audited financial statements. If any of these information prove to be incorrect, the results of our valuation could be materially and adversely affected.
- viii. Our analysis relied on the representations of the Management and its legal team as to the contractual rights and obligations of the Group, particularly relating to performance obligations on the instruments and securities issued by the Group.



- ix. Our Opinion considered recoverable amounts that were estimated by the Management for its investments in entities, including those that were fully and partially provided with impairment by the Company per its audited financial statements.
- x. Our Opinion is based on business, economic, market and other conditions as they exist as of the date hereof or as of the date of the information provided to us. We have not considered events subsequent to the date of our Opinion.
- xi. Our Opinion should not be construed as providing the Company, the Founders, or any third party, with investment advice. Neither are we expressing an opinion on the continued viability of Xurpas nor any of its consolidated entities and associates.
- xii. We have not considered the impact of any force majeure events, which may adversely affect the operations of the Group.
- xiii. We did not examine and do not express an opinion on the fairness of the compensation in the Transaction to the Group's directors, officers, or employees relative to the compensation to the Group's shareholders.
- xiv. Our Opinion assumed no significant change in the existing political, legal, and regulatory environment that could have influenced the operations and status of the Group.
- xv. This Opinion is effective as of the date hereof. We have no obligation to update this Opinion unless requested by you in writing to do so and expressly disclaim any responsibility to do so in the absence of any such request.

Based upon and subject to the foregoing, it is our opinion that as of the Valuation Date, the fair value of Xurpas Inc. ranges from **PHPo.21 to PHPo.31 per share** based on both the DCF approach and the relative valuation approach.

Based on the above, we are of the opinion that the conversion price set by the Management of PHPo.30 for each share of the Company is fair from a financial point of view.

We formed our Opinion in accordance with the PSE's Memorandum No. 2021-0009 on the Guidelines for Fairness Opinions and Valuation Reports.

This Opinion is prepared by a team of professionals and has undergone a series of reviews by the senior members of the engagement team.

Isla Lipana & Co. has no present or contemplated future interest in the Group or any other interest that might tend to prevent making a fair and unbiased valuation. Apart from conducting the valuation and issuing the fairness opinion, Isla Lipana & Co. was not involved in the Transaction for which any compensation was received or intended to be received.

During the execution of the valuation procedures, Isla Lipana & Co. has been compliant with the Firm's Code of Conduct and the International Code of Ethics for Professional Accountants released by the International Ethics Standards Board for Accountants in September 2022.

Further, the Firm has been compliant with the independence requirements of the PSE in relation to the Transaction. Specifically, per Memorandum No. 2021-0009, the PSE does not consider a firm to be independent if:

- a. It is a related party to the applicant company;
- b. Its holding or subsidiary company provides financial advisory in relation to the applicant company's listing application, or external audit services to the applicant company; and



Isla Lipana & Co.

- c. There are other circumstances or arrangements, direct or indirect, between the firm and the applicant company that, in the determination of the PSE, may influence, or tend to influence, the objectivity and reliability of the fairness opinion and valuation report.

We will receive a fixed fee as compensation for our services in rendering this Opinion. No portion of our fees or expense reimbursements is refundable or contingent upon the conclusions reached in this Opinion.

This letter is for the information of the Board of Directors of Xurpas Inc. in connection with the Transaction described herein. This Opinion may not be quoted or referred to, in whole or in part, filed with, or furnished or disclosed to any other party other than the Philippine Stock Exchange, or used for any other purpose, without our prior written consent.

Very truly yours,

A handwritten signature in black ink, appearing to read "Divinagracia", written over the printed name.

Mary Jade T. Roxas – Divinagracia, CFA®, CVA

Managing Partner

DEED OF ASSIGNMENT

This Deed of Assignment is entered into effective as of July 28, 2023 ("Effective Date"), in Pasig City, Philippines, by and among:

FERNANDO JUDE F. GARCIA, Filipino, married, of legal age, and with address at [REDACTED],
[REDACTED] (hereinafter, the "**Party A**");

NICO JOSE S. NOLLEDO, Filipino, married, of legal age, and with address at [REDACTED] (hereinafter, the "**Party B**");

and

XURPAS INC., a corporation duly organized and existing under the laws of the Philippines, with office address at Unit 804 Antel 2000 Corporate Center, 121 Valero St., Salcedo Village, Makati City, and represented herein by its Chief Executive Officer, **Mr. Jonathan Gerard A. Gurango** and its Chief Finance Officer, **Alexander D. Corpuz** (hereinafter, the "**Company**", "**Party C**" or "**Assignee**").

(Each shall be referred to as a "**Party**", collectively, the "**Parties**")

RECITALS:

WHEREAS, the Company has an authorized capital stock of Five Hundred Million Pesos (Php500,000,000.00) divided into Five Billion (5,000,000,000) common shares with a par value of Ten Centavos (Php0.10) per share (the "**Common Shares**"), of which 2,116,744,034 Common Shares have been issued as of date;

WHEREAS, each of the Assignor has made advances to the Assignee which shall be converted into equity, as follows:

Name of Assignor	No. of Shares	Subscribed (PHP)	Amount of Advances Applied as Paid-up
Fernando Jude F. Garcia	189,729,880	18,972,988.00	PHP56,918,964.22
Nico Jose S. Nollado	265,338,873	26,533,887.30	79,601,662.12
Total	455,068,753	PHP45,506,875.30	PHP136,520,626.34

WHEREAS, each of the Assignor is willing to have the aforementioned advances converted to common shares in the Company, subject to the approval of the Securities and Exchange Commission (SEC);

NOW, THEREFORE, for and inconsideration of the foregoing premises, each of the Assignor hereby assigns, transfers and cedes over unto ASSIGNEE, all its rights and interests to all the advances in the total amount of **PHP136,520,626.34** which has

been credited and converted into the ASSIGNEE's capital stock in equivalent amount of **PHP136,520,626.34** upon the approval of ASSIGNEE's application for confirmation of valuation with the Securities and Exchange Commission.


The ASSIGNEE hereby acknowledges and agrees to the conversion of the said advances to its capital stock.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have signed this Deed on the date written above.


FERNANDO JUDE F. GARCIA
Party A/Assignor

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.


SUBSCRIBED AND SWORN TO before me this AUG 10 2023, at
PASIG CITY City, Philippines, Affiant exhibited to me his Government issued ID
No. 

Doc. No. 236;
Page No. 45;
Book No. 11;
Series of 2023.


EDRIAN M. APAYA

PTR No. 173321/01-12-2023/Pasig City
IBP No. 250162; 01-19-2023; Masbate
Roll No. 64655
MCLE Compliance VII-0227307; 03-27-2023
15th Floor Strata 2000, F. Ortigas Jr, Road, Pasig City
Email address: emapaya@gorricetalaw.com
Telephone No. 86960988
Appointment No. 189 (2023-2024) – Pasig City
Commissioned until 31 December 2024

IN WITNESS WHEREOF, the Parties have signed this Deed on the date written above.


NICO JOSE S. NOLLEDO
Party B/Assignor

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

SUBSCRIBED AND SWORN TO before me this AUG 10 2023, at
PASIG CITY City, Philippines, Affiant exhibited to me his Government issued ID
No. .

Doc. No. 236 ;
Page No. 45 ;
Book No. II ;
Series of 2023.


EDRIAN M. APAYA
PTR No. 173321/01-17-2023/Pasig City
IBP No. 250162; 01-19-2023; Masbate
Roll No. 64655
MCLE Compliance VII-0227307; 03-27-2023
15th Floor Strata 2000, F. Ortigas Jr. Road, Pasig City
Email address: emapaya@gorricetalaw.com
Telephone No. 86960988
Appointment No. 189 (2023-2024) – Pasig City
Commissioned until 31 December 2024

IN WITNESS WHEREOF, the Parties have signed this Deed on the date written above.

XURPAS INC.
Party C/Assignee

Represented by:

JONATHAN GERARD A. GURANGO
Chief Executive Officer


ALEXANDER D. CORPUZ
Chief Finance Officer

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

SUBSCRIBED AND SWORN TO before me this AUG 10 2023, at PASIG CITY City, Philippines, affiants exhibited to me their Government issued ID as follows:

Name	Government ID No.	Expiry Date / Place Issued
Jonathan Gerard A. Gurango	[REDACTED]	[REDACTED]
Alexander D. Corpuz	[REDACTED]	[REDACTED]

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Series of 2023.

EDRIAN M. APAYA

PTR No. 173321/01/12-2023/Pasig City
IBP No. 250162; 01-19-2023; Masbate
Roll No. 64655
MCLE Compliance VII-0227307;03-27-2023
15th Floor Strata 2000, F. Ortigas Jr. Road, Pasig City
Email address: emapaya@gorricetalaw.com
Telephone No. 86960988
Appointment No. 189 (2023-2024) – Pasig City
Commissioned until 31 December 2024

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered into effective as of June 30, 2023 ("Effective Date"), in Pasig City, Metro Manila, Philippines, by and among:

FERNANDO JUDE F. GARCIA, Filipino, married, of legal age, and with address at [REDACTED], [REDACTED] (hereinafter, the "Party A");

NICO JOSE S. NOLLEDO, Filipino, married, of legal age, and with address at [REDACTED] (hereinafter, the "Party B");

and

XURPAS INC., a corporation duly organized and existing under the laws of the Philippines, with office address at Unit 804 Antel 2000 Corporate Center, 121 Valero St., Salcedo Village, Makati City, and represented herein by its Chief Executive Officer, **Mr. Jonathan Gerard A. Gurango** and its Chief Finance Officer, **Alexander D. Corpuz** (hereinafter, the "Company", "Party C" or "Assignee").

(Each shall be referred to as a "Party", and collectively, the "Parties"; Party A and Party B may also be collectively referred herein as "Assignors")

RECITALS:

WHEREAS, the Company has an authorized capital stock of Five Hundred Million Pesos (Php500,000,000.00) divided into Five Billion (5,000,000,000) common shares with a par value of Ten Centavos (Php0.10) per share (the "Common Shares"), of which 2,116,744,034 Common Shares have been issued as of date;

WHEREAS, each of the Assignor has made advances to the Assignee which shall be converted into equity, as follows:

Name of Assignor	Amount of Advances to be converted into equity
Fernando Jude F. Garcia	PHP56,918,964.22
Nico Jose S. Nollado	79,601,662.12
Total	PHP136,520,626.34

WHEREAS, each of the Assignor is willing to have the aforementioned advances converted to common shares in the Company, subject to the approval of the Securities and Exchange Commission (SEC);

NOW, THEREFORE, in consideration of the foregoing premises, the Parties agree as follows:

1. **Advances.** The Parties recognize that the Assignors have the following advances to the Assignee as of December 31, 2022:

Name of Assignor	Advances (in PHP)
Fernando Jude F. Garcia	PHP56,918,964.22
Nico Jose S. Nollado	79,601,662.12
Total	PHP136,520,626.34

2. **Interest.** The Assignors agree that by executing this Agreement, all interests that will be deemed outstanding will be the amount that have accrued as of December 31, 2022. Accordingly, no further interest will accrue on the said advances.
3. **Conversion of Debt to Equity.** Each of the Assignor hereby agrees to convert all of advances provided below into equity, subject to the approval of the SEC of the application for conversion of debt to equity.

Name of Assignor	Advances (in PHP)
Fernando Jude F. Garcia	PHP56,918,964.22
Nico Jose S. Nollado	79,601,662.12
Total	PHP136,520,626.34

4. **Conversion to Common Shares.** The Advances shall be converted into Common Shares at a price to be agreed upon by the Parties.
5. **Closing Conditions; Conversion Price.** Within thirty (30) calendar days from Effective Date, the Parties shall agree on a conversion price, provided that the price will be:
 - 5.1. above market price. For the avoidance of doubt, market price shall mean the weighted average of the closing prices for a period of thirty (30) trading days prior to Effective Date; and
 - 5.2. supported by a fairness Opinion issued by an independent firm in relation to the transaction.
6. **Closing Date; Closing Deliverables.** The Parties shall have its Closing Date no later than thirty (30) calendar days from Effective Date. On Closing:

6.1. Each of the Assignor shall submit the following:

- 6.1.1. Duly executed copy of the Deed of Assignment, in substantially the same for as Annex "A"; and
- 6.1.2. Such other documents as may be required by the Assignee.

6.2. The Assignee shall submit the following:

- 6.2.1. Secretary's Certificate evidencing the approval by its board of directors of the transaction;
- 6.2.2. Undertaking signed by the President that it will secure stockholders' approval within six (6) months from Closing, unless a longer period has been mutually agreed upon by the Parties;
- 6.2.3. Duly executed copy of the Deed of Assignment, in substantially the same for as Annex "A"; and
- 6.2.4. Such other documents as may be required by the Assignor.

7. Post-Closing Deliverables. The Company has the following deliverables after Closing Date:

- 7.1. *Payment of Documentary Stamp Tax.* The Company shall pay the documentary stamp tax within five (5) calendar days after the close of the month from execution of the Deed of Assignment.
- 7.2. *Confirmation of Valuation.* Within One Hundred Twenty (120) days from Closing Date, the Company shall secure a Confirmation of Valuation from the Securities and Exchange Commission.
- 7.3. *Recording in the Corporate Books.* Within ten (10) calendar days from receipt of the SEC's Confirmation of Valuation, the Company shall, at its expense, (i) issue to the Assignor the Conversion Shares, (ii) cause the recording of the Conversion Shares in the stock and transfer book of the Company, and (iii) issue the certificate of stock in the name of the Assignor evidencing the Conversion Shares.
- 7.4. *Stockholders' Meeting.* The Company shall, if necessary, secure the stockholders' ratification of the foregoing transaction in the next Stockholders' Meeting.
- 7.5. *Listing of the Subscription Shares.* The Company shall use its best efforts to list the Subscription Shares with the PSE within two (2) years from Closing Date.
- 7.6. *Regulatory Approvals.* The Company shall use its best efforts to secure the necessary regulatory and government approvals in relation to the transaction contemplated in this Agreement.

8. Taxes, SEC Fee, and PSE Listing Fee. Any and all taxes due on the issuance of the Conversion Shares, the fees for the application of conversion of debt to equity with the SEC, and the fees for the listing of the Conversion Shares with the PSE shall be for the Company's account.

9. **Termination and Effect of Termination.** This Agreement shall be terminated and be void and of no further force and effect, and all rights and obligations of the Parties hereunder shall terminate without any further liability on the part of any party in respect thereof, upon the earliest to occur of:
 - 9.1. Mutual agreement of the Parties in writing.
 - 9.2. Company's failure to comply with Section 5 (Closing Conditions) and Section 6 (Closing Deliverables).
10. **Non-Listing or Non-Receipt of Approvals.** In the event that the Company fails to (a) list the Conversion Shares with the PSE; or (b) secure the necessary regulatory and government approvals, the Parties may agree on a buy-back mechanism of the Conversion Shares, provided that the Company has sufficient retained earnings, and in compliance with the applicable rules and regulations, including the provisions under the Revised Corporation Code, the SRC and its implementing rules and regulations. The Parties may also mutually agree on a mechanism that will be able to implement will be acceptable to both Parties, and is in compliance with applicable laws, rules and regulations.
11. **Regulatory Approvals.** The Company shall process and secure the necessary regulatory and government approvals in relation to the transaction contemplated in this Agreement.
12. **Application for Listing of the Subscription Shares.** The Company shall, promptly upon issuance of the Conversion Shares, cause their listing on the PSE.
13. **Representations.** The Company represents to the Assignor that, upon issuance, the Conversion Shares shall be: (i) duly authorized and validly issued; (ii) fully paid and non-assessable; (iii) rank equally with the issued and outstanding common shares of the Company; (iv) free from any security, interest, pledge, mortgage, lien, option, charge, adverse claim, encumbrance, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or any other security interest of any kind, including arrangements, any rights exercisable by third parties (including any restriction on the use, voting, transfer, receipt or income or other exercise of any attributes of ownership) and any agreement to create any of the foregoing.
14. **Non-Registration.** The Company is claiming exemption from registration under Section 10.1(c) and 10.1(e) of the SRC. No confirmation of such exemption will be sought from the SEC.
15. **Miscellaneous.**
 - 15.1. The Parties agree that this Agreement will not be subject to change or modification except by an instrument executed in writing by the Parties.

- 15.2. The provisions of this Agreement shall be binding upon and accrue to the benefit of the Parties and their respective successors and permitted assigns. The respective rights and obligations of a Party shall not be assigned, transferred, or disposed of to any person, in whole or in part, without the prior written consent of the other Party.
- 15.3. This Agreement shall be governed by and construed in accordance with the laws of the Republic of the Philippines.
- 15.4. Any dispute, controversy, or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof shall be settled by arbitration in accordance with the PDRCI Arbitration Rules as at present in force. The arbitrator shall be mutually appointed by the Parties. The number of arbitrators shall be one (1) and the place of arbitration shall be in the Philippines. The language to be used in the arbitral proceedings shall be in English.
- 15.5. If any provisions contained herein is invalid, illegal, or unenforceable in any respect under any applicable law or decision, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way. The Parties shall so far as practicable execute such additional documents in order to give effect to any provision hereof which is determined to be invalid, illegal, or unenforceable.
- 15.6. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same Agreement. This Agreement may be executed by facsimile or electronic signature in portable document (.pdf) and such will constitute an original for all purposes.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date written above.


FERNANDO JUDE F. GARCIA
Party A

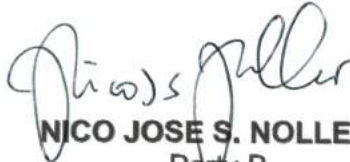
REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

SUBSCRIBED AND SWORN TO before me this AUG 10 2023, at
PASIG CITY, Philippines, Affiant exhibited to me his Government issued ID
No. [REDACTED].

Doc. No. 137 ;
Page No. 15 ;
Book No. 2 ;
Series of 2023.


EDRIAN M. ATAYA
PTR No. 173321/01/12-2023/Pasig City
IBP No. 250162; 01-19-2023; Masbate
Roll No. 64655
MCLE Compliance VII-0227107;03-27-2023
15th Floor Strata 2000, F. Origas Jr, Road, Pasig City
Email address: enatapaya@gorricetalaw.com
Telephone No. 86960988
Appointment No. 189 (2023-2024) – Pasig City
Commissioned until 31 December 2024

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date written above.


NICO JOSE S. NOLLEDO
Party B

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

SUBSCRIBED AND SWORN TO before me this AUG 10 2023, at
PASIG CITY, Philippines, Affiant exhibited to me his Government issued ID
No. [REDACTED].

Doc. No. 237 ;
Page No. 45 ;
Book No. 2 ;
Series of 2023.


EDRIAN M. APAYA
PTR No. 173321/01-12-2023/Pasig City
IBP No. 250162; 01-19-2023; Masbate
Roll No. 64655
MCLE Compliance VII-0227307; 03-27-2023
15th Floor Strata 2000, F. Ortigas Jr. Road, Pasig City
Email address: emapaya@gonicetalaw.com
Telephone No. 86960988
Appointment No. 189 (2023-2024) – Pasig City
Commissioned until 31 December 2024

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date written above.

XURPAS INC.

Party C

Represented by:

JONATHAN GERARD A. GURANGO

Chief Executive Officer

ALEXANDER D. CORPUZ

Chief Finance Officer

REPUBLIC OF THE PHILIPPINES)
____ **PASIG CITY**) S.S.

SUBSCRIBED AND SWORN TO before me this **AUG 10 2023**, at **PASIG CITY**, Philippines, affiants exhibited to me their Government issued ID as follows:

Name	Gov't ID No.	Expiry Date/Place Issued
Jonathan Gerard A. Gurango	[REDACTED]	[REDACTED]
Alexander D. Corpuz	[REDACTED]	[REDACTED]

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Page No. 45
Book No. 2
Series of 2023.

EDRIAN M. APAYA

PTR No. 173321/01-12-2023/Pasig City

IBP No. 250162; 01-19-2023; Masbate

Roll No. 64655

MCLE Compliance VII-0227307;03-27-2023

15th Floor Strata 2000, F. Ortigas Jr. Road, Pasig City

Email address: emapaya@gorricetalaw.com

Telephone No. 86960988

Appointment No. 189 (2023-2024) – Pasig City

Commissioned until 31 December 2024

Annex "A"
DEED OF ASSIGNMENT

This Deed of Assignment is entered into effective as of [•] ("Effective Date"), in [•], Philippines, by and among:

FERNANDO JUDE F. GARCIA, Filipino, married, of legal age, and with address at [REDACTED] (hereinafter, the "**Party A**");

NICO JOSE S. NOLLEDO, Filipino, married, of legal age, and with address at [REDACTED] (hereinafter, the "**Party B**");

and

XURPAS INC., a corporation duly organized and existing under the laws of the Philippines, with office address at Unit 804 Antel 2000 Corporate Center, 121 Valero St., Salcedo Village, Makati City, and represented herein by its Chief Executive Officer, **Mr. Jonathan Gerard A. Gurango** and its Chief Finance Officer, **Alexander D. Corpuz** (hereinafter, the "**Company**", "**Party C**" or "**Assignee**").

(Each shall be referred to as a "**Party**", collectively, the "**Parties**")

RECITALS:

WHEREAS, the Company has an authorized capital stock of Five Hundred Million Pesos (Php500,000,000.00) divided into Five Billion (5,000,000,000) common shares with a par value of Ten Centavos (Php0.10) per share (the "**Common Shares**"), of which 2,116,744,034 Common Shares have been issued as of date;

WHEREAS, each of the Assignor has made advances to the Assignee which shall be converted into equity, as follows:

Name of Assignor	No. of Shares	Subscribed	Amount of Advances Applied as Paid-up
Fernando Jude F. Garcia			
Nico Jose S. Nollado			
Total			

WHEREAS, each of the Assignor is willing to have the aforementioned advances converted to common shares in the Company, subject to the approval of the Securities and Exchange Commission (SEC);

NOW, THEREFORE, for and inconsideration of the foregoing premises, each of the Assignor hereby assigns, transfers and cedes over unto ASSIGNEE, all its rights

and interests to all the advances in the total amount of _____ which has been credited and converted into the ASSIGNEE's capital stock in equivalent amount of _____ upon the approval of ASSIGNEE's application for confirmation of valuation with the Securities and Exchange Commission.

The ASSIGNEE hereby acknowledges and agrees to the conversion of the said advances to its capital stock.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have signed this Deed on the date written above.

FERNANDO JUDE F. GARCIA
Party A/Assignor

REPUBLIC OF THE PHILIPPINES)
_____CITY) S.S.

SUBSCRIBED AND SWORN TO before me this_____, at
_____City, Philippines, Affiant exhibited to me his Government issued ID
No._____.

Doc. No.____; Page
No.____; Book No.____;
Series of 2023.

IN WITNESS WHEREOF, the Parties have signed this Deed on the date written above.

NICO JOSE S. NOLLEDO
Party B/Assignor

REPUBLIC OF THE PHILIPPINES)
_____CITY) S.S.

SUBSCRIBED AND SWORN TO before me this_____, at
_____City, Philippines, Affiant exhibited to me his Government issued ID
No._____.

Doc. No.____; Page
No.____; Book No.____;
Series of 2023.

IN WITNESS WHEREOF, the Parties have signed this Deed on the date written above.

XURPAS INC.
Party C/Assignee
Represented by:

JONATHAN GERARD A. GURANGO
Chief Executive Officer

ALEXANDER D. CORPUZ
Chief Finance Officer

REPUBLIC OF THE PHILIPPINES)
_____CITY) S.S.

SUBSCRIBED AND SWORN TO before me this_____, at
_____City, Philippines, affiants exhibited to me their Government issued
ID as follows:

Name	Gov't ID No.	Expiry Date/Place Issued

Doc. No.____; Page
No.____; Book No.____;
Series of 2023.