



107042019002525

**SECURITIES AND EXCHANGE COMMISSION**

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Company Information

SEC Registration No.	CS201000985
Company Name	SFA SEMICON PHILIPPINES CORPORATION
Industry Classification	Mfg., N.E.C.
Company Type	Stock Corporation

Document Information

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# **ADVISEMENT REPORT ON MATERIAL RELATED PARTY TRANSACTIONS**

**Reporting PLC:** SFA Semicon Philippines Corporation

**SEC Identification Number:** CS201000985

**Name of Related Party:** SFA Semicon Co. Ltd

**Execution Date of Transaction:** July 1, 2019

**Relationship between the Parties including financial/non-financial interest:** Parent Company

Type/Nature of Transaction and Description of Assets Involved	Terms and Conditions	Rationale for Entering into the Transaction	Total Assets <sup>1</sup> of Reporting PLC	Amount/ Contract Price	Percentage of the Contract Price to the Total Assets of the Reporting PLC	Carrying Amount of Collateral, if any	Approving Authority <sup>2</sup>												
Business Transaction Agreement & its Supplemental Agreements / Manufacturing contract for the production of memory and other semiconductor products for SFA Semicon Co. Ltd of South Korea	See Annex A-1	To stabilize both parties production output and ensure product quality assuring business growth in the semicon industry	\$174,415,435	Estimated to be at \$334 Million (average Sales of \$28Million per month for one year)	About 192% or higher of the Company’s total assets	Not applicable	<table><thead><tr><th>NAME</th><th>Voting Percentage</th></tr></thead><tbody><tr><td>Joon Sang Kang</td><td>20.00%</td></tr><tr><td>Daekyu Kang</td><td>20.00%</td></tr><tr><td>Hyunggoo Oh</td><td>20.00%</td></tr><tr><td>Carlos R. Alindada</td><td>20.00%</td></tr><tr><td>Mary Delia G. Tomacruz</td><td>20.00%</td></tr></tbody></table>	NAME	Voting Percentage	Joon Sang Kang	20.00%	Daekyu Kang	20.00%	Hyunggoo Oh	20.00%	Carlos R. Alindada	20.00%	Mary Delia G. Tomacruz	20.00%
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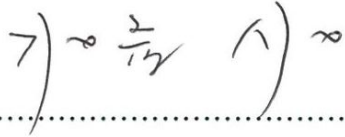
<sup>1</sup> Total assets shall pertain to consolidated assets if the reporting PLC is a parent company.

<sup>2</sup> The information shall include the names of directors present, names of directors who approved the Material Related Party Transaction and the corresponding voting percentage obtained.

SIGNATURES

Pursuant to the requirements of the Commission, the company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

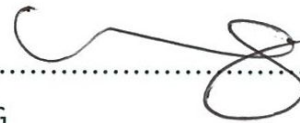
SFA Semicon Philippines Corporation



JOON SANG KANG

Authorized Representative

SFA Semicon Co. Ltd.



DAEKYU KANG

Authorized Representative

<sup>3</sup> Proof of authority must be attached to the Advisement Report.

**Annex A-1**

- The Business Transaction Agreement and its Supplemental Agreement (Agreement) shall be effective from July 1, 2019 to June 30, 2020 subject to extension for each 1 year at the same terms and conditions unless SFA Semicon Co. Ltd. (SFA) or SFA Semicon Philippines Corporation (SSP) give a notice of its intention to change or terminate the agreement 30 days prior to termination.
- The Agreement consists of manufacture, processing and repair, etc. of semiconductor products including raw materials, parts and finished products required for production of the products for SFA or its Clients.
- The unit price shall be determined by agreement of both parties considering the contents, quantity of the Deliverables, title of intellectual property rights, labor cost, administrative expenses, inflation, other costs incidental to the business transaction and proper mark-up of SSP.
- SFA shall place an order with sufficient lead time so as not to interfere with the delivery by SSPC when entrusting manufacturing, etc.