

F & J Prince Holdings Corporation

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING

Held at Function Room 7, Top of the Citi

34th Floor, Citibank Tower, 8741 Paseo de Roxas, Makati City

26 July 2018 • Thursday • 2:30 P.M.

I. ATTENDANCE

The Corporate Secretary, Atty. Fina Bernadette D.C. Tantuico, attested that stockholders owning 387,359,083 shares out of 481,827,653 shares comprising the Corporation's outstanding capital stock, entitled to vote, were present or represented at the meeting.

II. CALL TO ORDER

The Chairman, Mr. Robert Y. Cokeng, called the meeting to order. The Corporate Secretary, Atty. Fina Bernadette D.C. Tantuico, recorded the minutes of the proceedings.

III. PROOF OF NOTICE AND QUORUM

The Corporate Secretary informed the President that notices were sent to all stockholders of record of the Corporation on 05 July 2018, in the manner and within the period fixed in the By-Laws, as certified by Mr. Cal Joseph Cano, Executive Assistant of Varied Services, Inc., the Corporation's courier service company. The Secretary likewise certified that stockholders owning at least 80% of the outstanding capital stock of the Corporation were present and/or represented at said meeting.

The President then declared that a quorum existed for the transaction of business.

IV. APPROVAL OF THE MINUTES OF THE 2017 ANNUAL STOCKHOLDERS' MEETING

Upon motion made and duly seconded, the reading of the minutes of the Annual Stockholders' Meeting held last 31 July 2017, copies of which were distributed to the stockholders prior to the meeting, was dispensed with and, thereafter, said minutes were duly approved and adopted.

V. MANAGEMENT REPORTS

The President presented his yearly report the highlights of which are as follows:

- (i) Company generated a consolidated net income after tax in 2017 of P79.4 million, a sharp drop from the P136.5 million net income after tax in 2016. Equity in net earnings of associates which represents the Company's share of earnings of its outsourcing affiliates totaled P40.9 million in 2017 compared to the P72.9 million reported in 2016 as operating margins were under pressure in some major accounts. In addition, lower net foreign exchange gains and lower gains on disposal of ATS financial assets and financial assets at FVPL also contributed to the lower income. But this was partly offset by higher fair value gains on Financial Assets of FVPL.
- (ii) The Company also had a smaller decrease in total comprehensive income for the year 2017 with a total of P153.4 million from P173.8 million in 2016 as unrealized valuation gain on AFS financial assets and higher rental income due to the acquisition of additional investment property helped to offset the lower net income. As a result of the comprehensive net income and the effect of dividend payments in 2017, total stockholders equity increased to P2009.3 million at the end of 2017 from P1938.6 million at the end of 2016.
- (iii) The Company and its subsidiary, Magellan Capital Holdings Corporation, has been increasing its investment in income producing property and will be developing its lot in Fort Bonifacio into an office building generating lease income. It is also looking to acquire other income producing properties to increase the Company's income from continuing operations. The Company will be carefully and prudently evaluating other new projects that may be suitable to pursue in the current economic environment.

VI. PRESENTATION AND APPROVAL OF THE AUDITED FINANCIAL STATEMENTS

Upon motion made and duly seconded, the stockholders approved the Corporation's Audited Financial Statements as of 31 December 2017, copies of which had been distributed to the stockholders prior to the meeting.

VII. RATIFICATION OF CORPORATE ACTIONS TAKEN

Upon motion made and duly seconded, the stockholders approved and ratified the corporate actions taken by the Board of Directors for the previous year as outlined in the Memorandum distributed to the stockholders prior to the meeting.

VIII. ELECTION OF DIRECTORS

The Chairman announced that the table was open for nominations to the Board of Directors for the coming year. This announcement was followed by the nomination and election of the following as members of the Board of Directors and who would act as such until their successors have been duly elected and qualified:

[in alphabetical order]
CHARLIE K. CHUA
FRANCIS L. CHUA
JOHNSON U. CO
JOHNNY O. COBANKIAT
FRANCISCO Y. COKENG, JR.
MARK RYAN K. COKENG
MARY K. COKENG
ROBERT Y. COKENG
PETER L. KAWSEK, JR.
JOHNSON TAN GUI YEE
RUFINO B. TIANGCO

Messrs. Charlie K. Chua and Peter L. Kawsek, Jr. were elected as the independent directors of the Corporation, as required by law.

IX. APPOINTMENT OF EXTERNAL AUDITORS

After discussion and upon motion made and duly seconded, the stockholders approved and ratified the re-appointment of SGV as external auditors of the Corporation for the fiscal year 2018.


X. ADJOURNMENT

There being no further business to conduct, and upon motion made and duly seconded, the meeting was adjourned.

Certified Correct by:


(ATTY.) FINA BERNADETTE D.C. TANTUICO
Corporate Secretary

Attested By:


ROBERT Y. COKENG
Chairman of the Board