

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

24 July 2013 • Wednesday • 2:30 P.M.

I. ATTENDANCE

The Corporate Secretary, Atty. Fina C. Tantuico, attested that stockholders owning 352,485,075 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 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 02 July 2013, 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 73.16% 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 2012 ANNUAL MEETING OF STOCKHOLDERS

Upon motion made and duly seconded, the reading of the minutes of the Annual Stockholders' Meeting held last 17 July 2012, 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 rendered his yearly report the highlights of which are as follows:

- (i) The company's consolidated total revenue increased by 29% in 2012 to P158.5 million from P122.8 million in 2011. This does not include the extraordinary income after tax of P610.3 million derived in 2011 from the sale by Magellan Capital Holdings Corporation (MCHC) of all its shares in Batangas Agro-Industrial Development Corporation (BAID). Part of the increase in revenue was accounted for by the 35% increase in interest income from P51.4 million in 2011 to P69.3 million in 2012. The increase in interest income was due mainly to the interest earned on the proceeds of the sale of the BAID shares.
- (ii) Equity in net earnings of associates also increased by 24.5% to P77.7 million in 2012 from P62.4 million in 2011 as the two outsourcing affiliates of the Registrant continue to show record revenues and profits. Fair value gain of financial assets at FVPL improved to P6.7 million in 2012 from P3.4 million in 2011 as listed stock investment owned by the Registrant and its subsidiaries continue to increase in value as the stock market has been setting record highs. Rental income also increased slightly to P3.5 million in 2012 from P3.2 million in 2011. Dividend income increased slightly to P1.0 million in 2012 from P0.9 million in 2011.
- (iii) Total consolidated expenses of the company was lower at P29.7 million in 2012 compared to P36.2 million in 2011. Unrealized foreign exchange losses of P5.8 million in 2012 was lower than the P11.6 million in 2011. In addition, provision for legal obligation of P5 million to cover potential cost of settling legal suits also increased 2011 expenses. These two items account for the bulk in reduction of operating expenses in 2012. Labor expense increased due to MCHC absorbing the staff of MUDC in preparation for dissolution of MUDC.
- (iv) As a result, the total consolidated income before tax from continuing operation in 2012 totalled P128.8 million, an improvement of 49% over the P86.6 million in 2011. After provision for income tax, total consolidated net income after tax from continuing operations totalled P118.9 million in 2012, a 50% improvement over the P78.9 million in 2011.
- (v) The company's financial position is very strong as it has substantial cash resources available to undertake its planned projects. As of December 31, 2012, the company's consolidated cash and cash equivalent totaled over P1.047 billion, slightly higher than the level of P1.042 billion as of December 31, 2011. The company and its subsidiary is planning to undertake development of MCHC's land in Fort Bonifacio into an income producing building as well as to acquire income producing properties as well as additional land for development.

The company and its subsidiary are debt free with total consolidated liabilities of ₱14.7 million compared to total equity of ₱1.8 billion as of the end of 2012.

- (vi) The Company's outsourcing affiliates continue to perform well and generate good earnings. Total stockholders equity increased to ₱1,760.3 million at the end of 2012 from ₱1,677.6 million at the end of 2011.

The President's Report was NOTED. There were no questions from the floor and the President and the Board were congratulated anew for the Company's gains in 2012.

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 2012, 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]
EMETERIO L. BARCELON, S.J.
FRANCIS L. CHUA
JOHNSON U. CO
JOHNNY O. COBANKIAT
FRANCISCO Y. COKENG, JR.
MARK RYAN K. COKENG
MARY K. COKENG
ROBERT Y. COKENG
JOHNSON TAN GUI YEE
RUFINO B. TIANGCO
ROBERT Y. YNISON



Messrs. Francis L. Chua and Robert Y. Ynson 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 2013.

X. ADJOURNMENT

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


(ATTY.) FINA C. TANTUICO
Corporate Secretary

Attested By:



ROBERT Y. COKENG
Chairman of the Board