

F & J Prince Holdings Corporation

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING

28 September 2020 • Monday • 2:00P.M. • via Zoom

I. ATTENDANCE

The Corporate Secretary, Atty. Fina Bernadette D.C. Tantuico, attested that stockholders owning 394,266,084 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, in view of the current pandemic, the annual stockholders meeting of the Corporation is being held via the digital platform known as Zoom. Notice to stockholders of record was made through publication in two newspapers of general circulation namely (i) the Business Mirror as attested by the Affidavit of Publication of Mr. Valentin Anaque Jr. of the Business Mirror's Collection Department; and (ii) the Philippine Star as attested by the Affidavit of Publication of Emma V. Doroteo, Collection Manager.

The Secretary likewise certified that stockholders owning at least 82% of the outstanding capital stock of the Corporation were present via zoom 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 2019 ANNUAL STOCKHOLDERS' MEETING

Upon motion made and duly seconded, the reading of the minutes of the Annual Stockholders' Meeting held last 16 July 2019, 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) The company's consolidated revenue in 2019 increased to P80.4 million from P62.8 million in 2018. Equity in net earnings of associates improved to a gain of P5.3 million in 2019 from a loss of P14.2 million in 2018 as Pointwest successfully reduced its net losses by half in 2019 through its retrenchment program as it coped with the loss of a major account and revenue reduction from another major account. At the same time, Business Process Outsourcing International (BPOI), the company's other associate showed improved earnings of P62.8 million in 2019 from P52.2 million in 2018. Interest income increased from P36.3 million in 2018 from P33.1 million in 2018 as interest levels have improved. A net foreign exchange loss of P22.9 million was recorded in 2019 versus a gain of P31.6 million in 2018 as the Peso improved against foreign currencies which penalized the foreign exchange denominated bonds and other securities held by the Registrant and its subsidiary. Rent increased from P23.2 million in 2018 to P25.1 million in 2019 due to escalation of rental rates. Gain on disposal of AFS, HTM and FVPL Financial Assets of P3.9 million was recorded in 2019 against a loss of P1.3 million in 2018. Dividend income increased from P3.7 million in 2018 to P4.9 million in 2019. Fair value gain on Financial Assets at FVPL was P27.7 million in 2019 compared to a loss of P14.2 million in 2018 as prices of listed securities improved.
- (ii) Total consolidated expenses decreased to P36.7 million in 2019 compared to P41.8 million in 2018 due mainly to lower taxes and licenses which was higher in 2018 due to the acquisition of additional investment property.
- (iii) As a result of the above, total consolidated income before tax in 2019 totaled P43.7 million compared to P21 million in 2018. After provision for income tax, total consolidated net income after tax totaled P33.7 million in 2019 compared to P13.1 million in 2018.
- (iv) Net income attributable to non-controlling interest, namely minority shareholders of Magellan Capital Holdings Corporation, totaled P1.4 million in 2019 compared to P1.0 million in 2018.
- (v) Net income attributable to equity holders totaled P32.2 million in 2019 compared to P12.1 million in 2018.
- (vi) The company's financial position is very strong as it has substantial cash resources available to undertake its planned projects. As of December 31, 2019, consolidated cash and cash equivalent totaled over P582.3 million which was higher than the level of P571.4 million as of December 31, 2018 due to additional income in 2019. The company and its subsidiary, MCHC,

plans to undertake the development of MCHC's land in Fort Bonifacio into an office building as well as to acquire income producing properties as well as additional land for development. The company and its principal subsidiary are debt free with total consolidated liabilities of P51.7 million at year-end 2019 compared to P39.8 million at year-end 2018. Total equity amounted to P1.9 billion as of the end of 2019 substantially the same level as at the end of 2018.

- (vii) The Registrant and its subsidiary and affiliates are substantially debt free except for MUDC which has loans and advances from its principal shareholders. The Registrant and its subsidiaries have more than enough cash resources to meet any expected requirements in the next twelve months. Consolidated cash and cash equivalents at the end of 2019 totaled P582.3 million compared to P571.4 million at the end of 2018 while total current assets totaled P915.4 million at year-end 2019 compared to P841.4 billion at year-end 2018. Other than the normal fluctuation of the Peso exchange rate as well as the effect of the normal market fluctuations on the value of stock and bond holdings owned by the Registrant and its subsidiary, the Registrant is not aware of any trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in its liquidity increasing or decreasing in any material way. Likewise, the Registrant does not know of any trends, events or uncertainties that have or that are reasonably expected to have a material favorable or unfavorable impact on the revenues or income from continuing operations.

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 2019, 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
KATRINA MARIE Y. COKENG
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.

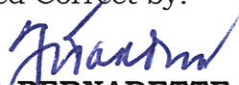
IX. APPOINTMENT OF EXTERNAL AUDITORS

After discussion and upon motion made and duly seconded, the stockholders approved and ratified the appointment of KPMG – R.G. Manabat & Co. as external auditors of the Corporation for the fiscal year 2020.


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