

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF  
PHILCOMSAT HOLDINGS CORPORATION**

Held on 18 November 2019

At the Dasmarinas Room, Makati Sports Club,  
L. P. Leviste St., Salcedo Village, Makati City

**PRESENT:**

(Please refer to Annex "A")

**I. CALL TO ORDER**

The Chairman of the Board and Executive Vice-President, Ms. Katrina C. Ponce-Enrile, who was requested to chair the meeting, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Victoria C. de los Reyes, recorded the proceedings.

**II. CERTIFICATION OF NOTICE AND QUORUM**

Upon inquiry, the Corporate Secretary stated that, in accordance with the provisions of the Securities Regulation Code and the Rules on Disclosure, notice of today's meeting was sent to all stockholders of record at least fifteen (15) business days prior to today's meeting. She submitted, for the record, the Certification issued by FES Business Solutions, Inc., the courier services utilized by the Corporation for this purpose. In addition, notice of the meeting was disclosed via the online disclosure system of the Philippine Stock Exchange, Inc., posted on the PSE and the Corporation's website and published in the November 11, 2019 edition of Malaya Business Insight. She therefore certified that notice was duly sent.

The Corporate Secretary thereupon stated that, based on the attendance record and the proxies on hand, stockholders owning 90.44% of the total issued and outstanding capital stock are present in person, or represented by proxy at today's meeting. She thus certified that a quorum existed for the valid transaction of business at today's meeting.

**III. APPROVAL OF MINUTES OF PREVIOUS MEETING**

The Chairman announced that the next item in the Agenda is the approval of the Minutes of the Annual Stockholders' Meeting held on 19 November 2018. She said that copies of the said Minutes were made available at the registration desk for stockholders wishing to inspect the same.

A motion was made that the reading of the minutes be dispensed with and that the said minutes, as appearing in the Minutes Book of the Corporation be approved.

There being no comment, upon motion duly made and seconded, the following resolution was approved:

RESOLVED, That the Minutes of the Annual Stockholders' Meeting held on 9 November 2015 as appearing in the Minutes Book of the Corporation be approved."

#### **IV. MANAGEMENT REPORT**

The Chairman thereupon rendered the Management Report.

She stated that in 2018, the Company continued to invest in high yielding financial assets and consequently, its total assets increased from P1.37 Billion in 2017 to P1.41 Billion at year-end 2018. This resulted in an increase in the book value per share from P1.37 per share in 2017 to P1.42 per share in 2018. She thanked the professionals and staff of the Company's 80% owner, Philcomsat, who pitched in and worked very hard to bring the company to where it is today.

She reminded the stockholders that the Articles of Incorporation limit the Company's activities to money market operations and investing in financial assets and stocks in other companies. She advised the stockholders that Management carefully studies these financial assets and the track records of other companies before it decides to invest. One investment opportunity that the Board and Management have identified is partnering with Philcomsat on the UNDP Free Wi-Fi for All project which Philcomsat and its foreign partner, Speedcast Ltd. were awarded. Management is still working out the details of the partnership in order to ensure maximum returns and minimum exposure. Finally, she gave the assurance that the Company will continue to look-out for investment opportunities that will maximize shareholder value. She ended her report by thanking the stockholders for their patience and confidence in the Board and Management team.

The Chairman thereupon called the Assistant Treasurer, Ms. Manolita L. Morales, to render the Treasurer's Report.

Ms. Morales said that in 2018, the Company's revenue reached P150 million. Of this amount P44 million was from financial instruments and foreign exchange gain while the remainder was from the sale of the Company's real estate asset. The Company recorded a 40% increase in income from fixed income instruments, from P30 million in 2017 to P41.5 million in 2018 as a result of the deployment to financial instruments of cash generated from the collection of a past due loan in 2017 and the sale of the asset in 2018. Net income of P94 million in 2018 increased retained earnings by more than 27% from P340.2 million in 2017 to P432.5 million in 2018. The total asset level increased to P1.42 billion, a moderate increase of 3.4% from the previous year's level of P1.37 billion. Current Assets and Available for Sale financial instruments total P1.3 billion or 93% of total assets. Stockholders' equity increased by 3.5% from P1.34 billion in 2017 to P1.39 billion in 2018.

In the first 3 quarters of 2019, the Company generated gross revenue of P44 million from its liquid investments, an increase of 23% over the same period in 2018. Total comprehensive income for the interim period reached P60 million, which is higher by 40% over last year's figure of P43 million, mainly attributed to unrealized gain from debt and equity instruments of P36.5 million (whereas last

year's was an unrealized loss of P48 million in the same period because of the prevailing weak market condition). She expected to end 2019 with a respectable profit from operations.

The Chairman thereupon opened the floor to questions about the Management Report and the Financial Report.

There being no other comment, upon motion duly made and seconded, the Annual Report, together with the Audited Financial Statements for the fiscal year ending December 31, 2018 were noted and approved.

**V. APPROVAL, CONFIRMATION AND RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES AND MANAGEMENT**

The Chairman announced that the next item in the agenda is the approval, confirmation and ratification of the acts of the Board of Directors, Executive Committee and Management since the 2018 Annual Stockholders' Meeting as reflected in the minutes. A list of the acts is contained in the Information Statement that was distributed to the stockholders at least 15 business days prior to the meeting.

A motion was made for the approval, confirmation and ratification of the acts of the Board of Directors, Executive Committee and Management since the 2018 Annual Stockholders' Meeting as reflected in the minutes.

There being no comment or objection, the following resolution was approved:

“RESOLVED, That all acts, resolutions, proceedings and transactions and proceedings of the Board of Directors, Management and board committees since the 2018 Annual Stockholders' Meeting up to today's meeting, as reflected in the minutes be approved, confirmed and ratified.”

**VI. ELECTION OF DIRECTORS**

The Chairman announced that the next item in the Agenda is the election of directors. The Secretary announced the nominees for the position of director who have been qualified by the Nominations Committee. They are:

Santiago Ranada  
Katrina Ponce-Enrile  
Erlinda Bildner  
Daniel Gutierrez  
Marietta Ilusorio  
Pablo Lobregat  
Prudencio Somera  
Victoria de los Reyes  
Julie Daza

Jose Ramon Ozamiz  
Oliverio Laperal, Jr.

Dr. Ozamiz, Mr. Laperal and Ms. Daza are nominees for the position of independent director pursuant to the Manual on Corporate Governance and the Securities Regulation Code.

There being no other nominee, upon motion duly made and seconded, the nominations were closed, and the Corporate Secretary was instructed to cast all votes equally among the nominees and the said nominees were proclaimed as directors of the Corporation to serve as such until the election and qualification of their successors.

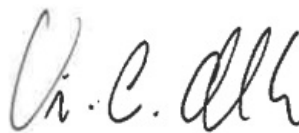
## **VII. APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman announced that the next item in the Agenda is the appointment of external auditor. She said that the auditing firm of Reyes Tacandong & Co. had been the Corporation's external auditor since 2015. In order to comply with the SEC Memorandum Circular on the rotation of external auditor every five (5) years, Management has decided to recommend to the stockholders the appointment of Mendoza Querido & Co. She then opened the floor for nominations.

The auditing firm of Mendoza Querido & Co. was nominated as the Corporation's external auditor and the nomination was closed. There being no other nominees, the auditing firm of Mendoza Querido & Co. was appointed external auditor of the Corporation.

## **VIII. ADJOURNMENT**

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



**VICTORIA C. DE LOS REYES**  
Corporate Secretary

**ATTEST:**



**KATRINA C. PONCE-ENRILE**  
Chairman of the Meeting