

**DRAFT ONLY**  
FOR APPROVAL BY THE STOCKHOLDERS  
ON THE NEXT STOCKHOLDERS' MEETING

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF  
**A BROWN COMPANY, INC.**

Held at the Xavier Sports and Country Club  
Xavier Estates, Balulang, Cagayan de Oro City  
on 28 June 2018

TOTAL NUMBER OF SHARES OUTSTANDING	2,477,667,911
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	1,660,460,604

Before the start of the meeting, the following members of the Board of Directors present were introduced:

WALTER W. BROWN  
ROBERTINO E. PIZARRO  
ROEL Z. CASTRO  
THOMAS G. AQUINO  
ANTONIO S. SORIANO  
JOSELITO H. SIBAYAN  
JOEL A. BAÑARES

The presence of the following officers of the Corporation was likewise acknowledged:

JASON C. NALUPTA (Corporate Secretary)  
DANIEL C. TAN-CHI (Assistant Corporate Secretary)

The other executive officers of the Corporation and of its subsidiaries were likewise in attendance:

IGNACIO A. MANIPULA (Senior Vice President/Chief Finance Officer)  
MARIE ANTONETTE U. QUINITO (Vice President/Comptroller)  
ALLAN ACE R. MAGDALUYO (Compliance Officer)

Representatives of Constantino Guadalquiver & Co., the Corporation's outgoing external auditors, were likewise in attendance.

**CALL TO ORDER**

The Chairman, Mr. Robertino E. Pizarro, called the meeting to order and presided over the same. The Corporate Secretary, Mr. Jason C. Nalupta, recorded the minutes of the proceedings.

**CERTIFICATION OF NOTICE AND QUORUM**

The Secretary certified that, based on the certification of the courier service engaged by the Corporation, notices of the meeting were sent to all shareholders of record as of 30 April 2018, in accordance with the provisions of the By-Laws. The Chairman instructed the Secretary to append the Certificate attesting to the mailing of notices to the original Minutes of the Meeting.

The Secretary certified that, based on the register of attendees and proxies, out of Two Billion Four Hundred Seventy Seven Million Six Hundred Sixty Seven Thousand Nine Hundred Eleven (2,477,667,911) shares of the total outstanding capital stock of the Corporation, One Billion Six Hundred Sixty Million Four Hundred Sixty Thousand Six Hundred Four (1,660,460,604) shares were present in person or by proxy representing an attendance of 67.02% of the total outstanding capital stock of the Corporation. Accordingly, the Secretary certified that a quorum existed for the transaction of business at hand.

#### **APPROVAL OF THE PREVIOUS MINUTES**

Upon motion duly made and seconded, the reading of the minutes of the last stockholders' meeting held on 25 October 2017 was dispensed with as the same had been previously distributed to the shareholders. The Chairman provided the shareholders present in the meeting to ask questions on the Minutes of the 2017 Annual Stockholders' Meeting, however, none was raised.

The Minutes of the said meeting was thereafter approved as follows:

<b>AGENDA ITEM</b>	<b>VOTES IN FAVOR</b>	<b>VOTES AGAINST</b>	<b>ABSTAIN</b>
Approval of the Minutes of the Previous Annual Stockholders' Meeting held on 25 October 2017.	1,660,460,604	0	0

The following resolution was likewise passed:

“RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of **A Brown Company, Inc.** held on 25 October 2017 is hereby approved.”

#### **PRESIDENT’S REPORT AND PRESENTATION OF AUDITED FINANCIAL STATEMENTS**

At the request of the Chairman, the President, Mr. Roel Z. Castro, presented the report on the Corporation’s operations for the year ended 31 December 2017 as well as the results as of the end of the First Quarter of 2018, and noted the following performance highlights:

##### ***2017 Consolidated Income Statement and Financial Position***

In 2017 Total Income amounted to ₱928.5 Million, 58% better than 2016’s figure of ₱588.8 Million. The main source of sales is the Real Estate Business, taking 85% of the pie, followed by Crude Palm Oil and finally, the Water Services Business. In 2017, Consolidated Net Income amounted to ₱299.6 Million, a 490% improvement over the prior year’s Net Loss of ₱76.8 Million.

Total Assets as of end of 2016 amounted to ₱5.191 Billion where current assets accounted for ₱1.704 Billion and non-current assets were at ₱3.486 Billion. Total Liabilities was recorded at ₱2.013 Billion where current liabilities was at ₱1.409 Billion and non-current liabilities at ₱603.5 Million.

### ***Results of Operations as of First Quarter 2018***

As of 31 March 2018, Total Income amounted to ₱303.6 Million, a 113% improvement from the same period in 2017.

### ***2018 Management Thrust***

For 2018, Management has undertaken the thrust to deliver and focus on quality of products and services provided. Management shall streamline its operations and processes and improve the financial health of the Company.

Further to this, the Company has launched new development projects during the year, one of which is the Mangoville Socialized Housing Project which was sold-out within five (5) hours from the time it was launched in February 2018. Similarly, the pre-listing during June 2018 of other projects, Ignatius Enclave and Ventura Residences 2 were also warmly-received by the market.

To sustain brokers' interest in the Company's products and, at the same time, encourage loyalty to the Company, the Company has conducted the following activities: (i) cocktail party for its partners, (ii) "A Brown Academy" where brokers were trained, (iii) awarding of top brokers and realtors, and (iv) "SaliaKOREAn" rewards program for top brokers.

### ***Ongoing Subdivision Projects***

The shareholders were likewise apprised of the status of the following projects which are currently in various stages of development:

- a. West Highlands Golf Club
- b. Adelaida Park Residences Phase 1B
- c. Mountain View Homes 2
- d. Mangoville Homes

### ***Power Business and Infrastructure Projects***

Next presented by Mr. Castro are the status updates on the Company's power businesses and infrastructure projects:

- a. Palm Concepcion
- b. Mindanao Peaking Projects
- c. Carac-an Hydropower Project
- d. Opol Bulk Water Project
- e. PNR East-West Rail Project

The President likewise presented the Corporation's Audited Financial Statements.

Thereafter, the Chairman opened the floor for questions to be raised on the report on the Corporation's operations. He noted that representatives of the Corporation's external auditor, Constantino Guadalquiver & Co., will be on hand to entertain questions on the Corporation's financial reports.

No questions, however, were raised by the shareholders present on the reports on the Corporation's operations and its Audited Financial Statements. No questions having been raised, the President's Report for the year ended 31 December 2017 together with the Audited

Financial Statements for the Fiscal Year ended 31 December 2017, upon motion duly made and seconded, were approved as follows:

<b>AGENDA ITEM</b>	<b>VOTES IN FAVOR</b>	<b>VOTES AGAINST</b>	<b>ABSTAIN</b>
Approval of President's Report for the year ended 31 December 201	1,660,460,604	0	0
Approval of the Audited Financial Statements for the Year Ended 31 December 2017	1,660,460,604	0	0

The following resolution was likewise approved:

“RESOLVED, that the President’s Report on the Operations and Results of **A Brown Company, Inc.** for 2017, together with the Audited Financial Statements and accompanying notes for the year ended 31 December 2017, be approved.”

#### **RATIFICATION OF ALL ACTS OF THE BOARD, THE EXECUTIVE COMMITTEE AND MANAGEMENT**

The next item in the agenda was the ratification of the corporate acts.

After the motion to confirm, ratify, and approve all the acts of the Board of Directors and Officers of the Corporation from the date of the last meeting up to date of the present meeting was duly made and seconded; the Chairman opened the floor for issues to be taken up pertaining to the ratification of all corporate acts. No questions or issues, however, were raised on the corporate acts. Accordingly, motion was then approved as follows:

<b>AGENDA ITEM</b>	<b>VOTES IN FAVOR</b>	<b>VOTES AGAINST</b>	<b>ABSTAIN</b>
Ratification of all acts of the Board of Directors and Officers from the date of the last meeting up to the date of the present meeting.	1,660,460,604	0	0

The following resolution was likewise approved:

“RESOLVED, that all acts of the Board of Directors and Officers of **A Brown Company, Inc.** from the date of the last meeting of the shareholders on 25 October 2017 up to the date of this meeting, are hereby confirmed, ratified and approved.”

#### **ELECTION OF DIRECTORS**

The next item in the agenda is the election of the members of the Board of Directors for the ensuing year. He noted that the profiles of those nominated for election as members of the Board were included in the Company’s Information Statement as well as in the Annual Report.

The information included their age, nationality, qualifications, dates of first appointment and other directorships in publicly- listed companies.

After their nominations were duly made and seconded from the floor, the following persons were elected as members of the Board of Directors of the Corporation for the year 2017-2018 after receiving the votes indicated opposite their names:

	<b>Number of Votes Received</b>
Walter W. Brown	1,660,460,604
Annabelle P. Brown	1,660,460,604
Robertino E. Pizarro	1,660,460,604
Roel Z. Castro	1,660,460,604
Elpidio M. Paras	1,660,460,604
Thomas G. Aquino	1,660,460,604
Antonio S. Soriano	1,660,460,604
Joselito H. Sibayan	1,660,460,604
Joel A. Bañares	1,660,460,604

Messrs. Paras and Aquino were elected as independent members of the Board in accordance with the requirements of the Securities Regulation Code and the Code of Corporate Governance.

#### **APPOINTMENT OF EXTERNAL AUDITOR**

The Body next considered the appointment of the Corporation’s external auditors for Year 2018. The Chairman announced that, in consideration of the requirement of the Securities Regulation Code for public companies to regularly rotate their external auditors, the Corporation’s Audit Committee has recommended, and the Board of Directors has endorsed for the consideration of the shareholders, the appointment of a new external auditor, SyCip Gorres Velayo & Co., to take-over from the current external auditor, Constantino Guadalquiver & Co., as the Corporation’s external auditor beginning Year 2018. The Chairman likewise expressed gratitude to the auditors of Constantino Guadalquiver & Co, on behalf of the Board of Directors, for their service to the Corporation.

No questions or objections having been raised by the shareholders present despite opportunity having been given by the Chairman, the proposal to appoint SyCip Gorres Velayo & Co. as the Corporation’s external auditor for Year 2018 was approved by the shareholders as follows:

<b>AGENDA ITEM</b>	<b>VOTES IN FAVOR</b>	<b>VOTES AGAINST</b>	<b>ABSTAIN</b>
Appointment of SGV & Co. as External Auditor for 2018	1,660,460,604	0	0

The following resolution was likewise approved:

“RESOLVED, that SyCip Gorres Velayo & Co. be appointed as the external auditor of **A Brown Company, Inc.** for Year 2018.”

#### **ADJOURNMENT**

The Chairman then encouraged the stockholders to ask questions or raise any issues they may have, but no questions were asked on the floor. There being no other matters to discuss, the

meeting was adjourned.

Attested By:

**ROBERTINO E. PIZARRO**  
Chairman

**JASON C. NALUPTA**  
Corporate Secretary