

**MINUTES OF THE
ANNUAL STOCKHOLDERS' MEETING OF
MACROASIA CORPORATION**
Held on 15 July 2016 at 3:00 P.M.
at the Kachina Room, Century Park Hotel
599 Pablo Ocampo Sr. Street, 1004 Malate, Manila

	<u>No. of Shares</u>
Total No. of Shares Present or Represented by Proxy	901,619,352 shares
Total No. of Outstanding Shares (Net of Treasury Shares)	1,233,404,000 shares

I. CALL TO ORDER

The Chairman, Dr. Lucio C. Tan, called the meeting to order.

Dr. Tan stated that MacroAsia's 2015 Annual Report, with the theme "Building A Stable Future", captures MacroAsia's thrust to sustain its growth in a business environment that is tough and changing.

He thanked the stockholders for their support to the MacroAsia team and for their trust and confidence through the years.

Dr. Tan thereafter requested Mr. Joseph T. Chua, President and COO, to preside over the meeting.

The Corporate Secretary, Mr. Florentino M. Herrera III, recorded the minutes of the meeting.

II. CERTIFICATION OF NOTICE

Mr. Herrera stated that in accordance with the provisions of the Securities Regulation Code, notices for the meeting were sent by mail and/or special messengerial service fifteen (15) business days prior to the date of the meeting to all stockholders of record as of 15 June 2016, the record date fixed by the Board of Directors of the Corporation for the meeting.

The Certification issued by Mr. Jaycee B. Rivera, Senior Assistant Vice-President of the Philippine National Bank Trust Banking

Group, the Corporation's Stock Transfer Agent, is attached hereto as Annex "A".

Mr. Herrera further stated that the notice was published in The Philippine Star on 27 June 2016. The Affidavit of Publication issued by Philstar Daily, Inc., publisher of The Philippine Star, is attached hereto as Annex "B".

Mr. Herrera thereafter certified that notices for the meeting were duly sent.

III. CERTIFICATION OF QUORUM

Mr. Herrera stated that based on the attendance record and the proxies and/or powers of attorney on hand, stockholders owning Nine Hundred One Million Six Hundred Nineteen Thousand and Three Hundred Fifty Two (901,619,352) shares representing 73.10% of the outstanding capital stock of the Corporation were present or represented in the meeting.

Mr. Herrera thereafter certified that a quorum existed for the valid transaction of business.

IV. APPROVAL OF MINUTES OF PREVIOUS MEETING

Mr. Chua then proceeded to the next item in the Agenda, which pertains to the reading and approval of the Minutes of the Annual Stockholders' Meeting held on 17 July 2015.

Upon motion duly made and seconded, the stockholders approved the Minutes of the Annual Stockholders' Meeting held on 17 July 2015.

V. MANAGEMENT REPORT

Mr. Chua reported on the results of operations of the Corporation and its subsidiaries and presented the Business Outlook for 2016. A copy of the President's Report is attached hereto as Annex "C".

The Corporation's Chief Financial Officer, Mr. Amador T. Sendin, thereafter presented the Financial Report for the year ended 31 December 2015. A copy of the Financial Report is attached hereto as Annex "D".

A stockholder inquired on the water related business of the Corporation and its contribution to the bottomline of the MacroAsia Group. Mr. Chua stated that the water treatment plant in Solano, Nueva Vizcaya became fully operational only three (3) months ago. He further stated that the water utility service concession is a new business segment of the MacroAsia Group.

The same stockholder likewise inquired on the mining business of the Corporation. Mr. Chua stated that a subsidiary of the Corporation is providing outsourced exploration services to other mining companies.

After the foregoing discussion and upon motion duly made and seconded, the stockholders noted and approved the President's Report and the Financial Report, respectively.

VI. APPROVAL OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Upon motion duly made and seconded, the stockholders approved the Audited Financial Statements of the Corporation for the year ended 31 December 2015.

VII. APPROVAL, CONFIRMATION AND RATIFICATION OF ALL ACTS, PROCEEDINGS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT

Mr. Chua then proceeded to the next item on the Agenda, which pertains to the approval, confirmation and ratification of all acts, proceedings and resolutions of the Board of Directors and Management of the Corporation since the last Annual Stockholders' Meeting held on 17 July 2015.

Upon motion duly made and seconded, the stockholders approved the following resolution:

"RESOLVED, That all acts, proceedings and resolutions of the Board of Directors and of Management since the last Annual Stockholders' Meeting held on 17 July 2015 up to today's meeting be, as they are hereby approved, confirmed and ratified."

VIII. ELECTION OF DIRECTORS

Mr. Chua stated that the Articles of Incorporation of the Corporation provides for eleven (11) directors, at least two (2) of whom are required to be independent directors.

Mr. Herrera explained that under the Corporation's By-Laws and Manual on Corporate Governance, the nomination of the Corporation's directors shall be conducted by the Nomination Committee. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees and shall be submitted to the Nomination Committee and the Corporate Secretary at least thirty (30) days before the date of the Annual Stockholders' Meeting.

The Nomination Committee shall pre-screen the qualifications and prepare a Final List of all Candidates for directors. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors.

Based on the Final List of Candidates for directors prepared by the Nomination Committee, and upon motion duly made and seconded, the following were unanimously elected as Directors of the Corporation to act as such for the ensuing year and until the election and qualification of their successors:

Dr. Lucio C. Tan
Washington Z. Sycip
Carmen K. Tan
Lucio K. Tan, Jr.
Michael G. Tan
Joseph T. Chua
Jaime J. Bautista
Stewart C. Lim
Johnip G. Cua (Independent Director)
Ben C. Tiu (Independent Director)
Marixi R. Prieto (Independent Director)

IX. APPOINTMENT OF EXTERNAL AUDITOR

Mr. Chua then proceeded to the next item on the Agenda, which pertains to the appointment of the external auditor of the Corporation for the ensuing year.

Upon motion duly made and seconded, SGV & Co. was appointed as the external auditor of the Corporation for the ensuing year.

X. ADJOURNMENT

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

CERTIFIED CORRECT:

FLORENTINO M. HERRERA III
Corporate Secretary

ATTEST:

DR. LUCIO C. TAN
Chairman

DRAFT

ANNEX " A "



Philippine National Bank
Trust Banking Group
Trunk Lines: 526-3131 / 891-6040 local 2307

June 24, 2016

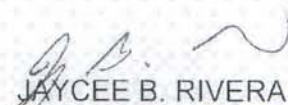
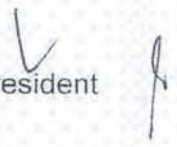
MACROASIA CORPORATION
12/F Allied Bank Center
6754 Ayala Avenue, Makati City

Attention : MR. AMADOR T. SENDIN
Chief Financial Officer
VP- Administration & Business Development

Gentlemen:

Relative to MacroAsia Corporation's Annual Stockholders' Meeting on July 15, 2016, we hereby certify that the CDs containing Shareholder Information package together with Proxy Form were sent to 165 stockholders as of June 15, 2016 in accordance with your letter dated July 23, 2016 and 113 PCD Beneficial Owners in the afternoon of July 23, 2016.

Very truly yours,


JAYCEE B. RIVERA
Senior Assistant Vice President 

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA) s.s.

AFFIDAVIT OF PUBLICATION

I, **EDWIN L. MONFORTE**, of legal age, married, Filipino and with office address at c/o **PhilSTAR Daily, Inc.**, 202 Railroad Street corner Roberto S. Oca Street, Port Area, Manila, after being duly sworn to in accordance with law, depose and state:

That I am the **BILLING & COLLECTION MANAGER** of the **PhilSTAR Daily, Inc.** a domestic corporation duly organized and existing under by virtue of Philippine laws with office and business address at 202 Railroad Street corner Roberto S. Oca Street, Port Area, Manila.

That the said corporation publishes **THE PHILIPPINE STAR**, a daily broadsheet newspaper published in English and of general circulation.



That the order of MACROASIA CORPORATION

captioned as follows: Notice


Please see attached printed text which had been published in **The Philippine STAR** in its issues of: June 27, 2016

FURTHER AFFIANT SAYETH NAUGHT.
Manila, Philippines


EDWIN L. MONFORTE
Affiant

SUBSCRIBED AND SWORN to before me this 27th day of June 2016 affiant exhibited to me his Driver's License No. NO4-94-315947 issued by LTO on March. 08, 2016 which expiry date is March 09, 2019

Doc. No. 204
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Book No. 15
Series of 2016


CITY AGUSTIN CABRERA
Notary Public for Manila
Notarial Commission No. 2015-030
Until December 31, 2016
Rm. 409, First United Bldg. Co.,
Escolta, Manila
Roll No. 26047
ETR No. 488571 / 1-4-16 / Mgnlr
IBP Lifetime Member 05097
ICLE No. V.0003138 s.07.2015

PRESIDENT AND COO's MESSAGE

Dear Stakeholders of MacroAsia,

"Building A Stable Future" is a continuing thrust for MacroAsia, pursued across business units through the years. Year 2015 is a good year for us, since we gained building blocks for new revenue sources, aside from growing profitability in most businesses.

Our 2015 consolidated net income after tax of ₱341.4 million is 180% higher than 2014's ₱121.9 million. Aside from this income growth, we were also able to implement some strategies and projects that ensure sustainability in our earnings in the medium-term.

- **Aircraft Maintenance, Repair and Overhaul (MRO):** In December 2015, Lufthansa Technik Philippines (LTP) opened its second A380 hangar for heavy base maintenance. This new capacity highlights LTP's business focus beyond line maintenance, especially since a number of airline clients have already committed their wide-body aircraft for servicing. LTP performed detailed cabin modification for a Lufthansa A380 in the new bay. Asiana Airlines will be serviced in this new Bay, due to a finalized contract covering three (3) years. Earlier, LTP signed a 10-year service contract for the entire A380 fleet of Qantas.

In 2015, LTP also signed a two-year contract for base maintenance for PAL and PALEX, and a five-year Line Maintenance Agreement for PAL's aircrafts. With these, the base load for LTP in the medium-term is secured. LTP has helped Philippine Airlines achieve a record average Technical Maintenance On-time Performance (OTP) of

99.34% in 2015, better than the OTP average of 99.24% in 2014.

LTP's line maintenance business has expanded in 2015, as it secured new line maintenance clients namely, Oman Air, Xiamen Air and Turkish Air. These new clients, together with the growth in PAL's flights, resulted to an 18% volume growth in line maintenance business for LTP.

- **CATERING:** MacroAsia Catering (MACS), our multi-awarded JV on inflight catering, has grown its revenues from ₱1.04 billion in 2014 to ₱1.17 billion in 2015, a 13% increase. Its meals production for 2015 totaled 4.4 million meals, up 13% from 3.9 million in 2014.

In 2015, MACS started serving PAL's Mabuhay Lounge, the JAL Sakura Lounge and Singapore Airlines' Silver Kris Lounge. Aside from these, MACS saw a rise in its non-airline business, as this grew to about 20% of its revenue portfolio. More food sales were made to BPOs, hotels and other accounts, aside from MACS continuing to be the food services manager for Asian Development Bank.

MACS was recognized in 2015 by Singapore Airlines as Merit Winner for "Excellence in Catering" and by Cathay Pacific as "2014 CPRP Gold Award" recipient. MACS is the preferred caterer in NAIA, as it holds about 58% of the foreign airlines market for catering. In 2016, this share is expected to rise, as MACS will then fully service all the flights of Cathay Pacific out of Manila.

MacroAsia and SATS, the JV partners in MACS, agreed to form MacroAsia SATS Food Industries Corporation, as a 100% subsidiary of MACS. This company is building a new food commissary in Muntinlupa City, to serve the

requirements of institutional clients like hotels/casinos, call centers and other non-airline institutional clients. The JV partners foresee that this non-airline food business segment will grow rapidly, and its revenues may likely exceed the size of the airline catering business a few years from now.

- **GROUND HANDLING:** MacroAsia Airport Services (MASC) had substantive growth in 2015, driven by new areas of operations as ground handling activities were done for Philippine Airlines and PALEX. The new locations for ground handling are in the airports in Davao City, General Santos City and Kalibo.

MASC also expanded in Manila, as it provided maintenance services for the ground support equipment of LTP, and started apron cleaning for PAL's aircraft parking near the old Nayong Pilipino. It also supported the Satellite Cargo of PALEX near Terminal III.

With these new activities, our ground handling revenue grew by 17%, from ₱440.6 million in 2014, to ₱516.9 million in 2015.

- **Water Service Concession: New Business in 2015:** Through MacroAsia Properties Development Corporation and its 100% subsidiary, SNV Resources Development Corporation, we now operate a water treatment plant capable of converting water from the Magat River to 10 million liters of potable water daily, distributed to our pipelines connected directly to households and business establishments in the town. Our service concession is the entire town of Solano, Nueva Vizcaya, a first-class municipality in Cagayan Valley.

This water utility service concession is a new business segment for MacroAsia. A similar concession is now being pursued in Mabini, Pangasinan, with construction commencing in 2016. We are also developing a bulk water supply project using Maragondon River as water source in Cavite, in partnership with MetroPacific Water Investments Corporation.

These new businesses related to water provide the diversification needed to boost MacroAsia's growth outside of the aviation sector. Together with the aviation businesses, we foresee a strong base to generate shareholder value in the coming years.

Business Outlook In 2016

Coming from last year's performance, our operating teams see 2016 with optimism. Aviation travel will likely continue with its vibrancy, as more travelers are benefitting from the continuing competitive fare offerings of airlines. The low price of oil has impacted positively on the cost of travel, and the prevailing growth in middle class earnings and OFW remittances have been a boost on tourism spending in our country.

Gratitude

Through the years, we have strived to serve professionally and satisfy our customers even beyond expectations, despite the challenges in our operating environment. Our passion to generate the target returns for our shareholders runs high, as we seek to keep our human resources union-free, engaged and aligned with our corporate goals.

With your support, trust and confidence, we have marched onwards to growth and stability. Thus, on behalf of management and our teams, I thank all of you for inspiring us to give our best always.

ANNEX " D "

CFO'S 2015 FINANCIAL REPORT:

July 15, 2016

Dear Shareholders,

The detailed financial statements for 2015 are part of the Definitive Information Statement that has been distributed, but allow me to highlight some key points:

Results of Operations:

The Group is reporting a growth of **₱219 million** from the consolidated net income after tax of **₱122 million** in 2014, to **₱341 million** in 2015. This is a growth of **179.5%** from 2014.

<i>Particulars</i>	<i>In PHP Millions</i>			<i>%</i>
	<i>2015 Results</i>	<i>2014 Results</i>	<i>Variance</i>	
Consolidated Revenues	1,921	1,723	198	11.5%
EBITDA	460	239	221	92.5%
Consolidated Net Income	341	122	219	179.5%

The above figures indicate an increasing earnings capacity for our businesses, driven largely by growth in key units like Lufthansa Technik Philippines, MacroAsia Catering and MacroAsia Airport Services. With the capacity expansion in our business units, we are optimistic that growth will continue in the years to come.

Total Assets	4,038	3,326	712	21.4%
Total Liabilities	742	516	226	43.8%
Net Equity	3,296	2,810	486	17.3%

With the positive results from operations, our total consolidated assets in 2015 grew to **₱4 billion**, which is higher by **₱712 million**, compared to **₱3.3 billion** in 2014, with no new 3rd party bank loans taken up. This asset growth

is mainly due to the investments in associates and the completion of the construction of our water treatment facility and pipeline network in Solano Nueva Vizcaya, resulting to the increase in the Group's concession asset.

Particulars	2015 Ratio	2014 Ratio
Debt / Equity (Total Liabilities / Equity) <i>[less than or equal to 150% : 100%]</i>	22.5%	18.4%
Current Ratio (Current Assets/Current Liabilities) <i>[greater than or equal to 120% : 100%]</i>	272.4%	417.8%
Return On Equity (Net Income/Equity)	10.3%	4.3%

Our debt to equity ratio and our current ratios indicate our strong ability to meet current obligations, including any debt, as we are a company with minimal leverage.

Our total cash and cash equivalents stand at **₱693 million**, higher than 2014, despite the uses of cash for new businesses and investments in 2015. The Group expects to maintain its liquid position even as it funds business growth, and may use funding from third-party banks if necessary. The boards of our companies have appropriated in total, **₱873M** for key projects, some of which are coming online in the next few months. Thus, with the growth in our aviation and non-aviation businesses, we are surely treading the road to portfolio diversification.

The Solano Water Project started its full commercial operation on the first quarter of 2016, while the Sucat Commissary for a new subsidiary, MacroAsia-SATS Food Industries Corp, will commence operation in 2017. Also, our ground handling company started providing cargo services towards the end of 2015, aside from expanding in airports like Davao, Kalibo and General Santos City.

Business Outlook In 2016:

We keep an optimistic view of 2016, as another year of substantial growth. The first quarter results that we disclosed to the investing public already reflect a good prognosis for 2016. Our first quarter 2016 revenues stand at ₱ 0.56 billion, in contrast to ₱0.43 billion in 2015 (a 28% growth), resulting into a net income of ₱109M, compared to ₱100M in 2015.

In summary, our Group is able to invest in value-adding growth programs, backed by a strong balance sheet and robust operating cash flow. With the further strengthening of our ability to generate cash from our operations and the implementation of disciplined financial strategies, we believe that the building blocks for growth and operational stability are in place.

With your untiring support, trust and confidence, hand in hand, we can make the MacroAsia Group soar to new boundaries. Together, we are partners in building a stable future for MacroAsia.

Mabuhay at maraming salamat.