

**MINUTES OF THE  
ANNUAL STOCKHOLDERS' MEETING OF  
MACROASIA CORPORATION**  
Held on 9 May 2024 at 3:00 P.M.  
via Zoom Webinar

	<u>Number of Shares</u>	<u>Percentage</u>
Total No. of Outstanding Shares (Net of Treasury Shares)	1,890,958,323 shares	100.00%
Total No. of Shares Represented by Proxy/ Present Remotely or via Voting in Absentia	1,371,746,714 shares	72.54%

<u>Directors and Officers Present:</u>		
Dr. Lucio C. Tan	:	Chairman and Chief Executive Officer
Carmen K. Tan	:	Director
Eduardo Luis T. Luy	:	Director, President and Chief Operating Officer
Lucio C. Tan III	:	Director
Kyle Ellis C. Tan	:	Director and Treasurer
Vivienne K. Tan	:	Director
Michael G. Tan	:	Director
Johnip G. Cua	:	Director
Ramon Pancratio D. Dizon	:	Independent Director
Diwa C. Guinigundo	:	Independent Director
Samuel C. Uy	:	Independent Director
Atty. Marivic T. Moya	:	Senior Vice President for Human Resources, Legal and External Relations Chief Compliance Officer Corporate Information Officer
Amador T. Sendin	:	Chief Financial Officer Senior Vice President for Administration Chief Risk Officer
Rhodel C. Esteban	:	Vice-President for Commercial Chief Sustainability Officer
Belgium S. Tandoc	:	Vice-President for Business Development Data Protection Officer
Atty. Florentino M. Herrera III	:	Corporate Secretary

## I. CALL TO ORDER

On behalf of the Chairman and CEO, Dr. Lucio C. Tan, Mr. Lucio C. Tan III, Director of the Corporation, delivered the following message to the stockholders of MacroAsia Corporation:

“I convey this message on behalf of our Chairman, Dr. Lucio C. Tan who is extending his warmest greetings to everyone in this Annual Stockholders’ Meeting of MacroAsia Corporation.

The Covid-related lockdown period in 2020 bound us to reduce our workforce significantly, but 2023 and earlier months saw us revitalize our human capital. MacroAsia today is a younger and more resilient organization, very determined to deliver stakeholder returns in these challenging times.

The performance of our business segments in 2023 highlights the gains from our diversification strategy of scaling the edges beyond our core aviation activities. We note of a strong and continuing rebound in the domestic and international travel sectors in the Philippines, fueling a surge in our aviation services revenues. At the same time, our portfolio of non-airline clients grew substantially, especially in our food segment as we were successful in winning tenders for institutional clients. Thus, the resulting value of our investments and efforts is seen in our revenue performance of Php8 Billion in 2023, a record high in the history of MacroAsia.

As we face the continuing challenges in our operations, we remain focused, comforted by the feeling that the MacroAsia Group is in a stronger position to manage them. Our executive and board teams, like the management teams of our business units, are in a continual process of renewal and strengthening as part of our commitment to grow our organization and expand our capabilities and competencies. MacroAsia is always steadily evolving to deliver the returns expected of us by our stakeholders.

We sincerely thank our operating teams for generously contributing to the positive developments and achievements in the past year. Their unwavering dedication, continued commitment, and collaborative teamwork enabled us to surpass expectations. Our gratitude also extends to our JV partners,

suppliers, banks and other institutions for their close collaboration and contributions in strengthening our partnerships. We look forward with confidence and optimism to future journeys together.

I will now turn over the floor to Mr. Eduardo Luis T. Luy, President and Chief Operating Officer of the Corporation, who will preside over this meeting.”

The Corporation’s President and Chief Operating Officer, Mr. Eduardo Luis T. Luy, called the meeting to order and welcomed the stockholders to the 2024 Annual Stockholders’ Meeting of the Corporation.

The President stated that the Corporation is holding its Annual Stockholders’ Meeting by remote communication via Zoom Webinar in order to safeguard the health and ensure the safety of the stockholders and stakeholders of the Corporation.

The Corporate Secretary, Mr. Florentino M. Herrera III, recorded the minutes of the meeting. He informed the stockholders that the meeting is being recorded in video and audio format, in compliance with the requirements of the Securities and Exchange Commission.

## **II. CERTIFICATION OF NOTICE**

The Corporate Secretary certified that the Notice for the meeting was duly sent twenty-one (21) days prior to the date of the meeting to all stockholders of record of the Corporation as of 8 April 2024, the record date set by the Board of Directors, in accordance with the Revised Corporation Code of the Philippines and the rules of the Securities and Exchange Commission.

The Corporate Secretary stated that the Notice for the meeting was published for two (2) consecutive days, on April 16 and 17, 2024, in the business section of two (2) newspapers of general circulation, the Philippine Daily Inquirer and Business World, both in print and online formats. The Affidavits of Publication issued by the Philippine Daily Inquirer and Business World are attached hereto as Annexes “A” and “B”, respectively.

The Corporate Secretary further stated that the Notice and the Definitive Information Statement were posted on the Corporation’s website and disclosed to the Philippine Stock Exchange.



### III. MEETING PROCEDURES

The President noted that although the Corporation is holding its Annual Stockholders' Meeting by remote communication, it strived to provide the stockholders the best opportunity to participate in the meeting.

The President requested the Corporate Secretary to explain the procedures for the holding of the meeting.

The Corporate Secretary stated that the meeting procedures were outlined in the Corporation's Definitive Information Statement. He highlighted the following key points:

1. The Notice advised stockholders who wished to participate in the Annual Stockholders' Meeting by remote communication and vote *in absentia* to pre-register through the Corporation's website by 30 April 2024.
2. Thereafter, pre-registered stockholders were emailed specific log-in credentials to access the voting portal and attend the Annual Stockholders' Meeting.
3. Stockholders were then permitted to submit their votes through the voting portal until 3 May 2024.
4. Stockholders who opted to vote by proxy were required to submit their proxy forms via email to the Corporate Secretary on or before 24 April 2024, in accordance with the By-Laws of the Corporation.
5. The Office of the Corporate Secretary shall tabulate all votes cast *in absentia*. SGV & Co., as the external auditor of the Corporation, will validate the results. The voting results on each matter will be displayed on the screen.
6. For any queries regarding the matters in the Definitive Information Statement or regarding the Corporation in general, the stockholders were encouraged to send in advance their questions regarding the items in the agenda by using the "Queries" tab found in the Annual Stockholders' Meeting page on or before 3 May 2024 so that they may be addressed during the meeting.



7. The Corporation received a query from a stockholder before the 3 May 2024 deadline. Questions received after the deadline were referred to the Corporation's Investor Relations Officer for a response.

#### IV. CERTIFICATION OF QUORUM

The President then requested the Corporate Secretary to certify the existence of a quorum for the valid transaction of business at the meeting.

The Corporate Secretary stated that based on the online registration record and the proxies on hand, stockholders owning One Billion Three Hundred Seventy-One Million Seven Hundred Forty-Six Thousand Seven Hundred Fourteen (1,371,746,714) shares or 72.54% of the total outstanding capital stock of the Corporation were present or represented by proxy in the meeting.

The Certification on the tabulation of attendance issued by Ms. Maria Victoria C. Mendoza, Senior Assistant Vice-President, and Ms. Lilian L. Ruga, Manager, of the Philippine National Bank Trust Banking Group, the Corporation's Stock Transfer Agent, is attached hereto as Annex "C".

The Corporate Secretary thereafter certified that a quorum existed for the valid transaction of business.

#### V. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON 11 MAY 2023

The President proceeded to the next item in the Agenda, the approval of the Minutes of the Annual Stockholders' Meeting held on 11 May 2023 (the "Minutes of the 2023 ASM"). The President stated that the Minutes of the 2023 ASM, as attached to the Corporation's Definitive Information Statement, was posted on the Corporation's website and disclosed to the Phil. Stock Exchange.

The Corporate Secretary presented Resolution No. SH-2024-01, and based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

##### **RESOLUTION NO. SH-2024-01**

**"RESOLVED,** That the Minutes of the Annual Stockholders' Meeting held on 11 May 2023 as disclosed in

the Corporation’s Definitive Information Statement, be noted and approved.”

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	1,371,740,714	0	6,000
Percentage of Outstanding Shares	72.54%	0%	0.00%

**VI. PRESENTATION OF 2023 ANNUAL REPORT AND FINANCIAL REPORT**

The President reported on the 2023 Annual Report of the Corporation and its subsidiaries (the “MacroAsia Group”) and the Business Outlook for 2024. A copy of the President’s Report is attached hereto as Annex “D”.

Thereafter, the Chief Financial Officer, Mr. Amador T. Sendin, presented the Financial Report on the results of operations for the year ended 31 December 2023, a copy of which is attached hereto as Annex “E”.

**VII. APPROVAL OF ANNUAL REPORT AND THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

The President requested the Corporate Secretary to present the proposed resolution regarding the notation and approval of the Annual Report and the Audited Financial Statements of the Corporation for the year ended 31 December 2023.

The Corporate Secretary presented Resolution No. SH-2024-02, and based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

**RESOLUTION NO. SH-2024-02**

“**RESOLVED**, That the Corporation’s Annual Report and Audited Financial Statements for the year ended 31 December 2023 be noted and approved.”

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	1,371,740,714	0	6,000
Percentage of Outstanding Shares	72.54%	0%	0.00%

VIII. **AMENDMENT OF THE ARTICLES OF INCORPORATION TO CHANGE THE PRINCIPAL OFFICE ADDRESS**

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The President requested the Corporate Secretary to present the proposed resolution regarding the amendment of the Articles of Incorporation to change the principal office address of the Corporation.

The Corporate Secretary informed the stockholders that the Board of Directors, during its meeting held on 21 March 2024, approved the amendment to the Third Article of the Articles of Incorporation to change the principal office address of the Corporation from "12/F PNB Allied Bank Center, 6754 Ayala Avenue, Makati City" to "7th Floor, Ricogen Building, 112 Aguirre Street, Legazpi Village, Makati City, 1229 Philippines".

The Corporate Secretary thereafter presented Resolution No. SH-2024-03, and based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

**RESOLUTION NO. SH-2024-03**

**"RESOLVED,** That the Third Article of the Articles of Incorporation of the Corporation be amended to read as follows:

**"THIRD** - That the place where the principal office of the Corporation is to be established or located shall be at 7th Floor, Ricogen Building, 112 Aguirre Street, Legazpi Village, Makati City, 1229 Philippines, without prejudice to the opening or maintenance of such branch correspondents or representative offices or outside of the Republic of the Philippines, as the exigencies of the business or operation of the Corporation may require or dictate from time to time."

**"RESOLVED FURTHER,** That the proper officers of the Corporation be, as they are hereby authorized to perform all acts including but not limited to the filing of the necessary documents with the Securities and Exchange Commission and to sign, execute and deliver, for and on behalf of the Corporation, any and all documents as may be necessary and/or appropriate to fully implement the foregoing resolution."



	FOR	AGAINST	ABSTAIN
Number of Shares Voted	1,371,740,714	0	6,000
Percentage of Outstanding Shares	72.54%	0%	0.00%

IX. **RATIFICATION OF ALL ACTS, PROCEEDINGS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT SINCE THE 2023 ANNUAL STOCKHOLDERS’ MEETING UP TO 9 MAY 2024**

The President then proceeded to the approval, confirmation and ratification of all acts, proceedings and resolutions of the Board of Directors and Management of the Corporation since the Annual Stockholders’ Meeting held on 11 May 2023 up to 9 May 2024.

The President stated that a summary of the acts, proceedings and resolutions of the Board and Management is contained in the Definitive Information Statement.

The Corporate Secretary thereafter presented Resolution No. SH-2024-04, and based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

**RESOLUTION NO. SH-2024-04**

“**RESOLVED**, That all acts, proceedings and resolutions of the Board of Directors and of Management since the Annual Stockholders’ Meeting held on 11 May 2023 up to today’s meeting be, as they are hereby approved, confirmed and ratified.”

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	1,371,740,714	0	6,000
Percentage of Outstanding Shares	72.54%	0%	0.00%

X. **ELECTION OF DIRECTORS**

The President stated that the Articles of Incorporation of the Corporation provides for eleven (11) directors.

The President then requested the Corporate Secretary to explain the procedure for the nomination and election of the directors.

The Corporate Secretary explained that in accordance with the Corporation’s By-Laws and Manual on Corporate Governance, the

nomination of the Corporation’s directors was conducted by the Corporate Governance Committee. All recommendations were signed by the nominating stockholders and were submitted to the Corporate Governance Committee and the Corporate Secretary at least thirty (30) days before the date of the Annual Stockholders’ Meeting.

The Corporate Secretary reported that during its meeting held on 22 March 2024, the Corporate Governance Committee approved the following nominees for election as members of the Board of Directors of the Corporation for 2024-2025:

- 1. Dr. Lucio C. Tan
- 2. Carmen K. Tan
- 3. Eduardo Luis T. Luy
- 4. Lucio C. Tan III
- 5. Kyle Ellis C. Tan
- 6. Vivienne K. Tan
- 7. Michael G. Tan
- 8. Johnip G. Cua

For Independent Directors:

- 9. Ramon Pancratio D. Dizon
- 10. Diwa C. Guinigundo
- 11. Samuel C. Uy

The Corporate Secretary thereafter presented Resolution No. SH-2024-05, and based on the votes received by each of the nominees, and considering further that there are only eleven (11) nominees for the eleven (11) seats in the Board, reported the approval of the following resolution which was shown on the screen:

**RESOLUTION NO. SH-2024-05**

“**RESOLVED**, That the eleven (11) nominees to the Board of Directors who have been confirmed by the Corporate Governance Committee, namely:

- 1. Dr. Lucio C. Tan
- 2. Carmen K. Tan
- 3. Eduardo Luis T. Luy
- 4. Lucio C. Tan III
- 5. Kyle Ellis C. Tan
- 6. Vivienne K. Tan
- 7. Michael G. Tan
- 8. Johnip G. Cua

For Independent Directors:

- 9. Ramon Pancratis D. Dizon
- 10. Diwa C. Guinigundo
- 11. Samuel C. Uy

are hereby elected as directors of the Corporation for the ensuing year and until the election and qualification of their successors.”

The final votes received by the nominees are as follows:

	FOR	AGAINST	ABSTAIN
Dr. Lucio C. Tan	1,364,647,386	7,093,328	6,000
Carmen K. Tan	1,371,630,254	110,460	6,000
Eduardo Luis T. Luy	1,371,663,494	77,220	6,000
Lucio C. Tan III	1,364,536,926	7,203,788	6,000
Kyle Ellis C. Tan	1,371,663,494	77,220	6,000
Vivienne K. Tan	1,364,536,926	7,203,788	6,000
Michael G. Tan	1,371,663,494	77,220	6,000
Johnip G. Cua	1,364,536,926	7,203,788	6,000
Ramon Pancratis D. Dizon	1,371,740,714	0	6,000
Diwa C. Guinigundo	1,371,740,714	0	6,000
Samuel C. Uy	1,371,733,514	0	13,200

XI. REAPPOINTMENT OF EXTERNAL AUDITOR

The President then proceeded to the appointment of the external auditor of the Corporation for the ensuing year. He requested Mr. Johnip G. Cua, Member of the Audit Committee, to explain the endorsement of the external auditor.

Mr. Cua explained that the Corporation’s Manual of Corporate Governance provides that the Audit Committee is tasked to select and evaluate the External Auditor of the Corporation which is thereafter endorsed to the Board of Directors and presented to the stockholders for approval.

Mr. Cua reported that, after careful deliberation, and after evaluating the performance of the accounting firm of Sycip Gorres Velayo & Company (SGV & Company) for the past year, the Audit Committee endorsed to the Board its reappointment as External Auditor of the Corporation for calendar year 2024. The re-appointment of SGV & Company was approved by the Board of Directors on 21 March 2024.



The Corporate Secretary thereafter presented Resolution No. SH-2024-06, and based on the votes received, reported the approval by the stockholders of the following resolution which was shown on the screen:

**RESOLUTION NO. SH-2024-06**

**“RESOLVED**, That SGV & Company be appointed as the External Auditor of the Corporation for calendar year 2024.”

	FOR	AGAINST	ABSTAIN
Number of Shares Voted	1,371,733,514	7,200	6,000
Percentage of Outstanding Shares	72.54%	0.00%	0.00%

**XII. OPPORTUNITY GIVEN TO STOCKHOLDERS TO ASK QUESTIONS**

The President stated that the stockholders were informed that they could send their questions regarding the agenda items by using the “Queries” tab found in the Annual Stockholders’ Meeting page in the Corporation’s website on or before 3 May 2024.

The President stated that the Corporation received the following query from a stockholder, Mr. Hassan Nuestro Decampong, before the 3 May 2024 deadline: *“Looking at the income statement of Macroasia, the mining segment has not been producing profits for the company. With this, what is the board's plan in moving forward with this?”* The President replied that the Corporation is hoping that the Declaration of Mining Project Feasibility (DMPF) and Notice To Proceed (NTP) will be issued by the DENR within the year. This will enable MacroAsia Mining Corporation to start receiving royalties.

The President stated that the Corporation’s Investor Relations Officer will address other questions submitted after the deadline. He also informed the stockholders that they may submit additional questions regarding the meeting by sending an email to [asmquery@macroasiacorp.com](mailto:asmquery@macroasiacorp.com) on or before 31 May 2024.

**XIII. ADJOURNMENT**

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

CERTIFIED CORRECT:



FLORENTINO M. HERRERA III  
*Corporate Secretary*

ATTESTED BY:



DR. LUCIO C. TAN  
*Chairman and CEO*



EDUARDO LUIS T. LUY  
*Chairman of the Meeting/  
President and Chief Operating Officer*

REPUBLIC OF THE PHILIPPINES)  
CITY OF MAKATI) S.S.

AFFIDAVIT OF PUBLICATION

I, ADELA GERSALIA MENDOZA, of legal age, Filipino, married and a resident of 14 Registration St. SSS Homes North, Quezon City Philippines after having duly sworn to in accordance with law, hereby declare and testify.

1. That I am the Sales Director – Classified Advertising of the PHILIPPINE DAILY INQUIRER, INC., publisher of the Philippine Daily Inquirer which is being published daily in English, of general circulation with editorial and business address at Chino Roces St. cor. Yague and Mascardo Sts., Makati.

2. That at the order of  
MACROASIA CORPORATION

RE: Notice of Stockholders Meeting  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Text of which would be described as follows:

AS PER ATTACHED

Has been published in the Philippine Daily Inquirer's print and digital edition in its issue/issues of:

April 16 and 17, 2024

Affiant Further Sayeth  
Naught, Makati Philippines

  
ADELA G. MENDOZA  
Affiant

SUBSCRIBED AND SWORN to before me this  
APR 17 2024 day of \_\_\_\_\_  
PHILIPPINES, affiant exhibited to me her Driver's  
License No. N02-01-455507 issued at Quezon City  
valid until October 25, 2033 and her SSS No. 03-  
9451924-9, bearing her photograph and signature

Doc. No. 77 :  
Page No. 17 :  
Book No. 84 :  
Series of 2024.

ATTY. JOSHUA P. LAPUZ  
Notary Public Makati City  
Until Dec. 31, 2025  
Appointment No. M-016-(2024-2025)  
PTR No. 10073910 Jan. 2, 2024 / Makati  
IBP Lifetime No. 04897 Roll No. 45790  
MCLE Compliance No. VI-0016565  
G/F Fedman Bldg., 199 Salcedo St.  
Legaspi Village, Makati City



REPUBLIC OF THE PHILIPPINES )  
Quezon City, Metro Manila ) S.S

AFFIDAVIT OF PUBLICATION

I, BERNARD E. ENOLVA, Filipino, of legal age, being first duly sworn  
according to law, declare and testify :

That I am the **Billing & Collection Manager** of **BUSINESSWORLD**, a newspaper of  
general circulation in the Philippines, with editorial and business offices at  
#95 Balete Drive Extension, New Manila, Quezon City.

That the order of the MACROASIA CORPORATION  
NOTICE OF ANNUAL STOCKHOLDERS' MEETING  
entitled (PUBLISHED BOTH IN PRINT & ONLINE)

Text of which could be described as follows:

as per attached clipping.

has been published in the **BUSINESSWORLD** in its issue(s) of APRIL 16 & 17, 2024

FURTHER AFFIANT SAYETH NOT.

Quezon City, Metro Manila

BERNARD E. ENOLVA  
Affiant

SUBSCRIBED AND SWORN to before me this 17TH  
day of APRIL affiant having exhibited to me his/her Driver's License  
ID with No. N02-17-016165.

GARY A. SANCIO  
Notary Public  
Until December 31, 2024  
Adm. Matter No. 177  
Roll No. 44261  
IBP No. 1082447 (LIFETIME)/06-30-17/Q.C.  
PTR No. 5573890/1-04-2024/Q.C  
MCLE Compliance No. VII-0011638/03-01-22

Doc. No. 275  
Page No. 54  
Book No. XI  
Series of 2024



**TRUST BANKING GROUP**  
**Fiduciary Services Division**  
3F Trust Banking Group  
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Pasay City, Philippines  
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Direct Line: (632) 8573-4649  
Fax: (632) 8526-3379

May 03, 2024

**MACROASIA CORPORATION**  
12/F PNB Makati Center,  
6754 Ayala Avenue, Makati City

Attention : **ATTY. FLORENTINO M. HERRERA III**  
Corporate Secretary

Subject : **FINAL TABULATION OF ATTENDANCE**

Gentlemen:

Below is our final tabulation of attendance who registered through MacroAsia ASM Registration Portal for the MacroAsia Corporation Annual Stockholders' Meeting through remote communication at 03:00 in the afternoon of May 09, 2024:

Particulars	No. of Shares	Percentage to Total Outstanding & Subscribed Shares (net of Treasury Shares)
IN PERSON	16,512,404	0.87
BY PROXY	1,355,234,310	71.67
TOTAL	1,371,746,714	72.54

**TOTAL OUTSTANDING SHARES & SUBSCRIBED SHARES (net of Treasury Shares)** **1,890,958,323**

Very truly yours,  
Philippine National Bank  
Acting Through Its Trust Banking Group  
As Transfer Agent  
By:

  
**MARIA VICTORIA C. MENDOZA**  
Senior Assistant Vice President

  
**LILIAN L. RUGA**  
Manager

## PRESIDENT’S REPORT

Dear Shareholders, Management, Staff, and Other Stakeholders of MacroAsia:

We reported previously that the MacroAsia Group targeted the business concentration risks that it faced during the pandemic, tweaking its business strategy by going beyond the core segments in aviation services and scaling the edges of our business portfolio to make MacroAsia a more resilient organization in terms of revenue generation.

With our eyes still fixed on delivering reliable and excellent aviation-related services, our non-aviation operating teams focused on growing their respective businesses using mostly their own cashflows. Our water units ramped-up their concession networks, while the food group ventured further into the wider market for institutional clients outside of the airport. Because of these expansion drives, we see the MAC Group today as being able to generate topline results from activities that are outside the realm of airports or airlines.

In 2019, we reported total revenues of Php6.2 billion, of which non-aviation revenues amounted to Php443 million or 7%. In 2023, our total revenues amounted to Php8 billion, of which Php1.95 billion or 24% are non-aviation related. This positively manifests the result of our drive to scale the edges and make our revenue sources more varied and resilient.

The 2023 indicators for our core business segments trended towards growth in all areas. Engineering hours for base maintenance in our maintenance, repair and overhaul JV went up 5%, from 1.13 million hours in 2022 to 1.19 million hours in 2023. This was achieved, despite the local market facing a relatively high attrition rate for skilled mechanics. To address the need for more technical staff, LTP has already opened several training programs for new mechanics, and hundreds of recruits are now under training.

Our food group sold 22.8 million meals in 2023, 52% more than 2022. The corresponding food segment revenue of Php3.98 billion in 2023 accounts for 50% of the total consolidated revenues. This growth is driven not only by the increase in airline catering but by the substantial non-airline meal sales, as our commissary under MacroAsia SATS Food Industries expanded its portfolio of clients outside the airport. With the commissary’s rapid growth from its opening in 2019 before the pandemic, the board of this JV has approved an expansion of this commissary, doubling its capacity on or before year 2026. We shall also explore having another commissary outside of Metro Manila, considering the demand of current clients who have presence in other provinces.

Ground handling registered a 36% growth in flights handled, from 134 thousand flights in 2022 to 182 thousand flights in 2023. This is in line with the increase in tourism and aviation travel, especially in the domestic sector. While the net margins for this segment are lower compared to the food group, we expect continuing growth as international travel in the Philippines has yet to exceed pre-pandemic volumes.



Our billed water volumes increased by 9%, from 16.6 million cubic meters to 18.1 million cubic meters in 2023, due to the growth in our active water connections which stood at about 74,000 connections by yearend.

The re-opening of the old Infanta Nickel Project also progressed in 2023, mainly through the efforts of our mining operator, Calmia Nickel. The Environmental Compliance Certificate for operations was granted by the DENR in December 2023. We are still waiting though for the Declaration of Mining Project Feasibility (DMPF) and Notice To Proceed (NTP) from the DENR. Hopefully, the last hurdles for mine reopening will be addressed this 2024, so that MacroAsia Mining Corporation can start receiving royalties from this legacy mining project.

Driven by the robust topline growth, our consolidated net income grew from Php461.4 million in 2022 to Php1.07 billion in 2023. This performance reflects the transformative growth we embarked on during the pandemic.

Moving forward, our operating teams have outlined a pipeline of investments that will improve what we deliver to our customers. In the airports, we shall invest in new ground service equipment for our airline clients. In the water business units, network expansion shall continue. In the food services segment, we shall look at growing our facility and presence beyond Metro Manila. Notwithstanding these outlays, we are committing a year-on-year improvement in our cash dividends for MacroAsia shareholders. For our 2023 performance, our board declared dividends of Php0.10/centavos per share in contrast to the Php0.05 centavos per share declared in line with 2022 earnings. The recent dividend is a 39% payout of the earnings of the MAC Parent Company in 2023.

Year 2024 continues to present headwinds that make our growth efforts more challenging. The geopolitical issues, high interest rates, inflation, and supply shortages, among others, continue to test and keep us on our feet. The last quarter of 2024, with the outsourcing of operations of NAIA to a private consortium, also brings both clouds of uncertainty and opportunity for us, being a major locator and concessionaire in this airport. We shall work closely with the government and with the private concessionaire to pursue the fair interests of the riding public and various stakeholders, including our own.

Challenging as things may be, our efforts to deliver better value to our stakeholders can only be strengthened by your steadfast confidence in us.

As always, we thank you all for the consistent support for us and our teams.

## 2023 Financial Report

2023 for MacroAsia is a period of substantial revenue and net income growth, resulting to a stronger financial position for the Group. Our book value per share as of December 2023 is ₱3.42 per share, compared to ₱2.99 per share in 2022.

### **FINANCIAL STANDING**

#### **Assets**

- By yearend 2023, the consolidated total assets stood at ₱12.7 billion, having increased 10% or ₱1.2 billion, from ₱11.5 billion in 2022. The substantial turnover growth in the business units basically drove the improvement.
  - Cash & cash equivalents amounted to ₱1.1 billion, an increase of ₱595 million or 127% from ₱468 million in 2022.
  - Receivables and contract assets were recorded at ₱2.1 billion, increasing by ₱ 12% from ₱1.9 billion in 2022.

#### **Liabilities**

- Our liabilities reflect the reduction in our long-term debts and an increase in our current liabilities, consistent with the growth in our current business transactions. The consolidated total liabilities amounted to ₱6.2 billion, up 6% from ₱5.8 billion in 2022. The Group has always pursued the goal of reducing long-term debt exposure, especially as cashflow from operations improved.
- Accounts payable and accrued liabilities were recorded at ₱2.6 billion, an increase of 26% from 2022.
- Current loans payable increased by 28%, up from ₱437 million to ₱559 million in 2023. These current loans generally relate to current working capital requirements.
- Long-term debts stand at ₱486 million in 2023, decreasing by 42% compared to ₱831 million in 2022.

#### **Equity**

- The increase in profits drove Total Equity to grow by ₱817 million or 14%, from ₱5.7 billion in 2022 to ₱6.5 billion by yearend 2023.
  - The movement in the “non-controlling interests” depends on the results of operations of our subsidiaries that have JV partners. By yearend 2023, non-controlling interests amounted to ₱360 million, up 215% from ₱115 million as of December 31, 2022.
  - Equity attributable to equity holders of the company increased 10%, from ₱5.6 billion in 2022 to ₱6.1 billion in 2023.



## **RESULTS OF OPERATIONS**

For our topline, gross revenues amounted to ₱8.0 billion, from ₱4.9 billion in 2022.

Net income after tax increased by 132% to ₱1.1 billion, from ₱461 million in 2022. Net income attributable to the Parent is at ₱851 million, in contrast to ₱446 million in 2022.

Our earnings per share grew by 88%, from ₱0.24/share in 2022 to ₱0.45/share in 2023.

Because of the performance growth, the financial ratios reflect significant improvements.

- Return on equity for 2023 is 20.8%, compared to 10.5% in 2022.
- Return on Net Sales is 13.4%, compared to 9.5% in 2022.
- Debt-to-Equity Ratio is relatively low at 0.16, compared to 0.22 in prior year.

### **Revenues**

- In-flight catering revenues contributed 50% of the total revenues, improving 74% from ₱2.3 billion in 2022 to ₱4.0 billion in 2023.
- Ground-handling and aviation services posted revenues of ₱3.1 billion, a 53% improvement from ₱2.0 billion in 2022. This segment is 39% of the total Group revenues.
- Water operations is 8% of the total revenues. This segment had revenues of ₱617.5 million in 2023, up by 20% from ₱515.0 million in 2022.
- Administrative revenues of the ecozone remained flat, as lease revenues were relatively unchanged.
- Connectivity and technology services revenues of ₱215.6 million pertain to a project involving the Supply, Delivery, and Commissioning for a Conduit Fiber Backbone and Containerized Data Center in 2023. This is a new segment for MacroAsia.

### **Total Direct Costs**

- Total direct costs amounted to ₱6.3 billion, increasing 58% from ₱4.0 billion in 2022. This increase is consistent with the growth in business operations across all business segments.

### **Operating Expenses**

- Consolidated operating expenses from ₱793.5 million in 2022 to ₱1.08 billion in 2023 had a lower growth of 37%, despite the higher turnover growth in 2023. The cost-control measures that continue to be in place contributed to this tamer increase in costs.

### **Share in Net Earnings (Losses) of Associates**

- Share in net income of associates amounted to ₱576.7 million, an increase of ₱105.9 million from 2022. This account represents MAC's share in the net operating result of its associated companies (LTP, JASCO and CPCS). The main contributor for 2023 is our share in net income from MRO services through LTP, amounting to ₱562.1 million, which is ₱62.3 million higher than the share of ₱499.8 million in 2022. LTP saw growth in base maintenance and line maintenance revenues in 2023.



### **Other Income (Charges)**

- The interest income of ₱19.0 million pertains to earnings from short-term investments, and accretion of refundable deposits. Financing charges increased from ₱149.0 million in 2022 to ₱163.8 million in 2023, due to the increase in interest rates.

### **2024 OUTLOOK**

Last year's growth momentum under a more favorable operating environment is foreseen to continue in 2024, although we are very cautious because of the headwinds in various fronts that may imperil our cost bases. Issues like supply chain disruption, high interest rates, inflation, ever-increasing lease and labor rates remain as key stay-awake items for us.

However, barring extreme constraints, our operating teams are committed to improve our operating results, striving to book again double-digit improvements in our topline and bottom line.

Motivated by our desire to increase stakeholder value in these uncertain times, we seek again your utmost support and understanding.

Thank you.