

**MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS OF
MACROASIA CORPORATION**
Held on 19 July 2013 at 3:00 P.M.
at the Kachina Room, Century Park Hotel
599 Pablo Ocampo Sr. Street, 1004 Malate, Manila

I. CALL TO ORDER

The Chairman, Mr. Washington Z. SyCip, called the meeting to order and presided over the same. The Corporate Secretary, Ms. Marivic T. Moya, recorded the minutes of the meeting.

II. CERTIFICATION OF NOTICE

Ms. Moya stated that in accordance with Section 2.03 of Article II of the By-Laws of the Corporation, notices for the meeting were sent by mail and/or special messengerial service at least ten (10) days prior to the date of the meeting to all stockholders of record as of 13 June 2013, the record date fixed by the Board of Directors of the Corporation for the meeting.

Ms. Moya further stated that notices were published in The Philippine Star on 8 July 2013. The Affidavit of Publication issued by Philstar Daily, Inc. publisher of The Philippine Star, is attached hereto as Annex "A".

Ms. Moya therefore certified that notices for the meeting were duly sent.

III. CERTIFICATION OF QUORUM

Ms. Moya stated that based on the attendance record and the proxies and/or powers of attorney on hand, stockholders owning Eight Hundred Thirty Two Million Five Hundred Forty Thousand Nine Hundred Forty Eight (832,540,948) shares representing 66.61% of the total issued and outstanding capital stock of the Corporation were present or represented in the meeting.

Ms. Moya certified that a quorum existed for the valid transaction of business.

IV. APPROVAL OF MINUTES OF PREVIOUS MEETING

The Chairman 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 20 July 2012.

After discussion and upon motion duly made and seconded, the stockholders approved the Minutes of the Annual Stockholders' Meeting held on 20 July 2012.

V. MANAGEMENT REPORT

Mr. Joseph T. Chua, the Corporation's President and Chief Executive Officer, reported on the results of operations of the Corporation and its subsidiaries for the year ended 31 December 2012. A copy of the President's Report is attached hereto as Annex "B".

VI. APPROVAL OF THE AUDITED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2012

The Chairman then proceeded to the next item on the Agenda, which pertains to the approval of the Audited Financial Statements of the Corporation for the year ended 31 December 2012.

Upon motion duly made and seconded, the stockholders approved the Audited Financial Statements of the Corporation for the year ended 31 December 2012.

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

The Chairman 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 20 July 2012.

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 20 July 2012 up to today's meeting be, as they are hereby approved, confirmed and ratified."

VIII. ELECTION OF DIRECTORS

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:

Washington Z. SyCip
Harry C. Tan
Joseph T. Chua
Carmen K. Tan
Lucio K. Tan, Jr.
George Y. SyCip
Jaime J. Bautista
Johnip G. Cua- Independent Director
Ben Tiu - Independent Director

IX. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman then proceeded to the next item on the Agenda, which pertains to the appointment of external auditors of the Corporation for the ensuing year.

Upon motion duly made and seconded, SGV & Co. was unanimously appointed as 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:

MARIVIC T. MOYA
Corporate Secretary

ATTEST:

WASHINGTON Z. SYCIP
Chairman

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

AFFIDAVIT OF PUBLICATION

I, **PERLITA R. DE LARA**, 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 **ACCOUNTING SUPERVISOR** 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) had been published In **The Philippine STAR** in its issues of: JULY 8, 2013

FURTHER AFFIANT SAYETH NAUGHT.
Manila, Philippines

Perlita R. De Lara
PERLITA R. DE LARA
Affiant

SUBSCRIBED AND SWORN to before me this _____ day of _____ 20 _____
affiant exhibited to me her Community Tax Certificate No. 08911795 issued at ~~MANILA~~
on January 02, 2013

Doc. No. 9
Page No. 2
Book No. 1
Series of 2013

Richard A. Anolin
ATTY. RICHARD A. ANOLIN
NOTARY PUBLIC
UNTIL DECEMBER 31/2013
IBP LIFETIME NO. 05179/02-12-05/M A
PTR NO. 0314572/01-02-12/MLA
ROLL NO. 33596



Date : July 19, 2013

To : ATTY. MARIVIC MOYA
Corporate Secretary

Re : FINAL TABULATION OF ATTENDANCE

Below is our final tabulation of attendance for the Macroasia Corporation Annual Stockholders' Meeting as of 3:00 o'clock in the afternoon of July 19, 2013:

	Number of Shares	Percentage to Total Outstanding & Issued Shares
IN PERSON :	<u>48,964,648</u>	<u>3.92</u>
BY PROXY :	<u>783,576,300</u>	<u>62.69</u>
TOTAL ATTENDANCE :	<u>832,540,948</u>	<u>66.61</u>
TOTAL OUTSTANDING & ISSUED SHARES		1,250,000,000

PHILIPPINE NATIONAL BANK
Trust Banking Group
By:


HELEN Y. ANG
Vice President

Trust Banking Group
Allied Bank Center
6754 Ayala Avenue, Makati City
Tel. No. 816-3311 local 741
Fax No. 810-2472
Email Address: anghy@alliedbank.com

Philippine National Bank
PNB Financial Center
Pres. Diosdado Macapagal Blvd.,
Pasay City, Metro Manila 1300,
Philippines
Authorized Depository of the Republic of the Philippines
Member: PDIC

T. (632) 526-3131 to 70 / 891-6040 to 70
P.O. Box 1844 (Manila)
P.O. Box 410 (Pasay City)
www.pnb.com.ph

PRESIDENT'S MESSAGE

Dear Fellow Shareholders,

In 2012, the MacroAsia Group carried on its operations through five (5) operating subsidiaries and two (2) associated or affiliated companies. The Parent Company's investments in shares of stocks for these companies were carried in the books at ₱1.3 billion, of which ₱1.2 billion or 89% are in the aviation-related companies. The non-aviation related investment of 11% relates to MacroAsia Properties which operates an ecozone and owns 7,912 square meters of land for development in Muntinlupa.

Of the ₱1.2 billion in aviation-related investments, MacroAsia's biggest investment still is the 49% stake in our affiliate, Lufthansa Technik Philippines (LTP). Eighty percent (80%) or ₱0.9 billion of MacroAsia's aviation-related investments is the 49% stake in LTP, a joint-venture which provides aircraft maintenance, repair and overhaul (MRO) in NAIA. Our partner in this JV is Lufthansa Technik AG of Germany, which owns 51% of LTP and as such, serves as LTP's managing partner.

Among the aviation subsidiaries - the companies that we directly manage and consolidate in the Parent Company's books, MacroAsia Catering Services Corporation and MacroAsia Airport Services Corporation remain to be the two major investments. MacroAsia Catering operates an inflight catering kitchen in NAIA, and services majority of the foreign airlines flying out of Manila. MacroAsia Airport Services performs ground-handling services in NAIA Terminals 1, 2 and 3.

Financial Performance

The Group's consolidated service revenues posted a record high of ₱1.60 billion in 2012, a 17% increase from the ₱1.36 billion services revenues in 2011. Gross profit grew by 13%, from ₱347.6 million in 2011 to ₱392.5 million in 2012. Our operations in 2012 generated ₱110 million in cash, an improvement compared to ₱11.6 million operational cash outflow or usage in 2011.

However, the Group is reporting a consolidated net loss after tax of ₱181.5 million in 2012, a decrease of 160% from the net income of ₱306.6 million in 2011. The principal reason for this loss is our proportionate share in the loss of LTP which is due to the start-up costs of its A380 business, lower revenues from its base domestic client and one-time write-off of obsolete inventories. Our Group was also hit by the stronger Philippine Peso, compared to the US Dollar, resulting into actual and unrealized foreign exchange losses spread over most of our subsidiaries and affiliates which earn revenues mostly in US dollars.

Financial Position

Due to the settlement of bank loans by our subsidiaries, and the decrease in the investments in associates account due to LTP's operating loss, the consolidated total assets of ₱3.36 billion in 2012 were lower by 13% compared to ₱3.85 billion in 2011.

By end of 2012, total cash and cash equivalents amounted to ₱643 million, dropping by 43% from ₱1.1 billion as of December 31, 2011. This is not an alarming drop, because a bulk of our cash were used to purchase available for sale investments (bonds and treasury notes), which moved up from ₱77.5 million in 2011 to ₱434.7 million in 2012. Bonds and notes in 2012 generally had better yields than money market placements. These investments in bonds and treasury notes can easily be sold to the market in case our operating entities require cash to be on hand. Cash was also used to settle bank loans of subsidiaries, and by year-end 2012, our dollar holdings were restated for accounting purposes into lesser peso amounts, as the peso had appreciated much more compared to 2011.

Like in previous years, the parent company paid dividends to shareholders amounting to ₱0.065 (6 ½ centavos) per share.

Operating Outlook & Prospects

Our Group continues to have a stable and liquid financial position, and has the capability to invest in new projects while expanding and growing existing businesses. MacroAsia's subsidiaries and affiliates will keep building on their existing core businesses and pursue new viable opportunities. Efforts of existing businesses to market their services and new product offerings shall continue, while cost-cutting programs shall always be sustained to improve both consolidated revenues and net earnings.

Our Group envisions some airport-related projects in the pipeline, although much of the development is dependent on the granting of the required airport concessions from airport authorities.

Since rules and regulations in the Philippine mining industry still remain under government review, we foresee no substantive developments in our mining projects, particularly the Infanta Nickel Project. Our nickel project is under care and maintenance at this point, although management remains on the lookout for opportunities on how we can generate value from this mining project, considering that we have a resource report that is already compliant with the Philippine Mineral Reporting Code.

We look forward to growth in our catering business, as MacroAsia Catering Services, our catering subsidiary, has been expanding its non-airline food business, and is currently establishing its footprint in Qatar through a JV with a Qatari group. We are also excited at the prospects of our bulk water service projects, through MacroAsia Properties Development Corporation. Hopefully, such projects will mature into revenue-generating businesses within the short-term, considering the development efforts that we have been exerting.

Of course, our biggest hope is to see the turnaround of LTP back into profitability, as it strengthens its business portfolio to be less dependent on local clients through its A380 project, coupled with its marketing thrust to take on new third party accounts in the competitive MRO market.

I continue to be optimistic about our Group's future. With a tremendously hard-working team and manpower complement, I am witness to the results of such work done by people who are passionate about our Group, our clients, co-workers and other stakeholders. This teamwork is the foundation of our success and of the positive momentum we have built, all of which will carry us forward in 2013 and beyond.

With your untiring support, we are confident that we can face the challenges ahead of us, and continue to build value for our stakeholders.

On behalf of management and the operating teams, I thank all of you, for your support and inspiration so that we can continue to chart MacroAsia's march to further operational success.

Sincerely yours,

(sgd) Joseph T. Chua