

**MINUTES OF THE
ANNUAL STOCKHOLDERS' MEETING OF
MACROASIA CORPORATION**

Held on 21 July 2017 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	903,387,878 shares
Total No. of Outstanding Shares (Net of Treasury Shares)	1,231,893,900 shares

I. CALL TO ORDER

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

Dr. Tan stated that the 2016 Annual Report of the Corporation, with the theme "Developing Opportunities, Creating Value", captures the Corporation's thrust to sustain its growth in a business environment that is tough and changing.

He thanked the stockholders for their support to the Corporation 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 21 June 2017, 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 3 July 2017. 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 Three Million Three Hundred Eighty Seven Thousand Eight Hundred Seventy Eight (903,387,878) shares representing 73.3% 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 THE PREVIOUS MEETING

Mr. Chua then proceeded to the next item in the Agenda, which pertains to the approval of the Minutes of the Annual Stockholders' Meeting held on 15 July 2016.

Upon motion duly made and seconded, the stockholders approved the Minutes of the Annual Stockholders' Meeting held on 15 July 2016.

V. MANAGEMENT REPORT

Mr. Chua reported on the results of operations of the Corporation and its subsidiaries and presented the Business Outlook for 2017. 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 2016. A copy of the Financial Report is attached hereto as Annex "D".

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 2016

Upon motion duly made and seconded, the stockholders approved the Audited Financial Statements of the Corporation for the year ended 31 December 2016.

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 15 July 2016.

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 15 July 2016 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. The Manual on Corporate Governance of the Corporation provides that there shall be at least three (3) 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 & CEO

JOSEPH T. CHUA
Chairman of the Meeting/
President & COO

ash msp 072117
LTC USBJ/MAC



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

June 30, 2017

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 21, 2017, we hereby certify that the CDs containing Shareholder Information package together with Proxy Form were sent to 161 stockholders and 108 PCD Beneficial Owners as of record date, June 21, 2017 in accordance with your letter dated May 23, 2017.

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 _____
Macro Asia Corporation

captioned as follows: _____
Notice of Stockholders Meeting

Please see attached printed text which had been published in **The Philippine STAR** in its issues of: _____
July 3, 2017

FURTHER AFFIANT SAYETH NAUGHT.
Manila, Philippines

EDWIN L. MONFORTE
Affiant

SUBSCRIBED AND SWORN to before me this _____ day of JUL 05 2017 2017 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. 103
Page No. 21
Book No. XL
Series of 2017

ATTY. JOSELYN BONNIE V. VALEROS
NOTARY PUBLIC, ROLL NO. 54915
PTR No. 9821026 issued on Dec. 27, 2015 until Dec. 31, 2017
BP Life No. 721963 issued on Aug. 21, 2017
Commission No. 2015-030 issued on April 09, 2015, until Dec. 31, 2017
JCLE No. V-0922295 issued on June 14, 2015 Valid until April 14, 2019
Office Add: Imperial Bayfront Tower, 1942 A. Makati, Manila

**MAC Annual Report 2016
PRESIDENT'S AND COO'S REPORT**

Dear Stakeholders of MacroAsia,

I am pleased to inform you that the MacroAsia Group has reported a consolidated net income after tax of ₱440.17 million in 2016, a 29% increase from the ₱341.36 million net income reported in 2015. Last year's results is the highest so far in the history of MacroAsia.

Barring any severe circumstances, we view such double-digit growth as continuing and sustainable, because the groundwork for our operational performance is already in place. Especially with a weaker peso that is projected in 2017, we, as service exporters earning mostly in US Dollars stand to benefit, as our revenues get to be translated into more Philippine pesos to fund our mostly local costs.

Our professional, experienced, globally competitive and mostly Filipino workforce that is now more than 5,000 strong, remains to be MacroAsia's competitive advantage through our continuing march to generate shareholder value.

For 2016, the pillars of our profitability stand as follows:

1. Food Services

The inflight catering businesses grew because of the increase in airline passenger traffic and volume of flights for many of our clients. MacroAsia Catering (MACS) started serving China Southern Airlines and Eva Air as new airline clients in 2016, aside from catering the entire fleet of Cathay Pacific flying out of the Philippines. In 2016, MACS also became the caterer for PAL's Mabuhay lounges.

MACS is the inflight caterer of choice for foreign airlines in Manila as it has expanded its portfolio to about 60% of the foreign airlines market. It has consistently garnered awards from its clients. For example, for three consecutive years now, it has received the Merit Award for Group 1 (Excellence in Catering Award) from Singapore Airlines.

MACS successfully ventured into the institutional food business segment and has grown its client list to include big banks, BPOs, casinos and the like. Outside of the airport, it has Asian Development

Bank as a key account. Its latest client is the BPI 1851 Club, a testament to MACS' reputation as it garnered this account through a widely-contested tender among food providers in Manila.

A subsidiary of MACS, MacroAsia-SATS Food Industries (MSFI) is currently building a food production facility in Muntinlupa City, which will serve the requirement of the non-airline food business segment, aside from supporting the main inflight kitchen. This facility will be commercially operational by 1st quarter of 2018.

2. Gateway Services

In 2016, our ground handling unit, MacroAsia Airport Services (MASCORP) established its presence from 5 airports (NAIA, Cebu, Davao, Kalibo and General Santos City) to include two more airports, namely, Clark and Tuguegarao City by December 2016.

In the first quarter of 2017, our ground handling business expanded to sixteen (16) more airports. Outside of NAIA, we are now present in 23 airports all over the Philippines today, elevating our footprint as the biggest independent ground handling service provider in the Philippines today, with a headcount of more than 2,400.

MASCORP's base clients are PAL and PALEX, but it also serves six (6) more foreign airlines. MASCORP now handles about 2,200 flights per week on the average.

The Manila stations of MASCORP's Japanese clients, All Nippon Airways and Japan Airlines are among the best stations in their respective networks. Just recently, JAL Manila Station which is based in NAIA Terminal 1, was ranked as Number 1 Airport Station of Japan Airlines Worldwide for 2016. JAL has attributed to MASCORP a substantial role in this success, since MacroAsia staff are the faces in the check-in counters, doing the ramp servicing and the like.

3. Aircraft Maintenance, Repair and Overhaul (MRO)

Our biggest investment, Lufthansa Technik Philippines (LTP) was very busy in 2016. LTP's strategy to evolve from dependence on line maintenance services bore fruit, as its heavy maintenance business grew significantly. LTP was able to sign up long-term contracts for

Airbus A380 repairs for esteemed clients like Qantas, British Airways and Lufthansa among others.

In 2016, LTP secured base maintenance contracts with Asiana Airlines, AirAsia X, Jetstar Japan, and Thai AirAsia X, as well as a five-year contract with British Airways. LTP effectively completed six (6) heavy maintenance checks for A320, A340 and A380 for clients like Philippine Airlines, Lufthansa German Airlines, Asiana Airlines, and Thai Air Asia.

LTP also completed a total of seventy eight (78) C-Checks and twenty-one (21) Special Layover for many more foreign airlines.

We believe that LTP is a source of Filipino Pride, as this business unit is manned close to 100% by a Filipino workforce. Moreover, some airline clients of LTP do not even have commercial flights to the Philippines, but these carriers have chosen to entrust their valuable assets to the Philippines and Filipino engineers in LTP, despite the available choices of aircraft repair stations worldwide.

LTP's Base Maintenance capability for the Boeing B777 was approved by CAAP in 2016. In case of the need to use the two A380 hangars for B777 repair, LTP is already certified by now to do B777 repairs.

In 2016, LTP was able to reach an average of 99.17% On-time Performance for PAL aircraft which reflects the reliability and turnaround time of LTP. It has proven itself as a reliable provider of PAL, with maintenance support quality guaranteed by German precision under Lufthansa Technik processes.

Mining

Like other mining companies, we witnessed significant shifting in the government's mining policies and programs in 2016, such that there was still no development in our mining project in Palawan. We conservatively booked in our Parent Company, ₱212.9 million as provision for probable losses pertaining to deferred mine exploration costs incurred in our mining properties in Palawan covered by valid Mineral Production Sharing Agreements (MPSAs). The recovery of the deferred mine exploration costs depends on the commercial activities or subsequent re-opening of the old Infanta Nickel mine. We continue to explore ways to generate value from these assets, either through partnerships with other mining companies, or possible JV or sale of the mine as the opportunity may

arise. If we are successful, this provision for losses in 2016 will be reversed as addition to income.

Water Business

Our subsidiary, MacroAsia Properties Development Corporation (MAPDC) has moved full steam into the water utilities or concession business in 2016. In March 2016, its subsidiary, SNV Resource Devt Corporation, started commercial operations in Solano, Nueva Vizcaya through a complete waterworks system for the town. This greenfield project has about 2,300 water connections today. In December 2016, MAPDC also acquired majority of Boracay Tubi System, Inc., one of two water utilities serving the island of Boracay. Watergy Business Solutions, Inc., (MAPDC's JV with MetroPacific Water Investment Corporation) started development of the Maragondon Bulk Water Project in Cavite. This entry of MAPDC into the water business is expected to generate recurring and increasing cash flow for the Group.

Outlook in 2017

With the growth of the business portfolios in food services, ground handling and MRO, we look at 2017 with optimism. Our investments and capital expenditures from 2016 to 2017 total to about ₱2.5 billion, and most of these are for our aviation services units. The venture in non-airline food services and water utilities are EBITDA additive to the Group, and will strengthen our capability to generate increasing cash flow.

We are also striving for synergies with our base client, PAL/PALEx, as these affiliated entities seek to strengthen mutually beneficial relationships in the aviation sector. Such synergies will benefit our airline catering and ground handling activities.

While we are keeping our drive in the aviation services business as the heart of MacroAsia, we are also expanding our presence in non-airline related activities to deploy our capital, in order to build a stronger and bigger MacroAsia that will be able to address our business concentration risks if ever there are downturns in the aviation industry.

With your trust and inspiration, we are building a sustainable and stable future for MacroAsia. Thus, on behalf of management and the operating teams, I thank you all for inspiring us to give our best and work harder, to make MacroAsia what it is today.

CFO'S 2016 FINANCIAL REPORT:

Dear Shareholders,

The Definitive Information Statements that were distributed to the investing public and made available in the MacroAsia website contain in detail the audited 2016 financial report, as well as the first quarter 2017 interim report that was disclosed to the PSE and SEC. I will take this opportunity to highlight some key points:

Results of Operations for 2016

MacroAsia reports a consolidated net income after tax of ₱440 million in 2016, compared to ₱341 million in 2015. This reflects a net income growth of 29% or ₱99 million above our 2015 performance. The comprehensive income grew to ₱552M, compared to ₱388M in 2015, driven largely by positive forex translation adjustments of our USD investment in LTP.

Were it not for the one-time, accounting provision of ₱213M for probable losses pertaining to the deferred mining charges on our Palawan mining tenements that impacted negatively in the Parent Company's results, our consolidated net income would have been higher. The uncertainties in government's mining policy prompted management to take a conservative stand by fully-providing for probable losses arising from expenses related to completing the JORC and PMRC-compliant exploration report that was implemented for the Infanta Nickel Project. As the long-standing shareholders of MacroAsia will remember, this Infanta Nickel Project is the company's old mine in the 1970's that saw nickel ore shipments to Japan, and has been targeted for re-opening, subject to completion of operating permits.

Putting into medium-term context our 2016 performance, MacroAsia saw its revenues being driven by a compounded annual growth of 16%, operating income by a compounded growth of 101%, and net income by a compounded growth of 90% for the period from 2014 to 2016. Our 2016 operating margin has gone up to 24%, with a net income margin of 19%.

While we are heavily-invested in the aviation-services sector, there have been some strategy updates that now allow further scalability in our revenues and profits. For our airline catering unit, it has forayed into the non-airline food business and has successfully built a portfolio of clients that cater to the wider public through institutional clients. Thus, our catering revenue base appears

partly insulated from the cyclical nature of airline travel, as our non-airline food business continues to grow. On the airport gateway services, our ground handling unit has been expanding from its traditional locations in Manila and Cebu, to other airports in the Philippines. For our biggest investment LTP, it has successfully built its heavy base maintenance business as a substantive profit driver, to augment the traditional line maintenance business.

Our 2016 numbers were driven by the 22% growth in revenues coming from our key operations. Among our subsidiaries, the drivers were MacroAsia Catering, posting revenues at ₱1.4 billion in 2016, compared to ₱1.2 billion in 2015. MACS is the market leader and preferred provider for foreign airlines in NAIA, even if it is not even servicing the flights of PAL. Today, MacroAsia is serving PAL only through meals for the PAL Mabuhay Lounge starting in mid-2016. On the other hand, MacroAsia Airport Services booked revenues at ₱0.7 billion in 2016, compared to ₱0.5 billion in 2015. On a stand-alone basis, Lufthansa Technik Philippines booked 2016 revenues of ₱9.7 billion, compared to ₱7.7 billion in 2015. As our ownership share in this associate is 49%, we record in our FS, only our corresponding equity share in the net income from this MRO JV.

<i>Particulars</i>	<i>In PHP Millions</i>			<i>%</i>
	<i>2016 Results</i>	<i>2015 Results</i>	<i>Variance</i>	
Consolidated Revenues	2,335	1,921	414	22%
EBITDA	675	460	215	47%
Consolidated Net Income	440	341	99	29%
Total Assets	4,739	4,038	701	17%
Total Liabilities	919	742	177	24%
Net Equity	3,820	3,296	524	16%

Our financial standing rests on solid ground too. Our total consolidated assets in 2016 grew to ₱4.7 billion, which is higher by ₱701 million compared to ₱4.0 billion in 2015. On the average, we have been investing about Php1 billion annually for CAPEX. 2016 also saw the completion of our project to put up a complete waterworks system in the town of Solano Nueva Vizcaya, marking an increase in the Group's concession asset as SNV Resources Development Corporation started commercial operations in March 2016. In December 2016, we also acquired 67% of Boracay Tubi, one of two water utility companies in Boracay Island. The foray into water utility is a natural offshoot of our business from water reuse in the MacroAsia ecozone, as we harvested STP water, treat it further and re-sell it to our locator for so many years now. The addition of green projects on water treatment using surface/river water (not underground water

that disturbs the aquifer) will provide increasing and recurring cash flow to the MAC group in the long-term.

Our liabilities at less than ₱1B are mostly current trade-related items, with notes payable of only ₱189M for bank drawings to partly fund expansion projects. Our total equity stood at ₱3.8B, of which retained earnings is about ₱2B.

Our total cash and cash equivalents stand at ₱560 million by yearend 2016, reflecting a decrease of ₱134 million in 2016 due to utilization of cash for assets like ground support equipment, facility refurbishment, company acquisition and other profit improving investments. The boards of our companies have appropriated as of 2016 in total, ₱983M for key projects, some of which are coming online in the short term.

Among the projects from 2016 that are still being pursued in 2017, we cite the Php600 million industrial catering facility in Sucat which will be operational by first quarter of 2018, and the water projects in Boracay Island and Cavite.

Some key ratios from our financial statements are indicated below:

Particulars	2016 Ratio	2015 Ratio
Debt / Equity (Total Liabilities / Equity) <i>[less than or equal to 150% : 100%]</i>	24%	22%
Current Ratio (Current Assets/Current Liabilities) <i>[greater than or equal to 120% : 100%]</i>	189%	272%
Return On Equity (Net Income/Equity)	12%	10%

MacroAsia stands firmly on stable ground to grow further, and can easily tap into the debt market for more funds.

Dividends

MacroAsia does not have a firm dividend policy, but has a history of growing cash dividends year-on-year, notwithstanding the investments in new projects. In the past years, every December, the Board evaluates the performance of the Group and studies the declaration of cash dividends to be paid either in January or early February the following year.

For 2016, our earnings per share was at ₱0.32/share. In December 2016, the Board authorized the declaration of cash dividends at ₱0.08/share and these dividends were paid in the first week of February 2017. The cash dividend of ₱ 0.08/share reflects a dividend yield of about 3.3% when seen with MAC's

yearend stock price of ₱2.41/share. In previous years, MAC to sought establish its cash dividend track record, with yields often exceeding the minimum bank deposit interest rates.

Business Outlook In 2017

Looking at the double-digit growth in the last 3 years, we started 2017 with greater passion, as the parameters for further expansion have been put into place. We maintain an optimistic view of 2017 as another year of substantial growth.

The first quarter results that we disclosed to the investing public already reflect a positive prognosis for 2017. Our first quarter 2017 report shows our consolidated net income at ₱301M with EPS already at ₱0.23/share, almost thrice the ₱109M for the first quarter of 2016. Comparing it to the full-year 2016 results of ₱440M with EPS of ₱0.32/share, we felt excited on the remaining quarters to come.

After surveying current operational indicators, we feel confident today that 2017 will be a better year for our company. Our unaudited results year-to-date as of May 2017 already indicate that we have matched 2016's full-year results of ₱440M, reflecting the continuity of growth from our first quarter 2017 performance.

Backed by a strong balance sheet and the strengthening of our ability to generate cash while implementing disciplined financial strategies, we believe that the building blocks for growth and operational stability are in place.

We will strive to sustain our earnings growth founded on aircraft MRO, food services for airlines and institutional clients, ground handling in majority of Philippine airports, recurring income from leases and growing water utilities business. Mabuhay at maraming salamat.