

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS OF  
MACROASIA CORPORATION**  
Held on 20 July 2012 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 15 June 2012, 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 9 July 2012. The Affidavit of Publication issued by PhilsStar 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 Nine Hundred Twenty Two Million Seven Hundred Seventy Seven Thousand Three Hundred Ninety Eight (922,777,398) shares representing 73.81% 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 15 July 2011.

After discussion and upon motion duly made and seconded, the stockholders approved the Minutes of the Annual Stockholders' Meeting held on 15 July 2011.

**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 2011. A copy of the President's Report is attached hereto as Annex "B".

**VI. APPROVAL OF THE AUDITED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011**

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 2011.

Upon motion duly made and seconded, the stockholders approved the Audited Financial Statements of the Corporation for the year ended 31 December 2011.

**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 15 July 2011.

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 2011 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

Enrique M. Aboitiz, Jr. - Independent Director  
Johnip G. Cua - 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.



Notice is hereby given that the annual meeting of the stockholders of **MACROASIA CORPORATION** (the "Company") will be held on 20 July 2012, Friday, 3:00 p.m. at the Kachina Room, Century Park Hotel, 599 Pablo Ocampo, Sr. Street, 1004 Malate, Manila.

All stockholders of record of the Company as of 15 June 2012 shall be entitled to attend and vote at said annual stockholders' meeting.

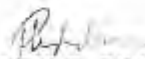
All attending stockholders are requested to bring with them some form of identification such as driver's license, passport, voter's ID or board resolution to facilitate registration of attendance. Registration shall start at 2:30 p.m. on 20 July 2012.

**MARVIC T. MOYA**  
Corporate Secretary

That the order of \_\_\_\_\_  
MACROASIA CORPORATION

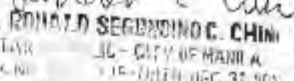
captioned as follows: \_\_\_\_\_  
NOTICE OF ANNUAL STOCKHOLDERS MEETING

(Please see attached printed text) had been published in **The Philippine STAR** in its issues of: \_\_\_\_\_  
July 9, 2012

  
**PERLITA R. DE LARA**  
Affiant

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of JUL 17 2012 20 \_\_\_\_\_  
affiant exhibited to me her Community Tax Certificate No. 04434665 issued at Manila  
on January 02, 2012

Doc. No. 21  
Page No. 5  
Book No. 9  
Series of 2012

  
**ATTY. RONALD SEGUNDO C. CHIN**  
NOTARY PUBLIC - CITY OF MANILA  
ADMIN. NO. 118-DJEN-DEC. 31, 2011  
1-1999  
SUITE 205, BLDG. 1, 2012 MANILA  
BSP REG. NO. 2012-00000000  
PTR. NO. 118-DJEN-DEC. 31, 2011  
MCLE COMPLIANCE NO. 117-0016300

Date : July 20, 2012  
  
 To : MR. REYNALDO MUNSAYAC  
 VP - Finance & Administration  
  
 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 20, 2012:

|                                       | Number of Shares   | Percentage to Total<br>Outstanding & Issued Shares |
|---------------------------------------|--------------------|--|
| IN PERSON :                           | <u>49,433,398</u>  | <u>3.95</u>  |
| BY PROXY :                            | <u>873,344,000</u> | <u>69.86</u>                                       |
| TOTAL ATTENDANCE :                    | <u>922,777,398</u> | <u>73.81</u>                                       |
| <br>TOTAL OUTSTANDING & ISSUED SHARES |                    | <br>1,250,000,000                                  |

ALLIED BANKING CORPORATION  
 Trust and Investments Division  
 By:

  
 HELEN Y. ANG  
 Vice President

## PRESIDENT'S MESSAGE

**Dear Stakeholders of MacroAsia,**

We look back at 2011, with ambivalence, as we saw signs of recovery from the global economic slump in the previous years amidst operational struggles from various challenges. Based on our portfolio of foreign airlines, we noted an increase in passenger traffic, especially from routes frequented by Filipino OFW traffic, like the Middle East and developed countries in Asia. However, the traffic growth was tempered by events impacting on aviation travel in 2011, such as the earthquakes in New Zealand and Japan. Also, fuel prices in 2011 rose to high levels unseen in the last 2 ½ years. The higher fuel costs impacted heavily on the income of aviation players. Many airline clients pursued anew cost-cutting strategies and cash conservation measures, like asking for discounts on auxiliary services or reducing their budget for inflight services - areas where our subsidiaries generate their revenues. In the second half of 2011, MacroAsia had step up to help meet PAL's catering and ground handling requirements, together with other service providers. Also, PAL's rationalization of its MRO (maintenance, repair and overhaul) demand from Lufthansa Technik Philippines (LTP) impacted on LTP's revenue base.

### *Year 2011 In Review*

In the light of the above conditions, MacroAsia's 2011 financial statements show that MacroAsia's operating subsidiaries (principally airline catering, ground handling, ecozone and helicopter chartering) posted overall revenue and profit growth, while our equity investment in LTP reflected a decline in earnings, compared to the previous year's performance.

MAC's consolidated service revenues from our operating subsidiaries totaled about P1.4 billion in 2011, a 16% increase over 2010 figures. Ground-handling accounted for a P105 million hike in revenues (51% growth), as it reported unprecedented revenues of P309 million in 2011. This is attributed principally to expansion of ground handling services in Mactan, Cebu, in NAIA Terminal 3 with ANA and Cebu Pacific as new clients, and in NAIA Terminal 2 as we started handling PAL's trans-Pacific flight departures. Our revenues from airline catering and helicopter chartering also posted gains, compared to the previous year.

In contrast, our share in the equity income from associates plunged 39%, from P499 million in 2010 to P304 million in 2011, principally due to the reduced volume of MRO services of LTP's base client, Philippine Airlines. Overall, the group's consolidated net income after tax of P307 million in 2011 declined by 25% or P99.5 million from its P406 million level in 2010.

Financial ratios show that consolidated gross profit rate was maintained at 25%, while year-end net income rate dropped 22% to P307 million in 2011, because of the lower return from our equity investments.

The company's financial position, reflected by its liquid assets (cash and cash equivalents, receivables and inventories) soared to P1.58 billion. Of this amount, 70% or P1.1 billion is in the form of cash and cash equivalents. By end of 2011, assets stand close to P3.8 billion, liabilities at P575 million and equity at P3.2 billion. Thus, internal investible funds are available to support MacroAsia's expansion plans within and outside aviation services.

## *Development of New Capability for LTP to Service the A380*

The groundbreaking of a new Airbus A380 hangar in the MacroAsia Special Ecozone puts the Philippines as one of the few repair stations for the A380 in the world. With an investment cost of US\$30-million, this facility expands LTP's capability to serve the Airbus family of aircrafts, and meet the growing demand for wide-body aircraft MRO. This supports LTP's goal to become a preferred MRO provider for wide-body aircrafts globally, with Filipino talent, cost efficiency and service quality as key competitive advantages.

## *2012 Business Outlook*

Players like us in the aviation industry assess 2012 with trepidation and much uncertainty, as we face the full-impact of rising fuel prices, continuing Middle-East peace woes, growing international debt crisis, weakening US dollars (our revenue currency) and other factors that weigh down on aviation travel and profitability.

With the forecasted decline in airline profitability, we foresee another year that will test our operating mettle. In the first half of 2012, KLM, one of the long-haul clients being served by MacroAsia, stops direct flights to Europe, cutting off the country entirely from direct flight connection to Europe.

Considering the momentum from our business growth in 2011, the projected performance of our subsidiaries in 2012 may still point to modest revenue growth. However, we still foresee another tough year for our MRO affiliate, LTP, since the benefits of its A380 expansion and revenue shift to foreign airline servicing will only be felt in the medium-term.

## *Diversification and Expansion*

Our operating teams involved in aviation services will seek to expand in other airports, outside of where we operate today. Considering the competencies that our workforce gained over the years, we will not limit ourselves to the Philippines but will be open to consider other opportunities elsewhere in the world. Foreign players in the aviation services industry have already taken note of the Filipino talent and competency in aviation services, such that we have received offers to consider opportunities for collaboration abroad.

Our work to expand LTP's capability does not end with the A380 hangar project in NAIA. We are currently working to expand LTP's presence in Cebu, by planning to build MRO facilities for narrow-body aircraft. We are currently waiting for final approval from national government authorities, so we can pursue this project further.

In our drive to revive the Infanta Nickel Project - our old mining operations of the 1970's, we will also seek to capitalize on mining projects and opportunities that will come along the way. Like other mining stakeholders, however, we are currently faced with regulatory and policy issues beyond our control, which hopefully will be addressed equitably in due time under the current administration.

We will also pursue our interest for Public-Private Partnership (PPP) projects, particularly those related to aviation services and airports. Our interests range from airport operations and maintenance, airport development, airport cargo terminal, aviation fuel farm and the like. Our approach for these projects shall enable the development of strategic partnerships with the best global players, similar to our past ventures.

We shall consistently engage our board and other stakeholders for continual guidance as we pursue our plans, and will advise accordingly the investing public of substantive business developments that will arise.

### *Commitment*

While our commitment centers principally on delivering and increasing economic value for our stakeholders, we in Management recognize the equal importance of MacroAsia standing firm as a responsible corporate citizen, known for performance in corporate governance, integrity, transparency and commitment to make society and the environment a better one. We shall continue to collaborate with others that engender similar values and goals that we hold dear. MacroAsia shall always operate responsibly, regardless of the operating circumstances. As part of our norm, we will impose on ourselves, standards that are best practices in our industry. We shall continue to take good care of our people, since we consider them to be the singular asset that have brought us to where we are today.

With your support, we believe that we can confidently move forward, despite the challenges ahead of us.

### *Gratitude*

On behalf of management and the operating teams, I thank all of you, including our clients, regulators, the media, fellow investors and friends, for your untiring support and unwavering belief that we can continue to move MacroAsia forward.

Sincerely yours,

(sgd) Joseph T. Chua  
President and CEO