

**ROXAS AND COMPANY, INC.**  
**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING**  
Held on 12 August 2020 at 10:00am  
Via Video Conference

---

	<b>NUMBER OF SHARES</b>	<b>PERCENTAGE</b>
<b>Total Number of Shareholders by Proxy and in Person</b>	1,729,133,200	81.18%
<b>Total Issued and Outstanding Shares</b>	2,129,943,439	100.00%

**PROCEEDINGS**

**I.  
CLOSURE OF REGISTRATION**

The Corporate Secretary, Atty. Peter D.A. Barot, officially declared the registration for the Annual Stockholders' Meeting of Roxas and Company, Inc. closed.

**II.  
CALL TO ORDER**

The Chairman, Mr. Pedro O. Roxas, called the meeting to order and welcomed the attendees to the meeting. The Assistant Corporate Secretary, Atty. Monica Isabelle I. Villanueva, recorded the minutes of the meeting.

**III.  
CERTIFICATION OF NOTICE AND QUORUM**

The Corporate Secretary, Atty. Peter D.A. Barot certified that the Notices, the Agenda, the Information Statement (SEC Form 20-IS), and the Annual Report were sent to all stockholders in accordance with the Securities Regulations Code and Memorandum Circular No. 6, Series of 2020 of the Securities and Exchange Commission. He certified, that there were present, in person or by proxy, stockholders representing 81.18% or 1,729,133,200 shares of the total issued and outstanding shares of the Company, and that a quorum exists for the valid transaction of business in the meeting.

**IV.  
READING AND APPROVAL OF THE MINUTES OF THE PREVIOUS  
ANNUAL MEETING OF THE STOCKHOLDERS HELD ON 29 MAY 2019**

The Chairman proceeded to the next item in the agenda which is the reading and approval of the Minutes of the Annual Stockholder's Meeting held on 29 May 2019. Copies of the minutes were distributed to the stockholders present in person or by proxy upon their registration. Copies of the draft minutes were likewise posted on the company's website.

The Chairman stated that a vote was taken in absentia for the approval of the Minutes of the Annual Stockholder's Meeting held on 29 May 2019. The Corporate Secretary then reported that based on the votes taken and cast in absentia, 100% of the shareholders present in person or by proxy voted to approve the Minutes of the Meeting held on 29 May 2019.

**V.**  
**PRESENTATION AND APPROVAL OF THE ANNUAL REPORT OF MANAGEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Chairman presented the Annual Report for the calendar year 31 December 2019 to the shareholders. Copies of the Annual Report were furnished to the stockholders prior to the meeting and published in the Company's website.

The Chairman's Message

The Chairman delivered his message to the stockholders. He recalled that a few years back, the Company set out to reinvent our organization. There was a shift from agriculture to tourism-driven real estate and value-added agro-industry development. This reinvention was not easy, to say the least. Last year was a very challenging year and RCI expects the challenges to continue for at least the next couple of years, especially because of the current situation worldwide.

The uncertainty and disruption everyone's lives and the economy as a result of the global covid pandemic are a reality that we have to face with no proven road map to follow. However, while these are unprecedented times, the Chairman added that we each have to forge our paths in such a way that will help us survive this pandemic. Difficult decisions will have to be made and yet the future outcome remains clouded.

Despite all this uncertainty, emphasis was made that RCI's priorities are the safety of its employees as well as to be able to make the businesses survive and to prepare for when the situation changes for the better. While a lot of companies have been forced to close down, the Chairman reported that RCI is still operating and management is exerting all efforts to remain that way.

The Chairman reported that certain initiatives are being undertaken to help RCI weather this pandemic. Focus will be on continuous debt reduction and cash management. He added that as we continue in this long and arduous journey, they look forward to the support of all stakeholders.

He then thanked each and every one of the stockholders for their continued faith and trust, as well as the Board of Directors and the RCI Team.

The Chairman then turned over the floor to President and CEO, Mr. Fernando L. Gaspar for his message.

President and CEO's Message

Mr. Fernando L. Gaspar reported that for 2019, the group focused on growing markets, streamlining operations and disposing non-core assets to ensure liquidity. Because of these efforts, the performance of all business units have shown significant improvements.

Consolidated revenues for the year 2019 increased by 59% to P833.8 Million while Gross profit increased to P340.3 Million or by 77%. Efforts to implement cost saving measures to streamline operations resulted to the reduction of operating expenses by P100 Million or by 19%. Consolidated net income for the year amounted to P175.8 Million and would have been higher if

not for the P388 Million equity loss that had to be recognized from RCI's minority investment in an affiliate, RHI. The financial statement highlights were then presented as follows:

**CONSOLIDATED STATEMENT OF INCOME**  
For the period ended 31 December 2019



In P Million	2019	2018	Inc(Dec)
SALES	834	524	59%
COST OF SALES	(493)	(332)	
<b>GROSS PROFIT</b>	<b>340</b>	<b>192</b>	<b>77%</b>
<b>GP MARGIN</b>	<b>41%</b>	<b>37%</b>	
OPERATING EXPENSES	(421)	(521)	
<b>OPERATING INCOME</b>	<b>(81)</b>	<b>(329)</b>	
OTHER INCOME	188	46	
<b>EBIT</b>	<b>107</b>	<b>(283)</b>	<b>138%</b>
FAIR VALUE GAIN	763	709	
EQUITY LOSS - RHI	(388)	(8)	
INTEREST EXPENSES	(276)	(210)	
LOSS -DISCONTD. OPS.	(39)	(39)	
INC. TAX EXP(BENEFIT)	(9)	12	
<b>NIAT</b>	<b>176</b>	<b>158</b>	<b>11%</b>
<b>EBITDA</b>	<b>229</b>	<b>(181)</b>	

5

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
For the period ended 31 December 2019



In P Million	2019	2018	Inc(Dec)%	In P Million	2019	2018	Inc(Dec)%
<b>ASSETS</b>				<b>LIABILITIES</b>			
<b>Current assets</b>				<b>Current liabilities</b>			
Cash & Receivables	407	424	-4%	Short & current portion-loans	1,537	2,231	-31%
Inventories	574	607	-5%	Trade & other payables	814	776	5%
Other current assts	259	374	-31%	Liab. assoc. w/assets held for sales	232	0	
Assets held for sale	374	0		<b>Total current liabilities</b>	<b>2,582</b>	<b>3,008</b>	<b>-14%</b>
<b>Total Current assets</b>	<b>1,615</b>	<b>1,405</b>	<b>15%</b>	<b>Non-current liabilities</b>			
<b>Non-Current</b>				<b>Long-term loans</b>			
Investment in shares	1,997	2,315	-14%		2,198	1,806	22%
Investment properties	6,011	5,280	14%	<b>Other non-current liabilities</b>	<b>241</b>	<b>121</b>	<b>100%</b>
Property & equipment	3,581	3,775	-5%	<b>Total non-current</b>	<b>2,439</b>	<b>1,927</b>	<b>27%</b>
Other non-current	361	309	17%	<b>TOTAL LIABILITIES</b>	<b>5,021</b>	<b>4,935</b>	<b>2%</b>
<b>Total non-current</b>	<b>11,949</b>	<b>11,679</b>	<b>2%</b>	<b>EQUITY</b>			
<b>TOTAL ASSETS</b>				<b>Capital stocks</b>			
	<b>13,564</b>	<b>13,084</b>	<b>4%</b>		5,392	5,399	0%
				<b>Treasury shares</b>			
					(1,464)	(1,543)	-5%
				<b>Retained earnings</b>			
					4,615	4,294	7%
				<b>TOTAL EQUITY</b>			
					8,543	8,149	5%
				<b>TOTAL LIAB &amp; EQUITY</b>			
					13,564	13,084	4%

6

Unfortunately, recent events at the start of 2020 will have significant impact on the results of RCI's operations. The Taal eruption early this year affected Anya Resort Tagaytay and not soon enough the COVID-19 pandemic put a halt to its operations. All the Go Hotels sites were also required to shut down operations for more than a month during the ECQ and allowed to reopen only to serve as a quarantine facility with limited operating capacities. RSAI, the processing facility in South Cotabato that exports coconut cream, VCO and coconut water, was not spared and had to shut down for several months before it reopened.

In the midst of the pandemic, steps have been taken to mitigate its effects on operations which include further streamlining operating costs, renegotiating the repayment terms of bank loans and generate additional cash flows by selling more non-core assets and through equity raising. Most recently, Management was able to sell several properties and signed an Equity Agreement with a new investor that added support for working capital requirements and reduction of debts.

The President then said that with all these efforts, we assure our stakeholders that Roxas & Company will continue its vision to be an integrated and diversified holding company with a portfolio of businesses that are successful in their line, reaching their full potential, giving back dividends to shareholders and improving the value of your shares.

He expressed his most sincere and heartfelt gratitude not only to the Chairman and the members of the RCI Board but to the men and women who have allowed RCI's journey to move forward with focus, dedication and tireless effort. He then thanked the Stockholders for their continued support.

After the President's message and report, the Chairman stated that a vote was taken in absentia for the approval of the Annual Report for the period ended 31 December 2019. The Corporate Secretary then reported that based on the votes taken and cast in absentia, 100% of the shareholders present in person or by proxy voted to approve and ratify the Annual Report.

**VI.**  
**RATIFICATION OF ALL ACTS, PROCEEDINGS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT SINCE THE ANNUAL STOCKHOLDERS' MEETING ON 29 MAY 2019**

The next item on the Agenda was the ratification of all acts of management and the Board from 29 May 2019 up to the present. The Chairman added that these acts and resolutions were disclosed in the Information Statement on SEC Form 20-IS which was sent to all shareholders of record and posted on the Company's website.

The Chairman reported that a vote was taken in absentia for the ratification of all acts, proceedings and resolutions adopted by the Board of Directors and Management since the Annual Stockholders' Meeting on 29 May 2019. Atty. Barot then confirmed that based on the votes taken and cast in absentia, 100% of the shareholders present in person or by proxy voted to approve and ratify the acts of the Board and Management.

**VII.**  
**ELECTION OF THE BOARD OF DIRECTORS**

The next item on the agenda was the election of the Board of Directors. The Chairman asked the Chairperson of the Nominations Committee, Director Guillermo Luchangco to take the floor.

Dir. Luchangco reported that pursuant to Sec. 3, Article III of the By-Laws of the company, nominations for the election of members of the Board of Directors should be submitted to the Chairman of the Board of Directors at least 15 working days prior to any meeting of the shareholders called for the election of the Directors. The following persons, whose qualifications

were set forth in the Information Statement provided to shareholders, have been nominated and endorsed by the Nominations Committee for election to the Board of Directors of the Corporation:

1. Ms. Corazon S. De La Paz-Bernardo (independent)
2. Mr. Francisco Jose R. Elizalde
3. Mr. Santiago R. Elizalde
4. Mr. Fernando L. Gaspar
5. Mr. Guillermo D. Luchangco (independent)
6. Mr. Aurelio R. Montinola III (independent)
7. Mr. Pedro O. Roxas

The Chairman reported that a vote was taken in absentia for the election of the following nominees to the Board of Directors of the Company:

1. Ms. Corazon S. De La Paz-Bernardo (independent)
2. Mr. Francisco Jose R. Elizalde
3. Mr. Santiago R. Elizalde
4. Mr. Fernando L. Gaspar
5. Mr. Guillermo D. Luchangco (independent)
6. Mr. Aurelio R. Montinola III (independent)
7. Mr. Pedro O. Roxas

Atty. Barot then confirmed that based on the votes taken and cast in absentia, 100% of the shareholders present in person or by proxy voted to elect the above-named nominees to the Board of Directors of the company to serve as such until the next annual meeting of the shareholders.

## **IX. ELECTION OF EXTERNAL AUDITORS**

The Chairman asked the Chairperson of the Audit and Risk Committee to take the floor for the next item in the agenda, which was the Election of External Auditors. Director Corazon De La Paz-Bernardo, Chairperson of the Audit and Risk Committee, stated that in accordance with the Company's Manual on Corporate Governance, the Board of Directors, after consultation with the Audit and Risk Committee, recommends the election of the auditing firm of Sycip Gorres Velayo and Co. otherwise known as SGV & Co., as external auditors of the company for the calendar year 2020.

The Chairman reported that a vote was taken in absentia for the election of SGV & Co. as the company's external auditor for the calendar year 2020. Atty. Barot then confirmed that based on the votes taken and cast in absentia, 100% of the shareholders present in person or by proxy voted to elect SGV & CO. as the Company's external auditors for the calendar year 2020.

## **X. OTHER MATTERS**

The Chairman stated that as provided in the procedure published for the conduct of the virtual meeting, all shareholders were requested to send their queries or comments to the Company's Investor Relations Officer on or before 9:00 a.m. of August 12, 2020. He then asked

the Investor Relations Officer, Atty. Monica Villanueva, to read out any questions sent by the shareholders

Atty. Villanueva confirmed that she did not receive any questions from shareholders for discussion in today's meeting.

Since there were no questions, the Chairman advised the stockholders that a link to the recorded webcast of the ASM will be posted on the Company's website after the Meeting. Stockholders shall have two weeks from posting to raise to the Company any issues, clarifications and concerns on the Meeting conducted. For any clarifications, shareholders may contact the Investor Relations Officer, Atty. Villanueva.

**XI.  
ADJOURNMENT**

There being no other matter left for discussion, the Chairman adjourned the Annual Stockholders' Meeting.

**CERTIFIED TRUE AND CORRECT:**

**ATTY. MONICA ISABELLE I. VILLANUEVA**  
Assistant Corporate Secretary

**READ AND APPROVED:**

**MR. PEDRO E. ROXAS**  
*Chairman*

**MR. FERNANDO L. GASPAR**  
*President and Chief Executive Officer*