

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF ETON PROPERTIES PHILIPPINES, INC. HELD ON MAY 31, 2016 AT THE CORREGIDOR ROOM B, CENTURY PARK HOTEL, VITO CRUZ, MANILA AT 11:00 A.M.

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I. CALL TO ORDER

The Chairman, Dr. Lucio C. Tan, called the meeting to order. He then requested the President, Mr. Lucio K. Tan, Jr., to preside over the rest of the meeting.

II. PROOF OF NOTICE

The President asked the Corporate Secretary if notices of the meeting had been sent. The Corporate Secretary, Atty. Erollyne C. Go, certified that proper notices of the meeting had been sent to all stockholders of record at least fifteen (15) business days prior to the date of the meeting in accordance with the Company's By-Laws and the requirements of the Securities Regulation Code and the New Disclosure Rules of the Securities and Exchange Commission. Upon motion duly made and seconded, all those present agreed to waive any defect in the sending and/or receipt of notices of the meeting.

III. CERTIFICATION OF QUORUM

The President then requested the Corporate Secretary to show proof of quorum for the meeting. The Corporate Secretary then certified that there were present in person or by proxy a total of Five Billion Seven Hundred Twenty Three Million Seventeen Thousand Eight Hundred Seventy Two (5,723,017,872) shares or equivalent to 99.61% of the Company's total issued and outstanding shares, hence a quorum existed for the valid transaction of business.

IV. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Upon motion duly made and seconded, the reading of the Minutes of the Annual Stockholders' Meeting held on May 29, 2015, copies of which have been distributed to all those present, was dispensed with.

Thereafter, following a brief discussion and upon motion duly made and seconded, the Minutes of the Annual Stockholders' Meeting held on May 29, 2015, was approved.

V. CHAIRMAN'S MESSAGE

The Chairman then read his message to the stockholders. The Chairman noted that 2015 was a good year for the Philippines and the Company. In 2015, the Company posted record growth and returned to a healthy financial position. Operations became stronger while revenue increased due to lease of commercial spaces. There was strong demand from Business Process Outsourcing (BPO) companies who appreciated the locations and quality of the Company's properties.

The renewed sales drive helped the Company maximize margins to reflect the value of the projects. It also continued to make service better to ensure customer satisfaction. To sustain revenue growth in the coming years, the Chairman stressed that the Company has prepared a pipeline of new projects and expanded leasing activities. The Company is also looking for more growth opportunities outside Metro Manila and for more ways to evolve with the market.

The Company's goal is to live up to the Eton brand promise of stability and dependability. The Chairman thereafter emphasized the Company's commitment to provide the best workplaces and communities that enhance the quality of life of Filipinos.

The Chairman then thanked the shareholders for their belief in the Company and their help in meeting the Company's commitments to its clients.

## VI. PRESIDENT'S REPORT

The SVP-Deputy Chief Operating Officer, Arch. Josefino C. Lucas, was then called to read the President's Report. He reported that in 2015, the Company reported gross revenues of Php2.48B or 9% higher than 2014 revenues of Php2.28B. Net income climbed to Php313.25M, a 161% jump from the 2014 net income of Php119.86M.

He noted that growth was driven by strong demand for leases of office space from the BPO industry. This pushed rental income by 58% year-on-year to Php1.17B, or 47% of revenues. BPO companies renewed their contracts with the Company at higher rental rates. To date, the Company has 7 BPO buildings leased to top global BPO companies. Retail properties also added to the growth in rental income like the expanded lifestyle and entertainment cluster Centris Walk, events venue Centris Elements, and commercial center Centris Station.

Real estate sales accounted for Php1.31B or 53% of revenues, a 15% drop from 2014, as the Company focused on leasing. For residential sales, the Company prioritized maximizing margins and pushing marketing and sales of completed projects. Thus, gross margin for residential sales nearly doubled from 15% in 2014 to 27% in 2015.

Inspired by the Company's achievements, Management is confident that the Company will expand its footprint in the next 5 years. With the BPO's demand for business remaining strong, the Company will expand its portfolio to include hospitality, leisure, and mixed use developments. Mr. Lucas pointed out that the goal is not just to expand the Company's footprint but to make it more visible and more entrenched in the markets that truly count.

By far, the Company is on track to achieve this goal. Construction of the 25-storey Cyberpod Centris Five has started this year. Centris Walk will be expanded to accommodate more retail and dining spaces to make it a total entertainment destination. At the same time, the Company is expanding in emerging growth areas around key business districts. It will launch Eton WestEnd Square, a mixed use development which includes a high-rise residential condominium, an office tower, and a boutique mall, in Chino Roces in Makati. The Company has also stepped into the fast-growing tourism sector via Mini Suites in Makati, patterned after Hong Kong's trendsetting chain. In Ortigas, there will be 3 new BPO buildings. The Company will also go into booming markets outside Metro Manila. It will pursue plans to expand its footprint beyond Luzon as the Company adds leisure and hospitality developments in the portfolio.

Moving forward, Mr. Lucas said the Company will seek out value-laden projects that will consistently increase shareholder value. He then thanked the Board of Directors, the Management team, the staff and the Company's business partners for their selfless support and unwavering commitment to service.

Mr. Alfred Reiterer, a stockholder, asked if the Company has plans of listing again and if they can expect dividends in the future. Management responded that the Company plans to be listed again maybe within the next 5 years. Mr. Lucas added that while the Company is planning new projects in the near term; it has to use the retained earnings to fund these development projects. In due time, the Company will be able to pay dividends based on the financial performance of the Company. The stockholder thereafter inquired how much is the expected revenue for Mini Suites and if the project will be managed by the Company or if it is franchised from Hong Kong. The expected revenue upon full operation is approximately Php250M. Mr. Lucas explained that Mini Suites is a brand borrowed from the sister company in Hong Kong but it will be operated by locally.

Mr. Philip Turner, another stockholder, commended the President and Management for having developed the Company from the early days and he expressed belief that the best is yet to come. He subsequently asked if the Company only leases to BPOs or if it has plans of leasing to other growth industries. Management responded that the main driver for

most of the leasing assets of the Company is the BPO market but the Company also provides leases for commercial and retail. Mr. Turner commented that other real estate companies have said that they are going away from real estate sales and turning to leasing project which will take longer to return the money. Management said that while this is true, they are retaining capital values and in the long term, the Company will have a portfolio of assets that will generate recurring income. In the beginning, this will require a heavier capital expenditure requirement but over time, as the Company piles up projects, this will be self-sustaining. And in the event of financial downturns, this is the sector that will keep the Company afloat. The stockholder then asked about the outlook for the residential products as against competition in the industry. Management is looking at a bit of overhang in the mid-income condominium sector in the city owing to a number of units entering the market. On the upscale, favorable sales will be generated. Mr. Lucas noted that there is a large market for the low income segment but this is serviced by smaller developers in the countryside. He projected that if the middle class continues to grow and the interest rate regime continues to be favorable, there will still be demand for urban housing, though in formats of condominiums, until transportation improves which will allow the Company to go to suburban sites to do house and lot packages at affordable prices.

Thereafter, upon motion duly made and seconded, the President's Report was unanimously approved to wit:

**STOCKHOLDERS' RESOLUTION NO. 01-16**

"RESOLVED, that the Stockholders hereby noted and approved the President's Report and the Management Report as reflected in the Annual Report together with the financial statements for the period ending 31 December 2015."

**VI. RATIFICATION OF ALL ACTS OF DIRECTORS AND OFFICERS DURING THE PRECEDING YEAR**

The President then requested for the stockholders' confirmation and ratification of all actions and decisions made by the Board and Management. He reminded the body that Management has included the list of Board approvals and major Management action in the Information Statement which was distributed to all stockholders of record prior to the meeting. He also stressed that there were no extraordinary transactions entered into by the Board or Management in 2015. The acts and resolutions for approval cover ordinary transactions which have been reported in the quarterly reports or disclosed by Management to the Securities and Exchange Commission from time to time. Thereafter, upon motion duly made and seconded, it was unanimously approved, thus:

**STOCKHOLDERS' RESOLUTION NO. 02-16**

"RESOLVED, that all resolutions approved by the Board of Directors and acts of management for the year 2015 be as they are hereby approved, confirmed and ratified, as if each of such resolutions had been adopted with specific and special authorization by the stockholders in a meeting duly convened and held."

**VII. ELECTION OF DIRECTORS**

The President then declared that the floor was open for the nomination of the directors for the calendar year 2016 to 2017.

Upon motion duly made and seconded, the following were nominated as new directors of the Company:

LUCIO C. TAN  
HARRY C. TAN

LUCIO K. TAN, JR.  
MICHAEL G. TAN  
JUANITA T. TAN LEE  
RAMON S. PASCUAL  
JOSEPH T. CHUA  
WASHINGTON Z. SYCIP

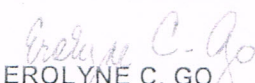
Independent Directors  
WILFRIDO E. SANCHEZ  
ANTONINO L. ALINDOGAN, JR.  
JOHNIP G. CUA

The nomination was closed and noting that there were eleven (11) individuals who were nominated, corresponding to the number of seats in the Board, the President upon motion duly made and seconded, thereafter instructed the Corporate Secretary to cast the votes equally in favor of the above-nominated stockholders and declared them as having been duly elected members of the Board of Directors of the Company.

IX. ADJOURNMENT

There being no other business to be discussed and upon motion duly made and seconded, the meeting was adjourned.

CERTIFIED CORRECT:

  
EROLYNE C. GO  
Corporate Secretary

ATTESTED BY:

LUCIO C. TAN  
Chairman

LUCIO K. TAN, JR.  
President