

**MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF  
PRIME ORION PHILIPPINES, INC.**  
(the "Corporation")

Held at the Balagtas and Garcia-Villa Function Rooms, The Peninsula Manila, Makati City  
on 2 December 2014 at 2:00 p.m.  
(Stockholders' Meeting No. 2014/2015-001)

1. **CALL TO ORDER**

The Chairman of the Board, Mr. Felipe U. Yap, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Daisy L. Parker, recorded the proceedings. The Chairman then introduced the other members of the Board who were present at this meeting, as follows:

David C. Go  
Yuen Po Seng  
Ronald P. Sugapong  
Daisy L. Parker  
Victor C. Say - the independent director, and

The Chairman explained that the Corporation's independent director, Atty. Ricardo J. Romulo, was indisposed and sent his apologies as he is unable to attend the meeting today.

The Chairman then proceeded to introduce the members of the Board Committees, namely:

For the Nomination Committee:

Felipe U. Yap - Chairman  
Yuen Po Seng - Member  
Victor C. Say - Member

For the Audit and Risk Management Committee:

Ricardo J. Romulo – Chairman (who is unable to attend the meeting today)  
Victor C. Say – Member  
Ronald P. Sugapong - Member

For the Compensation and Remuneration Committee:

Felipe U. Yap - Chairman  
Yuen Po Seng - Member  
Ricardo J. Romulo- Member.

2. **CERTIFICATION OF NOTICE OF THE MEETING AND DETERMINATION OF QUORUM**

The Chairman asked the Corporate Secretary if notice of this meeting was sent to the stockholders and if a quorum was present. Atty. Parker certified that notice/agenda of the meeting were sent to the Corporation's stockholders in compliance with the Corporation's Amended By-Laws.

The Corporate Secretary then reported that there are present at the meeting, in person and by proxy, stockholders owning 1,601,618,444 shares of stock representing 67.66% of the outstanding capital stock of the Corporation and that a quorum therefore exists for the transaction of business.

The Corporate Secretary explained that as stated in the Corporation's Definitive Information Statement (SEC Form 20-IS) copies of which were sent this year in compact disc (CD) form to all stockholders of the Corporation, the voting method and vote counting system for the meeting shall be as prescribed in the Corporation's By-laws. Under Section 4, Article II of the Corporation's By-laws, the

vote of the majority of the quorum (quorum shall consist of the majority of the outstanding capital stock of the company represented in person or by proxy) shall decide any question that may come before the meeting, save and except those matters in which the law requires the affirmative vote of a greater proportion. Hence, for this meeting, a majority of the quorum shall be required for the approval of the minutes of the previous meeting, annual report, ratification of corporate acts and confirmation of external auditors.

For the election of directors, provided there is a quorum, such candidates for the position of director receiving the highest number of votes shall be declared elected as provided under Section 7, Article II of the Corporation's By-laws and Section 24 of the Corporation Code. Each outstanding share of stock is entitled to one vote.

For the amendment of the Corporation's Articles of Incorporation, the affirmative vote of at least two thirds (2/3) of the outstanding capital stock of the Corporation is required as provided in Section 16 of the Corporation Code.

**3. APPROVAL OF PREVIOUS MINUTES**

The Chairman stated that the next item in the agenda is the approval of the minutes of previous meeting of the stockholders last 2 December 2013, copies of which were earlier distributed to the stockholders.

On motion duly made and seconded, the following resolution was approved by more than majority of the stockholders present in person or by proxy:

**Stockholders' Resolution No. 2014/2015-001**

**"RESOLVED**, That considering that copies of the minutes of the previous meeting of the stockholders have been earlier distributed to the stockholders, let the reading of the minutes of the previous stockholders' meeting dated 3 December 2013, be dispensed with and that the same be approved without reading."

The Chairman then instructed the Corporate Secretary to tabulate and record the votes on this item. As tabulated by the Corporate Secretary and validated by Corporation's Stock Transfer Agent BDO Unibank, Inc. (STA), the votes on the motion for the approval of the minutes are as follows:

	For	Against	Abstain
Number of Shares Voted	1,601,618,444	0	0
% of Outstanding Capital Stock	67.66%	0	0

**4. APPROVAL OF THE ANNUAL REPORT**

The Chairman stated that the next item in the agenda is the approval of the Corporation's Annual Report, including its audited financial statements (AFS) for the fiscal year (FY) ended 30 June 2014, copies of which were earlier distributed to the stockholders. The Chairman proceeded to read the Letter to Shareholders, as follows:

**TO OUR STOCKHOLDERS**

After growing by 7.6% in the first half of 2013, the economy slowed down in the second half as developments, both external and local, tempered the momentum that was built from the previous year. As the U.S. Fed finally announced the tapering of what is known as quantitative easing (QE), large scale unwinding and shifting of capital market funds from emerging markets back to developed and

mature markets followed. Our financial markets were not spared with the stock market tumbling back down by almost 25% only three months after hitting new highs in May of 2013. We were further tested in the latter part of 2013, this time from the domestic front, as political issues (such as the pork barrel controversy) and natural events (namely the Cebu earthquake and Typhoon Yolanda) unfolded. It was only in the second quarter of 2014 when the overall economy started to recover from all these challenges.

Despite all that, our company, Prime Orion Philippines, Inc. (POPI / the Group) ended the fiscal year in review with consolidated revenues of P825 million, 75% of which was attributable to our property management and insurance businesses. The Group's consolidated Net Income of P206 million was the result of optimal management of financial assets as well as prudent handling of operating costs.

Tutuban Properties, Inc.'s (TPI) overall mall occupancy went up with existing vacancies being taken up by new tenants. TPI Management worked on balancing the reduction in average rental rates with improved utility management efficiency. The transition activities that began in 2013 continued into 2014 with development plans soon to be finalized.

Our non-life insurance subsidiary, FLT Prime Insurance Corporation (FLT Prime), grew its Net Premiums Earned by 6% to P222 million. While revenues from the motor car and accident and health (A&H) lines grew by 7% and 37% respectively, the perils brought about by several natural calamities during the year in review affected FLT Prime's bottom line as claims grew by 17% (or P12 million) from the previous year.

While the Group's tile manufacturing operations have not resumed, positive cashflows are being generated with the sale of remaining inventories and collection of receivables. On August 28, 2014, the court finally declared that the rehabilitation of Lepanto Ceramics, Inc. (LCI) was successful and terminated all rehabilitation proceedings. Less than three years since the corporate rehabilitation commenced, LCI has already attained solvency and is now gearing up for the next chapter of its corporate life. Meanwhile, LCI will focus on leasing out the unutilized, available structures as warehousing facility. To date, a total of 35,400 sqm representing 45% of total leasable area has been leased out to tenants. Negotiations are ongoing for the lease of additional 4.9 hectares of the facility (inclusive of some open spaces).

This industrial complex model will also be explored for our 31-hectare property in Sto. Tomas, Batangas. In Cebu, the development of POPI's remaining 1-hectare property in Mandaue is awaiting the soon-to-be completed government master plan for Mandaue's North Reclamation Area.

The recovery of the overall economy that started in the first half of 2014 is expected to be sustained moving forward. The Group will focus on maximizing the value of its assets while actively seeking potential joint ventures and acquisitions opportunities.

On behalf of the Board, we wish to express our gratitude to the management team and staff for their dedication and to you, our shareholders, for your unwavering trust and steadfast support.'

Thereafter, the Chairman asked if the stockholders have any questions on the Annual Report.

Since there were no questions, the Chairman entertained a motion for approval of the 2014 Annual Report.

On motion duly made and seconded, the following resolution was approved by more than majority of the stockholders present in person or by proxy:

**Stockholders' Resolution No. 2014/2015-002**

**"RESOLVED**, That the **Prime Orion Philippines, Inc.'s** Annual Report, including its audited financial statements, for the Fiscal Year ended 30 June 2014, be approved."

The Chairman then instructed the Corporate Secretary to tabulate and record the votes on this matter. As tabulated by the Corporate Secretary and validated by the STA, the votes on the motion for the approval of the Annual Report including the AFS, are as follows:

	For	Against	Abstain
Number of Shares Voted	1,601,618,444	0	0
% of Outstanding Capital Stock	67.66%	0	0

**5. RATIFICATION OF THE ACTS OF THE BOARD OF DIRECTORS AND OFFICERS**

The Chairman stated that the next item in the agenda is the ratification of the acts of the Board of Directors and officers of the Corporation since the last stockholders' meeting held on 2 December 2013 to date.

On motion duly made and seconded, the following resolution was approved by more than majority of the stockholders present in person or by proxy:

**Stockholders' Resolution No. 2014/2015-003**

**"RESOLVED**, That in connection with the Annual Report which was approved, the stockholders ratify all acts, contracts, resolutions and actions by the Board of Directors and Officers of **Prime Orion Philippines, Inc.** (the "Corporation") as borne out by the minutes of the meetings and records of the Corporation from the last stockholders' meeting to date."

The Chairman then instructed the Corporate Secretary to tabulate and record the votes on this item. As tabulated by the Corporate Secretary and validated by the STA, the votes on the motion for the ratification of the acts of the Board and Officers are as follows:

	For	Against	Abstain
Number of Shares Voted	1,601,618,444	0	0
% of Outstanding Capital Stock	67.66%	0	0

**6. ELECTION OF DIRECTORS**

The Chairman stated that the next item in the agenda is the election of the directors. The Chairman explained that pursuant to Section 38 of the Securities Regulation Code and the Securities and Exchange Commission's (SEC) Revised Code of Corporate Governance (SEC Memorandum Circular No. 6, Series of 2009), the Corporation is required to elect at least two (2) independent directors. The Chairman further explained that an independent director is a person other than an officer or employee of

the corporation, its parent or subsidiaries, or any other individual having a relationship with the corporation which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. For the FY 2014-2015, Atty. Ricardo J. Romulo and Mr. Victor C. Say were nominated to be the independent directors. The Corporate Secretary further explained that all the incumbent directors were nominated to be directors for this fiscal year, and all nominees possessed all the qualifications and none of the disqualifications under the Corporation's By-laws and Revised Manual of Corporate Governance, and were eligible to be nominated and elected as directors.

Upon request of the Chairman, the Corporate Secretary announced the nominees for directors and independent directors for FY 2014-2015, as follows:

1. Felipe U. Yap
2. David C. Go
3. Yuen Po Seng
4. Daisy L. Parker
5. Ronald P. Sugapong
6. Victor C. Say - as Independent Director
7. Ricardo J. Romulo - as Independent Director.

The Corporate Secretary further explained that the credentials and background information of each of the nominees are provided in the Corporation's Definitive Information Statement, copies of which were distributed to the stockholders. The Nomination Committee reviewed and evaluated the background information of all the nominees for directors and independent directors and determined that they possess all the qualifications and none of the disqualifications for directorship in the Corporation in accordance with its By-laws, Manual on Corporate Governance and the rules and regulations of the Securities and Exchange Commission.

Upon motion duly made and seconded, the nomination of directors was closed and the Corporate Secretary was asked to cast the votes equally in favor of the seven (7) nominees. There being only seven nominees, and there being no objection, the Chairman instructed the Corporate Secretary to cast the votes of the stockholders present in person or by proxy in this meeting in favor of the seven nominees and declared them to be duly elected as directors of the Corporation for the current year, to act as such until their successors shall have been duly elected and qualified in accordance with the By-Laws.

As tabulated by the Corporate Secretary and validated by the STA, the votes received by each of the seven (7) nominees are as follows:

	For	Against	Abstain
Number of Shares Voted	1,601,618,444	0	0
% of Outstanding Capital Stock	67.66%	0	0

#### 7. **APPOINTMENT OF EXTERNAL AUDITORS**

The Chairman stated that the next item in the agenda is the appointment of the external auditors of the Corporation for the FY 2014-2015. As explained by the Chairman, the Corporation has for the past several years appointed Sycip Gorres Velayo & Co. (SGV) as its external auditors. For this FY, the Corporation will continue to engage SGV as its external auditors.

The Chairman then acknowledged the presence of the representatives of SGV in charge of the Corporation's account, namely, Partner-in-Charge, Ms. Alicia O. Lu, SGV's Market Group Leader/Head, Mr. Jaime F. del Rosario, and SGV Director, Ms. Johanna Agudo.

On motion made and seconded, the following resolution was approved by more than majority of the stockholders present in person or by proxy:

**Stockholders' Resolution No. 2014/2015-004**

**"RESOLVED**, That **Prime Orion Philippines, Inc.** (the "Corporation") appoint **Sycip Gorres Velayo & Co.** as its external auditors for the fiscal year 2014-2015."

The Chairman instructed the Corporate Secretary to tabulate and record the votes on this item. As tabulated by the Corporate Secretary and validated by the STA, the votes on the motion for election of SGV as external auditor for the ensuing fiscal year are as follows:

	For	Against	Abstain
Number of Shares Voted	1,601,618,444	0	0
% of Outstanding Capital Stock	67.66%	0	0

**8. AMENDMENT OF ARTICLE III OF THE ARTICLES OF INCORPORATION**

The Chairman stated that the last item in the agenda is the amendment of the Third Article of the Articles of Incorporation (AOI) of the Corporation. As explained by the Chairman, the SEC issued SEC Memorandum Circular No. 6, Series of 2014 requiring all corporations and partnerships to indicate in their AOI a specific office address, including the name of the building, the name and number of the street and name of the city or municipality. Hence, those whose AOI provide for a general address such as "Metro Manila" need to amend the same to reflect a specific office address. Affected entities have until end of December 2014 to comply with the SEC Memorandum. In the case of the Corporation, it needs to amend the Third Article of its AOI and change its address stated therein from "Metro Manila, Philippines" to "20/F LKG Tower, 6801 Ayala Avenue, Makati City".

On motion made and seconded, the following resolutions were approved by more than majority of the stockholders present in person or by proxy:

**Stockholders' Resolution No. 2014/2015-005**

**"RESOLVED**, That subject to the approval of all relevant government authorities, the stockholders of **Prime Orion Philippines, Inc.** (the "Corporation") hereby approve the change of its corporate address as indicated in its Articles of Incorporation from "Metro Manila, Philippines" to "20/F LKG Tower, 6801 Ayala Avenue, Makati City, Philippines", and in this connection Article Third of the Articles of Incorporation of the Corporation shall be amended to read:

'THIRD: That the place where the principal office of the corporation is to be established or located is at 20/F LKG Tower, 6801 Ayala Avenue, Makati City, Philippines; provided that it may have branch offices as the board of directors may determine.'

**RESOLVED FURTHER**, That the Corporate Secretary of the Corporation be authorized to file the amendment of the Articles of Incorporation with the Securities and Exchange Commission, and such other relevant government authorities."

The Chairman then instructed the Corporate Secretary to tabulate and record the votes on this item. As tabulated by the Corporate Secretary and validated by the STA, the votes on the motion for amendment of Article III of the AOI are as follows:

	For	Against	Abstain
Number of Shares Voted	1,601,618,444	0	0
% of Outstanding Capital Stock	67.66%	0	0

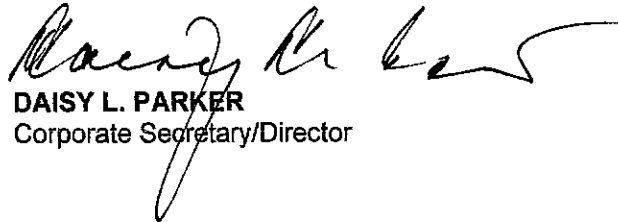
9. **ADJOURNMENT**

The Chairman stated that there are no other matters in the agenda and asked if there is any matter which any stockholder wish to take up or any questions which the stockholders wish to ask the auditors and chairmen of the Board Committees.

A stockholder commented that the Corporation has a deficit of P123 million and asked when the said deficit will be eliminated. The President, Mr. Yuen Po Seng, explained that operations are doing well and the Corporation has enough assets to cover said deficit and hopes to erase the deficit as soon as possible. The stockholder further asked about the status of Tutuban Mall. Mr. Yuen explained that Tutuban Properties, Inc. (TPI) is on the renewal term of the lease with the Philippine National Railways. The first term for twenty-five (25) years ended early September 2014 and TPI is now on the second term of 25 years. The demolition of Cluster Building (CB) 1 is underway; meanwhile, the plans for the construction of a new building are being prepared. The stockholder commented that he hopes that there will be no more fire in the future.

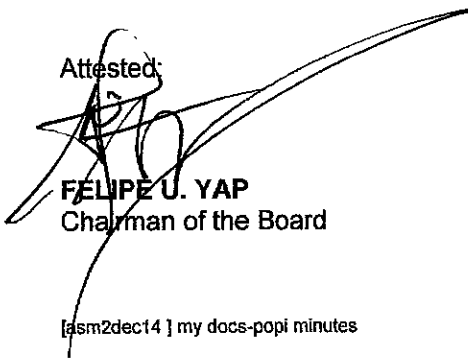
There being no further business to transact, on motion duly made and seconded, the meeting was adjourned.

Certified Correct:



**DAISY L. PARKER**  
Corporate Secretary/Director

Attested:



**FELIPE U. YAP**  
Chairman of the Board

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