

**MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS**  
**OF**  
**SOLID GROUP, INC.**

Held on June 28, 2018 at 3:00 p.m.  
At the AXON, Ground Floor, Green Sun  
2285 Don Chino Roces Avenue Extension, Makati City

**CALL TO ORDER**

The Chairman of the Board, Mr. Jason S. Lim, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Roberto V. San Jose, recorded the minutes of the proceedings.

The Chairman acknowledged the presence of the following directors and executive officers:

Founding Chairman	- Joseph Lim
Chairman Emeritus	- Elena S. Lim
Chairman	- Jason S. Lim
President / CEO	- Susan L. Tan
Director /Senior Vice Pres./ Chief Finance Officer	- Vincent S. Lim
Director/Vice Pres. for Business Development	- Beda T. Manalac
Director	-Jonathan Joseph CC. Lim
Independent Director and Chairman of the Corporate Governance, Compensation and Nomination Committee	- Maria Goolsby
Independent Director and Chairman of the Audit Commitee	- Quintin Chua
Corporate Secretary	- Roberto V. San Jose
Asst. Corporate Secretary	- Ana Maria A. Katigbak
Vice Pres. & Treasurer	- Lita L. Joaquin

Senior Vice Pres. & Chief Accounting Officer	- Mellina T. Corpuz
Chief Information Officer	- Josephine T. Santiago
Chief Audit Executive	-Ericson B. Salvador

**PROOF OF NOTICE**

The Chairman inquired from the Corporate Secretary if notices of the meeting were sent to all the stockholders of the Corporation. The Corporate Secretary answered in the affirmative and confirmed that notices of the meeting were sent to all the stockholders of record as provided in the By-Laws.

**CERTIFICATION OF QUORUM**

The Corporate Secretary certified to the existence of quorum for the transaction of business, there being present, in person or by proxy, stockholders owning or representing at least 1,415,361,395 shares or 77.70% of the outstanding capital stock. (The list of attendees and proxies is available at the office of the Corporation).

**APPROVAL OF MINUTES OF PREVIOUS STOCKHOLDERS' MEETING**

The next item of business was the approval of the Minutes of the Annual Meeting of the Stockholders held on June 29, 2017, copies of which had been earlier distributed to the stockholders. Upon motion made and duly seconded, and there being no objections, the reading of the minutes of the previous annual stockholders' meeting was dispensed with and the same was unanimously approved by the stockholders holding at least 77.70% of the outstanding capital stock of the Corporation.

The Corporate Secretary noted that no stockholders voted against or abstained on the motion.

**MANAGEMENT REPORT**

The next item on the agenda was the Management Report presented by the President, Mrs. Susan L. Tan. A copy of the Management Report is appended hereto as Annex "A" and likewise made a part of these minutes.

Upon conclusion of the Management Report, the Chairman opened the floor for any questions. Stockholder, Mr. Frederico Aldecoa, suggested that in the next Annual Stockholders' Meeting, the Board of Directors could present in pie-chart form the share of each business for the stockholders to have an idea how the various businesses are doing. In reply, the President cited the particular pages of the Annual Report distributed to the stockholders where the percentage of revenue and assets of each of the business segments could be found.

Mr. Aldecoa inquired into the performance of the MyHouse business. Director Jonathan Joseph CC. Lim reported that a profit of Php13.8 million was realized last year and that the target for the current year is Php80 million in sales.

Mr. Aldecoa also asked where Mr. David Lim is. The President replied that the MyPhone Group is in China looking for new possible technologies. She also informed the stockholders that Mr. Lim is focusing on new opportunities related to the MyPhone business.

Lastly, Mr. Aldecoa asked whether MyHouse is open to individual customers. The President replied in the affirmative and referred Mr. Aldecoa to Mr. Rudolf Panlilio for further inquiries.

Another Stockholder Mr. Wellington Chua asked that if the recent trade war in China and rising interest rate will affect SGI's sales. Mr. Chua also inquired about the Board's plan to cope with the rising interest rate.

Independent Director, Mr. Quintin Chua, explained that with regard the possible trade war between China and USA, all countries will be affected. He reported that if the U.S imposes a 35% tariff on German cars, not only German cars will be expensive in America but all other local cars made by GM and Ford because of the global supply chain. He said that cars and phones are made in China. Consequently, if the US imposes a tariff in all products made in China, even Samsung phones and iPhones will be cost higher in the US. He expressed his concern that a trade war should be avoided.

There being no further questions or comments on the Management Report, upon motion made and duly seconded, the report was duly noted and approved by the stockholders holding at least 77.70% of the outstanding capital stock of the Corporation.

The Corporate Secretary noted that no stockholders voted against or abstained on the motion.

## **RATIFICATION OF CORPORATE ACTS**

That the next item on the agenda was the ratification of the acts of the Board of Directors, officers and Management of the Corporation from the last annual stockholders' meeting to date. There being no questions or objections from the stockholders, the Chairman requested for a motion on the matter.

Whereupon, on motion made and duly seconded, the following resolution was unanimously approved by the stockholders holding at least 77.70% of the outstanding capital stock of the Corporation:

**"RESOLVED**, that all acts, contracts, resolutions and actions, authorized and entered into by the Board of Directors and Management of the Corporation from the date of the last annual stockholder's meeting up to the present be, as they are hereby, approved, ratified and confirmed."

The Corporate Secretary noted that no stockholders voted against or abstained on the motion.

## **ELECTION OF DIRECTORS**

The next matter on the agenda was the election of the members of the Board of Directors. The Corporate Secretary stated that in accordance with the Corporation's Corporate Governance Manual, all nominations for director were reviewed and approved by the Nominations Committee pursuant to the rules of the Securities and Exchange Commission. These rules also provide that only nominees whose names have been submitted to and evaluated by the Nominations Committee, and whose names appear in the Final List of Candidates set forth in the Definitive Information Statement shall be eligible for election as Independent Directors. According to the Sixth Article of the Amended Articles of Incorporation, there are nine (9) Board seats available consisting of seven (7) seats for regular directors and two (2) seats for independent directors. The Corporate Secretary then announced that the following nominations were received by the Corporation:

For regular directors:

1. JOSEPH LIM
2. ELENA S. LIM
3. JASON S. LIM
4. VINCENT S. LIM
5. SUSAN L. TAN
6. BEDA T. MANALAC
7. JONATHAN JOSEPH CC. LIM

For independent directors:

1. QUINTIN W. CHUA
2. MARIA G. GOOLSBY

Upon motion made and duly seconded, and there being only nine (9) nominees to the nine (9) available seats for directors, the above nominees were unanimously elected by the stockholders holding at least 77.70% of the outstanding capital stock of the Corporation, as directors for the current year to serve as such for a period of one year and until their successors are duly elected and qualified.

The Chairman also declared that the independent directors on the Board are Ms. Maria G. Goolsby and Mr. Quintin W. Chua.

## **APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman stated that the next item in the agenda was the appointment of the external auditor for the current year.

There being no objection, upon motion made and duly seconded, the following resolution was approved by the stockholders holding at least 77.70% of the outstanding capital stock of the Corporation:

**“RESOLVED**, that the auditing firm of Punongbayan and Araullo be, as it is hereby, reappointed as the Company’s external auditor for the current year 2018-2019.”

The Corporate Secretary noted that no stockholders voted against or abstained on the motion.

**OTHER MATTERS/ ADJOURNMENT**

As there were no matters in the agenda, the Chairman inquired from the stockholders if there were any matters they wished to take up.

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

**ATTEST:**

**JASON S. LIM**  
Chairman

**ROBERTO V. SAN JOSE**  
Corporate Secretary

**PRESIDENT'S MESSAGE**

I would like to offer my sincere gratitude to all our shareholders for your continued trust, support and patronage. In presenting our 2017 annual report, let me offer the following notes:

- Consolidated Revenue was Php 4.94 Billion with a Net Income of Php 404 Million. Our Company's revenue declined by 22% due to significant challenges in the digital mobile business. The good news is that overall, we were able to achieve an 18% increase in profitability as other business groups delivered better than expected results from their operations.
- Earnings per share improved from Php 0.19 in 2016 to Php 0.22 in 2017. Total assets also grew from Php 11.33 Billion in 2016 to Php 11.76 Billion in 2017. Liquidity remained high with a debt-to-equity ratio of 0.14 and current ratio of 8.4 times which establishes our capability to withstand potential financial shocks and to invest in new businesses.
- Noteworthy was the participation of Solid Video Corporation (SVC) in the ASEAN Summit events hosted by the Philippine government as Turnkey Integrator of the International Media Center. SVC's stellar performance for 2017 came from successful implementation of these ASEAN Summit projects.

We are exploring new potentials that will increase the value of our current businesses' products and services. We will be looking into new application technologies to create more value for our digital mobile business as well as latest trends in broadcast and content creation workflows, capacity expansion in our logistics, testlab and hotel operations, and further development of our real estate assets.

Finally, in view of evolving technologies, changing environments, and shifting customer needs, we are committed to enhance people development through continuous education and training, within and outside the workplace, to generate new ideas, innovate better solutions, and foster teamwork towards achieving sustainable growth and prosperity for all our stakeholders.

Maraming Salamat Po at Mabuhay!



Susan L. Tan  
President