

JOINT ANNUAL MEETING OF THE STOCKHOLDERS AND
ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS OF GMA
HOLDINGS, INC.

GMA HOLDINGS, INC.

Held at the Dario (Formerly Balducci), G/F Serendra, Bonifacio Global City,
Fort Bonifacio, Taguig City
August 9, 2019

PRESENT:

Stockholders	Percentage of Shares
Felipe L. Gozon	33.3%
Gilberto R. Duavit, Jr.	33.3%
Joel Marcelo G. Jimenez	33.3%
Dr. Jaime C. Laya	.0%
Chief Justice Artemio V. Panganiban	.0%

PRESENT DIRECTORS:

Felipe L. Gozon
Gilberto R. Duavit, Jr.
Joel Marcelo G. Jimenez
Jaime C. Laya
Artemio V. Panganiban

ALSO PRESENT:

Farley D. Areola
Maria Estelita B. Arles-Gozon
Ayahl Ari Augusto P. Chio
Ronaldo P. Mastrili
Eduardo P. Santos
Felipe S. Yalong

Representatives from SGV & Co. (External Auditor):

Belinda T. Beng Hui
Crystal Aleli R. Cornell

I. CALL TO ORDER

The Chairman of the meeting, Felipe L. Gozon, called the meeting to order at 10:00 a.m. Atty. Maria Estelita A. Gozon, acted as the secretary and recorded the minutes.

II. CERTIFICATION AND NOTICE OF QUORUM

The Corporate Secretary reported that the notices of the meeting were duly sent to all the stockholders in accordance with the By-Laws of the Company

and that 99.99% of the total issued and outstanding common stock were present. A quorum existed therefore, for the transaction of business.

III. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS MEETING HELD ON AUGUST 20, 2018

The Chairman stated that the first item in the order of business was the approval of the minutes of the Annual Stockholders' Meeting held on August 20, 2018.

After some discussion, and after motion duly made and seconded, the following resolution was unanimously approved:

“RESOLVED, That the Minutes of the Annual Stockholders Meeting held on August 20, 2018 are hereby APPROVED.”

IV. REPORT OF THE PRESIDENT

The President, Mr. Gilberto R. Duavit, Jr. turned the floor over to Mr. Ronaldo M. Mastrili, the Company's Comptroller, who proceeded to read the President's Report as follows:

“The Philippine's Gross Domestic Product (GDP) posted a 6.2 percent full-year growth for 2018 which was mainly driven by Manufacturing; Trade and Repair of Motor Vehicles, Motorcycles, Personal and Household Goods; and Construction. This was however slower when compared to the 6.7 percent growth in 2017 and missed the government's 2018 target of 6.5 percent to 6.9 percent due to high inflation.

Despite the short fall, the government's economic team insisted that the Philippines is still one of the fastest-growing economies in Asia next to India, Vietnam, and China.

The benchmark Philippine Stock Exchange index went down by 13 percent to close at 7,466.02 from end-2017 level of 8,558.42 comparable to the U.S. Dow Jones Industrial Index which also went down by 6 percent from previous year.

GMA's PDR likewise dropped 6% to P5.36 per share at the close of year 2018 coming from P5.68 per share as at end-2017.

GMA Common likewise experienced a decline in value from P5.84 per share to P5.44 per share or by 7%.

A total of 38,392,800 PDR shares were converted into common shares (GMA7) this year versus 62,722,000 PDR shares converted last year.

The total number of PDRs converted since IPO is 211,584,700 shares.

This year's PDR conversions generated exercise fees of P1.71 million which was almost half of 2017's P2.80 million. Thus, total revenues decreased by 21% or P1.01 million to P3.71 million in 2018 versus 2017. There was a slight increase in interest income from P1.92 million in 2017 to P1.99 million in 2018 as a result of higher interest earned from short-term deposits.

Operating expenses in 2018 ended lower at P1.01 million as compared to P1.11 million posted in 2017, on account of decreases in professional fees and listing fees. Professional fees totaled P475 thousand versus P518 thousand in 2017 while listing fees decreased by 9% from P498 thousand in 2017 to P454 thousand in 2018 due to lower market cap. Thus, the Company ended the year with a net income after tax of P2.27 million, lower by P759 thousand or 25% from the P3.03 million posted the previous year.

Total assets stood at P48.85 million or 3% lower than last year's P50.51 million. Liabilities remained almost unchanged at P47.72 million.

Last March 29, 2019, GMA Holdings approved the cash distribution to PDR holders in the amount of P0.45 per share or the same dividend rate paid by GMA Network to its common shareholders, undiminished by the PDR holders' proportionate share in the operating cost of the company. These were remitted to the PDR holders on May 15, 2019.

On the same date, management approved the cash dividend declaration of P2.21 million which was paid to GMA Holdings stockholders last May 14, 2019.

Commitment to Good Governance

GHI's Management and Board of Directors continue to fulfill their commitment to provide quality financial reporting, to adopt best standards of good governance, to comply with statutory reporting requirements as a listed company, and to support initiatives of GMA Network in improving the market value of its stocks.

After hearing no objections, and after motion duly made and seconded, the following resolution was unanimously approved:

"RESOLVED, that the President's Report and the Financial Report for the year 2018 are hereby NOTED and APPROVED."

III. RATIFICATION OF THE ACTS OF THE BOARD FOR THE PREVIOUS YEAR

The Chairman stated that the next item on the agenda was the ratification of the acts of the Board of Directors and Officers for the previous year. The Chairman asked the Corporate Secretary to explain the nature of the acts to be ratified.

The Corporate Secretary explained that the acts of the Board of Directors were all conducted in the ordinary course of business and were reflected in the minutes of the meetings of the Board of Directors.

After hearing no objections, and after motion duly made and seconded, the following resolution was unanimously approved:

“RESOLVED, That the acts of the Board of Directors and Officers of the Company from the date of the last annual stockholders’ meeting on August 20, 2018 up to the present are hereby RATIFIED and APPROVED.”

IV. ELECTION OF DIRECTORS

The Chairman stated that the next item on the agenda was the election of directors for the ensuing year. The Corporate Secretary reported that the following were nominated and approved by the Nomination Committee:

FELIPE L. GOZON
GILBERTO R. DUAVIT, JR.
JOEL MARCELO G. JIMENEZ
DR. JAIME C. LAYA (*Independent Director*)
CHIEF JUSTICE ARTEMIO V. PANGANIBAN (*Independent Director*)

After motions made and seconded, the following were unanimously declared elected as members of the Board of Directors for the ensuing year until their successors shall have been duly elected:

FELIPE L. GOZON
GILBERTO R. DUAVIT, JR.
JOEL MARCELO G. JIMENEZ
DR. JAIME C. LAYA (*Independent Director*)
CHIEF JUSTICE ARTEMIO V. PANGANIBAN (*Independent Director*)

V. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman stated that the next item on the agenda was the appointment of an external auditor.

After motion duly made and seconded, the following resolution was unanimously approved:

“RESOLVED, That the SYCIP GORRES VELAYO & CO. is elected as external auditor of the Company”

IX. APPOINTMENT OF THE MEMBERS OF THE SPECIAL COMMITTEES

The Chairman stated that the next item on the agenda was the appointment to the various committees.

After some discussion, and upon motion duly made and seconded, the following were unanimously appointed as members of the following Committees:

Nomination Committee

Felipe L. Gozon
Gilberto R. Duavit, Jr.
Joel Marcelo G. Jimenez
Jaime C. Laya

Compensation and Remuneration Committee

Gilberto R. Duavit, Jr.
Joel Marcelo G. Jimenez
Jaime C. Laya
Artemio V. Panganiban

Audit Committee

Jaime C. Laya
Gilberto R. Duavit, Jr.
Artemio V. Panganiban

The members of the respective committees conferred briefly and elected the following as their respective officers:

Nomination Committee

Felipe L. Gozon (Chairman)

Compensation and Remuneration Committee

Gilberto R. Duavit, Jr. (Chairman)

Audit Committee

Jaime C. Laya (Chairman)

X. ELECTION OF OFFICERS

The Chairman stated that next item on the agenda was the election of the Corporation's officers. The directors recommended keeping the current set of officers. After some discussion, and upon motion duly made and seconded, the following resolution was unanimously approved:

“RESOLVED, That the following are hereby elected to the positions indicated opposite their names:

Felipe L. Gozon	-	Chairman
Gilberto R. Duavit, Jr.	-	President & Chief Executive Officer
Felipe S. Yalong	-	Treasurer/COO/CFO
Anna-Teresa M. Gozon-Valdes	-	Corporate Secretary
Ronaldo P. Mastrili	-	Comptroller
Roberto Rafael V. Lucila	-	Compliance Officer

XI. APPOINTMENT OF EXTERNAL COUNSEL

The Chairman stated that the next item on the agenda was the appointment of the external counsel of the Corporation. The directors moved to retain the Corporation’s external counsel for the ensuing year.

The following resolution was unanimously approved:

“RESOLVED, That the law firm of BELO GOZON ELMA PAREL ASUNCION & LUCILA is hereby retained as the Corporation’s external counsel.”

X. ADJOURNMENT

There being no more items to discuss, the meeting was adjourned at 11:30 a.m.

Prepared By:

MARIA ESTELITA B. ARLES-GOZON
Acting Corporate Secretary

Noted By:

ANNA TERESA M. GOZON-VALDES
Corporate Secretary

Attested By:

FELIPE L. GOZON
Chairman of the Meeting