

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF  
GMA HOLDINGS, INC.

Held at the Aubergine Restaurant Patisserie,  
32<sup>nd</sup> and 5<sup>th</sup> Building, 5<sup>th</sup> Avenue cor. 32<sup>nd</sup> Street,  
Bonifacio Global, Taguig City  
May 30, 2014

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**PRESENT:**

Gilberto R. Duavit, Jr.	33.3%
Joel Marcelo G. Jimenez	33.3%
Felipe L. Gozon (represented by Mr. Joel Marcelo G. Jimenez)	33.3%
Dr. Jaime C. Laya	0%

**ABSENT:**

Chief Justice Artemio V. Panganiban

**OTHERS PRESENT:**

Roberto O. Parel  
Joan R. Cabarrubias-Rumbaoa  
Ayahl Ari Augusto P. Chio  
Clairma T. Mangangay (Partner, SGV & Co.)  
Ronaldo P. Mastrili  
Roy G. Sanico  
Felipe S. Yalong

**I. CALL TO ORDER**

The Company's President, Gilberto R. Duavit, Jr. acted as the Chairman and called the meeting to order at 10:00 a.m. Atty. Roberto O. Parel, 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 99.9% 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 MAY 31, 2013

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 May 31, 2013.

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 May 31, 2013 are hereby APPROVED."

### IV. REPORT OF THE PRESIDENT

The President, Mr. Gilberto R. Duavit, Jr. proceeded to give a brief report on the Company as follows:

The Philippine gross domestic product rose 7.2 percent in 2013 after gaining 6.6 percent in the previous year, the fastest 2-year pace since the 1950s post-war reconstruction boom. The Philippine economy is among the best economies in Asia, second only to China which grew 7.7 percent. The robust 7.8 percent growth during the 1<sup>st</sup> quarter was boosted by public spending on infrastructure projects which increased 35% during January to May of 2013 while private construction projects also picked up largely for residential-type. Domestic consumption remained the main driver for growth fueled by remittances from about 10 million overseas Filipino workers. The 2<sup>nd</sup> and 3<sup>rd</sup> quarter growths were driven by the resurgence of the manufacturing sector brought by job-generating investments plowed back by Japanese, Korean and foreign investors after heavy flooding in Thailand and the earthquake-tsunami disaster in Japan. Manufacturing sector as well as trade and real estate continue to grow in the 4<sup>th</sup> quarter but were weighed down by the massive destruction of super-typhoon "Yolanda" and Bohol earthquake.

The local stock market started 2013 with a good momentum as indexes soared to new highs on the back of GDP growth, minimal inflation rate and two consecutive Investment Grade ratings upgrade. Just as the PSEi gained momentum, massive foreign selling weighed down on the PSEi as the U.S. Federal Reserve announced the ending of its stimulus measures. This buoyed the U.S. Dow Jones index to gain 26% while PSEi ended slightly 1% higher than last year's closing.

GMA's PDRs dipped 14 percent from P9.32 at the close of year 2012 to P8.05 by the end of 2013. Share price actually rose to P9.94 during the first quarter due to rumored revival of PLDT's interest to buy-out GMA, but slid down to P7.28 during the third quarter. The performance of PDRs is identical to that of GMA Common.

No PDRs were converted into common shares (GMA7) this year as compared to 4,452 converted last year, thus GMA Holdings' revenues of P1.21M in 2013 were 37% lower than last year's P1.91M, coupled with lower interest income rates.

Operating expenses in 2013 increased to P1.34 million versus P1.10 million in 2012 owing to higher listing fees, which increased 43% to P800 thousand due to higher market cap as compared to previous year. With OpEx exceeding revenues, the Company ended the year with a net loss of P380 thousand as opposed to previous year's net income of P13 thousand.

Total assets stood at P48.29M a tad lower than last year's P48.42M mainly due to lower cash and cash equivalents. Liabilities slightly went up to P48.00 million from P47.75 million due to accrual of professional fees for corporate housekeeping.

Despite lower income, the Company was able to distribute the same cash dividend rate of GMA shares at P0.27 per PDR holders as of Apr 24, 2014 record date last May 20, 2014, undiminished by the operational expenses which were fully covered by the Company's generated revenues.

### **Commitment to Good Governance**

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

In closing, the President thanked the Board of Directors and GMA officers for their continued counsel and unselfish support during the year that passed.

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 2013 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 May 31, 2013 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. ELECTION OF THE EXTERNAL AUDITOR

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

Mr. Yalong, explained that the Company has reviewed the performance and the fees of the current external auditor and recommended that Sycip Gorres Velayo & Co. be elected as 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”

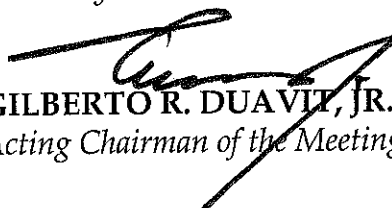
**VI. ADJOURNMENT**

There being no more items to discuss, the meeting was adjourned at 10:50 a.m.

Prepared By:

  
**ROBERTO O. PAREL**  
*Acting Corporate Secretary*

*Noted By:*

  
**GILBERTO R. DUAVII, JR.**  
*Acting Chairman of the Meeting*