

**MINUTES OF THE STOCKHOLDERS' MEETING OF  
APC GROUP, INC.**

Held on 30 June 2016 at 3:00 P.M.  
at SMX Convention Center, Seashell Lane,  
Mall of Asia Complex, Pasay City

1.0 **CALL TO ORDER**

Mr. Willy N. Ocier, the Chairman, called the meeting to order and presided over the same. The Corporate Secretary recorded the minutes of the proceedings.

2.0 **PROOF OF NOTICE OF MEETING**

The Chairman called upon Atty. Edmundo L. Tan, the Corporate Secretary, to show proof that notices of the meeting had been sent to the stockholders of record as of 31 May 2016. Forthwith, the Corporate Secretary presented a *Certification* from Cavatas-MSI Express Services, Inc. showing that the notices of the meeting were sent to the stockholders of record in accordance with the Corporation's By-Laws. Upon the instruction of the Chairman, the *Certification* attesting to the delivery of the notices was appended to the original copy of the Minutes of the Meeting.

3.0 **CERTIFICATION OF QUORUM**

The Corporate Secretary certified that out of Seven Billion Five Hundred Four Million Two Hundred Three Thousand Nine Hundred Ninety Seven (7,504,203,997) shares of the total outstanding capital stock of the Corporation, there were present in person and by proxy Five Billion Sixteen Million Three Hundred Ninety Seven Thousand Four Hundred Forty Four (5,016,397,444) shares, representing an attendance Sixty-Six Point Eighty Five Percent (66.85%) of the total outstanding capital stock of the Corporation. Accordingly, the Corporate Secretary certified that a quorum existed for the transaction of the business at hand.

4.0 **APPROVAL OF THE PREVIOUS MINUTES**

Upon motion duly made and seconded, the reading of the Minutes of 2015 Annual Stockholders' Meeting, copies of which were distributed to the stockholders prior to the meeting, was dispensed with and the same was approved as circulated.

5.0 APPROVAL OF YEAR 2015 OPERATIONS  
AND RESULTS AND FINANCIAL STATEMENTS

The Chairman informed the body that SEC FORM 20-IS in CD format which include the audited financial statements for the year ended December 31, 2015 were distributed to the stockholders prior to this meeting. The report and the financial statements for year ended December 31, 2015 indicate all pertinent actions undertaken during the year.

The President, Mr. Jackson T. Ongsip, reported on the highlights of the 2015 operations and results, as follows:

**PRESIDENT'S REPORT**

To our fellow stockholders, members of the Board of Directors, and friends, I would like to welcome you to the 2016 Annual Stockholders Meeting of APC Group, Inc.

In 2015, The Company continued its efforts to pursue developments on its existing energy and natural resource exploration projects. In particular, we have accomplished significant milestones in the Kalinga Apayao Geothermal Project.

We continue to promote and reinforce community relationship with the indigenous people through scholarship grants to 165 college students and other community projects. Consequently, the concerned ancestral domains have committed to cooperate with the project and have just recently approved our undertaking for the road engineering and surveying work.

The Company also maintains 2 Mineral Production Sharing Agreement with the DENR-MGB covering more than 1,000 hectares of land containing limestone deposits. The project is located in the Municipality of Ginatilan in Southern Cebu.

Please allow me to go through the Company's financial performance of Year 2015.

The Company realized a consolidated net loss amounting to Php46.5 million in 2015 to cover our general and administrative expenses and project-related costs compared to a normalized net loss of Php24.1 million in 2014 excluding a one-time gain on sale of available-for-sale financial assets during that year.

As of December 31, 2015, APC Group recorded total Assets of Php353.1 million, Liabilities of Php111.7 million and Stockholders' Equity of Php241.4 million. Details of the financial statements are contained in the Information Statement sent to the stockholders.

In closing, I would like to thank our members of the Board of Directors for their guidance, our employees for their hard work and dedication, and you our shareholders for your continued trust and support.





After the President's Report, Atty. Pacifico Tacub inquired why APC suffered losses for 2015, Mr. Jackson T. Ongsip replied that the net loss amounting to Php46.5 million was used to cover the general and administrative expenses and project-related costs of the Company.

Mr. Carlos Viceo and Mr. Andrew Tang also raised their question as to the current market value and book value of the shares. Mr. Jackson T. Ongsip replied that the current market value of APC shares is at sixty centavos (Php0.60), while the book value is at two centavos (Php0.02).

6.0 **RATIFICATION OF ALL ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE AND MANAGEMENT**

The Chairman presented to the body the following resolution for consideration, which upon motion duly made and seconded, was unanimously approved by the stockholders:

“RESOLVED, AS IT IS HEREBY RESOLVED, That all the acts of the Corporation's Board of Directors, Executive Committee, Management Committee, and the other committees for the period 2015-2016 and until the date of the annual stockholders' meeting be, as the same are hereby approved, confirmed and ratified.”

7.0 **ELECTION OF DIRECTORS**

The Chairman announced that the next item in the agenda is the election of the members of the Board of Directors for the ensuing year.

The Corporate Secretary explained that under Section 2, Article IV of the Corporation's By-Laws in relation to the Sixth Section of the Articles of Incorporation, the “directors of the Corporation numbering seven (7) shall be elected annually and each director shall hold office for the ensuing year and until his successor shall have been elected and qualified. The Nomination Committee received nominations in favor of the following stockholders as Directors of the Corporation for the ensuing year:

Willy N. Ocier  
Edmundo L. Tan  
Bernardo D. Lim  
Virginia A. Yap  
Jackson T. Ongsip  
Laurito E. Serrano (*Independent*)



Tomas D. Santos (*Independent*)

Since there were no other nominations, and there were as many nominees as there were seats to be filled, the Chairman of the Meeting instructed the Corporate Secretary to cast all votes in favor of the stockholders duly nominated who were therefore deemed elected as Directors of the Corporation for the year 2016-2017 in the order enumerated, until their successors shall have been duly elected and qualified.

8.0 **APPOINTMENT OF EXTERNAL AUDITOR**

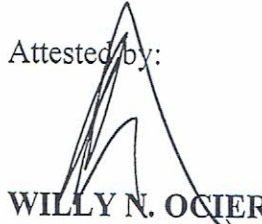
Upon motion duly made and seconded, the auditing firm of Sycip Gorres Velayo & Company was retained as the Corporation's external auditor.

9.0 **ADJOURNMENT**

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

  
**EDMUNDO L. TAN**  
Secretary of the Meeting

Attested by:

  
**WILLY N. OCIER**  
Chairman of the Meeting