

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

Held on 27 September 2017 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. Richard Anthony D. Alcazar, the Corporate Secretary, to show proof that notices of the meeting had been sent to the stockholders of record as of 29 August 2017. Forthwith, the Corporate Secretary presented a *Certification* from Varied Services, Incorporation 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 One Hundred Twenty Million Six Hundred Thirty Four Thousand Nine Hundred Five (5,120,634,905) shares, representing an attendance Sixty-Eight Point Two Three Six Eight percent (68.2368%) 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 2016 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 2016 OPERATIONS
AND RESULTS AND FINANCIAL STATEMENTS**

The Chairman informed the body that SEC FORM 20-IS in Quick Response (QR) Code which include the audited financial statements for the year ended December 31, 2016 were distributed to the stockholders prior to this meeting. The report and the financial statements for year ended December 31, 2016 indicate all pertinent actions undertaken during the year.

The President, Mr. Jackson T. Ongsip, reported on the highlights of the 2016 operations and results, as follows:

PRESIDENT'S REPORT

To our fellow stockholders, members of the Board of Directors and friends, welcome and thank you for taking the time to be with us at the 2017 Annual Stockholders Meeting of APC Group, Inc.

In 2016, the Company continued to pursue advancements in its energy and natural resource exploration projects.

In particular, we persevere on promoting the development of the Kalinga Apayao Geothermal Project. We continue to advocate and strengthen the community relationships with the indigenous people through college scholarship grants and other community projects. Consequently, the concerned ancestral domains have committed to cooperate with the project and have approved our undertaking for the road engineering and surveying work.

Please allow me to go through the Company's financial performance of Year 2016.

APC Group Inc. realized a consolidated net loss of Php47.1 million in 2016 to cover project-related and costs general and administrative expenses.

As of December 31, 2016, APC Group recorded total Assets of Php317.2 million, Liabilities of Php119.4 million and Stockholders' Equity of Php197.8 million. Details of the financial statements are contained in the Information Statement sent to the stockholders.

In closing, I would like to take this opportunity to thank you our dear shareholders for your continued trust and confidence. On behalf of the Management Team, I would like to extend our gratitude for the wisdom and guidance imparted by our Board of Directors. And finally, I wish to acknowledge the dedication and hard work that our employees continue to impart to the Company. We look forward to achieving more milestones in 2017.

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 2016-2017 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 2017-2018 in the order enumerated, until their successors shall have been duly elected and qualified.

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

The Chairman of the Meeting announced that the next item in the agenda is the approval of the Amendment of the Seventh Article of the Company's Articles of Incorporation.

Upon motion duly made and seconded, the following resolution of the Board in its meeting held on 9 August 2017 was approved and ratified by the stockholders, as follows:

"RESOLVED, that the Board of Directors of **APC GROUP, INC.**, (the **Corporation**) hereby approves the quasi-reorganization of the Corporation through the reduction of the par value of its shares from Php1.00 to Php0.01, amending for this purpose the first paragraph of Article Seventh of the Articles of Incorporation to read as follows:

"SEVENTH. The capital stock of the Corporation is TWO HUNDRED MILLION (P200,000,000.00) PESOS, Philippine currency, divided into FOURTEEN BILLION (14,000,000,000.00) Common Shares and SIX BILLION (6,000,000,000.00) Preferred Shares both with par value of ONE CENTAVO (P0.01) per share.

RESOLVED FURTHER, that the additional paid-in capital that will be generated from the reduction of par value will be used to eliminate the capital deficit of the Corporation.”

9.0 **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.

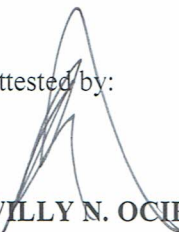
10.0 **ADJOURNMENT**

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



RICHARD ANTHONY D. ALCAZAR
Secretary of the Meeting

Attested by:



WILLY N. OCIER
Chairman of the Meeting