

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF PRYCE CORPORATION HELD  
AT THE ISABELA BALLROOM AB, MAKATI SHANGRI-LA, CORNER AYALA AND MAKATI AVENUES,  
MAKATI CITY ON THURSDAY, JUNE 28, 2018 AT 4:00 P. M.

The Chairman and Chief Executive Officer, Mr. Salvador P. Escaño, presided and called the meeting to order at 4:00 p.m. The undersigned as Corporate Secretary certified that notices of the meeting were sent to stockholders of record as of June 8, 2018, at their given addresses on June 14, 2018, and published in a newspaper of general circulation, the Manila Bulletin on the same day, June 14, 2018. It was also certified that a quorum was present because 1,998,591,573 shares out of the issued and outstanding shares of 2,024,500,000 or 98.72% entitled to vote were present in person and by proxy.

The next item on the agenda was the reading and approval of the minutes of the previous annual stockholders meeting held on August 17, 2017. Inasmuch as the stockholders present were given their copies of the said minutes before the meeting, on motion duly made and seconded, it was unanimously

“RESOLVED, that the reading of the minutes of the annual meeting held on August 17, 2017, be, dispensed with and the same be, as it is hereby, approved”.

The next order of the business was the report of the President and Chief Operating Officer (COO), or simply the Management Report. Likewise, copies of the Management Report to the Stockholders were furnished them before the meeting as well as the Audited Financial Statements as of December 31, 2017. Nevertheless, the President, Mr. Efren A. Palma rendered a brief oral report on the result of operations for the year ended, December 31, 2017 with comparative figures to the previous year, 2016, as follows:

- Pryce Corporation turned in a strong performance in 2017. Consolidated revenues increased by a significant 37% to Php9.2 billion for the year ended December 31, 2017 over the Php6.7 billion in 2016. This growth is due mainly to the 22% sales volume growth in the Visayas & Mindanao regions in the company's LPG business.
- Revenue contribution by product line was led by liquefied petroleum gas (including gas cylinders and accessories) at Php8.66 billion (94% of total sales); followed by industrial gases at Php391.5 million (4.24%); real estate sales at Php139.41 million (1.5%); and pharmaceutical products by Php39 million (0.42%).
- Higher revenue growth from LPG sales drove the net income of the Company to Php1.252 billion for 2017 which is 29.6% higher than that of the 2016's net income of Php966 million.
- Earnings per share for 2017 was Php0.567, which is a 27.8% improvement over the Php0.444 per share in 2016.

For the year 2018, Pryce Gases, Inc. (PGI) will continue its expansion projects, started about two years ago, which aims to increase the storage capacities of its marine terminals and to bring its LPG product closer to the markets. All its seven (7) import terminals in the VisMin areas are expanded to enable each one to accommodate at least one shipload of 2,500 MT cargo. The expansions of its terminals in Albuera, Leyte, and Sta. Cruz, Davao del Sur were completed in 2017. The expansion of the LPG terminals in Sogod, Cebu and Balingasag, Misamis Oriental will be completed by June / August, 2018. The Ability to discharge one shipload in a single terminal will reduce the import costs by 10 to 20 dollars per MT. PGI is likewise continuing to build at least 15 refilling plants in the VisMin areas to make its product closer to the market. These expansions are expected to be completed by the end of 2019 and all of these expansions are funded from internally generated funds.

The Company perceives the TRAIN law as having a positive impact on the LPG industry, as the law imposes relatively lower taxes on LPG compared to other fuels. This is seen to make market preferences gravitate gradually towards LPG over other fuels in the next 2 to 5 years.

For the year 2018, the Company sees growth of as much as 15% in sales volume and 20% in net income. It targets a net income of Php1.55 billion (plus/minus 10%) for the year 2018.

On June 7, 2018, the Company made its second declaration of cash dividends. The Company endeavors to declare cash dividends on a regular basis in the coming years.

After some questions, clarifications and answers thereon, on motion duly made and seconded, it was unanimously



“RESOLVED, that the report of the President or simply the Management Report for the year ending December 31, 2017, be, as they are hereby, approved.”

The next order of the business was the approval of the Annual Report and the Financial Statements of the Company for the year ended December 31, 2017. But before the Chief Operating Officer begins his report, a motion was made to dispense with it, as the same were already highlighted in the President’s Report and besides, it is already stated in the Information Statement and Management Report provided the stockholders’ before the meeting. And on motion duly made and seconded, it was unanimously

“RESOLVED, that the report of the operations of the Corporation for the fiscal year ending December 31, 2017, as well as the Audited Financial Statements for the same period, be, as they are hereby, approved.”

The Chairman then stated that the next item on the agenda was the ratification of all acts and transactions entered into by the Board of Directors and its Officers. The stockholders present were informed that the copies of the management acts are available at the Head Office of the Corporation for verification during regular working hours of any working days. There being no questions on the acts and transactions entered into by the Board of Directors and its Officer, on motion duly made and seconded, it was unanimously

“RESOLVED, that the acts and transactions entered into by the Board of Directors and Officers of the Corporation on the latter’s behalf, be, as it is hereby, ratified.”

The next item on the agenda was the election of the Board of Directors of the Corporation to hold office for one year until their successor are duly elected and qualified. On motion duly made and seconded, the following stockholders were unanimously elected for the ensuing year.

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|------------------------------|------------------------|
| 1. Salvador P. Escaño        | - Chairman             |
| 2. Ramon R. Torralba         | - Director             |
| 3. Efren A. Palma            | - Director             |
| 4. Xerxes Emmanuel F. Escaño | - Director             |
| 5. Ray W. Jovanovich         | - Director             |
| 6. Arnold L. Barba           | - Independent Director |
| 7. Roland Joey R. de Lara    | - Independent Director |


The next item on the agenda was the appointment of the Corporation’s external auditors. Upon motion duly made and seconded, it was unanimously

“RESOLVED, that the accounting firm of **Diaz Murillo Dalupan and Company** be, as it is hereby appointed external auditor of the Corporation for the current fiscal year”.

There being no further business to take up, the meeting was, on motion duly made and seconded, adjourned at 4:56 p.m.

  
SIMEON S. UMANDAL  
Corporate Secretary

A T T E S T :

  
SALVADOR P. ESCAÑO  
Chairman