

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS OF  
GRAND PLAZA HOTEL CORPORATION  
15 May 2017**

The annual meeting of the stockholders of Grand Plaza Hotel Corporation ("Corporation") was held at The Heritage Ballroom of The Heritage Hotel Manila, EDSA Extension, Pasay City, Metro Manila on 15 May 2017 at 11:30 a.m.

Mr. Tan Kian Seng, the Chairman of the Board of Directors and President of the Corporation, chaired the meeting. Ms. Maria Christina J. Macasaet-Acaban, the Corporate Secretary, recorded the minutes thereof.

Ms. Macasaet-Acaban informed the Chairman that, based on the attendance record submitted by Stock Transfer Service Inc., the stock and transfer agent of the Corporation, 86.36% of the stockholders of the Corporation were present in person or by proxy. Hence, Ms. Macasaet-Acaban certified the existence of a quorum for the meeting. Attached as Annex "A" and forming an integral part of these Minutes is the certification of Stock Transfer Service, Inc. ("STSI") of the attendance report for the meeting.

The Chairman confirmed and recognized for purposes of the meeting, the proxies presented, and directed that they be attached to the minutes.

The following directors attended the meeting:

Mr. Tan Kian Seng, the Chairman of the Board of Directors and President  
Mr. Bryan Cockrell, the Vice-Chairman of the Board of Directors and a member of the Audit Committee  
Ms. Mia Gentugaya, an Independent Director and Chairperson of the Audit Committee  
Mr. Angelito C. Imperio, an Independent Director and a member of the Nomination Committee  
Mr. Antonio Rufino, a Director and a member of the Audit Committee  
Mr. Eddie Lau, a Director and a member of the Nomination Committee  
Mr. Eddie Yeo, a Director and a member of The Heritage Hotel ("Hotel") Management Executive Committee, and the General Manager of the Hotel

The following persons also attended the meeting:

Mr. Yam Kit Sung, the General Manager, the Chief Audit Executive, and Compliance Officer of the Corporation, and a member of the Management Committee  
Ms. Maria Christina J. Macasaet-Acaban, the Corporate Secretary of the Corporation  
Mr. Alain Charles J. Veloso, the Assistant Corporate Secretary of the Corporation  
Ms. Alicia Columbres, R.G. Manabat & Co. (a Member Firm of KPMG International) ("KPMG"), the Corporation's Independent Auditor  
Mr. Leo Diaz of KPMG

**I. PRESENTATION AND APPROVAL OF THE 2016 ANNUAL REPORT**

The Chairman indicated to the stockholders that the Annual Report and Audited Financial Statements for the period ended 31 December 2016 may be found in the Information Statement, which was circulated to the stockholders according to the requirements under the Securities Regulation Code.

Mr. Edgar Ngo, a stockholder of the Corporation, clarified whether the Information Statement and Annual Report of the Corporation were previously circulated to the stockholders. Mr. Yam confirmed that the Information Statement and Annual Report of the Corporation were previously circulated to the stockholders of the Corporation. For the benefit of Mr. Ngo, Mr. Yam gave a brief presentation on the results of operation and balance sheet of the Corporation as of 31 December 2016.[After the meeting, hard copies of the Annual Report of the Corporation were distributed to the stockholders present.]

Upon motion duly made, seconded and unanimously approved by the stockholders present, it was:

RESOLVED, that the annual report and the corresponding audited financial statements for the period ending 31 December 2016 of Grand Plaza Hotel Corporation, are hereby approved.

## **II. APPROVAL AND RATIFICATION OF THE MINUTES OF THE STOCKHOLDERS' MEETING HELD ON 16 MAY 2016**

The Chairman asked the Corporate Secretary whether the minutes of the Annual Stockholders' Meeting held on 16 May 2016 were made available for the review of the stockholders. The Corporate Secretary advised the Chairman that the Minutes of the Annual Meeting of the Stockholders held on 16 May 2016 were made available to the stockholders for their review and inspection at the office of the Corporate Secretary.

Upon motion made, seconded and unanimously approved by the stockholders present, it was:

RESOLVED, that the Minutes of the Annual Stockholders' Meetings of Grand Plaza Hotel Corporation held on 16 May 2016 are hereby approved.

## **III. RATIFICATION OF THE RENEWAL OF THE MANAGEMENT AGREEMENT**

The Chairman proceeded to the next item on the agenda which is the ratification of the renewal of the Management Agreement between Elite Hotel Management Services Pte. Ltd. (as "Manager") and the Corporation (as Owner) for a term of five years from 1 January 2017 to 31 December 2021.

The Chairman asked the Corporate Secretary to explain the background of this matter.

The Corporate Secretary informed the meeting that on 15 October 1997, the Corporation and CDL Hotels (Phils.) Corporation (hereinafter referred to as "CDL") entered into a Management Agreement for the management and operation of the Hotel by CDL, and pursuant to which, CDL also provided marketing sales and reservation support to the Corporation.

The Management Agreement was renewed between the Corporation and CDL for successive five-year terms in 2001 and thereafter in 2006.

On 8 February 2011, the Board of Directors of the Corporation approved the assignment of the Management Agreement from CDL to the Manager. Since 1 January 2012, the Manager has continued to provide, and the Corporation has continued to accept, the services under the

Management Agreement, which was previously extended for a five-year period commencing from 1 January 2012 to 31 December 2016.

On 3 May 2017, the Owner and the Manager entered into an Agreement to Renew the Management Agreement. The extended term was for a five-year term commencing 1 January 2017, i.e., expiring on 31 December 2021.

The renewal of the Management Agreement must be approved by the Board of Directors and the stockholders of the Corporation.

On 3 May 2017, the Board of Directors of the Corporation ratified the renewal and extension of the Management Agreement between the Corporation and the Manager, for a period of five (5) years from 1 January 2017 to 31 December 2021, and the signing of the Renewal Agreement.

The management of the Corporation now requests the stockholders' approval and ratification of the renewal and extension of the Management Agreement between the Corporation and the Manager, for the current term of five (5) years from 1 January 2017 to 31 December 2021, and the signing of the Renewal Agreement.

Ms. Esperanza Lopez, a stockholder of the Corporation, asked why the Management Agreement between the Corporation and the Manager is being renewed despite of the fact that the Corporation has not been declaring any dividends or buyback in the past few years. Mr. Yam clarified that the decision to declare dividends is made by the Board, and not by the Manager. The Manager is responsible for managing the operations of the Hotel. The Board has not declared any dividends or share buybacks in the past few years in light of the poor performance of the Corporation, resulting from the termination of the lease contract between the Corporation and PAGCOR. The Corporation also needs to conserve its funds, as it may need to refurbish the Hotel to attract a new lessor. Management is in the process of negotiating with a potential new tenant for the Hotel space vacated by PAGCOR.

Upon motion made, seconded and unanimously approved by the stockholders present, it was:

RESOLVED that the stockholders approve and ratify the renewal and extension of the Management Agreement between the Corporation and the Manager (i.e., Elite Hotel Management Services Pte. Ltd.), for the current term of five (5) years from 1 January 2017 to 31 December 2021, and subject to the terms and conditions of the Renewal Agreement.

#### **IV. RATIFICATION OF ALL ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, ACTING WITHIN THE SCOPE OF ITS DELEGATED AUTHORITY, DURING THE YEAR 2016-2017**

The Chairman proceeded to the next item on the agenda on the confirmation of the acts and the resolutions of the Board of Directors ("Board") during the year 2016-2017. The Chairman stated that the acts and proceedings of the Board during the year 2016-2017 are listed on page 27-28 of the Information Statement, which was circulated to the stockholders according to the requirements under the Securities Regulation Code. The Chairman asked the Corporate Secretary whether the minutes of the Board meetings during the year 2016-2017 were made available for review and inspection of the stockholders. The Corporate Secretary advised the Chairman that the minutes of the Board meetings were made available to the stockholders for their review and

inspection at the office of the Corporate Secretary.

Upon motion made, seconded and unanimously approved by the stockholders present, it was:

RESOLVED, that the stockholders of Grand Plaza Hotel Corporation approve and ratify all the acts, decisions, contracts and proceedings done, taken and effected by the Board of Directors, and resolutions issued by the Board of Directors, acting within the scope of its delegated authority, during the year 2016-2017.

## V. ELECTION OF THE BOARD OF DIRECTORS

The Chairman called for the nomination and election of the members of the Board who shall serve until the next annual stockholders meeting or until their successors are duly elected and qualified. There are seven (7) seats in the Board: five (5) seats are for the regular members while two (2) seats are for the independent directors.

The Chairman mentioned that the Corporation is required by law to elect two independent directors. Only the candidates for independent directors who are included on the final list of candidates prepared by the Nomination Committee are eligible to be elected independent directors. No further nominations for independent directors are allowed.

The Chairman informed the meeting that the Nomination Committee has submitted to the Chairman the final list of candidates for independent directors. Based on that list, there are two nominees for independent directors, Ms. Mia G. Gentugaya and Mr. Rene Y. Soriano. A description of the background and qualifications of Ms. Mia G. Gentugaya and Mr. Rene Y. Soriano is found on pages 13 and 15 of the Information Statement that was distributed to the stockholders.

The Chairman then opened the table for the nomination of the five (5) regular directors of the Corporation. The Chairman mentioned the qualifications of a regular director. The Chairman gave the floor to Mr. Veloso, who discussed the disqualifications of a regular director.

The following persons were nominated:

Mr. Tan Kian Seng  
Mr. Bryan K. Cockrell  
Mr. Eddie Lau  
Mr. Eddie Yeo  
Mr. Antonio A. Rufino

There were no other nominations. The nominating stockholder stated that the qualifications and business experience of the nominees, who are current directors of the Corporation, are set out on pages 13 to 15 of the Information Statement that was distributed earlier to the stockholders.

There was a short break to allow the members of the Nomination Committee to convene and discuss whether all the nominees have the qualifications and none of the disqualifications to become members of the Board of the Corporation.

The Chairman then gave the floor to Mr. Imperio, who confirmed that the Nomination Committee has determined that based on the information that was made available to them, the

persons nominated meet the qualifications, and have none of the disqualifications, of a regular director of the Corporation.

The Nomination Committee has also considered that while one of the nominees did not meet the required 50% attendance in Board meetings held last year, the Nomination Committee has resolved to qualify such nominee on the following grounds:

- He has notified the Corporation of his inability to attend the Board meetings, prior to the date of each meeting;
- His failure to attend the Board meetings was due to his trip overseas, which were scheduled before the final date of the Board meeting was determined;
- His attendance in the Board meetings was not necessary to achieve a quorum, and as a non-executive regular director, his non-attendance in the Board meetings did not materially hamper the decision-making of the Board; and
- His continued membership in the Board would be beneficial to the Corporation because of his business experience and expertise, specifically in the area of tourism-related ventures and properties. The nominee has also been a director of the Corporation for 20 years, and his organizational knowledge in the Corporation is invaluable to the Board.

Upon motion made, seconded and unanimously approved by the stockholders present, it was:

RESOLVED, that the following individuals:

Mr. Tan Kian Seng  
Mr. Bryan K. Cockrell  
Mr. Eddie Lau  
Mr. Eddie Yeo  
Mr. Antonio A. Rufino

are hereby elected directors of Grand Plaza Hotel Corporation (“Corporation”) for the year 2017-2018 to hold office until the next annual meeting of the stockholders of the Corporation and until their successors are elected and duly qualified.

RESOLVED, that Ms. Mia G. Gentugaya and Mr. Rene Y. Soriano are hereby elected as the independent directors of the Corporation for the year 2017-2018 to hold office until the next annual meeting of the stockholders of the Corporation and until their successors are elected and duly qualified.

## **VI. ELECTION OF EXTERNAL AUDITOR AND AUTHORITY OF THE BOARD TO FIX THE AUDITORS’ REMUNERATION**

The Chairman informed the stockholders of the need to appoint the external auditors of the Corporation and to authorize the Board to fix the remuneration of the auditors. Pursuant to the requirements of the Manual on Corporate Governance of the Corporation, the Audit Committee and the Board recommended to retain KPMG as the external auditor of the Corporation for the fiscal year 2017, with Ms. Alicia S. Columbres as the new handling partner. Ms. Columbres was first designated as handling partner on 15 May 2013. KPMG is a professional partnership established under Philippine law and is a member of KPMG International, a Swiss cooperative.

Upon motion made, seconded and unanimously approved by the stockholders present, it was:

RESOLVED, that Grand Plaza Hotel Corporation ("Corporation") appoints R. G. Manabat & Co. (a Member Firm of KPMG International), as its external auditor for the fiscal year 2017, with Ms. Alicia S. Columbres as the handling partner.

RESOLVED FURTHER, that the Board of Directors of the Corporation be and is hereby authorized to fix the remuneration or professional fees to be paid to R. G. Manabat & Co..

## **VII. PER DIEM OF THE DIRECTORS**

The Chairman informed the stockholders that The Heritage Hotel Manila Management Executive Committee, acting as the Remuneration and Compensation Committee of the Corporation, recommended that, each regular director will be paid a per diem of PhP15,000, net of taxes, and each independent director will be paid a per diem of PhP15,720, for each attendance in a meeting of the Board of Directors. Members of the Audit Committee will also be paid a per diem of PhP15,000, net of taxes, for each attendance in a meeting of the Audit Committee. There was a total of 6 Board of Directors' meetings and 4 Audit Committee meetings for the year 2016-2017. Thus, a regular director who attended all of the Board meetings in 2016-2017 will be entitled to a total per diem of PhP90,000, net of taxes, while an independent director who attended all of the Board meetings in 2016-2017 will be entitled to a total per diem of PhP94,320, net of taxes. On the other hand, an Audit Committee member who attended all of the Audit Committee meetings in 2016-2017, will be entitled to a total per diem of PhP60,000, net of taxes. The Chairman also informed the stockholders that the Board approved the payment of the per diem to the directors and the members of the Audit Committee.

## **VIII. OTHER MATTERS**

Mr. Cockrell, on behalf of the Board and the stockholders of the Corporation, took the floor to acknowledge, and express deep gratitude and appreciation to, Mr. Imperio, who has served as a director of the Corporation for the past 25 years, and for his wisdom and expertise.

The Chairman then opened the floor for questions by the stockholders.

Mr. Edgar Ngo, a stockholder of the Corporation, inquired about the occupancy rate of the Hotel in 2016. Mr. Yeo mentioned that for 2016, the Hotel had an occupancy rate of 48.6%, which was the Hotel's lowest occupancy rate. He attributed this to external factors that limit the arrivals of visitors in Manila, such as, the security situation in the Philippines, and the lack of airport infrastructure in NAIA that limits its capacity to handle passengers arriving in Manila. Mr. Yeo also cited the tremendous growth of other casino and hotel businesses, specifically in the Manila Bay area, which compete with the Hotel in attracting guests.

Mr. Ngo also asked about the plans of the Corporation with regard to the space previously occupied by PAGCOR. In response, Mr. Cockrell mentioned that PAGCOR is currently in the process of divesting its casino business, and will focus on regulating the gaming industry in the Philippines. Thus, PAGCOR will no longer be a potential tenant of the Hotel. The Board and Management is seriously negotiating with several parties for the lease of the space previously occupied by PAGCOR. As the negotiations are not definite yet, the Corporation cannot disclose

details of the lease. However, the Corporation is fairly confident that the space may be occupied before the next annual stockholders' meeting.

Mr. Ngo asked whether the Corporation has any plans of relocating or expanding to other areas in the country, like Boracay, or the Manila Bay area in Pasay City. In response, the Chairman mentioned that expansion and diversification of the Corporation's operations in the Philippines will require several considerations. According to the Chairman, one of the positive developments for the Philippines is the establishment of a more positive relationship with China, as the hotel and casino industry in the Philippines will benefit from the influx of more Chinese tourists in the Philippines. Management will ensure that the Hotel will take advantage of this development. The Chairman is also optimistic about the prospects of the Hotel for the next few months

Finally, Mr. Ngo asked about the performance of the Corporation for the 1st quarter of 2017. In response, Mr. Yam mentioned that for the 1st quarter of 2017, the Corporation has incurred a loss of PhP8 million. However, the performance of the Corporation has improved in April and May of 2017, and Mr. Yam believes that the results for the second quarter of 2017 may offset the 1st quarter performance of the Corporation.

Another stockholder, Mr. Romeo Quachon, introduced himself as among the stockholders who received their shares in the Corporation as a result of the liquidation of APEC Plans. Mr. Quachon asked what he is supposed to do with his shares in the Corporation, i.e., whether he should continue to hold on to his shares or sell the same. Mr. Quachon also mentioned that he has no idea about the Corporation, the number of his shares in the Corporation, and his rights as a stockholder.

According to the Chairman, stockholders of the Corporation should make their own decision with regard to what to do with their shares in the Corporation, and the Corporation is not in the position to advise the stockholders on what to do with their shares. The Chairman mentioned that Mr. Quachon may want to consult his own investment adviser in regard to this matter. Ms. Macasaet-Acaban also mentioned that with respect to the number of shares held by each stockholder, this information will be found on the stock certificates issued to the stockholders. In the absence of such stock certificate, the stockholders may also inquire about their shareholdings with STSI, the Corporation's stock transfer agent.


Ms. Gentugaya also added that, as a listed company, the Corporation is required to disclose its performance and other material information to the SEC and the PSE, and these information may be accessed through the Corporation's website. Thus, stockholders may want to inform themselves about the Corporation by accessing its website, and other publicly-available information about the Corporation.

## VII. ADJOURNMENT

There being no further business to transact, the meeting was adjourned.

  
MARIA CHRISTINA J. MACASAET-ACABAN  
Corporate Secretary

ATTEST:

A handwritten signature in black ink, appearing to read 'Tan Kian-Seng', with a large, sweeping flourish at the end.

TAN KIAN-SENG  
Chairman of the Board