

EAGLE CEMENT CORPORATION
Minutes of the Annual Meeting of the Stockholders
18 June 2019; Tuesday; 2:30 PM
Garden Ballroom, EDSA Shangri-La Hotel
Mandaluyong City

STOCKHOLDERS PRESENT:	TYPE OF SHARES	NO. OF SHARES
In Person:		
Ramon S. Ang	Common	1,317,857,139
	Preferred	878,571,429
John Paul L. Ang	Common	96,428,569
	Preferred	64,285,714
Myra P. Villanueva	Common	10,000
Myrna P. Villanueva	Common	6,600
Milagros P. Villanueva	Common	6,600
Manny C. Teng	Common	1
Mario K. Surio	Common	1
Manuel P. Daway	Common	1
Luis A. Vera Cruz, Jr.	Common	1
Melinda Gonzales-Manto	Common	1
Ricardo C. Marquez	Common	1
Jose P. Perez	Common	1
Martin S. Villarama, Jr.	Common	1
By Proxy:		
Far East Cement Corporation Represented by: Ramon S. Ang	Common	3,010,714,288
	Preferred	2,057,142,857
PDC Nominee Corp.	Common	15,513,146
Total No. of Shares Present or Represented at the Meeting	Common	4,440,536,350
	Preferred	3,000,000,000
Total No. of Shares Issued and Outstanding	Common	5,000,000,005
	Preferred	3,000,000,000
Percentage of Shares of Stock Present	Common	88.81%
	Preferred	100.00%

DIRECTORS PRESENT:

RAMON S. ANG
JOHN PAUL L. ANG
MANNY C. TENG
MARIO K. SURIO
MANUEL P. DAWAY
LUIS A. VERA CRUZ, JR.
MELINDA GONZALES-MANTO (ID)
RICARDO C. MARQUEZ (ID)
MARTIN S. VILLARAMA, JR. (ID)
JOSE P. PEREZ (ID)

ALSO PRESENT:

MARIA FARAH Z.G. NICOLAS-SUCHIANCO
MARLON P. JAVARRO

I. NATIONAL ANTHEM AND INVOCATION

The stockholders present sang the Philippine national anthem. Afterwards, director Melinda Gonzales-Manto led the invocation.

II. CALL TO ORDER

The Chairman, Mr. Ramon S. Ang, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Maria Farah Z.G. Nicolas-Suchianco, recorded the minutes of the meeting.

III. CERTIFICATION OF QUORUM

The Corporate Secretary certified that notices of annual meeting of the stockholders were sent by mail and messengerial services to all stockholders-of-record as of 06 May 2019 at their respective addresses of record.

The Corporate Secretary certified that out of 5,000,000,005 issued and outstanding common shares and 3,000,000,000 issued and outstanding preferred shares, stockholders owning a total of 4,440,536,350 common shares and 3,000,000,000 preferred shares, representing 88.81% of the total issued and outstanding common shares and 100% of the total issued and outstanding preferred shares of the Corporation, are present in person and by proxy. There is, therefore, a quorum present for the transaction of business.

IV. APPROVAL OF THE PREVIOUS STOCKHOLDERS' MEETING

The Chairman presented for ratification by the stockholders of the minutes of the previous stockholders' meeting held on 21 June 2018. Upon motion duly made and seconded, the stockholders passed and approved the following resolution:

“RESOLVED, that the Corporation be authorized to approve and ratify the minutes of the Regular Annual Meeting of Stockholders held on 21 June 2018.”

V. PRESENTATION OF THE ANNUAL REPORT

The Chairman called the President and Chief Executive Officer, Mr. John Paul L. Ang, to deliver the President's Report to the stockholders.

Mr. Ang presented an outline of the Report: (a) the financial highlights for the year 2018, (b) the 2019 latest interim financial highlights, and (c) recent developments.

According to Mr. Ang, the Corporation has almost tripled its total annual cement capacity from 2.6 million metric tons (MMT) with its first integrated production line in 2010, to 7.1 MMT at the end of 2018. Further, the Corporation continues to solidify its cornerstone, building from strength to strength, from the inception of its single largest integrated Bulacan plant in 2010, and on through 2016 and 2018, as the Corporation completed two more integrated production lines.

A. 2018 Financial Performance

Mr. Ang announced that the Corporation recorded net sales of PhP16.5 billion, 11% better relative to 2017, which was propelled by the double-digit sales volume growth. The Company's revenue is accounted largely by bagged cement or Type 1P at 80% while the remaining 20% is comprised by bulk cement or Type 1. The gross profit margin registered at 44%.

EBITDA amounted to PhP6.8 billion, 9% better relative to 2017's figure, representing a margin of 41%. Meanwhile, EBIT grew by 8% to P6.1 billion, with margin at 37%. Net income went up by 13% to PhP4.8 billion, with margin kept steady at the 29% level. Liabilities declined by 3% to PhP12.6 billion while Equity stood at PhP32.8 billion, up by 12%. The Corporation's current gearing gives it flexibility to still pursue its investment plans moving forward, with debt-to-equity ratio at 0.39x and financial debt to equity ratio registering at 0.25x. This is still well below the Corporation's loan covenant requirements.

B. 2019 Latest Interim Financial Highlights

Mr. Ang reported that for the period covering January to March of 2019, net sales grew by 34%. Gross profit margin ended the quarter at 43%. EBITDA grew by 20%, with EBITDA margin contracting to 37%, while EBIT likewise increased by 20%, resulting to an EBIT margin of 33%. Net income expanded by 49% year-on-year, with net income margin improving to 30%.

C. Recent Developments

Mr. Ang communicated to the stockholders that after the second integrated line was commissioned in 2016, the Corporation immediately broke ground for its third line in the same cement facility. In December 2018, the Company completed Line 3, with an annual cement capacity of 2.0 MMT, increasing total combined cement output of the three lines to 7.1 MMT. This reflects the Corporation's positive outlook towards the industry as it continues building to meet the growing cement requirements of the country. The opening of the third production line will allow the Corporation to better serve new markets in Regions IV and V.

In September 2018, the Corporation inaugurated its fourth and largest distribution center in Pangasinan in Region I, with storage capacity of 200,000 cement bags. This will serve provinces in northern Luzon and will enable the Corporation to penetrate key growth areas in the region. Mr. Ang shared the Management believes that these markets, though not yet mature, will soon be a potential catalyst for the Corporation and will allow it to further solidify its position in Luzon. The Management is pleased with the positive reception in this new market as the Corporation grows its presence there.

Recently, the Corporation announced another expansion for its Bulacan plant. The fifth finish mill is underway which is slated to be completed by 2020, increasing the Corporation's annual cement capacity by 1.5 MMT to 8.6 MMT in Bulacan. The new finish mill will be complemented by a third Packhouse that will have a capacity of 45 million bags per annum and is also scheduled to be completed by 2020.

For the Corporation's Line 4 in Malabuyoc, Cebu, Mr. Ang that the target completion is now scheduled in the first half of 2021. Mr. Ang added that the Management is confident the Corporation will still be able to sell cement in the Visayas region by end-2020.

Mr. Ang noted that the Corporation remains bullish as reflected with its aggressive capacity expansion to broaden its market presence as well as create a strong foothold in the south. By the end of 2021, the Corporation will have a total of 10.6 MMT of annual cement capacity that will strategically position it as a strong nationwide cement player.

Mr. Ang also reported to the stockholders that in November 2018, the Corporation was conferred with the Platinum Award for Quarry Operations at the 65th Annual National Mine Safety and Environment Conference (ANMSEC) ceremony held in Baguio City. The Corporation received the second highest award given by the Presidential Mineral Industry Environmental Award (PMIEA) Selection Committee (SC), and is the sole recipient of the PMIEA SC Achievement Award in 2018, besting other cement plants and quarry operations located in Bulacan. This award marked an improvement from the Titanium Award received by the Corporation for four consecutive years since 2014. The Platinum Award is a proof of the Corporation's unwavering commitment and continuous strive towards sustainable development, through responsible mining and resource management and utilization.

In closing, Mr. Ang stated that the Management has a very positive outlook in the local cement industry, and that the Corporation's world-class products with affordable prices, coupled with the the strong foundation that it has built will enable the Corporation to sustain its growth in the future.

The Chairman thanked Mr. Ang for the Report and opened the floor for questions from the audience which were submitted in advance and will be read by the facilitator.

Ms. Myrna Villanueva, a stockholder, asked to speak. Ms. Villanueva asked to be clarified on the computation of retirement benefits being given by the Corporation. Independent Director Melinda Gonzales-Manto clarified that the amount of retirement benefits is computed actuarially.

The facilitator read the question of a stockholder who did not identify him/herself. The stockholder inquired whether the Corporation has plans to declare dividends. The Chairman answered the question in the positive. The Chairman and the Corporate Secretary reported to the stockholders that the board has declared cash dividends for the common stocks amounting to a total of P1.3 Billion was approved in a special meeting of the Board of Directors held on 18 June 2019, right before the annual stockholders' meeting. The record date of such cash dividends is 12 July 2019, while the payment date is on 31 July 2019.

The facilitator next read the question of Mr. Sevvorin Haselmann, a stockholder. Mr. Haselmann asked whether the Corporation is buying its competitor, Holcim Cement. To answer the question, the Chairman clarified that the Corporation is not buying Holcim Cement, and that it is reported that San Miguel Corporation is the entity who will be buying Holcim Cement.

The facilitator next read the question of Mr. Robert Go, also a stockholder. Mr. Go asked how much is the government's allocation of cement bags to be procured in the [Metro Manila] Subway Project, in relation to the Build, Build, Build program. The Chairman answered by saying that he is not aware of the details of the execution of the said Subway Project.

There being no further questions, and upon motion duly made and seconded, the stockholders passed and approved the following resolution:

“RESOLVED, that the Corporation be authorized to approve the Management Report of the Corporation as presented.”

VI. APPROVAL AND RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT

The Chairman of the meeting requested the Corporate Secretary, Atty. Suchianco, to present a summary of all acts of the Board of Directors and Management embodied in the resolutions issued from 21 June 2018 up to the date of the Meeting. The stockholders approved and ratified the acts as presented to them.

Upon motion duly made and seconded, the following resolution was passed and approved:

“RESOLVED, that the Corporation hereby affirms, approves and ratifies the acts of the Corporation's Officers and Board of Directors embodied in the resolutions that have been issued in accordance with the procedures provided in the Corporation's By-Laws from 21 June 2018 up to today, 18 June 2019.”

VII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman of the meeting requested Director Melinda Gonzales-Manto, the Chairperson of the Audit Committee, to make a recommendation on the appointment of external Auditor. Director Gonzales-Manto recommended the appointment of Reyes Tacandong & Co., CPAs as the Corporation's external auditor for the year 2019.

Upon motion duly made and seconded, the stockholders passed and approved the following resolutions:

“RESOLVED, that the Corporation be authorized to appoint Reyes Tacandong & Co., CPAs as its external auditor for the year 2019, and it shall serve as such until its replacement is appointed and qualified.”

VIII. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS

Atty. Suchianco presented the list of nominees for Independent Directors as pre-qualified by the Nomination and Remuneration Committee, and the list of other nominees for the election to the Board of Directors. All the nominees have all the qualifications and none of the disqualifications to be a director under the law, the Corporation's By-Laws and the Corporation's Manual on Corporate Governance.

Nominee	Position
Ramon S. Ang	Director
John Paul L. Ang	Director
Manny C. Teng	Director
Monica L. Ang	Director
Mario K. Surio	Director
Manuel P. Daway	Director
Luis A. Vera Cruz, Jr.	Director
Melinda Gonzales-Manto	Independent Director
Ricardo C. Marquez	Independent Director
Martin S. Villarama, Jr.	Independent Director
Jose P. Perez	Independent Director

Considering that the number of directors to be elected is eleven (11) and there are only eleven (11) nominees, upon motion duly made and seconded, the balloting was dispensed with and that all eleven (11) nominees were considered unanimously elected as Directors of the Company for the ensuing year, until their successors are elected and qualified, and that the votes of the stockholders present and represented by proxies be distributed and recorded accordingly.

IX. AMENDMENT OF ARTICLES OF INCORPORATION TO REFLECT CHANGE IN PRINCIPAL OFFICE ADDRESS

The Chairman called the Corporate Secretary to apprise the stockholders of the need to amend the Corporation's Articles of Incorporation in order to reflect the change of its principal office address.

The Corporate Secretary presented to the stockholders for approval that the Articles of Incorporation of the Corporation would have to be amended in order to reflect the change in the Corporation's principal office address from No. 153 EDSA, Brgy. Wack-Wack, Mandaluyong City, to its new office address at the 2/F SMITS Corporate Center, No. 155, Brgy. Wack-Wack, Mandaluyong City, pursuant to the Securities Regulation Code as well as the rules and regulations of the Securities and Exchange Commission. The Corporate Secretary also reported that the Board of Directors

unanimously approved the amendment at the special meeting of the Board held on 18 June 2018, prior to the stockholders' meeting.

Upon motion duly made and seconded, balloting was dispensed with, and the stockholders passed and approved the following resolutions:

“RESOLVED, that the Corporation be authorized to amend its Articles of Incorporation by changing the Third Article thereof;

“RESOLVED FURTHER, that the Third Article of the Articles of Incorporation be amended to be read as follows:

THIRD: That the principal office the corporation shall be established or located at 2/F SMITS Corporate Center, No. 155, Brgy. Wack-Wack, Mandaluyong City.

“RESOLVED FINALLY, that the Board of Directors, President, Corporate Secretary, Treasurer and other proper officers of the Corporation are hereby authorized to submit or cause the submission of a copy of the amended Articles of Incorporation of the Corporation to the Securities and Exchange Commission, and to sign and deliver all documents necessary to implement the foregoing resolutions.”

X. OTHER MATTERS

The Chairman opened the floor for other matters which the stockholders may wish to discuss.

Mr. Robert Go, a stockholder, asked to speak. Mr. Go inquired whether the Corporation is complying with Section 29 of the Revised Corporation Code as to the disclosure of the pay of executives of the Corporation. The Corporate Secretary confirmed that the pay of the top four (4) executives of the corporation are disclosed in the Annual Report and the Definitive Information Statement, as duly-filed with the Securities and Exchange Commission.

Mr. Go further asked to be clarified on the species of Eagle used in the official logo of the Corporation. The Chairman responded by clarifying that no particular Eagle was used, but was intended to depend on the interpretation of the person viewing the logo.

XI. ADJOURNMENT

There being no other matters to discuss and upon motion duly made and seconded, the meeting was adjourned.

Certified true and correct:

[Original Signed]
MARIA FARAH Z.G. NICOLAS-SUCHIANCO
Corporate Secretary

Attested:

[Original Signed]
RAMON S. ANG
Chairman