

DRAFT

For Approval of Stockholders at the next Stockholders' Meeting

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION

Held on 26 September 2019 at 8:00 a.m.
At the La Colina Function Room, The Valle Verde Country Club
Capt. Henry P. Javier, Bo. Oranbo, Pasig City

TOTAL NUMBER OF SHARES OUTSTANDING	1,193,200,000
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	817,591,170

CALL TO ORDER

The Chairman, Mr. Paulino S. Soo, called the meeting to order and presided over the same. The Corporate Secretary, Ms. Anna Francesca C. Respicio, recorded the minutes of the proceedings.

CERTIFICATION OF NOTICE AND QUORUM

Upon the request of the Chairman, the Secretary certified that notices of the meeting were sent to all stockholders of record as of 05 September 2019 in accordance with the provisions of the By-Laws. The Chairman instructed the Secretary to append the certificate of mailing of notices to the original minutes of the meeting.

The Secretary certified that, based on the register of attendees and proxies as tabulated by the Stock Transfer Agent, out of the One Billion One Hundred Ninety-Three Million Two Hundred Thousand (1,193,200,000) shares of the total outstanding capital stock of the Corporation, there were present in person or by proxy Eight Hundred Seventeen Million Five Hundred Ninety One Thousand One Hundred Seventy Shares representing an attendance of 68.5208% of the total outstanding capital stock of the Corporation. Accordingly, the Secretary certified that a quorum existed for the transaction of business at hand.

APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING OF STOCKHOLDERS

Upon motion duly made and seconded, the reading of the minutes of the Annual Stockholders' Meeting held on 27 September 2018 was dispensed with as the same had been previously distributed to shareholders. The Chairman opened the floor for questions about the Minutes of the 2018 Annual Stockholders' Meeting but none was raised.

The Minutes of the said meeting was thereafter approved as circulated, with the shareholders voting as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	817,591,170	0	0

The following resolution was likewise approved:

“RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of **FIRST ABACUS FINANCIAL HOLDINGS CORP.** held on 27 September 2018 be approved.”

APPROVAL OF 2018 AUDITED FINANCIAL STATEMENTS

The Chairman directed the stockholders to the Annual Report which contains a summary of the operations and the audited financial statements of the Corporation as of 31 December 2018. The Chairman then presented the performance of the Corporation's operations for Year 2018 and reported as follows:

The Company's gain on sale of financial assets for 2018 was noted at ₱90.8 million, representing a decrease of ₱193 million from the ₱284 million it made in 2017. The decrease was partly due to the adoption of a new standard requiring that gain on sale of financial assets through other comprehensive income goes directly to the retained earnings or the equity section of the balance sheet rather than be presented in the profit and loss. A total gain on sale on financial assets totaling to ₱83.7 million was reclassified to the company retained earnings in accordance to the new standards. The company generated a total of ₱30 million in management fees in 2018. In addition, the Company's brokerage business reported a total commission of ₱144 million during the year, representing a decline of ₱12.3 million compared to the ₱156 million recorded last year.

All considered, consolidated revenues for the year stood at ₱286 million, a decrease of ₱188 million from last year's ₱474 million.

Total costs and expenses for the year was noted at ₱632 million, representing an increase of ₱180 million from last year's ₱452 million. The increase in total costs and expenses was brought about by increased finance costs during the year amounting to ₱267 million, up by ₱24 million from last year's ₱243 million, the effect of the lower valuation of financial assets through profit and loss amounting to ₱103 million, and additional provisions to comply with the adoption of new standard amounting to ₱40 million. The newly established online trading platform for our stockbroking business contributed directly to the increase in the company's cost and expenses. Debt servicing continued to comprise a large chunk of the Company's operating expenses. According to the Chairman, since the Company manages long term accounts, additional costs and expenses were made towards strengthening the online stock trading system platform which was launched in 2017. The Company was very optimistic that the cost and effort it has put into strengthening its digital presence, initially by expanding its online trading platform, will yield rewards in a very near term, in addition to ensuring its long-term sustainability.

In summary, the company reported a consolidated net loss of ₱394 million for the year, representing a decline from the ₱19.4 million noted in the previous year.

For the period under review, there was a decrease in total assets amounting to ₱918 million, from ₱6,084 million in December 2017 to ₱5,167 million in December 2018. The decrease in total assets can be attributed to the decrease in the group's accounts receivable amounting to ₱305 million from last year's ₱2,876 million to this year's ₱2,570 million, and the decrease in valuation of Financial Assets at Fair Value Through Profit and Financial Assets at Fair Value Through Other Comprehensive Income amounting to ₱584 million. The decrease in accounts receivable was brought about by the collections and provisions of trade receivables at our cut-off date.

There was a slight decrease noted in total liabilities during the period amounting to ₱102 million was also noted during the period under review bringing total liabilities from ₱4,640 million to ₱4,537 million. The decrease in total liabilities was brought about by the payments in trade customers payables, partially offset by the increase in short term borrowings and other payables.

The decrease in the investment in Financial Assets amounting to ₱584 million and the result of the Company's operations during the period under review had a direct effect on the group's stockholders equity at the end of the period. Total equity at the end of the year amounted to ₱630 million as compared to the ₱1,444 million in 2017.

The possibilities of an upside for the local equities market remained very high on account of the solid economic fundamentals of the Philippines and the continuing popularity of the current administration. Given the Company's strong potentials and the expanded market reach brought about by its reinforced online presence, better

financial performance was anticipated moving forward. Operationally, the Company shall continue to be lean without sacrificing ability to provide the best value to customers. As it has continued to do so in the last four years, the Company would keep an eye on outstanding loans, and subsequently, interest cost and expenses. And as in the past, the Company shall continue to draw strength and inspiration from the support and commitment of its various stakeholders.

Thereafter, the Chairman opened the floor for questions to be raised on the report on the Corporation’s operations.

No questions having been raised, the 2018 Annual Report together with the Audited Financial Statements for the Fiscal Year ended December 31, 2018, upon motion duly made and seconded, was approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	817,591,170	0	0

The following resolution was likewise approved:

“RESOLVED, that the Annual Report of **FIRST ABACUS FINANCIAL HOLDINGS CORPORATION**’s Operations and Results for 2018, together with the Audited Financial Statements for the year ended December 31, 2018, be approved.”

RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS AND OFFICERS

The next item in the agenda was the ratification of the corporate acts.

After the motion to confirm, ratify, and approve all the acts of the Board of Directors and Officers of the Corporation from the date of the last meeting up to date of the present meeting was duly made and seconded, the Chairman opened the floor for issues to be taken up pertaining to the ratification of all corporate acts. No questions or issues, however, were raised about the corporate acts. Accordingly, the motion was then approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	817,591,170	0	0

The following resolution was likewise approved:

“RESOLVED, that all acts of the Board of Directors and Officers of **FIRST ABACUS FINANCIAL HOLDINGS CORPORATION** from the date of the last meeting of the shareholders on 27 September 2018 up to the date of this meeting, are hereby confirmed, ratified and approved.”

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. He noted that the profiles of those nominated for election as members of the Board were included in the Corporation’s Information Statement, as well as in the Annual Report. The information included their age, nationality, qualifications, dates of first appointment and other directorships in publicly-listed companies.

After their nominations were duly made and seconded from the floor, the following stockholders receiving the votes indicated opposite their names were elected as directors for the year 2019-2020, to serve as such until their successors shall have been duly elected and qualified

NOMINEE	NO. OF VOTES RECEIVED
PAULINO S. SOO	817,591,170
JACK T. HUANG	817,591,170
VICENTE CO CHIEN, JR.	817,591,170
JIMMY S. SOO	817,591,170
MA. CRISTINA B. ENCARNACION	817,591,170
MA. THERESE G. SANTOS	817,591,170
JIMMY CHUA ALABANZA	817,591,170

Ms. Santos and Mr. Alabanza were elected to serve as the Corporation's Independent Directors.

APPOINTMENT OF EXTERNAL AUDITOR

As recommended by the Corporation's Audit Committee and approved by the Board of Directors, and upon motion duly made and seconded, the auditing firm of Punongbayan and Araullo was re-appointed as the Corporation's external auditor for the year 2019-2020.

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	817,591,170	0	0

The following resolution was likewise approved:

“RESOLVED, that the auditing firm of Punongbayan and Araullo, be appointed as the **FIRST ABACUS FINANCIAL HOLDINGS CORPORATION**'s external auditor for the year 2019-2020.”

OTHER MATTERS

There were no other matters taken up during the meeting.

ADJOURNMENT

There being no other matter to be discussed, the meeting was, upon motion, duly made and seconded, adjourned.

Attested by:

PAULINO S. SOO
Chairman

ANNA FRANCESCA C. RESPICIO
Corporate Secretary