MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF LT GROUP, INC. HELD ON JUNE 19, 2013 AT THE SATIN ROOM, SEDA HOTEL, TAGUIG AT 10:00 A.M.

I. CALL TO ORDER

The Vice Chairman, Mr. Harry C. Tan, called the meeting to order and, on behalf of the Chairman, Dr. Lucio C. Tan, delivered the message to the body. He explained that the theme for this year's annual report, Growth in Diversity – Strength in Solidarity, described the Company's core being and ambitions and depicted its transformation into a conglomerate with a diversified and enlarged portfolio. He reported that with the enlarged business portfolio, consolidated net income increased eight times to PhP8.7 Billion in 2012 from PhP1 Billion in 2011, and since the announced corporate reorganization, the value of the Company's shares have gone up to as high as seven times its original value. The Vice Chairman thanked the shareholders for the continued trust and belief in the Company. He likewise commended the management and employees for their hard work and loyalty.

Thereafter, the Mr. Harry C. Tan requested the President, Mr. Michael G. Tan, to preside over the rest of the meeting.

II. PROOF OF PRESENCE OF QUORUM

Mr. Michael G. Tan asked the Corporate Secretary, Atty. Ma. Cecilia L. Pesayco, if the required notices of the meeting had been sent to the shareholders. The Corporate Secretary certified that proper notices of the meeting had been sent to all stockholders of record at least fifteen (15) days prior to the date of the Annual Shareholders' Meeting in accordance with the Company's By-laws.

She further certified that there were present, in person or by proxy, a total of 8,356,780,144 shares, equivalent to 77.22% of the Company's 10,821,388,889 total issued and outstanding shares and that a quorum existed for the valid transaction of business as may properly come before the body.

III. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETINGS

The next item in the agenda was the approval of the minutes of the previous shareholders' meetings. The last annual meeting was held on May 2, 2012 and, thereafter, two special meetings were held on July 27, 2012 and September 24, 2012.

Upon motion duly made and seconded, the reading of the Minutes of the Annual Shareholders' Meeting held on May 2, 2012, as well as the Minutes of the two Special Shareholders' Meetings held on July 27, 2012 and September 24, 2012, was dispensed with and the Minutes of the said meetings, as appearing in the minutes book of the Company, were approved.

IV. MANAGEMENT REPORT

The President, Mr. Michael G. Tan presented his report to the body. He started with the new logo of the Company and explained that the mystical symmetrical tree gives out the essence of strength and solidarity. Drawn in Eastern-Oriental style, it hints to the Company's Chinese heritage. The upright trunk and the spread out branches are the symbolic consolidation of the subsidiaries and the stakeholders within two circles, one for continuity, the outer one for solidarity. The President went on to illustrate the growing economy of the country in 2012, growing at 6.6% and outpacing its other Southeast Asian neighbors. This significant growth from 2000 to 2012 is expected to continue on a strong upward trajectory until 2018, and with a first quarter 7.8% growth, the Philippines appears to be on track with this projection.

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By the end of 2012, the Company has completed the acquisition of Asia Brewery, Inc., Fortune Tobacco Corporation, and Eton Properties Philippines, Inc. The folding in of Philippine National Bank (PNB) is expected to be completed by the second half of the year. Together with Tanduay Distillers, Inc., these companies are market leaders in consumer-oriented industries, supported by strong brands and a comprehensive distribution network and with an in-depth understanding and commitment to the Filipino mass market. The President explains that the group's unique exposure to the Philippine consumer sector is its best selling point to investors. Proof of the Company's strong potential for growth and profitability is the recently concluded Follow-On Offering, which raised $912 Million fresh capital from one hundred forty (140) global institutional investors and produced many firsts in Philippine equity deals. The Company is currently valued at PhP240 Billion, a significant leap from the PhP38 Billion market capitalization at the end of 2011.

In line with the Company's dividend policy, the President announced that the Company's Board of Directors approved the payment of a cash dividend of PhP0.15 per share. As to the current financial status of the Company, the President reported that for the first quarter of the year, and with PNB already included, the consolidated net income attributable to shareholdings amounted to PhP3.8 Billion or 50% of the full year 2012 income. This strong performance was made possible by the high trading gains of PNB and the recovery of the property sector, which had offset the weak earnings from the spirits and beverages sector that were affected by the increase in excise taxes.

The President enumerated the Company's long term plan for growth and profitability:

1. Focus on core business and fully capitalize on market leadership positions to benefit from the strong demand growth in consumer-focused businesses. Banking and property sectors shall be recapitalized to sharpen their competitiveness and improve on their market positions.
2. Realize potential synergies between and among the conglomerate's businesses. Cross-selling and cost-sharing shall be maximized to the fullest.
3. Build further the Company's overall distribution network. Export business shall be explored carefully and deliberately.
4. Evaluate new business opportunities that are complementary to the Company's existing businesses and core strengths. Underperforming business segments like insurance and packaging shall be re-tooled to maximize potential.

After the report, the President requested the Company's Chief Financial Officer, Mr. Jose Gabriel D. Olives, to report on the results of the Company's operations and financial performance for the year 2012.

On a restated basis, the Company's consolidated net income attributable to subsidiaries grew by 29.1% from PhP5.8 Billion in 2011 to PhP7.5 Billion in 2012, mainly a result of the 22.1% increase in operating income.

The distilled spirits and beverage segments grew their revenues by 4.2% and 1.6%, respectively. Sales of the property development and tobacco segments declined, however causing the Company's consolidated revenues to go down by 6.5%.

Consolidated operating expenses decreased by 6.6% on account of lower promotional expenses, commissions and freight and handling charges.

Interest income on bank deposits and sales contracts receivables increased but was partially offset by higher interest payments on term loans. Foreign exchange losses substantially increased from PhP1.4 Million in 2011 to PhP108.1 Million in 2012 as the peso value of US dollar denominated receivables decreased due to the appreciation of the Philippine Peso. Another source of income was the PhP491.2 Million excise tax refund received by the tobacco segment from the Bureau of Internal Revenue in 2012.

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The Company's total assets as restated to reflect its enhanced business portfolio amounted to PhP97.6 Billion or an increase by 30.5% from last year's PhP74.8 Billion due to significant movements in cash and cash equivalents, receivables and accounts with related parties. Cash and cash equivalents increased by 72% arising mainly from cash dividends received by the tobacco segment and from the PhP5 Billion equity infusion by the Company's parent company. Receivables increased by 24% mainly due to the significant increase in December sales of alcoholic products in anticipation of the excise tax and related selling price increases in January 2013. Due from related parties increased by PhP11.7 Billion mainly representing advances assigned to the Company in relation to the acquisition of stakes in the property and banking segments.

The consolidated liabilities of LTG grew by 29.1% to PhP45 Billion this year, with Due to Related parties increasing by 110.5% as part of the group's corporate restructuring and consolidation activities. Customers' Deposits also increased by 50% coming from sales bookings on newly opened construction projects. Short-term debt decreased by 22.5% on account of payments made during the year.

Total equity increased by 17.1% to PhP52.6 Billion from PhP39.9 Billion. Capital stock increased by PhP5.4 Billion to PhP9.0 Billion this year due to the additional capital contributions of PhP5.398 Billion on May 2, 2012 and July 27,2012. The increase in retained earnings was due mainly to the net income for the year of P 7.5 Billion. Earnings per share increased to PhP0.85 per share from PhP0.68 per share.

After the reports, and upon motion duly made and seconded, the following was unanimously approved:

<u>STOCKHOLDERS' RESOLUTION NO. 01-13</u>

> **RESOLVED**, that the Shareholders of LT Group, Inc. hereby notes and approves the Management Reports as presented, together with the financial statements for the period ending December 31, 2012.

V. RATIFICATION OF ALL ACTS OF MANAGEMENT IN 2012

The President then requested for the shareholders' confirmation and ratification of all actions and decisions made by Management for the previous year. Thereafter, upon motion duly made and seconded, the following was unanimously approved:

<u>STOCKHOLDERS' RESOLUTION NO. 02-13</u>

> **RESOLVED**, that all resolutions approved by the Board of Directors and acts of Management from May 2, 2012 up to the present, be as they are hereby approved, confirmed and ratified, as if each of such resolutions had been adopted with specific and special authorization by the shareholders in a meeting duly convened and held.

VI. ELECTION OF DIRECTORS

The next item on the agenda was the election of the directors for the year 2013-2014. The Corporate Secretary reported that the Nomination Committee has approved and confirmed the following nominees:

DR. LUCIO C. TAN;
MRS. CARMEN K. TAN;
MR. HARRY C. TAN;
MR. LUCIO K. TAN, JR.;
MR. MICHAEL G. TAN;
MR. WILSON T. YOUNG;

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MS. JUANITA TAN LEE;
ATTY. ESTELITO P. MENDOZA;
MR. ANTONINO L. ALINDOGAN, JR. – Independent Director;
MR. WILFRIDO E. SANCHEZ – Independent Director; and
MRS. FLORENCIA G. TARRIELA – Independent Director

Since there were eleven (11) nominees, corresponding to the number of seats in the Board, the President, upon motion duly made and seconded, instructed the Corporate Secretary to cast the votes equally in favor of the nominated shareholders and declared them as having been elected members of the Board of Directors of the Company.

VII. OTHER MATTERS

After the election of directors, a shareholder inquired as to the reason why the Company is renting an office space in Taguig City. The President explained that the Company has transferred its principal place of business to Taguig for strategic and practical purposes. He clarified that it is leasing an office space as Eton Properties Philippines, Inc., the Company's property development subsidiary, does not have any current project therein.

VIII. ADJOURNMENT

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

CERTIFIED CORRECT:

MA. CECILIA L. PESAYCO
Corporate Secretary

ATTESTED BY:

MICHAEL G. TAN
President/Chairman of the Meeting