MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF LT GROUP, INC. HELD ON JUNE 9, 2014 AT THE SATIN ROOM, SEDA HOTEL, TAGUIG AT 10:00 A.M.

DIRECTORS PRESENT

LUCIO C. TAN
HARRY C. TAN
LUCIO K. TAN, JR.
MICHAEL G. TAN
JUANITA TAN LEE
WASHINGTON Z. SYCIP
ANTONINO L. ALINDOGAN, JR.
FLORENCIA G. TARRIELA

I. CALL TO ORDER

The Chairman, Dr. Lucio C. Tan, called the meeting to order. Thereafter, he 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 Stockholders. The Corporate Secretary certified that proper notices of the meeting had been sent to all Stockholders of record at least fifteen (15) business days prior to the date of the Annual Stockholders' Meeting, in accordance with Rule 20 of the Securities Regulation Code.

She further certified that there were present, in person or by proxy, a total of 10,250,143,919 shares, equivalent to 94.72% 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 reading and the approval of the minutes of the previous Annual Stockholders' Meeting. The last annual meeting was held on June 19, 2013. The matters discussed in the previous meeting were summarized in the Information Statement that was earlier distributed to the Stockholders of the Company.

Upon motion duly made and seconded, the reading of the Minutes of the Annual Stockholders' Meeting held on June 19, 2013 was dispensed with and the Minutes of the said meeting, as appearing in the minutes book of the Company, was approved.

IV. MANAGEMENT REPORT

The President thereafter opened the floor for questions on the Management Report that was included in the Information Statement that was distributed to the Stockholders. There being no questions during the meeting, and upon motion duly made and seconded, the Management Report, as reflected in the Annual Report of the Information Statement, together with the financial statements for the period ending December 31. 2013, were noted and approved.

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After the approval of the Management Report, the Chairman of the Company delivered his message to the Stockholders, and after which Mr. Michael G. Tan presented his report.

Mr. Michael G. Tan reported that the Company's financial performance remained robust in the earlier part of 2013, which enabled the Company to realize an attributable net income of PhP6.1 Billion in the first six months of 2013, about a billion pesos more than the first half of 2012. However, earnings for the rest of the year were substantially affected by stiff competition in the various industries where the Company's subsidiaries operate.

For the year 2013, the Company's business reported a consolidated net income of PhP11.5 Billion, 31% more than the PhP8.7 Billion reported in 2012. Attributable net income to the Company amounted to PhP8.7 Billion, 15% higher than the PhP7.5 Billion generated in 2012, mainly due to the inclusion of the Philippine National Bank (PNB) to the group. Major contributor was the tobacco business, through Fortune Tobacco Company (FTC), at PhP3.9 Billion, followed by the banking segment at PhP3.4 Billion, which comprised 45% and 40%, respectively, of the total attributable net income. Asia Brewery, Inc. (ABI), or the beverage segment, accounted for PhP1.0 Billion, while Tanduay Distillers, Inc. (TDI), the Company's distilled spirits business, added PhP185 Million. Eton Properties Philippines, Inc. (Eton), the real estate development business of the Company, provided PhP104 Million.

Mr. Michael G. Tan proceeded to discuss each of the Company's businesses.

TOBACCO

The tobacco business faced an unprecedented increase in excise tax in 2013. At the start of the year, the Company's partner, Philip Morris International (PMI), expected sales volume to go down by 20% to 25% due to higher cigarette prices, but expected earnings to remain flat year-on-year.

In the first quarter of 2013, the Company's equity in net earnings from PMFTC, the merged FTC and PMI, amounted to PhP1.57 Billion, slightly higher than the 2012's first quarter of PhP1.51 Billion. However this healthy competitive environment changed due to the illicit trade from a competitor that kept the price of super low cigarettes at an economically unsustainable level of PhP1 per stick (or a price to retailers of PhP14.70 per pack), and which prevented PMFTC from operating in a level playing field. As a result of this, many consumers down-traded to the more affordable super low priced cigarettes. To try to reverse the downward trend of its market share, PMFTC started lowering prices at the end of the first quarter, but moved up prices and reduced pricing support of the lowest-priced brands toward the end of the third quarter to tactically balance volume and profitability.

By the end of 2013, LTG's equity in net earnings from PMFTC decreased by 43% year-on-year as sales volume declined by 26% and tax-paid market share dropped to an average of 79% for 2013 from 91% in 2012, based on PMI's estimates.

BANKING

The year 2013 was significant for PNB, with its merger with Allied Banking Corporation. This pushed PNB's ranking to fourth largest bank in the country in terms of Total Assets, Total Deposits and Total Loans. Similar to most Philippine banks in 2013, PNB generated substantial trading gains in the first four months of the year, and boosted earnings. PNB's trading gains amounted to PhP7.2 Billion in 2013.

Due however primarily to super typhoon Haiyan/Yolanda, PNB's insurance subsidiary suffered an PhP868 Million loss (or PhP608 Million net of tax) that was booked in the fourth quarter of the year, which caused PNB's income in 2013 to amount to only PhP6.2 Billion, 4% lower than the previous year.

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PNB had a Stock Rights Offering in mid-February 2014 that raised a total of PhP11.6 Billion. The Company subscribed to the Offering to the extent of its beneficial ownership. PhP10 Billion of the proceeds will be used to recapitalize PNB Savings Bank, which will be used to grow the Bank's consumer loan business.

BEVERAGE

Cobra, remains the highest contributor to ABI's revenues. It continues to be the market leader with a share of over 70%. Likewise, ABI's water brands, Absolute and Summit, as well as Tanduay Ice, maintain their own market leadership in the bottled water and the alcopop markets, respectively. Recently ABI re-launched Colt 45, and has intensified market efforts for its alcoholic beverages.

Vitamilk, ABI's soymilk drink under an exclusive distribution agreement with Green Spot of Thailand, is the country's leading soymilk brand, with around 70% market share. ABI is currently constructing its own plant to manufacture soymilk in the Philippines.

In 2013, ABI strengthened its product portfolio with the launch of Sunkist as its main entry in the carbonated softdrinks market. It has also started to manufacture, under a licensing agreement, ready to drink Nestea.

ABI plans to expand further to other types of beverages, both alcoholic and non-alcoholic, and take advantage of its exclusive nationwide distribution network, which reaches over 500,000 points of sale.

DISTILLED SPIRITS

TDI operated in a difficult environment in 2013 as the distilled spirits industry suffered an overall 5% decline in sales volume based on Nielsen estimates. Aside from substantially higher excise taxes, TDI had to contend with stiff competition and higher alcohol prices.

In August 2013, TDI launched a premium product, Tanduay Asian Rum in the United States, while in mid-November 2013, TDI launched Compañero brandy blend in Metro Manila to compete with other brandy blends in the market, and appeal to a wider range of consumers. By the end of 2013, approximately a hundred thousand cases of Compañero had been sold.

TDI's overall market share dropped to 23% as of the end of 2013, from 26% in December 2012. However it still has the largest share in the Visayas-Mindanao market at 58% as of yearend-2013.

PROPERTY DEVELOPMENT

Eton's revenues for 2013 increased by 36%, largely due to the construction completion of ongoing residential projects, which resulted in a 2013 bottom line of PhP105 Million from a PhP47 Million bottom line in 2012.

In 2013, Eton focused on re-master planning its two township projects, Eton City in Laguna and Eton Centris in Quezon City. The Company has put on hold the construction of some residential projects for redesign and enhancements. The bulk of Eton's revenues currently come from the sale of horizontal and vertical projects, with rental income accounting for about 12% in 2013.

Eton plans to increase its leasing portfolio by developing more BPO office buildings to provide a recurring income stream and account for a larger portion of revenues in the future. In January 2014, Eton started turning over the BPO office spaces in

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Cyberpod Centris Three at Eton Centris, in Quezon City. This is the third BPO office building at Eton Centris, and has increased its leasing portfolio of office and retail space to over 150,000 square meters.

Mr. Michael G. Tan also reported that for the first quarter of 2014, the Company posted an attributable net income of PhP1.61 Billion. PNB contributed PhP748 Million or 46% of total attributable net income, followed by the tobacco business at PhP576 Million or 36% of the total attributable net income. ABI accounted for PhP263 Million, while Eton added PhP29 Million. TDI realized a loss of PhP11 Million as it invests in acquiring market share, while Other Income accounted for the balance of PhP8 Million.

Despite some positive developments in the tobacco industry, the illicit trade that has kept prices abnormally low remains an obstacle to a level playing field that will enable PMFTC to grow profitability over time. The Company looks forward to the implementation of tax stamps towards the end of the second quarter of 2014, but however will continue to work for the implementation of additional safeguards against the illicit trade.

There is no increase in the excise tax for distilled spirits in 2014 which will help stabilize prices and the industry's volumes. With respect to the banking industry, it is operating in a low-interest rate regime and the absence of substantial trading gains will make it more difficult to grow earnings. Increasing exposures in consumer loans while implementing the Bank's integration program should result in higher profitability and future cost savings for PNB.

Mr. Michal G. Tan commented that consumer spending is expected to remain strong, with the food and non-alcoholic beverage segments continuing to account for a large share of household expenditures. This is beneficial for ABI's various products, as it brings, as well, opportunities to expand.

V. RATIFICATION OF ALL ACTS, TRANSACTIONS AND RESOLUTIONS BY THE BOARD OF DIRECTORS AND MANAGEMENT IN 2013

After his report, the President then requested for the Stockholders' confirmation and ratification of all acts, resolutions and investments of the Board of Directors and Management for the year 2013. A summary of the acts, resolutions and investments of the Board and Management for the year was contained in the Information Statement distributed to the Stockholders. Upon motion duly made and seconded, the Stockholders confirmed and ratified all such acts, proceedings, transactions and resolutions of the Board of Directors and Management for the year ending December 31, 2013.

VI. AMENDMENT OF THE ARTICLES OF INCORPORATION

a. Change of Principal Office

The next item in the Agenda was the amendment of Article Three of the Articles of Incorporation to reflect the change in the principal place of business of the Company from "Metro Manila, Philippines" to "11th Floor Unit 3, Bench Tower, 30th Street corner Rizal Drive, Crescent Park West 5, Bonifacio Global City, Taguig City, Metro Manila, Philippines". The said amendment was being proposed to comply with Memorandum Circular No. 6, Series of 2014, issued by the Securities and Exchange Commission. As there were no questions on the proposal, upon motion duly made and seconded, the Stockholders approved the amendment of the Company's Articles of Incorporation, *viz*:.

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STOCKHOLDERS' RESOLUTION NO. 01-14

RESOLVED, as it is hereby resolved, that the principal office address of the Corporation be specified in its Articles of Incorporation

RESOLVED, FURTHER, that the Third Article of the Corporation's Articles of Incorporation be hereby amended to read as follows:

> THIRD: That the place where the principal office of the Corporation is to be established or located is at the 11th Floor Unit 3, Bench Tower, 30th Street corner Rizal Drive, Crescent Park West 5, Bonifacio Global City, Taguig City, Metro Manila, Philippines.

b. Increase in the Number of Directors

The next item in the Agenda was the amendment of Article Six of the Articles of Incorporation to reflect the increase in the number of directors from eleven (11) to thirteen (13). The President opened the floor for questions on the proposed amendment.

As there were no questions asked, upon motion duly made and seconded, the following resolution was approved:

BD RESOLUTION 02-14

RESOLVED, as it is hereby resolved, that the number of directors of the Corporation be as it is hereby increased from eleven (11) to thirteen (13).

RESOLVED, FURTHER, that the Sixth Article of the Corporation's Articles of Incorporation be hereby amended to read as follows:

> **SIXTH:** That the number of directors of said Corporation shall be thirteen (13) and the name and residences of the directors of the Corporation who are to serve until their successors are elected and qualified are as follows:

VII. ELECTION OF DIRECTORS

Next in the agenda was the election of the directors for the year 2014-2015. The Corporate Secretary reported that, in anticipation of the increase in the number of directors, the Nomination and Compensation Committee has approved the nomination of thirteen (13) individuals as directors of the Company for the year 2014-2015, of which eleven (11) shall immediately assume office while the remaining two (2) nominees shall assume office upon the approval by the Securities and Exchange Commission of the amendment of Article Six of the Articles of Incorporation.

The Corporate Secretary announced the names of the eleven (11) directors that shall immediately assume office once elected:

Dr. Lucio C. Tan
Mr. Harry C. Tan
Ms. Carmen K. Tan
Mr. Lucio K. Tan, Jr.
Mr. Michael G. Tan
Ms. Juanita Tan Lee

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Mr. Washington Z. Sycip
Mr. Antonino L. Alindogan, Jr.
Atty. Wilfrido E. Sanchez
Ms. Florencia G. Tarriela
Mr. Joseph T. Chua

The two (2) nominees who shall assume office once the amendment of the Articles of Incorporation is approved by the Securities and Exchange Commission are:

Mr. Peter Y. Ong
Mr. Robin C. Sy

Ms. Florencia G. Tarriela, Mr. Antonino L. Alindogan, Jr., Atty. Wilfrido E. Sanchez, and Mr. Robin Sy were nominated as independent directors.

Thereafter, upon motion duly made and seconded, taking into consideration the voting instructions received through proxies submitted to the Office of the Corporate Secretary and the votes cast in person during the meeting, the Corporate Secretary declared the 13 nominees with the highest number of votes as follows:

Dr. Lucio C. Tan
Mr. Harry C. Tan
Ms. Carmen K. Tan
Mr. Lucio K. Tan, Jr.
Mr. Michael G. Tan
Ms. Juanita Tan Lee
Mr. Washington Z. Sycip
Mr. Antonino L. Alindogan, Jr.
Atty. Wilfrido E. Sanchez
Ms. Florencia G. Tarriela
Mr. Joseph T. Chua
Mr. Peter Y. Ong
Mr. Robin C. Sy

Mr. Michael G. Tan then asked the body for any question, clarification or comments that they may wish to ask. No question, clarification or comments were heard from the floor.

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:

LUCIO C. TAN
Chairman