



# **METRO GLOBAL HOLDINGS CORPORATION**

Mezzanine Floor Renaissance Towers  
Meralco Avenue, Ortigas Center  
Pasig City, Philippines

NOTICE

AND

INFORMATION STATEMENT

for the

2018 Annual Stockholders' Meeting on  
November 22, 2018, Thursday, 9:00 AM  
Batanes Function Room, Edsa Shangri-la Hotel  
1 Garden Way, Ortigas Center, Mandaluyong City, Philippines

# Metro Global Holdings Corporation

Mezzanine Floor, Renaissance Tower, Meralco Avenue, Ortigas Center Pasig City

## NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that METRO GLOBAL HOLDINGS CORPORATION (the "Company") will hold its Annual Stockholders' Meeting at the Batanes Function Room, Edsa Shangri-La Hotel, 1 Garden Way, Ortigas Center, Mandaluyong City, Philippines on **22 November 2018 (Thursday) at 9:00 o'clock** in the morning with the following:

### A G E N D A

1. Call to Order
2. Determination and Certification of Quorum
3. Approval of the Previous Meeting Held on 13 September 2007
4. Report of the Chairman
5. Approval of the Audited Financial Statements for the calendar years ended 31 December 2008 to 31 December 2017
6. Certification and Ratification of Corporate Acts for the years 2008 to 2017
7. Election of Directors (including Independent Directors)
8. Election of External Auditor
9. Amendment of the Articles of Incorporation to:
  - a) Increase the capital stock of the Corporation from ₱2,000,000,000.00 to ₱5,000,000,000.00
  - b) Expand the Primary Purpose of the Corporation to include businesses engaged in solar, wind and other renewable energy generation facilities.
10. Other matters
11. Adjournment

Only stockholders of record at the close of business on October 16, 2018 are entitled to notice of and to vote at this meeting.

  
GILBERT RAYMUND T. REYES  
Corporate Secretary

-----We are not soliciting your proxy. However, if you would be unable to attend the meeting but would like to be represented thereat, you may accomplish the herein proxy form and submit the same on or before 9 November 2018 to the Office of the Corporate Secretary at Poblador Bautista & Reyes Law Office, 4<sup>th</sup> Floor, SEDDCO Building, Rada Street, Legaspi Village, Makati City. Validation of proxies shall be held on 15 November 2018 at 9:00am at the Office of the Corporate Secretary. Thank you.

SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS  
INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box

☒ Preliminary Information Statement

☐ Definitive Information Statement

2. Name of registrant as specified in its charter: **METRO GLOBAL HOLDINGS CORPORATION**

3. **Metro Manila, Philippines**

Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: **9142**

5. BIR Tax Identification Code: **000-194-408-000**

6. Address of Principal Office: **Mezzanine Floor, Renaissance Towers  
Meralco Avenue, Pasig City 1604**

7. Registrant's Telephone Number, including area code: **(+632) 633-6205**

8. Date, time and place of the meeting of security holders

Date	<b>22 November 2018</b>
Time	<b>9:00 a.m.</b>
Place	<b>Batanes Function Room, Edsa Shangri-La Hotel, 1 Garden Way, Ortigas Center, Mandaluyong City, Philippines</b>

9. Approximate date on which the Information Statement is first to be sent or given to security holders.

Date	<b>23 October 2018</b>
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10. Securities registered pursuant to Section 4 & 8 of the RSA (as of 30 September 2018)

Title of Each Class	Number of Shares Outstanding of Common Stock or Amount of Debt Outstanding
Common Shares	2,000,000,000
Amount of Debt Outstanding	P1,590,674,553

11. Are any or all registrant's securities listed in the Philippine Stock Exchange

Yes [ ☒ ]      No [ ☐ ]

299,850,000 common shares are listed on the Philippine Stock Exchange ("PSE")

# PROXY

The undersigned shareholder(s) of **METRO GLOBAL HOLDINGS CORPORATION**, (the "Company") hereby appoint/s \_\_\_\_\_ or in his absence, the Chairman of the Annual Shareholders' Meeting, as proxy of the undersigned shareholder(s) at the annual Meeting of Shareholders scheduled on 22 November 2018 at 9:00 in the morning at the Batanes Function Room, Edsa Shangri-La Hotel, 1 Garden Way, Ortigas Center, Mandaluyong City, Philippines and/or at any postponement or adjournment thereof, and/or any annual shareholders' meeting of the Company, which appointment shall not exceed five (5) years from date hereof.

The undersigned shareholder(s) hereby direct/s the said proxy to vote all shares on the agenda items set forth below as expressly indicated by marking the same with [✓] or [x]:

ITEM NO.	SUBJECT	ACTION		
		FOR	AGAINST	ABSTAIN
3	Approval of the Previous Meeting Held on 13 September 2007			
5	Approval of the audited Financial Statements for the calendar years ended 31 December 2008 to 31 December 2017			
6	Certification and Ratification of Corporate Acts for the years 2008 to 2017			
7	Election of Directors (including Independent Directors) for the ensuing year:			
	Robert John L. Sobrepeña			
	Ferdinand T. Santos			
	Noel M. Cariño			
	Rafael Perez De Tagle, Jr.			
	Roberto S. Roco			
	Jaime M. Cacho			
	Alice Odchigue-Bondoc			
	Francisco C. Gonzalez (Independent Director)			
	Eduardo Santos (Independent Director)			
8	Election of External Auditor			
9	Amendment of the Articles of Incorporation to: a) Increase the capital stock of the Corporation from ₱2,000,000,000.00 to ₱5,000,000,000.00 b) Expand the Primary Purpose of the Corporation to include businesses engaged in solar, wind, and other renewable energy generation facilities.			

Printed Name of Shareholder	Signature of Shareholder/ Authorized Signatory	Number of Shares to be represented	Date
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This proxy should be received by the Corporate Secretary not later than end of business hours on 9 November 2018. For corporate stockholders, please attach to this proxy form the Secretary's Certificate on the authority of the signatory to appoint the proxy and sign this form.

This proxy when properly executed will be voted in the manner as directed herein by the shareholder/s. If no direction is made, the proxy will be voted for the election of all nominees and for the approval of all matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement.

A shareholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the shareholder attends the meeting in person and expressed his intention to vote in person.

This proxy does not need to be notarized.

**PART I**

**INFORMATION REQUIRED IN INFORMATION STATEMENT**

**A. GENERAL INFORMATION**

**Item 1. Date, time and place of meeting of security holders (hereinafter the "annual stockholders' meeting" or "meeting")**

(a)	<b>Date</b>	22 November 2018
	<b>Time</b>	9:00 a.m.
	<b>Place</b>	Batanes Function Room, Edsa Shangri-La Hotel, 1 Garden Way, Ortigas Center, Mandaluyong City, Philippines
	<b>Principal Office</b>	Mezzanine Floor, Renaissance Towers, Meralco Avenue, Pasig City, 1604 Philippines.

(b) **The approximate date on which the Information Statement will be first sent or given to security holders:**

**Date** 23 October 2018

**WE ARE NOT ASKING FOR A PROXY  
AND YOU ARE REQUESTED NOT TO SEND US A PROXY**

**Item 2. Dissenters' Right of Appraisal**

A shareholder has the right to dissent and demand payment of the fair value of his shares in the following instances stated in the Corporation Code, to wit:

- (1) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence. (Sec. 81);
- (2) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets (Sec. 81);
- (3) In case of merger or consolidation of the Corporation with or into another entity (Sec 81); and
- (4) In case of any investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized (Sec. 42)

There are no matters to be acted upon that may give rise to appraisal rights under the Corporation Code.

**Item 3. Interest of Certain Persons in, or Opposition to Matters to be Acted Upon**

- (a) No person who has been a director or officer of the Company, at any time since the beginning of the last fiscal year, or nominee for election as a director of the Company or associates thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the meeting, other than election to office.
- (b) None of the directors of the Corporation has informed the Corporation that he intends to oppose any action to be taken at the annual stockholders' meeting.

## B. CONTROL AND COMPENSATION INFORMATION

### Item 4. Voting Securities and Principal Holders Thereof:

#### (a) Number of Shares Outstanding as of 30 September 2018

Common Shares      2,000,000,000

**Number of Votes Entitled:** one (1) vote per share

#### (b) All stockholders of record as of 16 October 2018 are entitled to notice of and to vote at the annual stockholders' meeting

#### (c) Manner of Voting

Under Article V, Section 6 of the By-Laws of the Company, at every meeting of the stockholders of the Company, each share of stock entitles the person in whose name it is registered in the books of the Corporation to one vote provided the shares have not been declared delinquent.

Article V, Section 7 of the By-Laws of the Company provides that the election of Directors shall be by ballot when requested by a voting stockholder, and each stockholder entitled to vote may such number of votes to which the number of Directors to be elected, multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of Directors to be elected. This procedure for voting in the election of Directors is also reflected in the Voting Procedures for Election of Directors in Item 19 of this Information Statement.

#### (d) Security Ownership of Certain Record and Beneficial Owners and Management

i. Security ownership of Record and Beneficial owners owning more than Five Percent (5%) of any class of the Company's voting securities as of 30 September 2018:

Title Of Class	Name and address of Record Owner and relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (Based on total shares)
Common	Fil-Estate Management, Inc. <sup>1</sup> Mezzanine Floor Renaissance Tower, Meralco Ave. Ortigas, Pasig City	Fil-Estate Management, Inc. <sup>2</sup>	Filipino	1,757,690,198	87.885%
Common	PCD Nominee Corp. (Filipino) <sup>3</sup> 6/F MKSE Bldg. Ayala Avenue, Makati City	PCD participants acting for themselves or for their customers <sup>4</sup>	Filipino	100,579,633	5.029%

#### ii. Security Ownership of Management

As of 30 September 2018, the Directors and Executive Officers of the Corporation are the beneficial owners of the following number of shares:

<sup>1</sup> Fil-Estate Management, Inc. ("FEMI") is the parent of the Company.

<sup>2</sup> Under the By-Laws and Corporation Code, the FEMI Board has the power to decide how FEMI's shares are to be voted.

<sup>3</sup> PCD is not related to the Company.

<sup>4</sup> Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant. The Company has no record relating to the power to decide how the shares held by PCD are to be voted.

Title of Class	Name of Beneficial Owner	Citizenship	Amount and Nature of Beneficial Ownership	Percent of Class (of total outstanding shares)
<b>Directors</b>				
Common	Robert John L. Sobrepena	Filipino	241,000 (direct)	.013%
Common	Ferdinand T. Santos	Filipino	1,000 (direct)	.00005%
Common	Noel M. Cariño	Filipino	1,506,500 (direct)	.075%
Common	Jaime Cacho	Filipino	1 (direct)	.000%
Common	Alice Odchigue-Bondoc	Filipino	1 (direct)	.000%
Common	Roberto S. Roco	Filipino	1 (direct)	.00005%
Common	Rafael Perez de Tagle Jr.	Filipino	1,000 (direct)	.00005%
Common	Eduardo R. Santos	Filipino	1 (direct)	.000%
Common	Francisco C. Gonzalez	Filipino	1,000 (direct)	.00005%
<b>Other Executive Officers</b>				
Common	Gilbert Raymund T. Reyes ITF for various shareholders	Filipino	1,903,514 (direct)	
	<b>TOTAL</b>		<b>3,653,018,</b>	<b>.08753%</b>

None of the members of the Company's directors and management owns 2.0% or more of the outstanding capital stock of the Company.

**iii. Voting Trust Holders of 5% or more**

The Company knows of no persons holding more than 5% of common shares under a voting trust or similar arrangement.

**iv. Changes in Control**

No change of control in the Company has occurred since the beginning of the last fiscal year. There are no arrangements with any party which may result in a change in the control of the Company.

**Item 5. Directors and Executive Officers**

**(a) Information required of Directors and Executive Officers**

**i. Directors and Executive Officers**

The following have been nominated as members of the Board of Directors for the ensuing year, including the Independent Directors:

Name	Age	Citizenship	Executive Position	Term	Years Served
Robert John L. Sobrepeña	63	Filipino	Chairman of the Board	22	1996 - 2018
Ferdinand T. Santos	67	Filipino	President	22	1996 - 2018
Noel M. Cariño	63	Filipino	Director	22	1996 - 2018
Jaime Cacho	61	Filipino	Director	1	2018
Francisco C. Gonzalez	74	Filipino	Director, Independent	8	2010 - 2018
Rafael Perez de Tagle, Jr.	63	Filipino	Director	18	2000 - 2018
Alice Odchigue-Bondoc	51	Filipino	Director	14	2004-2018
Roberto S. Roco	65	Filipino	Director	14	2004 - 2018
Eduardo Santos	64	Filipino	Director, Independent	4	2014 - 2018
Gilbert Raymund T. Reyes	60	Filipino	Corporate Secretary	15	2003 - 2018

Under the Section 2, Article III of the By-laws of the Corporation, the nomination of directors, including independent directors, shall be conducted by the Nomination Committee at least thirty (30) days prior to the date of the annual stockholders' meeting. All recommendations shall be signed by the stockholders making the nomination and should have the written acceptance and conformity of the nominees.

The Nomination and Election Committee shall pre-screen the qualifications and prepare a final list of candidates for directors, specifying the nominated independent directors. For this purpose, the Nomination and Election Committee shall promulgate such screening policies and parameters to enable it to effectively review the qualifications of the nominees.

The Nomination and Election Committee shall prepare a Final List of Candidates in accordance with Part IV(A), and (C) of SRC Rule 12 and other applicable rules, or any subsequent amendments thereof. The Final List of Candidates shall be made available to the Securities and Exchange Commission and to all stockholders through the filing and distribution of the Information Statement or Proxy Statement in accordance with applicable rules. The name of the stockholder who nominated the candidate for director or independent director shall be identified in such report. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors and independent directors. Nomination made after the issuance of the Final List of Candidates, or during the annual stockholders' meeting, shall not be allowed.

The Final List of Candidates presented by the Nomination and Election Committee of the Corporation included the names of the incumbent Directors of the Corporation as nominees of Fil-Estate Management, Inc. for directorships for the ensuing year.

Section 1, Article III of the By-Laws of the Corporation provide that the business and property of the Corporation shall be managed by a Board of nine (9) directors who shall be stockholders and who shall be elected at each annual meeting of the stockholders in the manner provided therein for a term of one (1) year and shall serve until their successors are elected and duly qualified. At all times, at least two (2) Directors shall be independent directors, as the term is defined by law or regulation, or such number of independent directors as to constitute at least twenty percent (20%) of the members of the Board, whichever is lesser. Twenty percent (20%) of nine directors results to an allocation of one board seat for an independent director.

**Business Experience of the Directors and Executive Officers of the Corporation during the past five (5) years:**

**MR. ROBERT JOHN L. SOBREPEÑA**, Filipino, age 63, is the Chairman of the Board of the Company. He is the Chairman of the Board of Fil-Estate Management, Inc., Fil-Estate Properties, Inc., Metro Rail Transit Corporation MRT Development Corporation, Monumento Rail Transit Corporation, CJH Development Corporation, CJH Hotel Corporation, CJH Suites Corporation, CJH Leisure, Inc., Club Leisure Management Corporation, Metro Countrywide Corporation, Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, MGHC Royalty Holdings Corporation and Philippine Highlands Coffee Farms, Inc.. He is also Vice-Chairman of Southwoods Ecocentrum Corporation. He is likewise the Chairman of Manila Southwoods Golf & Country Club, Inc. and Camp John Hay Golf Club, Inc. He is also President of The Forest Hills Golf & Country Club, Inc.. He graduated with a Bachelor's Degree in Science major in Psychology and Marketing from the De La Salle University in 1978.

**ATTY. FERDINAND T. SANTOS**, Filipino, age 67, is the President and Chief Risk Officer of the Company. He is also the President of Fil-Estate Management, Inc., Fil-Estate Development, Inc., MRT Development Corporation, Monumento Rail Transit Corporation, MGHC Royalty Holdings, Inc., CJH Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. He is a Director of Global-Estate Resorts, Inc. He is also the Chairman of the Forest Hills Golf & Country Club, Inc., He is likewise the President of Fairways & Bluewater Resort, Golf & Country Club, Inc. and Camp John Hay Golf Club, Inc. He took his Bachelor of Arts at Arellano University in 1970. He has a Bachelor of Law degree from San Beda College where he graduated Valedictorian and Magna Cum Laude in 1974. He was a top notcher in the 1974 Philippine Bar Exam (2<sup>nd</sup> Placer).

**MR. NOEL M. CARINO**, Filipino, age 63, is a Director of the Company. He is also a Director in Fil-Estate Management, Inc., Fil-Estate Development, Inc., CJH Development Corporation, CJH Hotel

Corporation and CJH Suites Corporation. He was past Chairman and currently serves as President of the Chamber of Real Estate and Builders Association (CREBA), an umbrella organization of various stakeholders in the construction, real estate and development industry, inclusive of architects, engineers, planners and other real estate brokers practitioners. He is Chairman of SunAsia, Inc., a renewable energy holding company. He is also Chairman of MegaWatt Solutions, Inc., a technology company pioneering in utilizing energy storage solutions. As CREBA President, he is Conferrer of the Dela Salle University Executive Development Program in Real Estate Management.

**MR. RAFAEL PEREZ DE TAGLE Jr.**, Filipino, age 63, is also a Director of the Company. He is also Chairman of Metro Countrywide Corporation and Vice-Chairman of Metro Solar Power Solutions, Inc.. He is the President of CJH Leisure, Inc. and Club Leisure Management, Inc.. He also serves as Director in Metro Rail Transit Corporation, Monumento Rail Transit Corporation, MRT Development Corporation, Fil-Estate Mangement, Inc., CJH Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. He is also a Director of the Manila Southwoods Golf & Country Club, Inc., Camp John Hay Golf Club, Inc. and Forest Hills Golf & Country Club, Inc. He obtained his Bachelor of Arts major in Economics degree from De La Salle University in 1976.

**MR. JAIME M. CACHO**, Filipino, age 61, is a Filipino citizen. Holds a Bachelor of Arts Degree Major in Communication Arts from De La Salle University, Manila in 1978. Mr. Cacho also has a Master in Business Administration (Candidate) from the Ateneo Graduate School of Business, Manila in 1983. At present, Mr. Cacho is President and Chief Operating Officer of Metro Countrywide Corporation and Metro Solar Power Solutions, Inc. He is also a Director of CJH Development Corporation. He is also concurrently, Head of Project Development and Management Services for Fil-Estate Management, Inc.. Mr. Cacho has over 39 years of top-level management and construction experience earned throughout his career.

**MR. FRANCISCO C. GONZALEZ**, Filipino, age 74, is the Chairman of the Board and CEO of Romago Corporation and Fabriduct & Metal Systems, Inc. He is the Chairman of the Board of Romago, Inc. Guam and Electro Mechanical Products International, Inc. He also serves as President of Asia Pacific Golf Cars Corporation. He is also a director and serves as Chairman of the Membership Committees of The Manila Southwoods Golf & Country Club, Inc. and Camp John Hay Golf Club, Inc.

**MR. ROBERTO S. ROCO**, Filipino, age 65, is a Director of the Company. He was the Chief Financial Officer of Global-Estate Resorts, Inc. and its affiliate companies for 18 years until his retirement in late 2013. He graduated from Ateneo de Manila University with a degree in Bachelor of Science in Management.

**ATTY. ALICE ODCHIGUE-BONDOC**, Filipino, age 51, is also Senior Vice President for Good Governance, Compliance Officer, Corporate Information Officer and Assistant Corporate Secretary of the Company. She is also the Senior Vice President for Corporate & Legal Affairs of the Company's parent company, Fil-Estate Estate Management, Inc. and affiliate companies, Fil-Estate Development, Inc. and New North Fairview Realty & Development, Inc. She is the Director for Corporate & Legal Affairs and Assistant Corporate Secretary of Camp John Hay Development Corporation, CJH Hotel Corporation and CJH Suites Corporation. She is also the Chief Legal Officer and Corporate Secretary of Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, MGHC Royalty Holdings Corporation and Metro Countrywide Corporation. She is also the Corporate Secretary of Club Leisure Management Corporation and CJH Leisure, Inc.. She took her Bachelor of Science in Business Management major in Legal Management at Ateneo de Manila University and graduated Honorable Mention and Departmental Awardee of the Department of Legal Management in 1987. She holds a Doctor of Jurisprudence degree from Ateneo de Manila University School of Law and graduated as Second Honor-Silver Medal Awardee in 1992.

**EDUARDO R. SANTOS**, Filipino, age 64, is a Real Estate Broker with PRC License No. 10222 since 1991. He is presently an active member of the Real Estate Brokers Association of the Philippines (REBAP), Greenhills Chapter, of which he was Past President for 2010. He also serves as Director of Lagmandy Trading Corporation. is a radio broadcaster (music) since 1997 and a Director/Chair for Peace & Order for the Horseshoe Village Homeowners Association since 2009.

He graduated with a degree in Bachelor of Science in Commerce major in Business Administration at the University of Santo Tomas.

**ATTY. GILBERT RAYMUND T. REYES**, Filipino, age 60, has been the Corporate Secretary of the Company since 2003. He is a founding partner of the Poblador Bautista and Reyes Law Offices. He is also the Corporate Secretary of CJH Development Corporation, CJH Hotel Corporation, and CJH Suites Corporation. He graduated with a degree in Bachelor of Science in Biology from the University of the Philippines in 1979. He also holds a Bachelor of Laws degree from the University of the Philippines College of Law, graduating with Magna Cum Laude in 1983.

**RAMON G. JIMENEZ**, Filipino, age 59 is the Chief Financial Officer of the Company. He is also the Controller/Vice-President for Accounting of Fil-Estate Management, Inc.. He is a Director in Metro Solar Power Solutions, Inc., Metro Global Renewable Energy Corporation, MGHC Royalty Holdings Corporation, Metro Countrywide Corporation, Metro Countrywide Holdings, Inc., CJH Development Corporation, Camp John Hay Leisure, Inc., Club Leisure Management Corporation, Fil-Estate Realty Corporation and Magna Ready Mix Concrete Corporation. He graduated with a degree in Bachelor of Science in Commerce major in Accounting at the Polytechnic University of the Philippines.

**SOLITA S. ALCANTARA**, Filipino, age 57, is the Chief Audit Executive of the Company. She concurrently holds the position of Vice President for Internal Audit of Fil-Estate Management, Inc. (FEMI) and affiliate companies. She is a Certified Internal Auditor and a Certified Public Accountant with over 30 years of solid experience in internal audit, accounting, treasury and budgeting. She graduated with a degree in Bachelor of Science in Commerce major in Accounting from Polytechnic University of the Philippines in 1981. She has earned units of Master's Degree in Business Administration from De La Salle University.

**ii. Significant Employees**

The Company has no employee who is not an executive officer who is expected by the Company to make a significant contribution to the business. The Company's business is not highly dependent on the services of any key personnel.

**iii. Family Relationships**

There are no family relationships among directors, executive officers or persons nominated to become directors or executive officers.

**iv. Involvement in Certain Legal Proceedings**

The Company has no knowledge of any of the following events that occurred during the past five (5) years up to the date of this report which are material to an evaluation of the ability or integrity of any director or executive officer:

- (a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; or
- (b) Any conviction by final judgment in a criminal proceeding, domestic or foreign;
- (c) Any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities;
- (d) Found by a domestic or foreign court of competent jurisdiction, the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self regulatory organization, to have violated securities or commodities law or regulation, the judgment has not been reversed, suspended, or vacated.

**(b) Certain Relationship and Related Transactions**

There has no change in the controlling majority stockholders of the Corporation. Neither has there been any arrangement with any party, which may have resulted in a change in the control of the Company.

- (a) Any director or executive officer of the Company;
- (b) Any nominee for election as a director;
- (c) Any security holder named in response to Part IV, paragraph ( C ), IRR, SRC
- (d) Any member of the immediate family (including spouse, parents, children, siblings, and in-laws of any of the persons in subparagraph (1)(a), (b) or (c) of this paragraph (D).

**(c) Ownership Structure and Parent Company**

The parent company of the Company is Fil-Estate Management, Inc. which owns 87.885% of the total outstanding voting shares of the Company.

**(d) Resignation of Directors**

To date, no director has resigned or declined to stand for re-election for the Board due to any disagreement with the Company relative to the Company's operations, policies and practices.

**Item 6. Compensation of Directors and Executive Officers**

**(a) General**

Section 8 of the Company's By-Laws on compensation, provides that "Each director shall receive a reasonable per diem allowance for his attendance at each meeting of the board. As a compensation, the Board shall receive and allocate an amount of not more than five (5%) percent of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper."

The directors receive a per diem of ₱10,000 per attendance at Board Meetings, and there is no provision in this section that may be construed as precluding any director from serving in any other capacity and receiving any compensation thereof.

The Company plans to compensate its Chief Executive, Officers and Directors for any and all services rendered in 2017 and prior years. The amount of compensation is to be determined and will be subject to the approval by the BOD.

**(b) Summary Compensation Table**

Name	Position	Salary	Bonus	Other Annual Compensation (Per Diem)
Robert John L. Sobrepena	Chairman of the Board, Chief Executive Officer			0
Atty. Ferdinand T. Santos	President, Chief Risk Officer			0
Noel M. Carino	Director			0
Rafael Perez De Tagle, Jr.	Director			0
Roberto S. Roco	Director			0
Francisco C. Gonzales	Director, Independent			0
Eduardo R. Santos	Director, Independent			0
Atty. Alice O. Bondoc	Director/SVP for Good Governance, Compliance Officer,			0

	Corporate Information Officer, Assistant Corporate Secretary			
Atty. Gilbert Raymund T. Reyes	Corporate Secretary			0
Ramon G. Jimenez	Chief Financial Officer			0
Solita S. Alcantara	Chief Audit Executive			0
Group Compensation	2017	Php1.04M		0
Group Compensation	2016	Php1.04M		0
Group Compensation	2015	Php0.64M		0

**(c) Compensation of Directors and Executive Officers**

There is no plan and non-plan compensation awarded or earned to, earned by, paid to, or estimated to be paid to, directly or indirectly, the named executive officers designated under Part IV, paragraph (B) (1) of Annex "C" of the IRR to the SRC and to directors covered by the subparagraph (3) thereof. The directors receive a per diem of P10,000 per attendance of Board Meetings and P5,000 per attendance to Committee meetings.

**(i) Standard Arrangements.**

There are no standard arrangements, pursuant to which directors of the Company are compensated, directly or indirectly, for any services provided as a director, nor are there any additional amounts payable to any of the Directors for committee participation or special assignments for the last completed fiscal year and the ensuing year.

**(ii) Other Arrangements.**

There are no other existing arrangements or consulting contracts, pursuant to which any directors of the Company was compensated, or is to be compensated, directly or indirectly, during the last completed fiscal year, or for any services provided as director.

**(d) Employment Contracts and Termination of Employment and Change-in-Control Arrangements.**

Management of the Company is currently being undertaken by the executive officers of the parent company. For this reason, the company has no existing employment contract with any executive officer nor is there any existing compensatory plan or arrangement, including payments to be received from the Company, with respect to an executive officer's employment with the Company and its subsidiaries or from a change-in-control of the Company or a change in the named executive officers' responsibilities following a change-in-control where the amount involved, if any, including all periodic payments or installments, which exceeds P2,500,000.

**(e) Warrants and Options Outstanding: Repricing**

The Company has not issued any warrants and there are no outstanding warrants or options held by the Company's CEO, the named executive officers, and all officers and directors as a group.

**Item 7. Independent Public Accountant**

The external auditors of the Corporation is the accounting firm of Valdes Abad & Company, CPA's. The same firm is being recommended for re-election at the scheduled annual stockholders' meeting. A representative from Valdes Abad & Company CPA's. will attend the stockholders' meeting and will be available to respond to appropriate questions during the meeting. Furthermore, Valdes Abad & Company has an opportunity to make a statement, if they desire to do so.

In compliance with SRC Rule 68, Paragraph 3(b)(iv), requiring the rotation of external auditors, Alfonso L. Cay-An is the new Valdes Abad & Company auditor/partner assigned to handle the Company.

There has been no change in accounts in the last fiscal year and there has been no disagreement with the accountant on the accounting policies of the Company.

**Item 8. Compensation Plans**

Compensation was paid starting June 2015 up to present with two (2) office personnel.

**C. ISSUANCE AND EXCHANGE OF SECURITIES**

**Item 9. Authorization or Issuance of Securities other than for Exchange**

There are no matters or actions to be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the registrant.

**Item 10. Modification or Exchange of Securities**

There are no matters or actions to be taken up for the modification of any class of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

**Item 11. Financial and Other Information**

The audited financial statements as of December 31, 2017, Management's Discussion and Analysis, Market Price of Shares and Dividends and other data related to the Company's financial information are attached hereto. The Schedules required under Part IV (c) of Rule 68 will be included in the Annual Report (SEC Form 17-A).

**Item 12. Mergers, Consortiums, Acquisitions and Similar Matters**

There are no matters or actions to be taken up in the annual stockholders' meeting with respect to merger, consolidation, acquisition by sale or liquidation of the Company.

**Item 13. Acquisition or Disposition of Property**

There are no matters or actions to be taken up in the annual stockholders' meeting with respect to acquisition or disposition of any property by the Company.

**Item 14. Restatement of Accounts**

There are no matters to be taken up in the annual stockholders' meeting with respect to the restatement of any asset, capital, or surplus account of the Company.

**D. OTHER MATTERS**

**Item 15. Action with Respect to Reports**

- (a) Approval of the minutes of the annual stockholders' meeting held on 13 September 2007 covering the following matters:
  - i. - Annual report
  - ii. Election of the members of the Board, including the Independent Directors; and
  - iii. Election of the external auditor and fixing of its remuneration
- (b) Approval of the annual reports of the Management for the years ending December 31, 2008 up to December 31, 2017, including the audited financial statements for the years 2008 up to 2017

**Item 16. Matters Not Required to be Submitted**

There were no matters submitted to a vote of security holders during the fourth quarter of the calendar year covered by this report.

**Item 17. Amendment of Charter, Bylaws or Other Documents**

- (1) Amendment of Article Seventh of the Articles of Incorporation to increase the capital stock of the Company from P2 billion pesos divided into 2 billion shares with a par value of P1.00 per share to P5 billion pesos divided into 5 billion shares with a par value of P1.00 per share. After the approval of the amendment, Article Seventh shall read as follows (with amendments in BOLD LETTERS and UNDERSCORED:

“That the capital stock of the said Corporation is **FIVE BILLION PESOS (P5,000,000,000.00)**, Philippine currency divided into **FIVE BILLION (5,000,000,000)** shares with a par value of One Peso (P1.00) Philippine Currency per share. (As Amended on \_\_\_\_\_)”

- (2) Amendment of the Article Second of the Articles of Incorporation to include in the primary purpose of the Company investment in businesses engaged in solar, wind and other renewable energy generation facilities. After the approval of the amendment, Article Second (PRIMARY PURPOSE) shall read as follows (with amendment in BOLD LETTERS and UNDERSCORED:

“To acquire by purchase, exchange, assignment, gift or otherwise, and to hold, own and use for investment or otherwise, and to sell, assign, transfer, exchange, lease, let, develop, mortgage, pledge, traffic, deal in, and with and otherwise operate, manage, enjoy and dispose of any and all properties of every kind and description and wherever situated, as and to the extent permitted by law, including but not limited to buildings, **SOLAR, WIND AND OTHER RENEWABLE POWER GENERATION FACILITIES**, tenements, warehouses, factories, edifices, and structures and other improvements, xxx (As Amended on \_\_\_\_\_)”

**Item 18. Other Proposed Action**

- (1) Ratification of corporate actions taken by the Board of Directors and Officers for the year 2008 up to present.

The corporate actions for ratification include: approval of change of bank signatories; approval of engagement of law firm to defend against nuisance suit; approval of postponement of annual stockholders' meeting; approval of election of directors (including Independent Director) to fill in vacancies in the Board of Directors; approval of appointment of officers and organization of committees required under the Manual on Good Governance and subsequently the Code of Corporate Governance; approval of compliance reports required by the Securities and Exchange Commission under the Full Disclosure Rules and Securities Regulation Code of the said regulatory agencies; approval of additional listing of issued shares at the Philippine Stock Exchange to comply with the latter's directive and approval of new subscriptions to new shares to be issued out of the proposed increase in capital stock of the Company.

- (2) Election of the members of the Board, including the Independent Directors, for the ensuing year
- (3) Election of the external auditor

**Item 19. Voting Procedures**

- (1) Vote required: The affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote present in person or by proxy constituting a quorum in the annual stockholders' meeting is required for the approval of the matters presented to the stockholders for decision. The election of directors is by plurality of votes.
- (2) Method of Voting: Straight and Cumulative Voting

In all items for approval, each voting share of stock entitles its registered owner as of the record date to one vote.

In the case of the election of Directors, each stockholder entitled to vote may cast the vote to which the number of shares he owns entitles him for as many persons as the number of Directors to be elected, multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.

Voting will by ballot when requested by voting stockholders or by viva voce, or by other means of communicating his approval or objection. All votes will be counted and tabulated by the external auditor, Valdez Abad & Company, CPAs.

#### **Undertaking to provide Annual Report**

The Company undertakes to provide without charge each stockholder with a copy of its Annual Report on SEC Form 17-A upon written request to the registrant addressed to:

Mr. Ramon G. Jimenez  
Chief Financial Officer  
Mezzanine Floor, Renaissance Tower  
Meralco Avenue, Pasig City

BDO Unibank, Inc.  
Stock Transfer & Settlement  
7899 Makati Avenue  
Makati City

#### **SIGNATURES**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report was signed in the City of Pasig on 9 October 2018.

#### **METRO GLOBAL HOLDINGS CORPORATION**

By:

  
FERDINAND T. SANTOS  
President

# **METRO GLOBAL HOLDINGS CORPORATION**

## **MANAGEMENT REPORT**

For the  
2018 Annual Meeting of the Stockholders  
Pursuant to SRC Rule 20 (4)

## **Item No. 11 Financial and Other Information**

### **Audited Financial Statement**

The Audited Financial Statements as of December 31, 2017, 2016 and 2015 certified by Mr. Alfonso L. Cay-An, Partner, Valdez Abad & Company, CPAs are attached hereto. The Statement of Management's Responsibility and the Schedules Required under Part IV ( C ) of Rule 48 are included in the Annual Report (Form 17-A).

### **Changes in and Disagreements with Accountants on Accounting and Financial Disclosures**

There have been no disagreements with the Corporation's Accountants, past or present, on accounting and financial disclosures. Since 2014 up to the present, Valdez Abad & Company, CPAs continues to be engaged as the external auditor of the Company.

### **Attendance of Accountants at the Meeting**

Representatives of the Corporation's external accountants, Valdez Abad & Company, CPAs for the calendar year 2017, are expected to be present at the Annual Stockholders' Meeting scheduled on 22 November 2018. Said accountants will be given the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions on the Corporation's Financial Statements.

## **BUSINESS AND GENERAL INFORMATION**

Metro Global Holdings Corporation (the Company), formerly Fil-Estate Corporation was incorporated on September 17, 1954 originally as San Jose Oil, Incorporated. The original and primary purpose of the corporation was to prospect for and market, oil, natural gas and other minerals and secondarily, to invest in non-mining corporation or other enterprises. The Company is listed in the Philippines Stock Exchange (PSE) on May 4, 1964.

In July 1996, the Board of Directors (BOD) and the stockholders of the Company approved (a) the change in the Company's primary purpose from oil exploration to that of a holding Company authorized to engage in property and infrastructure development and the relegation of its erstwhile primary purpose to one of the Company's secondary purposes: and (b) the increase in the Company's authorized capital stock from ₱300.0 million, divided into 30.0 billion shares with par value of ₱0.01 per share, to ₱2 billion, divided into 2 billion shares with a par value of ₱1.00 per share; and (c) the declassification of Class A and B common shares to a single class of common share.

On January 22, 1998, the Securities and Exchange Commission (SEC) approved the change in the corporate name of San Jose Oil, Incorporated to Fil-Estate Corporation, accompanied by a shift in the primary purpose to that of a holding company engaged in property and infrastructure development, the declassification of Class A and B common shares to a single class common shares, and the change in its par value from ₱0.01 in 1997 to ₱1.00 in 1998.

On December 11, 2000, the Securities and Exchange Commission (SEC) approved the Company's increase in authorized capital stock from 300 million shares to two (2) billion shares. Fil-Estate Management, Inc. (FEMI) subscribed to 700 Million shares in exchange for the assignment of its interest in the Metro Rail Transit Holdings, Inc. (MRTHI) and Metro Rail Transit Corp., Limited (MRTCL).

On September 9, 2004, The Securities and Exchange Commission (SEC) approved the extension of the Company's term of existence for another 50 years.

The Company's key investment is in the form of equity interest in Metro Rail Transit Holdings (MRTH1), Inc. and Metro Rail Transit Holdings 11, Inc. (MRTH11). The combined investment in these holding companies represents approximately 29% interest in the EDSA MRT Systems. The Phase 1 of the MRT project (LRTS Phase 1) started full operation on July 15, 2000 and involved thirteen (13) stations from the North Triangle to Taft Avenue.

The Company has a 28.47% equity interest in Monumento Rail Transit Corporation (Monumento Rail) which as a result allows participation in the train system extension (e.g. the Makati Loop) and additional train/vehicle procurements in the event the Philippine government awards the project to MRTC.

Since 2007 the Company has voluntarily suspended the trading of its securities to allow the Company to re-align its business and explore new strategic directions.

## **PLAN OF OPERATION**

Metro Global Holdings Corporation continues to be a stakeholder of the Metro Rail Transit Project through its holding company MRTHI and its associate, Monumento Rail.

MGH also plans to continue its strategy of maintaining itself as a holding corporation with key investment in the form of equity interest in MRTHI and MRTHII. The combined investment in these two holding companies represents approximately 29% interest in the EDSA MRT Systems. The Phase 1 of the MRT Project (LRTS Phase 1) began full operation on July 15, 2000, which involved 13 stations spanning the North Triangle to Taft Avenue. The operation for the next twelve (12) months was strictly confined to that of an investee corporation.

The Company continues, through its holdings in Monumento Rail, to actively pursue its participation in the train system extensions (e.g. Makati Loop) and capacity expansion via procurement of additional trains/vehicles.

### **Operations for the next twelve months**

The Company is expected to receive its 28.47% share in 5% of the lease income termed Depot Royalties as a result of the redemption of its redeemable preferred shares in Monumento Rail. This revenue will be used to fund its operating expenses, partially pay its debts to FEMI and search for other business opportunities.

The Company does not anticipate any other material transactions that will require additional funding nor does it foresee any cash flow or liquidity problems within the next twelve (12) months.

The Company does not have plans for any product research and development within the same period.

There are no expected purchases or sale of plant and significant equipment within the next 12 months as the Company is not engaged in any manufacturing business.

### **Management's Discussion and Analysis of Financial Condition and Results of Operations.**

#### **Key Performance Indicators**

The Company cannot independently act to address its performance indicators since its operation is strictly confined to its investment in the MRT Project.

#### **Review of 2017 Operation**

The Company recognized cash in bank amounting to ₱871,601 and ₱931,146 as at December 31, 2017 and 2016. Cash accounts with banks generally earn interest at rates based on daily bank deposit rates. Interest income amounts to ₱3,606 and ₱2,515 in 2017 and 2016, respectively presented as part of Other Income in the Statement of Comprehensive Income. The Company recognized foreign exchange gain in USD-denominated bank account amount to ₱1,966 and ₱926 in 2017 and 2016, respectively.

The decrease in the available for sale investment of ₱ 12.5Million was due to the change in market value of quoted equity securities.

The decrease in Due to a Stockholder account of about ₱ 11.5 Million was mainly due to partial payment of Fil-Estate Management, Inc. advances.

#### **Review of 2016 Operation**

The Company recognized cash in bank amounting to ₱931,146 and ₱195,753 as at December 31, 2016 and 2015. Cash accounts with banks generally earn interest at rates based on daily bank deposit rates. Interest income amounts to ₱2,515 in 2016 and ₱5,509 in 2015 presented as part of Other Income in the Statement of Comprehensive Income. The Company recognized foreign exchange gain in USD-denominated bank account amount to ₱926 in 2016 and ₱1,603 in 2015.

The decrease in the available for sale investment of ₱ 13.1Million was due to the change in market value of quoted equity securities.

The decrease in Due to a Stockholder account of about ₱ 13.8 Million was mainly due to partial payment of Fil-Estate Management, Inc. advances.

### **Review of 2015 Operations**

The Company recognized cash in bank amounting to ₱195,753 and ₱94,870 as at December 31, 2015 and 2014. Cash accounts with banks generally earn interest at rates based on daily bank deposit rates. Interest income amounts to ₱5,509 in 2015 and ₱304 in 2014 presented as part of Other Income in the Statement of Comprehensive Income. The Company recognized foreign exchange gain in USD-denominated bank account amount to ₱1,603 in 2015 and ₱142 in 2014.

The decrease in the available for sale investment of ₱ 17.1 Million was due to the change in market value of quoted equity securities.

The decrease in Due to a Stockholder account of about ₱ 14.5 Million was mainly due to partial payment of Fil-Estate Management, Inc. advances.

### **Interim Period - First Quarter of 2018**

Cash increased by about ₱2.8 Million, from ₱871.6 Thousand in December 2017 to ₱3.7 Million in March 2018. The increase was due to the collection of receivables from NTGCC.

Receivables decreased by ₱26.8 Million mainly due to the payment received from Ayala-Trinoma in February 2018.

There were no material changes in the AFS Financial Assets, which comprised 98.66% of the total assets in the 1<sup>st</sup> Quarter of March 2018 as compared with that of December 31, 2017.

The "Due to a stockholder" account decreased by ₱19.6 Million substantially due to the ₱20 Million payment to FEMI's advances.

The Net Loss for this 1<sup>st</sup> quarter of 2018 of about ₱ 866 Thousand was mainly due to the regular operating expenses of the Company.

### **Interim Period - Second Quarter of 2018**

Cash decreased by about ₱518 Thousand, from ₱871.6 Thousand in December 2017 to ₱353 Thousand in June 2018.

Receivables decreased by ₱26.8 Million mainly due to the payment received from Ayala-Trinoma in February 2018.

There were no material changes in the AFS Financial Assets, which comprised 98.66% of the total assets in the 2<sup>nd</sup> Quarter of June 2018 as compared with that of December 31, 2017.

The "Due to a stockholder" account of ₱8.3 Million was the net effect of the ₱20 Million decreased in the payment of FEMI's advances and the cash received from FEMI during the first two (2) quarters of the year.

The Net Loss for this 2<sup>nd</sup> quarter of 2018 of about ₱12.9 Million was brought about by the regular operating expenses of the Company.

### **Others Matters**

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way. The Company does not have, nor anticipates having, any cash flow or liquidity problems within the next twelve (12) months.

The Company is not in default or in breach of any note, loan, lease or other indebtedness or financing arrangement requiring making payments.

The Company has no significant trade payables that have been paid within the stated period.

The Company is not aware of any event that will trigger direct or contingent financial obligation that is material to the Company, including default or acceleration of an obligation.

There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The Company has no material commitments for capital expenditures.

The Company is not aware of any known trends, events or uncertainties that have had or is reasonably expected to have a material favorable or unfavorable impact on net income from operation nor does the Company know of any events that will cause a material change in the relationship between costs and revenues.

The Company is not aware of any significant elements of income or loss that did not arise from the Company's on-going operations nor of any seasonal aspects that had a material effect on the financial condition or results of operations.

#### **EXTERNAL AUDIT FEES:**

##### **(a) Audit and Audit Related Fees:**

The aggregate fees billed for each of the last two (2) calendar years for professional services rendered by the external auditors is ₱ 300,000 (exclusive of Value Added Tax) for 2017 and 2016, respectively.

The fees include the audit of the Company's Balance Sheets and the related statements of income, statements of changes in stockholders' equity and cash flows based on a test basis, evidence supporting the amount and disclosures in the Financial Statements, assess the accounting principles used and significant estimates made by management and evaluate the overall financial statement presentation.

Such fees also include assistance in the preparation of the annual income tax return. However, such annual income tax return will not include a detailed verification of the accuracy and completeness of the reported taxable, nontaxable and tax-paid income and the reported deductible and nondeductible costs and expenses.

Except to the extent finally determined to have resulted from the auditors fraudulent behavior or willful misconduct, the auditors maximum liability to the Corporation for any reason, including auditor's negligence, relating to the services under engagement letter shall be limited to the fees paid to the auditors for the services or work product giving rise to liability.

##### **(b) Tax Fees:**

Aside from the Value Added Tax included in the basic Professional Fees, the Company has not incurred expenses in relation to the professional services such as tax accounting, compliance, advice, planning and any other form of tax services.

##### **(c) All Other Fees:**

The Company paid the amount of ₱25,000 (exclusive of VAT) in 2017 and 2016 representing Compilation, BIR and SEC filing fee in connection with the audit of the Company's Financial Statements.

##### **(d) The Audit Committees Approval Policies and Procedures for the above services**

Audit Fees are approved based on the estimate of the actual time needed for professional work to complete the standard scope of services of an audit. The estimates also take into account any special accounting considerations and the experience level of the professional team members involved in the engagement.

#### **Item 9. Market Registrant's Common Equity and Related Stockholders Matters**

The Corporation's stocks are being traded at the Philippine Stock Exchange.

## (2) Holders

As of 30 September 2018, the number of shareholders of record is 1,905 while common shares outstanding were 2,000,000,000 shares.

The Company's stocks are being traded at the Philippine Stock Exchange. However, for the last five (5) years, trading of the Company's shares was suspended.

In view of the suspension of trading of the Company's shares, the high and low sales prices of such shares for each quarter of the calendar years 2016, 2017 and 2018 could not be determined.

Quarter	2018		2017		2016	
	High	Low	High	Low	High	Low
1st	0.00	0.00	0.00	0.00	0.00	0.00
2 <sup>nd</sup>	0.00	0.00	0.00	0.00	0.00	0.00
3 <sup>rd</sup>			0.00	0.00	0.00	0.00
4 <sup>th</sup>			0.00	0.00	0.00	0.00

The shares of the Company were last traded on March 20, 2007 at a price of ₱0.26.

Top 20 stockholders based on issued common shares as of 30 September 2018:.

Name of Shareholders	Number of Shares	Percentage
Fil-Estate Management, Inc.	1,757,690,197	87.885%
PCD Nominee Corporation (Filipino)	100,579,633	5.029%
Alakor Securities Corporation	66,778,253	3.339%
Bank of Commerce-Trust Services Group	43,211,800	2.161%
Bank of Commerce TG-91-07-001-C	6,383,000	0.319%
PCD Nominee Corp. (Non-Filipino)	3,663,129	0.183%
Fil-Estate Management, Inc.	2,059,998	0.103%
Bancommerce Investment Corp.	2,000,000	0.100%
Atty. Gilbert Reyes ITF Various Shareholders	1,903,514	0.095%
Noel Carino	1,506,500	0.075%
Jaime Borromeo	1,000,000	0.050%
Leroy Tan	675,500	0.034%
Belson Securities, Inc. A/C#196-358	664,000	0.033%
Roberto N. Del Rosario	628,000	0.031%
CFC Corporation	576,000	0.029%
The Holders of the Unexchanged San Jose Oil	556,839	0.028%
David Go Securities Corp.	414,200	0.021%
Trendline Securities Corp.	382,500	0.019%
Alberto Mendoza &/or Jeanie C. Mendoza	300,000	0.015%
John Gokongwei Jr.	270,000	0.014%
	1,989,341,900	

## (3) Dividends

No dividends were declared in the last two (2) calendar years.

Under the Company's By-Laws, there are no restrictions in the declaration of dividends other than what is prescribed in the Corporation Code, namely that these shall be declared only from surplus profit and no stock dividend shall be issued without the approval of stockholders representing not less than two-thirds of all stock outstanding and entitled to vote at a general or special meeting called for the purpose.

#### **Discussion on Compliance with leading practice on Corporate Governance**

The Company had adopted the Self-Rating System on Corporate Governance being implemented by the Securities and Exchange Commission through the SEC Memorandum Circular No. 5, Series of 2003 to assess compliance with leading practices on corporate governance and subsequently through the Integrated-Annual Corporate Governance Report (IACGR) required under the Code of Corporate Governance for Publicly Listed Companies (PLC's). The Compliance Officer meets with the directors and top-level management from time to time to evaluate compliance with Corporation's Manual on Corporate Governance and subsequently with the Code of Corporate Governance for PLC's.

The Corporation is in substantial compliance with its Manual and the Code of Corporate Governance for PLC's. The Compliance Officer is present at all meetings of the Board of Directors and closely coordinates with the Chairman and the President to ensure full compliance with the adopted leading practices on good governance. The Compliance Officer furnishes the Board of Directors and top-level management copies of new rules, regulations, circulars and orders of the Securities and Exchange Commission and the Philippine Stock Exchange to continuously update its Directors and top-level management with new requirements for compliance with leading practices on corporate governance. In addition, the Compliance Officer requires and encourages its Directors and top-level management to attend seminars on good corporate governance.

There are no material deviations to date from the Corporation's Manual on Corporate Governance or Code of Corporate Governance, with exception of certain recommendations, which the Company has explained in its I-ACGR filed in 2018. The Board has no immediate plans to adopt new policies for corporate governance.