

MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS  
OF  
**METRO GLOBAL HOLDINGS CORPORATION**

Held on 9 December 2022 (10:00 a.m.)  
By Remote Communication (via Zoom Conference)

**STOCKHOLDERS PRESENT:**

No.	Stockholders	Subscription	Paid-Up	Percentage to Total Outstanding Capital Stock
1.	Fil-Estate Management, Inc., represented by proxy, Robert John L. Sobrepeña	1,759,750,195	P1,759,750,195.00	87.98
2.	Grace Victoria Perez de Tagle, represented by proxy, Robert John L. Sobrepeña	190,000	P190,000.00	0.01
3.	Solita S. Alcantara	15,000	P15,000.00	0.00
	<b>Total</b>	<b>1,759,955,195</b>	<b>P1,759,955,195.00</b>	<b>87.99%</b>

**DIRECTORS PRESENT:**

1. Mr. Robert John L. Sobrepeña (Chairman and Chief Executive Officer)
2. Atty. Ferdinand T. Santos (President)
3. Mr. Noel M. Cariño
4. Mr. Rafael Perez de Tagle, Jr.
5. Atty. Alice Odchigue-Bondoc (Assistant Corporate Secretary)
6. Mr. Jaime M. Cacho
7. Mr. Roberto S. Roco
8. Mr. Francisco C. Gonzalez

**ALSO PRESENT:**

1. Mr. Jose Wilfrido M. Suarez
  2. Mr. Ramon Jimenez (Chief Financial Officer)
  3. Atty. Gilbert Raymund T. Reyes (Corporate Secretary)
  4. Ms. Sylvia M. Hondrade (VP – Business Development & Special Projects)
  5. Ms. Socorro G. Roco (VP – Records Management)
  6. Ms. Khateryn M. Benitez (VP – Human Resources)
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## **1. Call to Order**

The Annual Meeting commenced with the singing of the Philippine National Anthem, followed by a prayer led by Director, Mr. Francisco C. Gonzalez.

Thereafter, Mr. Robert John L. Sobrepeña, the Chairman of the Board of Directors, called the meeting to order and presided over the same. Atty. Gilbert Raymund T. Reyes, the Corporate Secretary, recorded the minutes of the proceedings.

## **2. Determination and Certification of Quorum**

The Chairman requested the Corporate Secretary to establish that the meeting has been duly called and that a quorum is present for the Annual Meeting.

The Corporate Secretary certified that all stockholders as of 9 November 2022 have been notified of the meeting pursuant to the Corporation's By-Laws and applicable SEC Circulars. Copies of the Notice and Agenda of the Annual Stockholders' Meeting and the Definitive Information Statement were made available through the Corporation's website and the PSE Electronic Disclosure Generation Technology or PSE EDGE. Notice and Agenda of the Annual Meeting were also published in The Manila Times on November 5 and 6, 2022, and in Business World on November 15 and 16, 2022, all in printed and online formats.

The Corporate Secretary announced that there existed a quorum to transact the business in the agenda for the meeting, there being present in person or represented by proxy, stockholders holding 87.99% of the subscribed and outstanding capital stock of the Corporation.

## **3. Procedures for Registration, Voting and Participation in the Meeting**

The Chairman then requested the Corporate Secretary to explain the rules for participation and voting in the meeting.

The Corporate Secretary announced that only stockholders who have registered may be heard at the meeting. The procedure for registration, voting and participation in the 2022 Annual Meeting were contained in the Definitive Information Statement and have been implemented as follows:

- a. Stockholders signifying their intention to participate by remote communication must register online at the Corporation's website between November 10, 2022 at 9:00 A.M. to December 4, 2022 at 5:00 P.M. and

email the requirements to the Investor Relations at [www.metroglobalholdings.com](http://www.metroglobalholdings.com).

- b. Stockholders who have registered may send their questions and/or comments prior to the meeting by email to [investor-relations@metroglobalholdings.com](mailto:investor-relations@metroglobalholdings.com) until 5:00 P.M. of December 8, 2022.
- c. The resolutions proposed to be adopted at the meeting were provided to the stockholders through the Definitive Information Statement, and shown on the screen throughout the meeting.
- d. Stockholders who have duly registered may cast their votes by proxy or in absentia through Digital Ballot/ Online Stockholder Voting System until 5:00 P.M. of December 8, 2022.
- e. The Office of the Corporate Secretary has tabulated all valid and confirmed votes cast through electronic voting, together with the votes through proxies, and the voting results would be announced during the meeting and reflected in the minutes.

#### **4. Reading and Approval of Minutes of Previous Meeting**

The first item on the agenda was the reading and approval of the minutes of the preceding Annual Meeting of the stockholders held on December 14, 2021. The Chairman noted that the minutes of the December 14, 2021 Annual Meeting has been made available through the Corporation's website and the Definitive Information Statement.

The Chairman then requested the Corporate Secretary to present the proposed resolution on the approval of the minutes of the preceding Annual Meeting held on December 14, 2021 and the voting results on this item.

The Corporate Secretary announced that on the proposal to approve the minutes of the Annual Meeting held on December 14, 2021, based on the tabulation results, 100% of the shares present or represented by proxy approved the minutes of the previous Annual Meeting held on December 14, 2021.

#### **5. Report of the Chairman**

The Chairman then briefed the stockholders on the various projects undertaken by the Corporation and its affiliates.

By way of introduction, the Chairman stated that the Corporation's first project was the MRT3 System, which it completed on schedule in 2000. Shortly thereafter, the Corporation, through its affiliates, focused on the commercial aspects of the MRT3 Project, particularly on advertising and commercial rights.

Lately, the Corporation has taken a new direction in the area of renewable energy.

The Chairman gave a brief overview of the three renewable energy projects of the Corporation in the pipeline, namely: (i) Pililla One Solar Project, (ii) BLISTT Waste-to-Energy Project, and (iii) Baguio Mass Transit Project. The Chairman noted that these projects are now moving forward, and he expects that by 2023, final approvals would be given for the projects.

### *Project in the Development Stage*

The Chairman then asked Director, Jaime M. Cacho, to give updates on the Corporation's projects in the renewable energy field. Mr. Cacho is the Chief Operating Officer of the three renewable energy companies of the Corporation, i.e., Metro Solar Power Solutions, Inc. ("MSPSI"), Metro Renewable Energy Corporation ("MREC"), and Metro Renewable Transport Solutions, Inc. ("MRTSI"), which are undertaking the aforesaid projects.

#### *A. Pililla One Solar Project*

Mr. Cacho presented the updates on MSPSI's Pililla One Solar Project, which is a 65MW Solar Farm located in Pililla, Rizal.

Mr. Cacho stated that MSPSI's land conversion application from "agricultural" to "solar power industrial" had been completed and approved by the Department of Agrarian Reform ("DAR") on 4 April 2022. The soil investigation report was already completed on 15 July 2022. MSPSI also already applied for registration of the project with the Board of Investments on 9 September 2022, which application is in progress.

On 14 March 2022, MSPSI submitted a letter of intent to the National Grid Corporation of the Philippines ("NGCP") for interconnection of the project to the latter's sub-station. MSPSI is presently negotiating with NGCP on this matter.

Lastly, Mr. Cacho reported that on 23 January 2022, MSPSI awarded to Consolidated Energy Project Development, Incorporated the preparation of the Feasibility Study for the project, and MSPSI already received the first Feasibility Study on 11 November 2022. This would allow MSPSI to secure a Declaration of Commerciality from the Department of Energy ("DOE"). Furthermore, MSPSI has already received two major Engineering Procurement and Construction ("EPC") proposals from two large EPC contractors, and management is presently evaluating the proposals for eventual award.

#### *B. BLISTT Waste-to-Energy Project*

Mr. Cacho then presented updates on MREC's BLISTT Waste-to-Energy Project in Baguio City, which is the country's first waste-to-energy facility of its size. The facility will be capable of processing 500 metric tons of municipal solid waste every day, converting the same into Refuse Derived Fuel ("RDF"), and eventually going through a combustion system of the Valmet Power Island, creating steam that would power turbines and generate power.

The unsolicited proposal for the Project was submitted to the City of Baguio and municipalities of La Trinidad, Itogon, Sablan, Tuba, and Tublay ("BLISTT") on 1 March 2021. MREC has received the PPP Packet from Baguio City on 21 October 2021, and already completed the requirements. The preparation of the formal feasibility study will be awarded by the first quarter of 2023, most likely to an international group, which is a requirement to secure funding for the project.

On 24 October 2022, MREC presented to the Sablan Council its intention to build a Pilot Waste-to-RDF Plant at the Municipality of Sablan. This is to promote the service and to help the Municipality of Sablan in their garbage collection.

The next stage of the project would be to build the Main Waste-to-Energy in Sablan, and enter into a Definitive Agreement under a PPP/Joint Venture with Baguio City and the surrounding municipalities.

### *C. Baguio Mass Transit Project*

Mr. Cacho proceeded with the updates on MRTSI's Baguio City Sky Shuttle Project.

MRTSI proposed to develop an elevated electric-driven monorail system of about 4.6 kilometers around the central business district ("CBD") of Baguio City, coupled with a bus feeder line in the transport centers of the residential areas. The company's technical partner is BYD Company Ltd. ("BYD") from China, which is a global technology company founded in 1995 as a battery manufacturer and is now the largest electric car manufacturer in China. Recently, BYD has ventured into development of electronic monorail system.

MRTSI's project proposal features a one-ticket transport system capable of transporting thousands of commuters everyday throughout the CBD. The system will have eight stations providing strategic access to many areas of the CBD, which will be supplemented by 300 electric buses to service transport routes in high-density residential areas and connect to the CBD monorail.

The unsolicited proposal for the project has been submitted to Baguio City on 17 February 2021. MRTSI submitted the requirements for the unsolicited proposal to the P4-Selection Committee of Baguio City last 13 April 2022, which

are now undergoing evaluation. A draft definitive agreement was also submitted on 15 November 2022.

Mr. Cacho then presented the proposed locations of the stations and the sky shuttle monorail route.

Mr. Cacho ended his report by sharing the Corporation's vision of creating a circular economy – from waste-to-energy to fully-electric transport systems. The waste created by Baguio City on a daily basis will be processed by the proposed renewable energy plant and converted into power. This, in turn, will supplement the Baguio City grid, and power the Corporation's electric bus and monorail system.

Moving forward, the Corporation will pursue its vision of creating green communities through solar energy, waste to energy plants and electric transport projects. It will continue to build green communities by expanding solar farms, waste-to-energy plants and electric transport solutions to other locations in the country. Currently, the Corporation has already started the process of evaluating areas in Cavite, Pampanga, Batangas, Angono Rizal, Metro Cebu, Metro Davao and Iloilo City, where similar projects could be undertaken.

The Chairman thanked Mr. Cacho for his report.

#### Updates on the Affiliates in the Mass Transport Industry

The Chairman then called on the Corporation's Director, Mr. Rafael Perez de Tagle, Jr., to provide an update on the Corporation's affiliates, particularly, Metro Rail Transit Corporation ("MRTC"), the operator of MRT3, and Metro Rail Transit Development Corporation ("MRTDC"), the operator of the commercial rights in MRT3.

##### *A. EDSA MRT3 Project*

Mr. de Tagle, Jr. then provided the highlights on the EDSA MRT3 Project for year 2022. He reported that MRTC's contractor, Sumitomo Corporation, has already achieved 100% completion of the MRT3 System rehabilitation, including replacement of all rails, upgrading of stations and general overhauling of the 72 light rail vehicles ("LRVs"). With the completion of the rehabilitation, the MRT3 System is now operating 18 trains or 54 LRVs at 3.5 minutes headway during peak operating hours, which is very good performance. Current passenger ridership is now 400,000 per day, but has the capacity for 500,000 per day.

For 2023, MRTC will resubmit proposals for Phase 1 Capacity Expansion to add 72 new LRVs and enable 4-car trains with 2-minute headway. This will increase the fleet size to 144 LRVs, which can carry an estimated 1.0 million passengers per day. MRTC will also resubmit its proposal to do the seamless 5.2-

kilometer Phase 2 Monumento extension from North Avenue station in Quezon City to Monumento in Caloocan. An additional 3 stations will be provided in Roosevelt, Balintawak and Monumento. In addition, 48 new LRVs will also be provided to further increase the fleet size to 192 LRVs, which in turn will generate an estimated ridership of about 1.35 million passengers per day.

Mr. de Tagle, Jr. then cited two other projects that MRTC intends to re-submit proposals for in 2023. The first project is the Makati Loop, which involves a 6-kilometer loop from Ayala-EDSA to the Reclamation Area, with 8 stations going to Taft, Macapagal Avenue and back to EDSA's MRT Station. The second project is the Airport Link, which is a 4-kilometer rail from MRT3-Taft Avenue station to the three airport terminals, passing through Roxas Boulevard to the NAIA Road, and then to the airport terminals.

### *MRTDC Advertising Operations*

Mr. de Tagle Jr. then provided updates on the advertising operations of MRTDC.

For 2022, MRTDC's objective was to maximize revenue potentials post-pandemic and amid looming global economic slowdown. Despite difficult times, MRTDC managed to perform well by utilizing existing advertising assets, particularly through: (i) identification of advertising assets that are highly attractive to market, (ii) direct marketing approach and partnering with leading advertising agencies for market penetration, and (iii) promotion of existing advertising assets via in-house ad campaigns or through public information drive in partnership with government agencies.

MRTDC supplemented the foregoing advertising activities with a creative marketing approach. It provided percentage discounts via extended exposures of ads and/or free exposure on additional ad inventories. MRTDC engaged top ad agencies for more stable and long-term ad placements. Because of these efforts, MRTDC is able to establish good relationships with existing clientele for continued business partnerships.

Mr. de Tagle Jr. then showed sample images of the 62 outdoor static billboards along the MRT3 stations, and images of the two outdoor LED billboards along Boni Station northbound and southbound lanes. He also presented samples of MRTDC's over 1,000 below-the-rail ad inventories.

### *MRTDC's 2023 Financial Outlook*

Mr. de Tagle, Jr. ended his report by sharing the financial outlook of MRTDC. Coming from an upward performance of Php324 Million in gross revenues in 2022, MRTDC projects an almost double increase in its gross revenues in 2023 of about Php749.49 Million. This is due to expected increase

in revenues coming from static billboards, which is over 50% of MRTDC's inventory. MRTDC also seeks to increase its income coming from cable trays from telecommunication company clients.

Mr. de Tagle, Jr. ended by stating that 2022 was a good year, and MRTDC was able to earn a net income of Php132 Million for the Corporation. He then thanked management and the shareholders for their good work this year.

The Chairman thanked Mr. de Tagle, Jr. for his report. The Chairman opened the floor for questions from the stockholders. However, no questions were submitted.

## **6. Report of the Chief Financial Officer**

The Chairman then called on Mr. Ramon G. Jimenez, the Corporation's Chief Financial Officer, to present his report.

Mr. Jimenez presented the Consolidated Financial Statements of the Corporation and its subsidiaries, Metro Global Royal Holdings Corporation ("MGH Royal") and Metro Renewable Transport Solutions, Inc. ("MRTSI") (collectively referred to as the "Group") for the calendar year ended 31 December 2021. As of 31 December 2021, both MGH Royal and MRTSI are not yet in commercial operation. The Consolidated Financial Statements were audited by Isla Lipana & Co., and for which the latter has issued an unqualified opinion. The Consolidated Financial Statements were approved for issuance by the Board on May 10, 2022.

Copies of the Consolidated Financial Statements are available at the Corporation's website and the PSE EDGE portal, and formed part of the Definitive Information Statement.

Mr. Jimenez reported that the Group's primary asset continues to be its investments in the MRT Companies, i.e., Metro Rail Transit Holdings, Inc. ("MRTH I"), Metro Rail Transit Holdings II, Inc. ("MRTH II"), Monumento Rail Transit Corporation ("Monumento Rail"), and MRTDC. The Group is 87.90% owned by Fil-Estate Management, Inc. ("FEMI").

Mr. Jimenez then stated that one factor that materially improved the Group's Statement of Financial Position and total comprehensive income for the year ended December 31, 2021 was the dividend income received by the Group from MRTH II, as discussed in note 5.1(c) of the Consolidated Financial Statements. The Group's share in the dividends declared by MRTH II amounted to Php2,606,190,497.00. The resulting receivables from MRTH II were discharged/settled as follows:

- a. Php147,706,848.00 was offset and eliminated against the liability to



MRTH II, representing outstanding cash advances received from MRTH II and recorded as “due to other related parties”;

- b. Php1,567,446,876.00 was applied against liability from the sale of future share distributions shown as a reduction of investment in MRTH II.
- c. The remaining balance of Php891,036,773 will be settled in cash and presented as dividend receivable under “due from related parties”.

He then proceeded to discuss the results of the operation or the Income Statement of the Group. As a result of the dividend income that the Group received from MRTH II, the Group’s net income increased significantly from Php0.9 Million in 2020 to Php2.6152 Billion in 2021.

The Group’s total comprehensive income also increased remarkably from Php1.5 Million in 2020 to Php2.6155 Billion in 2021. This was despite the: (i) decrease in depot royalty income from Php9.3 Million in 2020 to Php7.9 Million in 2021, and (ii) increase in the Group’s general and administrative expenses from Php12.7 Million to Php32 Million. The 15.1% decrease in the Group’s share in the depot royalty income was due to the COVID-19 restrictions on the operations of the Trinoma Commercial Center. On the other hand, the 60.39% increase in the Group’s general and administrative expenses was mainly due to the increase in personnel salaries and wages.

The Group also received in 2021 a non-refundable exclusivity fee from a third-party in the amount of Php20 Million for a prospective infrastructure-related investment. At the end of the year, this was recognized as “other income” since the third-party agreed to no longer proceed with the transaction.

Mr. Jimenez then discussed the Group’s Statement of Financial Position. The Group’s total assets increased by Php2.5 Billion, from Php1.5156 Billion in 2020 to Php3.9808 Billion in 2021. The Group’s total liabilities also decreased by Php150.3 Million from Php1.4978 Billion in 2020 to Php1.3475 Billion in 2021. Stockholders’ equity also significantly increased from Php17.8 Million in 2020 to Php2.6333 Billion in 2021.

The increase in the total assets of the Group was largely due to the increases in the “due from related parties” and “financial assets” accounts, which, in turn, resulted from the dividend income received from MRTH II. There was also an increase in the “investment in associate” in view of the recognition of the Group’s share in the net equity earnings of MRTDC. The other asset accounts of the Group had minimal changes in 2021.

On the other hand, the decrease in the total liabilities of the Group was due to decreases in the “due to a stockholder” and “due to other related parties” accounts. The latter was due to the offsetting of the cash advances received by the Group from MRTH II against the dividends paid by MRTH II to the Group. The Group’s income tax payable likewise decreased as the Group had no taxable

income in 2021. The other liabilities accounts of the Group had minimal changes in 2021.

The increase in stockholders' equity was attributable to the increase in the "retained earnings" account of the Group from a negative balance of Php2.571 Billion in 2020 to a positive balance of Php44.2 Million in 2021. Again, this was brought about by the dividend income received by the Group from MRTH II.

Mr. Jimenez then announced the Group's financial projections for 2022. He said that there is a projected increase in the Group's share in the depot royalty income from MRTDC brought about by the easing of the COVID-19 restrictions, which is expected to further improve the Group's financial position and comprehensive income by 2022.

It is also projected that before the end of 2022, the valuation of the MSPSI shares, which the Group is acquiring from FEMI, will be completed. This is in line with the new business direction of the Group, which is to engage in the development of renewable energy through solar farms, wind farms, waste-to-energy and other renewable energy projects. The completion of the valuation of the MSPSI shares will pave the way for the finalization and implementation of the Php3 Billion increase in the authorized capital stock of the Corporation by the first quarter of 2023. Mr. Jimenez then presented the projected capital structure of the Corporation for the year ending 31 December 2023.

The stockholders were then given the opportunity to ask questions or to comment on the report. However, no queries were submitted.

#### **7. Approval of the Annual Report and Audited Financial Statements for the Calendar Year Ended 31 December 2021**

The next item on the agenda was the approval of the Annual Report and Audited Financial Statements for the calendar year ended 31 December 2021.

The Chairman requested the Corporate Secretary to present the proposed resolution and the voting results on this item.

The Corporate Secretary announced that based on the tabulation results, 100% of the shares present or represented by proxy approved the Annual Report and the Audited Financial Statements for the period ended December 31, 2021.

#### **8. Ratification of All Acts and Resolutions of the Board of Directors, Board Committees, and Officers from December 14, 2021 to the Present**

The Chairman then announced that the next item on the agenda was the proposed resolution for the stockholders to ratify all acts and resolutions of the Board of Directors, Board Committees and officers of the Corporation since the date of the last Annual Meeting held on December 14, 2021 up to the present.

The Corporate Secretary explained that submitted for ratification were all acts and resolutions of the Board of Directors, Board Committees and officers of the Corporation that were duly adopted in the ordinary course of business since December 14, 2021 up to the present. The Corporate Secretary pointed out that a list of such acts was provided in the Definitive Information Statement, made available in the Corporation's website, and shown during the meeting.

The Corporate Secretary then announced that based on the tabulation results, the required number of votes have been cast in favor of the resolution. The Chairman thus declared the resolution approved.

### **9. Election of Directors for the Year 2022 to 2023**

The Chairman then announced that the next item on the agenda is the election of the directors of the Corporation who shall serve for a term of one year and until the next election. The Chairman added that the stockholders shall elect nine directors, at least two of whom shall be independent directors pursuant to the Securities and Regulation Code and the Corporation's New Manual of Corporate Governance.

The Chairman then requested the Corporate Secretary to present the nominees for the members of the Board of Directors, on behalf of the Corporate Governance Committee.

The Corporate Secretary then announced, on behalf of the Corporate Governance Committee, the Final List of Nominees for the members of the Board of Directors. For regular directors, the nominees were:

Robert John L. Sobrepeña  
Ferdinand T. Santos  
Noel M. Cariño  
Rafael Perez de Tagle, Jr.  
Jaime M. Cacho  
Roberto S. Roco; and  
Alice Odchigue-Bondoc

For independent directors, the nominees were:

Francisco C. Gonzalez  
Jose Wilfrido M. Suarez

The Corporate Secretary then reported that the nominees possess all the qualifications and none of the disqualifications to hold office as directors.

The Chairman then requested the Corporate Secretary to present the voting results on the election of directors.

The Corporate Secretary announced that based on the tabulation results, each of the nominees has obtained the required number of votes to be elected as members of the Board.

**10. Appointment of External Auditor**

The Chairman then announced that the next item on the agenda was the proposal for the approval of the appointment of the auditing firm of Isla Lipana & Co. as the external auditor of the Corporation for the current calendar year ending December 31, 2022. The Chairman added that the Board of Directors, upon recommendation of the Audit Committee, has approved the engagement of Isla Lipana & Co. to conduct the audit of the Corporation's financial statements for the year ending December 31, 2022.

The Chairman then requested the Corporate Secretary to present the voting results on this item.

The Corporate Secretary announced that based on the tabulation results, 100% of the shares present or represented by proxy approved the appointment of Isla Lipana & Co. as External Auditor for the fiscal year ending December 31, 2022.

**11. Adjournment**

There being no further business to discuss, the meeting was thereupon adjourned.

**ATTEST:**

  
**ROBERT JOHN L. SOBREPEÑA**  
Chairman

  
**GILBERT RAYMUND T. REYES**  
Corporate Secretary