

**MINUTES OF THE 2013 ANNUAL MEETING OF STOCKHOLDERS OF
ALLIANCE SELECT FOODS INTERNATIONAL, INC.**

Oakwood Premier Hotel, Nostalg 1, 17 ADB Avenue
Ortigas Center, Pasig City, Philippines
July 4, 2013 at 3:00 P.M.

I. CALL TO ORDER

The meeting was called to order by the Chairman of the Board, Mr. George E. Sycip, who presided over and chaired the meeting. The Corporate Secretary, Divinagracia S. San Juan, took down the minutes of the meeting.

II. PROOF OF NOTICE & QUORUM

The Corporate Secretary certified to the prior issuance of notices to the stockholders of record, as well as to the attendance of stockholders representing 72.97% of the outstanding capital stock. There being a quorum, the Chairman declared the meeting duly constituted and competent to transact the business.

III. INTRODUCTION OF DIRECTORS AND OFFICERS PRESENT

The Chairman introduced the members of the Board and Corporate Officers present.

IV. APPROVAL OF THE MINUTES OF THE 2012 ANNUAL STOCKHOLDERS' MEETING

Copies of the minutes of the July 3, 2012 Annual Stockholders' Meeting were provided to all the stockholders present. As there were no comments or objections thereto, and upon motion duly made and seconded, the Minutes of the July 3, 2012 Annual Stockholders' Meeting were approved by the stockholders.

V. MANAGEMENT REPORT AND PRESENTATION OF AUDITED FINANCIAL STATEMENTS FOR CALENDAR YEAR ENDED DECEMBER 31, 2012

The President, Mr. Jonathan Y. Dee, rendered his report to the stockholders on the accomplishments of the Corporation and developments in its business in the last year together with the highlights of the 2012 audited financial statements.

2012 Financial Highlights

As an introduction to the President's report, a video presentation giving a brief history of the Company and the direction it has taken through the years up to the present was shown to the body. Thereafter, Mr. Dee gave the highlights of the financial performance of ASFII in 2012, as culled from its Audited Financial Statement, as follows:

Amount in US \$'000	YEARS ENDED DECEMBER 31		
	<u>2012</u>	<u>2011</u>	<u>%Change</u>
Revenue	\$82,337	\$51,337	60%
Gross Profit	10,555	6,210	70%
Gross Margin	12.8%	12.1%	
Selling & Administrative Expenses	6,795	6,512	4%
Profit from operations	3,724	223	1572%
Operating Margin	4.5%	0.4%	
Finance Cost	2,083	1,088	91%
Profit (Loss) for the year	774	(952)	181%
Non-Controlling interest	(545)	(725)	25%

Profit (Loss) attributable to equity holders of the parent	1,319	(226)	682%
Net Profit Margin	1.6%	-0.4%	
EBITDA	4,754	988	381%
EBITDA margin	5.8%	1.9%	

Mr. Dee laid stress on the fact that there was 60% revenue growth for the Company from US\$51,337,000 in 2011 to US\$82,337,000 in 2012, and that it made a turnaround in profit from -US\$952,000 last year to this year's US\$774,000.

2012 Key Events

Mr. Dee briefed the body on the Company's first venture into aquaculture with the acquisition last year of Akaroa Salmon. The salmon farm is located at Akaroa Harbor, New Zealand, which is a natural habitat of wild salmon just one hour south of Christchurch. He explained that the new subsidiary farms only King salmon (not Atlantic), considered to be top-of-the-line/premium salmon and the best source of Omega-3 fatty acids. The investment in salmon farming has made ASFII's Salmon Division into a farm-to-fork operation, with Akaroa Salmon doing hatchery and farming; Big Glory Bay, processing; and Prime Foods and Spence & Co., marketing/brand ownership.

After branching out into salmon, ASFII now has 26% of its total revenue coming from the Salmon Division, up from only 8% in 2010. The salmon business accounted for 47% of Gross Profit in 2012, with sales growing from US\$4 million in 2010 to US\$21 million today, or a staggering growth of five times within two years.

Continued Vertical Integration

Mr. Dee next discussed the Company's parallel effort to fully integrate its Tuna Division operations, and thereby lower the cost of raw materials for the ASFII canneries, allowing them to increase volume and profits. Two fishing companies have been set up for the purpose: Wild Catch Fisheries, Inc. (WCFI), a Philippine corporation, and PT Van de Zee (VDZ), an Indonesian entity. The 2013 capital expenditure for fishing is US\$17 million for the Philippine fleet, and US\$4 million for Indonesian fleet. By 2015, WCFI is expected to supply 40% of ASFII's Philippine cannery requirements, way up from 7% this year. VDZ should likewise be supplying 60% of the Company's Indonesian cannery needs by 2015, from 11% this year.

Singapore Stock Exchange Listing

Mr. Dee updated the body on the status of the Company's proposed listing of Singapore Depositary Shares on the Singapore Stock Exchange. He informed the stockholders that for purposes of proceeding with the project and as required by its listing sponsor, ASFII has sought a ruling from the Bureau of Internal Revenue on the tax implications of the transaction applying the Philippine-Singapore Tax Treaty, and undertook to forthwith notify them of any developments in this regard.

Open Forum

The Chairman, Mr. Sycip, opened the floor to questions/comments from the stockholders, and thereafter, the following queries were raised and correspondingly addressed:

1. **The Company's GP for 2012 is relatively low at 12%. What is the cause and can we expect the figures to improve?**

This was due to the costs of ASFII's recent investments into vertical integration to assure fish supply to its factories in General Santos City and Bitung, Indonesia, and other factors. As ASFII becomes more secure in terms of raw material availability, we expect figures to improve dramatically.

2. What are the Company's short-term and long-term (2-3 years) projections for growth?

ASFII expects robust growth based on the short- and long-term projections of Management. With a more assured fish supply comes higher plant capacity utilization and with increased production, we expect more profitability.

3. Can we expect a substantial jump in sales soon?

Volume of production/sales is highly dependent on fish supply. Should there be a better supply of fish, production and sales are expected to correspondingly increase.

4. If the Company proceeds with its proposed SGX listing of Singapore Depositary Shares, where would the shares to be listed/offered come from and would this not result in the dilution of the interests of the existing shareholders?

The shares to be converted into Singapore Depositary Shares shall come from the unissued authorized capital stock of the Company. While, in a sense, it results in a "dilution" of the present stockholders' interests, the move will allow the Company to operate on a higher platform with increased international exposure and is expected to result in more liquidity of ASFII shares.

5. Is another stock dividend declaration in the offing?

The Board of Directors shall take this matter up at the right time, but stockholders are assured of best efforts toward this objective.

6. While we are claiming to be the first Philippine corporation to list on the SGX, if ever, did not Del Monte Pacific Ltd. already list ahead of ASFII? Also, is it true that an ASFII subsidiary has successfully listed on the SGX even as the ASFII as the parent company has postponed its own listing?

Del Monte Pacific Ltd. is a Singapore corporation which listed on the Philippine Stock Exchange, and not a Philippine corporation which has listed in Singapore. No ASFII subsidiary has listed anywhere abroad.

7. Please comment on the 2013 1st Quarter loss of US\$600,000.00.

Admittedly, ASFII had a difficult first quarter this year but it is expecting quite a good second quarter performance to reverse the losses registered.

8. If ASFII is to list on the SGX, what would be the pricing of the shares?

We are far off yet from the pricing stage because ASFII and its listing sponsor are still seeking the necessary approvals, particularly from the Bureau of Internal Revenue, for the exercise. In any case, a formula will have to be applied involving the "bundling" of ASFII shares because the SGX requires a minimum price of SG\$.20/share.

9. If Philippine shares are to be lodged on the SGX, is there a possibility of stock arbitrage?

The mechanism for the stock listing is still being worked out at this time so we are not sure if arbitrage is possible at all considering that there is no time difference between the Philippines and Singapore. But we will look into this.

10. **Comment: The share price as of 3 July 2013 was P1.421/share. Today, 4 July 2013, it stands at P1.48/share. There appears to have been heavy purchasing overnight.**

11. **The low figures of 2011 seem linked to the fact that fish supply was down for that year. Is availability of fish an inherent part of the risks of the Company's business?**

Yes, which is why ASFII has gone into vertical integration by engaging in fishing through its subsidiaries and joint venture projects.

12. **Please comment on Japan's ventures into farming of bluefin tuna.**

Japan is doing bluefin tuna farming only on a small-scale basis. So far, this is the only commercially viable farming of tuna that we know to have been undertaken.

13. **Should the BIR delay for more than six months in issuing the tax ruling requested by ASFII, what is the Company's Plan B?**

The Company will request its underwriter/project sponsor to proceed with the listing project on the basis of two (2) favorable tax opinions obtained by ASFII from Philippine legal advisers. Apart from this, the Company has plans to finance its growth, with or without the funds expected to be raised from the SGX listing.

14. **Three years ago, ASFII had a strong balance sheet. Why aren't figures better now although the Company has become a much bigger business?**

The costs of growth and expansion over the years have naturally affected the balance sheet.

15. **Comment: There is scientific research on tuna that can change the color of hair.**

The being no further questions/comments at this point, and upon motion duly seconded, the Management Report and the 2012 Audited Financial Statement were approved by the body.

VI. RATIFICATION OF THE AMENDMENT OF THE CORPORATION'S BY-LAWS TO PROVIDE FOR THE POSITION OF CHIEF FINANCIAL OFFICER

Mr. Sycip proceeded to discuss the proposed amendments of Sections 1 and 5, Article IV (Officers) of the By-Laws to provide for the position of Chief Financial Officer and enumerate the duties and responsibilities of the office. He informed the body that the Board of Directors had approved the amendment of the By-Laws at its meeting last May 17, 2013. A slide on the old By-Law provisions and the amendments approved by the Board was shown to the stockholders for their reference.

Upon motion duly made and seconded, and there being no objection to the motion to ratify the Board's approval of the proposed amendments to the By-Laws, the following resolutions were adopted by the body, to wit:

RESOLVED, that Article IV of the By-Laws and Sections 1, 5 and 6 thereof be amended to read as follows:

ARTICLE IV
OFFICERS

Section 1. *Election/Appointment* -- Immediately after their election, the Board of Directors shall formally organize by electing the President, the Vice-President, the Treasurer, the Chief Finance Officer, the Secretary and the Assistant Secretary at said meeting.

The Board may, from time to time, appoint such other officers as it may determine to be necessary or proper. Any two (2) or more compatible positions may be held concurrently by the same person, except that no one shall act as President and Treasurer or Secretary at the same time.

Section 5. *The Treasurer* -- The Treasurer of the corporation shall have the following duties:

a) To have custody of, and be responsible for, all the funds, securities and bonds of the corporation.

b) To deposit in the name and to the credit of the corporation, in such bank as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds, and similar valuable effects belonging to the corporation which may come under his control.

c) To exercise such powers and perform such duties and functions as may be assigned to him by the President.

Section 6. *The Chief Finance Officer* -- The Chief Finance Officer of the corporation shall have the following duties:

a) To be responsible for corporate finance including the day-to-day operations of the Treasury Department, borrowings from banks and financial institutions, and capital-raising activities.

b) To keep full and accurate accounts of receipts and disbursements in the books of the corporation.

c) To render annual statements showing the financial condition of the corporation and such other financial reports as the Board of Directors, or the President may, from time to time require.

d) To prepare such financial reports, statements, certifications and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies.

e) To exercise such powers and perform such duties and functions as may be assigned to him by the President.

RESOLVED FURTHER, that Sections 6, 7, and 8 of Article IV of the By-Laws be re-numbered accordingly.

VII. CONFIRMATION OF ALL ACTS, PROCEEDINGS AND ACTIONS OF THE BOARD OF DIRECTORS AND CORPORATE OFFICERS

Upon motion duly made and seconded, all previous acts and accomplishments of the present management and incumbent Board were unanimously confirmed and ratified.

VIII. NOMINATION AND ELECTION OF DIRECTORS

The Corporate Secretary read the names of the seven (7) nominees to the Board of Directors submitted by the stockholders. It was moved that, there being only seven (7) nominees for the seven (7) seats on the Board, all votes cast be counted in favor of those nominated. As there was no objection from the floor, the following were declared to be the duly elected members of the Board of Directors for 2013-2014:

1. George E. SyCip (Independent Director)
2. S. Chandra Das (Independent Director)
3. Alvin Y. Dee
4. Jonathan Y. Dee
5. Hedy S. C. Yap-Chua
6. Albert Hong Hin Kay
7. Ibarra A. Malonzo

IX. APPOINTMENT OF EXTERNAL AUDITOR

Upon motion duly made and seconded, the accounting firm Manabat Delagado Amper & Co. (*Formerly: C. L. Manabat & Co.*) was re-appointed as the External Auditor of the Company for 2013-2014.

X. ADJOURNMENT

There being no other business to discuss and upon motion made and duly seconded, the meeting was adjourned at 4:30 in the afternoon.

DIVINAGRACIA S. SAN JUAN
Secretary of the Meeting

Noted by:

GEORGE E. SYCIP
Chairman