

**MINUTES OF THE 2017 ANNUAL STOCKHOLDERS' MEETING  
OF ALLIANCE SELECT FOODS INTERNATIONAL, INC.**

At the Linden Suites,  
37 San Miguel Avenue, Ortigas Center,  
Pasig City, Metro Manila  
On Thursday, June 15, 2017 at 2:30 p.m.

**Directors Present:**

1. **Mr. Antonio C. Pacis**, Chairman;
2. **Mr. George E. SyCip**, Vice-Chairman;
3. **Mr. Raymond K.H. See**, Director, President & CEO
4. **Ms. Marie Grace T. Vera Cruz**, Director
5. **Mr. Erwin M. Elechicon**, Independent Director;
6. **Mr. Joseph Peter Y. Roxas**, Director; and
7. **Mr. Dobbin A. Tan**, Independent Director

**Also Present:**

1. **Atty. Barbara Anne C. Migallos**, Corporate Secretary;
2. **Atty. Ma. Kristina P. Ambrocio**, Assistant Corporate Secretary
3. **Ms. Lisa Angela Y. Dejadina**, Senior Vice President

**I. CALL TO ORDER**

At 2:30 p.m., the Chairman of the Board of Directors, Atty. Antonio C. Pacis, called the meeting to order and presided over the same. The Chairman introduced the Directors and Senior Officers present at the meeting. The shareholders were also informed of the presence of representatives of Reyes Tacandong & Co., the Company's independent external auditors for 2016.

**II. PROOF OF NOTICE OF MEETING**

The Chairman asked the Corporate Secretary if notices of the meeting were properly sent.

The Corporate Secretary, Atty. Barbara Anne C. Migallos, certified that Notices of the Annual Stockholders' Meeting, together with the Agenda and the Information Statement, all duly approved by the Securities and Exchange Commission (SEC), were sent to shareholders not later than May 17, 2017, within the periods prescribed under the applicable rules.

**III. CERTIFICATION OF QUORUM**

The Chairman then asked the Corporate Secretary if there was a quorum for the transaction of business for which the meeting was called. The Corporate Secretary informed the body that, **as of 2:15 p.m.**,<sup>1</sup> there were present, in person or represented by proxy, shareholders holding **70.21%**<sup>2</sup> of the outstanding capital

<sup>1</sup> In the interest of time, the figures presented during the meeting were as of 2:15 p.m.

<sup>2</sup> Total number of shareholders present in the meeting, in person or by proxy, are shareholders holding **2,128,021,247 common shares**, representing **85.15%**.

stock of the Company. Accordingly, there was a quorum for purposes of the Meeting.

## **VOTING PROCEDURE**

The Corporate Secretary then announced the voting procedure for the Meeting.

The required quorum for the Meeting is the presence, in person or by proxy, of stockholders holding a majority of the outstanding capital stock. In order to approve an item on the agenda, the affirmative vote of at least a majority of those present is required. There are no items on the Agenda that require a higher vote as provided in the Corporation Code.

The voting is conducted by balloting. Ballots were provided to shareholders and designated proxies upon registration. Where a shareholder designated a proxy, the proxy must vote in accordance with the stockholders' instructions, which instructions are indicated in the proxy submitted to the Company.

The proxy form distributed to the shareholders contained each item on the Agenda that requires the shareholders' vote. There are spaces for YES, NO or ABSTAIN, and the shareholder indicates how he wants his shares to be voted. For the election of directors, the names of all nominees are in the proxy form with three options: (1) VOTE FOR ALL; (2) WITHHOLD VOTE FOR ALL; and (3) WITHHOLD VOTE FOR CERTAIN NOMINEES, with space provided for names of nominees not being voted for.

The Corporate Secretary and the Compliance Officer will be responsible for the tabulation of votes. The votes cast for each item will be announced when that particular item is taken up by the body. The voting results shall also be made available on the Company's website.

## **GENERAL PROTOCOL**

For fair, orderly, and efficient proceedings, the Corporate Secretary also explained the general protocol that shall be observed for the Meeting.

Only stockholders and duly designated proxies are entitled to take the floor to make a comment or ask questions at the Meeting. A stockholder or proxy who wants to comment or ask a question is requested to give his name, and to state for the record that he is a stockholder or proxy, as the case may be. The stockholder or proxy must first be recognized by the Chairman before he can have the floor.

The comments and questions from the stockholders or their proxies must be relevant to the particular item in the agenda being discussed. Also, a stockholder or proxy recognized by the Chairman shall be given a maximum of two (2) minutes to make a comment or ask a question for each item on the Agenda. After his comment or question has been responded to or addressed, he shall be given a maximum of one (1) minute to respond or make a follow up comment.

Stockholders and proxies must observe proper decorum and due courtesy during the meeting. Any person who fails to follow the general protocol as stated

may be declared out of order and may be barred from further participation in the proceedings and/or be escorted out from the venue.

#### **IV. APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETINGS**

The Chairman proceeded to the first business item on the agenda, the reading and approval of the Minutes of the 2016 Annual Stockholders' Meeting held on June 28, 2016. Copies of the said Minutes were provided to the shareholders upon registration. A copy of the said Minutes is also available for viewing on the Company's website.

Ms. Liselle Angela I. Bascara, a proxy, moved that the reading of the Minutes of the 2016 Annual Stockholders' Meeting held on June 28, 2016 be dispensed with, and that the said Minutes be approved. The motion was seconded.

The Chairman requested the Corporate Secretary to inform the body of the votes of the shareholders on the approval of the Minutes. The Corporate Secretary reported that, as of **2:15 p.m.**, shareholders holding **1,754,224,223 common shares** representing **70.18%**<sup>3</sup> voted YES to the approval of the Minutes of the Annual Stockholders' Meeting held on June 28, 2016. The said Minutes were therefore approved.

#### **V. ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

The next item on the agenda was the approval of the Annual Report, together with the Audited Financial Statements and the notes thereto for the year ended December 31, 2016. Copies of the 2016 Audited Financial Statements and the Annual Report were provided to the shareholders prior to the meeting together with the Information Statement.

The Chairman requested Mr. Raymond K.H. See, the Company's President & CEO, to present the highlights of the Annual Report.

Mr. See reported on the Company's performance in 2016 and the first quarter of 2017. Slides with the relevant figures were shown to stockholders as he was giving the report.

##### *2016 Performance*

Mr. See said that the diversification strategy adopted a few years ago, i.e. from purely tuna to tuna and salmon, is now bearing fruit. In 2016, salmon accounted for 40% of the Company's revenues. The Company is also benefiting from the investment to increase the capacity of its Akaroa farms. Akaroa's net profit before tax grew by 300% in 2016.

For Spence, there was a dip in performance in 2016 due the spike in salmon prices brought about by an algae bloom outbreak which wiped out some farms in the Chilean salmon market. He said that this is a temporary

---

<sup>3</sup> Total number of shareholders holding **1,754,792,273 common shares**, representing **70.20%** voted **YES** to the dispensing of the reading and the approval of the minutes of meeting held on June 28, 2016.

phenomenon, and noted that Spence is now getting better margins due to the softening of salmon prices.

Mr. See said that while the Company ended 2016 with a loss of \$6 million on a consolidated basis, performance has been improving year-on-year for the last 3 years. This shows that the Company is on the right track in implementing the turn-around strategy adopted in late 2015.

#### *First Quarter 2017 Performance*

For the first quarter of 2017, Mr. See reported that revenues for tuna and salmon increased by around 15% compared to the same period last year. This resulted to a positive bottomline \$126,000 for the first quarter despite persistent challenges in tuna and salmon raw material pricing.

#### *What to Expect In 2017*

Mr. See then presented management's plans for 2017.

On people, management will continue to drive a culture change within the Company and develop talent to ensure sustainable growth.

On sales, the plan is to continue to expand the Company's market, geographically and in segments (i.e. to offer a wider range of product lines). Mr. See noted that the Company increased its canned tuna exports to the Japanese market by 50% in 2016. The Company is also now doing business with a number of Middle East companies for canned tuna.

Mr. See also mentioned that the Company's Akaroa salmon, which is flown in fresh and chilled (but never frozen), is now available in some Rustan's Marketplace supermarkets, and served in Antonio's (Tagaytay) and Wildflour. The Company has also launched a Facebook page where Akaroa salmon can be ordered online. He added that the Company's Spence smoked salmon products will soon be available in Rustan's Marketplace supermarkets. Other salmon products under the Prime and Gold Standard brands are currently being sold in a number of supermarkets such as Robinsons, Cash and Carry, South Supermarket, Makati Supermarket and Unimart.

The Company has also expanded its product line to black cod (gindara), U.S. scallops and seabass, which are sold to restaurants.

On operations, the Company has invested in SAP, an enterprise resource planning software, which improves access to real-time data that allows better decision-making, and assists management in driving better efficiency and cost improvement.

#### ***Open Forum***

Before the Chairman entertained questions regarding the report, he reminded the shareholders and proxies of the general protocol for the meeting.

Question 1: Mr. Philip Turner, stockholder, asked about the situation of tuna supply of the Company; specifically, whether tuna supply in the Philippines is enough or the Company sources tuna elsewhere?

Answer: Mr. See responded that the Company has always sourced its tuna from the Philippines and abroad. The Company does not foresee problems with the supply of tuna in the near future. Although there was a recent slowdown in the catch all over the world, the expectation is that this will not persist.

Question 2: As a follow up question, Mr. Turner asked if the Company can increase its tuna business considering the raw material supply situation.

Answer: Mr. See said that the Company is such a small player in the world tuna market that there is always room for growth. He said that there is enough supply to drive growth of the Company's tuna business.

Question 3: Mr. Turner then asked if the company plans to further diversify and expand beyond the products mentioned in the presentation?

Answer: Mr. See said that the rationale for the Company's product diversification was to take advantage of existing relationships with clients (such as hotels and restaurants) that source tuna and salmon from the Company. The relationships presented opportunities to expand the business by offering clients other products. He said that the Company will continue to look for such opportunities.

Question 4: Atty. Pacifico Tacub, shareholder, said that it appears from Mr. See's presentation that the Company's future is bright. He asked when shareholders can expect cash dividends.

Answer: Mr. See said that the Company is indeed doing better, and the Board and management are doing its best to improve the Company's performance enough that will allow a declaration of dividends, sooner rather than later. Mr. See said that he cannot commit to a specific date or timeline, but he acknowledged that declaring dividends and improving shareholder value is one of management's primary objectives.

Atty. Tacub applauded commended the Board and management for the Company's performance, and applauded the President for his.

Question 5: Mr. Stephen G. Soliven, stockholder, noted that the Company's cash and cash equivalents substantially decreased from P7 million to P17 million, and its working capital moved from positive to negative in 2016. He asked whether management foresees a reversal of this trend, and whether a further decrease in losses is expected this year.

Answer: Mr. See said that there is no issue with respect to cash flow and working capital. As to the losses, Mr. See said that management expects to trim it down further this year, if not better, as it is always the goal to end the year with a positive bottom line.

There being no other questions, Mr. Emil S. Cuyugan, a proxy, moved that the Annual Report together with the Audited Financial Statements and the notes thereto for the year ended December 31, 2016 be approved, ratified, and confirmed. The motion was seconded.

The Chairman requested the Corporate Secretary to inform the body of the votes cast in favor of the approval of the Annual Report and the Audited Financial Statements for 2016. The Corporate Secretary reported that, as of **2:15 p.m.**, shareholders holding **1,754,724,315**, representing **70.20%**<sup>4</sup> of the outstanding capital stock of the Company, voted YES to the approval of the Annual Report and the Audited Financial Statements and the notes thereto for the year ended December 31, 2016. The said Annual Report and the Audited Financial Statements and the notes thereto were thus declared approved.

#### **VI. RATIFICATION AND APPROVAL OF ACTS OF BOARD OF DIRECTORS AND EXECUTIVE OFFICERS FOR THE CORPORATE YEAR 2016-2017**

The next item on the agenda was the ratification and approval of the acts of the Board of Directors and the executive officers of the Company for the corporate year 2016-2017. The major actions of the Board and the executive officers for the past year are summarized in the Information Statement, which were distributed to the shareholders before the meeting. All Board actions are reflected in the Minutes of Meetings of the Board which were available for inspection.

Ms. Mikhaela Alexandra D. Andaya, a proxy, moved for the approval, ratification and confirmation of all acts made or taken by the Board of Directors and executive officers of the Company for the corporate year 2016-2017. The motion was duly seconded.

At the Chairman's request, the Corporate Secretary informed the body of the votes of the stockholders on the matter. The Corporate Secretary reported that shareholders holding **1,754,723,315 common shares**, representing **70.20%**<sup>5</sup> of the outstanding capital stock of the Company, voted YES to the ratification and approval of all acts made or taken by the Board of Directors and Executive officers of the Company for the corporate year 2016-2017. The acts made or taken by the Board of Directors and executive officers of the Company during the said corporate year were thus declared approved.

#### **VII. APPOINTMENT OF INDEPENDENT AUDITORS**

The Chairman took up the next item on the Agenda which is the appointment of the Company's independent auditors. He said that the Audit Committee and the Board of Directors recommended the appointment of Reyes Tacandong & Co., as independent auditors of the Company for 2017.

Ms. Ma. Karla C. Ilagan, a proxy, moved for the appointment of Reyes Tacandong & Co. as independent auditors of the Company for 2017. The motion was duly seconded.

At the Chairman's request, the Corporate Secretary informed the body that shareholders holding **1,754,717,831 common shares**, representing

---

<sup>4</sup> Total number of shareholders holding **1,755,414,489 common shares**, representing **70.22%** voted **YES** to the approval, ratification, and confirmation of the 2016 Audited Financial Statements and its accompanying Management Report.

<sup>5</sup> Total number of shareholders holding **1,755,363,192 common shares**, representing **70.22%** voted **YES** to the approval, ratification, and confirmation of the acts of the Board of Directors and Executive Officers for the corporate year 2016-2017.

**70.20%**<sup>6</sup> of the outstanding capital stock of the Company, voted YES to the appointment of Reyes Tacandong & Co. as the independent external auditor of the Company for 2017. The Chairman thus declared that the appointment of Reyes Tacandong & Co. as independent auditors of the Company for 2017 has been duly approved.

### **VIII. ELECTION OF DIRECTORS, INCLUDING INDEPENDENT DIRECTORS**

The next item on the agenda is the election of directors for the ensuing year. There are seven (7) seats to be filled, where two (2) of the directors to be elected must be independent directors. The Corporate Secretary was then requested to read the names of the nominees.

The Corporate Secretary reported that there were seven (7) nominees for the seven (7) seats on the Company's Board of Directors for election at the Annual Stockholders' Meeting. Two (2) of the seven (7) nominees are for independent directors. The Nominations Committee screened the nominees and prepared a final list of candidates, which was incorporated in the Information Statement for today's Meeting. The following are the nominees:

For regular director:

1. Mr. Antonio C. Pacis;
2. Mr. George E. Sycip;
3. Mr. Raymond K.H. See;
4. Ms. Marie Grace T. Vera Cruz; and
5. Mr. Joseph Peter Y. Roxas

For independent director:

1. Mr. Erwin M. Elechicon; and
2. Mr. Dobbin A. Tan

The Chairman asked the Corporate Secretary to inform the body of the votes cast for each of the seven (7) nominees to the Company's Board of Directors. The Corporate Secretary reported that, as of **2:15 p.m.**, each of the seven (7) nominees for the seven (7) seats on the Board received more than sufficient votes to elect each of them as Director of the Company. The Corporate Secretary announced the votes received by each nominee as of 2:15 p.m.:

For regular director

1. Mr. Antonio C. Pacis received 67.96%;<sup>7</sup>
2. Mr. George E. Sycip received 75.16%;<sup>8</sup>

---

<sup>6</sup> Total number of shareholders holding **1,755,409,302 common shares**, representing **70.22%** voted **YES** to the appointment of Reyes Tacandong & Co., as the Company's Independent External Auditors for 2017.

<sup>7</sup> Total number of shareholders holding **1,699,337,240 common shares**, representing **67.98%** voted **YES**, and **423,640,118 common shares** representing **16.95%** voted **NO**, while **5,043,224 common shares** representing **0.2%** voted **ABSTAIN**, to the election of Mr. Antonio C. Pacis as member of the Board of Directors.

<sup>8</sup> Total number of shareholders holding **1,750,826,129 common shares**, representing **70.04%** voted **YES**, and **372,164,570 common shares** representing **14.89%** voted **NO**, while **5,029,883 common shares** representing **0.2%** voted **ABSTAIN**, to the election of Mr. George E. SyCip as member of the Board of Directors.

3. Mr. Raymond K.H. See received 67.96%;<sup>9</sup>
4. Ms. Marie Grace T. Vera Cruz received 67.95%;<sup>10</sup> and
5. Mr. Joseph Peter Y. Roxas received 76.43%.<sup>11</sup>

For independent director:

1. Mr. Erwin M. Elechicon received 67.95%;<sup>12</sup> and
2. Mr. Dobbin A. Tan received 67.96%.<sup>13</sup>

Consistent with corporate governance best practices, the final vote tally for the election of directors will be posted on the Company's website together with the Minutes of the Meeting.

The Chairman thus declared all of the seven (7) nominees as duly elected members of the Company's Board of Directors.

## **IX. OTHER MATTERS**

The Chairman asked whether there were other matters that stockholders wanted to take up at the meeting.

Mr. Emilio Dela Cruz, a stockholder, asked Mr. Raymond K.H. See if the Company's products will be made available in supermarkets other than those mentioned in the report. Mr. See said that the goal is always to expand the market for the Company's products, and to sell them in more supermarkets.

In response to another question from Mr. Dela Cruz, Mr. See confirmed that stockholders who attended the meeting can be provided with complimentary parking passes.

## **X. ADJOURNMENT**

There being no other matters to discuss, and upon motion duly made and seconded, the Chairman declared the meeting adjourned at 3:15 p.m.

---

<sup>9</sup> Total number of shareholders holding **1,699,380,405 common shares**, representing **67.98%** voted **YES**, and **423,640,118 common shares** representing **16.95%** voted **NO**, while **5,000,059 common shares** representing **0.2%** voted **ABSTAIN**, to the election of Mr. Raymond K.H. See as member of the Board of Directors.

<sup>10</sup> Total number of shareholders holding **1,699,331,130 common shares**, representing **67.98%** voted **YES**, and **423,640,118 common shares** representing **16.95%** voted **NO**, while **5,122,923 common shares** representing **0.2%** voted **ABSTAIN**, to the election of Ms. Grace T. Vera Cruz as member of the Board of Directors.

<sup>11</sup> Total number of shareholders holding **1,755,351,434 common shares**, representing **70.22%** voted **YES**, and **372,164,570 common shares** representing **14.89%** voted **NO**, while **504,578 common shares** representing **0.02%** voted **ABSTAIN**, to the election of Mr. Joseph Peter Y. Roxas as member of the Board of Directors.

<sup>12</sup> Total number of shareholders holding **1,699,267,541 common shares**, representing **67.98%** voted **YES**, and **423,640,118 common shares** representing **16.95%** voted **NO**, while **5,122,923 common shares** representing **0.2%** voted **ABSTAIN**, to the election of Mr. Erwin M. Elechicon as member of the Board of Directors.

<sup>13</sup> Total number of shareholders holding **1,699,337,844 common shares**, representing **67.98%** voted **YES**, and **423,640,118 common shares** representing **16.95%** voted **NO**, while **5,042,620 common shares** representing **0.2%** voted **ABSTAIN**, to the election of Mr. Dobbin A. Tan as member of the Board of Directors.

Prepared by:

**BARBARA ANNE C. MIGALLOS**  
**Corporate Secretary**

Attest:

**ANTONIO C. PACIS**  
*Chairman of the Meeting*