

DRAFT ONLY
FOR APPROVAL on the next Stockholders' Meeting
MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF
JOLLIVILLE HOLDINGS CORPORATION

Held on 20 June 2019 at 3:00 p.m.
20 Lansbergh Place
Tomas Morato Avenue corner Scout Castor Street, Quezon City

TOTAL NUMBER OF SHARES OUTSTANDING	281,500,000
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	219,975,996

Before the start of the meeting, the following members of the Board of Directors present were introduced:

JOLLY L. TING
NANETTE T. ONGCARRANCEJA
MELODY T. LANCASTER
DEXTER E. QUINTANA
SERGIO R. ORTIZ-LUIS
RODOLFO L. SEE
ORTRUD T. YAO

CALL TO ORDER

The Chairman of the Board, Mr. Jolly Ting, called the meeting to order and presided over the same. The Corporate Secretary, Ms. Anna Francesca C. Respicio, recorded the minutes of the proceedings.

CERTIFICATION OF NOTICE AND QUORUM

The Secretary certified that, based on the following registry receipts from the Philippine Postal Corporation, notices of the meeting were sent to all shareholders of record as of 24 May 2019 in accordance with the provisions of the By-Laws. The Chairman instructed the Secretary to append the Certificate attesting to the mailing of notices to the original Minutes of the Meeting.

The Secretary certified that, based on the register of attendees and proxies as tabulated by the Stock Transfer Agent, out of Two Hundred Eighty One Million Five Hundred Thousand (281,500,000) shares of the total outstanding capital stock of the Corporation, Two Hundred Ten Million Six Hundred Sixty Six Thousand Nine Hundred Ninety One (210,666,991) shares were represented by proxy and Nine Million Three Hundred Nine Thousand and Five (9,309,005) shares were present in person, or a total of Two Hundred Nineteen Million Nine Hundred Seventy Five Thousand Nine Hundred Ninety Six (219,975,996) shares were present in person or by proxy representing an attendance of 78.14% of the total outstanding capital stock of the Corporation. Accordingly, the Secretary certified that a quorum existed for the transaction of business at hand.

**APPROVAL OF THE MINUTES OF THE
LAST STOCKHOLDERS' MEETING**

Upon motion duly made and seconded, the reading of the minutes of the last stockholders' meeting held on 21 June 2018 was dispensed with and the same was approved as circulated. Meanwhile, the Chairman opened the floor for questions about the Minutes of the 2018 Annual Stockholders' Meeting but none were raised.

DRAFT ONLY
FOR APPROVAL on the next Stockholders' Meeting

The Minutes of the said meeting was thereafter approved as circulated, with the shareholders voting as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	219,975,996	0	0

The following resolution was thereafter passed:

“RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of **JOLLIVILLE HOLDINGS CORPORATION** held on June 21, 2018 is hereby approved.”

2018 REPORT ON OPERATIONS AND RESULTS

Chairman’s Report

The Chairman then presented the financial results of the Corporation and subsidiaries for the year 2018 and the quarter ended 31 March 2019. 2018 has been a record breaking year for the Corporation and its subsidiaries. Two (2) separate equity sale transactions were responsible for this achievement. The Corporation recognized an improvement of ₱287.8M for the sale of Philippine H2O Ventures Corporation and ₱37.3M for the sale of shares of stock in Metro Agoo Waterworks Corporation.

Water, leasing, and technical service businesses experienced a particularly challenging year given the overall inflation pressure on the cost of sales and operational expenses, as well as higher borrowing costs partly due to higher interest rates. Power business performed better this year with Calapan Diesel Power Plant experiencing better energy offtake from the local power cooperative. 10MW Hydro Power Plant has been completed and has been operating since February 2019. Jolliville Leisure and Resort Corporation has completed its resort development project last April 2019.

The water distribution business, previously under Philippine H2O Ventures Corp, is now under Tubig Pilipinas Corporation, holding investment in Calapan Water. Management and Technical Services are undertaken by Jolliville Group Management Inc. and Servwell BPO International, while leasing business is through Ormina Realty & Development Corp. Our tourism property development is spearheaded by Jolliville Leisure and Resort Corp.

Each of business segments contribute significantly to the overall financial performance of the Corporation. For 2018, 57% of our Revenues came from the power business, followed by 30% from the water distribution business. Leasing contributed 9% and BPO or Technical services, 4%. Utility businesses contribute 86% to the net income, with the water business contributing 61% and power 25%. Leasing and technical business together contribute the remaining 14%.

Consolidated annual revenues reached ₱803.1 Million for the year 2018, increasing by 20.7% from the previous year. For year 2018, increase in revenues was mostly driven by the power and leasing segments.

For the first quarter of the year, revenues reached ₱217.1 Million, up by 34.6% against the same period last year. Increase in revenues are mostly driven by higher revenues in power with an increase of 88.7% or ₱62.3M and water services with an increase of 2.9% or ₱1.8M, however, the Corporation experienced a decrease in its technical service revenues due to completion of a service contract. Since the group’s revenues include fuel reimbursements for its fuel fired power plant, it is helpful to look at gross income to eliminate movements from fuel prices.

DRAFT ONLY
FOR APPROVAL on the next Stockholders' Meeting

While revenues increased by 20.7%, gross income decreased by 4.0% and closed at ₱244.5 Mmillion in 2018 compared to 2017. There were significant increases in cost of sales primarily in utilities and repairs and maintenance across our business units. For the first quarter of 2019, gross income increased by 13.7% and closed at ₱75.0 Million due to higher power and water revenues. Operating income for the year 2018 decreased by 20.8% to ₱103.8 Million. This is due to higher taxes incurred due to the equity sale transaction, higher depreciation and higher salaries and wages.

For the first quarter of the year, operating income increased by 26.7% to ₱37.0M due to the better performance of OPI's Calapan Diesel power plant and our water business. Net income prior to considering the gain on sale of equity investment is at ₱57.7 Million, with a decrease of 33% compared to last year. Considering the gain, net income closed at ₱382.7 Million, or an increase of 342.3% in 2018.

For the quarter, we suffered a net loss of ₱2.5 Million or a decrease of 118.0% compared to the same period last year. Net loss of for the 1st quarter are due to higher depreciation and other interest expenses related to the operations of the Inabasan Mini Hydro Power plant, as well as higher interest expenses from outstanding loans of the group.

As to consolidated financial ratios, current ratio increase to 0.44 compared to 0.33 the prior year primarily due to increase in cash and cash equivalents. Debt to Equity Ratio decreased at 1.66 level as the proceeds from the sale of equity investment boosted equity values. Return on Equity is at 18.2% , 13.6% higher than last year. These financial ratios show that the consolidated financials of the Corporation are healthy.

The Chairman thanked the Board of Directors for their valuable guidance and the shareholders for their continued trust and support in the management.

At the request of the Chairman, the Chief Financial Officer, Ms. Ortrud T. Yao, presented the following Report on the Corporation's Operations and Results for 2018.

Financial Report

Overall Performance

Ms. Yao presented the financial results of the Company and its operating subsidiaries for the year 2018 and the quarter ended 31 March 2019. The Power Generation business is operated through Philippine Hydro Electric Ventures Inc. and its subsidiary Ormin Power Inc. or OPI. The water distribution business, previously under Philippine H2O Ventures Corp, is now under Tubig Pilipinas Corporation, holding investments in Calapan Water and Metro Agoo Waterworks Inc. or MAWI. Management and Technical Services are undertaken by Jolliville Group Management Inc. and Servwell BPO International, while our leasing business is through Ormina Realty & Development Corp.

Each of the business segments contribute significantly to the overall financial performance of the Company. For 2018, 57% of the Revenues came from power business, followed by 30% from water business. Leasing contributed 9% and BPO or Technical services, 10%. The utility businesses contribute 86% of the net income, with the water business contributing 61% and power contribute 25%. Leasing and technical business together contribute the remaining 14%.

The consolidated annual revenues reached ₱803.1 Million for the year 2018 increasing by 20.7% from the previous year. For the year 2018k increase in revenues was mostly driven by the power and leasing segments.

DRAFT ONLY
FOR APPROVAL on the next Stockholders' Meeting

Jolliville Holdings Corporation

For the first quarter of the year, gross income up by 34.6% and closed at ₱217.1 Million in 2018 compared to 2017. Increase in revenues are mostly driven by higher revenues in our power (increase of 88.7% or ₱62.3 Million) and water services (increase of 2.9% or ₱1.8 Million), however we experienced a drop in our technical service revenues of 65% due to completion of a service.

While revenues increased by 20.7%, gross income decreased by 4.0% and closed at ₱244.5 Million in 2018 compared to 2017. There were significant increases in cost of sales primarily in utilities and repairs and maintenance across our business units.

Operating income for the year 2018 decreased by 20.8% to ₱103.8 Million. While operating income increased by 26.7% to ₱37.0M due to the better performance of OPI's Calapan Diesel power plant and our water business. For the first quarter of 2019, gross income increased by 13.7% and closed at ₱75.0 Million due to higher power and water revenues.

Net income prior to considering the gain on sale of equity investment is at ₱57.7 Million, a decrease of 33% compared to last year. Considering the gain, Net income closed at ₱382.7 Million or an increase of 342.3% in 2018. For the quarter, we incurred a net loss of ₱2.5 Million or a decrease of 118.0% compared to the same period last year. Net loss of for the 1st quarter are due to higher depreciation and other interest expenses related to the operations of the Inabasan Mini Hydro Power plant, as well as higher interest expenses from outstanding loans of the group.

The consolidated financial ratios, our current ratio increase to 0.44 compared to 0.33 the prior year primarily due to increase in cash and cash equivalents. Our Debt to Equity Ratio decreased at 1.66 level as the proceeds from the sale of equity investment boosted equity values. Return on Equity is at 18.2%, 13.6% higher than last year.

Ormin Power, Inc. (OPI)

For the past two years, power business has been underperforming due to a low power offtake by the Oriental Mindoro Electric Cooperative or ORMECO. Power supply agreement with ORMECO dictates that ORMECO purchases 45,600,000 kwhrs of power from OPI. In the year 2017, ORMECO purchased only 37,297,512 kwhrs, or 18.2% short of what is contracted. In 2018, ORMECO purchased 40,641,384 kwhrs or 10.9% short of what is contracted, but 9% higher compared to the previous year.

Net Income for 2018 increased by 46.8% and ended at ₱12.1 Million from ₱8.3 million the year prior. Higher net income resulted from higher power sales.

For the first quarter of 2019, low energy offtake remains to be a continuing concern. Despite power supply being available, energy offtake by ORMECO is 15.2% lower than contracted energy. As for the effective power rate, the ERC has not acted on our Motion for Reconsideration to grant us our applied rate of 2.95 versus the ERC approved final rate of 2.0931. However, ERC has issued a status quo order allowing us to collect 2.6920 while they deliberate on our motion. Revenues are up by 88.7% mainly due to increase in fuel costs which form part of our power revenue and additional revenues generated from the 1st quarter operations of the IMHPP. Our net income figures for the first quarter reflect a net loss of ₱19.6M compared to a net loss of ₱0.7 million for the same period last year. This is due to the poor hydro power generation for the first quarter as a result of the intensely felt El Nino phenomenon. Also, OPI started to report its interest expense on its IMHPP loans which is previously capitalized as part of Construction in Progress under Property, Plant and Equipment.

DRAFT ONLY
FOR APPROVAL on the next Stockholders' Meeting

Calapan Waterworks Corporation

On November 19, 2018, Calapan Water sold its 3,696,000 shares of MAWI to a domestic corporation. This resulted to deconsolidation of MAWI in 2018. Tubig Pilipinas Corporation is the parent company and its subsidiary Calapan Waterworks operates the water system for both Calapan and Tabuk cities under two separate divisions.

In 2018, total number of subscribers for our service areas, totaled 19,808, up 9% from the year prior. As of the end of the first quarter, we are serving 20,155 subscribers in total, and increase of 9.6% from the same period last year. Non Revenue Water, or NRW for Calapan City for the year 2018 decreased to 22%. NRW levels has reverted to low levels after completion of pipelaying works in our expansion areas. For Tabuk City, NRW increased and is at 45%. NRW for Tabuk has been problematic due to the deteriorating state of the LGU owned water system.

Revenues in 2018 increased by 1.8% due to additional service connections achieved in Calapan and Tabuk City. Revenues reached 239.5 million pesos compared to 211.1 million pesos in 2017. Net income for our water business was ₱42.6 Million for 2018, a decrease of 9.4% year on year. The decrease in net income is mainly due to higher utilities, interest expense and higher operating costs such as repairs and maintenance, manpower and depreciation for our Calapan operations.

As for the first quarter, Water revenues increased compared to the same period last year, ending at ₱63.5 Million, up 15.9% percent. We foresee this trend to continue as more new subscribers are connected to the Calapan and Tabuk system and as production volume increases in our Calapan operations.

Net income for the first quarter increased by 26% to close at 16.5M for the quarter. The increase in Net income is primarily due to improved efficiency in operations especially in minimizing cost of services.

Company's 2019 Outlook

For business outlook, the Corporation expect a good recovery for most of its business segments as it continue to streamline cost of sales and operational expenses.

While Calapan Diesel Power Plant issues seem to be improving after the complete rehabilitation of power lines has been completed, it can still be expected that the Inabasan Mini Hydro Power Plant will continue to underperform unless it experience a very good wet season for the rest of the year.

Thereafter, the Chairman opened the floor for questions to be raised on the report on the Corporation's operations. No questions, however, were raised by the shareholders present on the reports on the Corporation's operations and its Audited Financial Statements. No questions having been raised, the President's Report for the year ended December 31, 2018 together with the Audited Financial Statements for the Fiscal Year ended December 31, 2018, upon motion duly made and seconded, were approved:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2018 Operations and Results	219,975,996	0	0

The following resolution was likewise approved:

“RESOLVED, that the Reports by the Chairman and Chief Financial Officer on **JOLLIVILLE HOLDINGS CORPORATION's** Operations and Results for 2018, together with the Audited Financial Statements for the year ended December 31, 2018, be approved.”

DRAFT ONLY
FOR APPROVAL on the next Stockholders' Meeting

RATIFICATION OF CORPORATE ACTS

The next item in the agenda was the ratification of the corporate acts.

After the motion to confirm, ratify, and approve all the acts of the Board of Directors and Officers of the Corporation from the date of the last meeting up to date of the present meeting was duly made and seconded; the Chairman opened the floor for issues to be taken up pertaining to the ratification of all corporate acts. No questions or issues, however, were raised about the corporate acts. Accordingly, motion was then approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of all acts of the Board of Directors and Officers from the date of the last meeting up to the date of the present meeting.	219,975,996	0	0

The following resolution was likewise approved:

“RESOLVED, that all acts of the Board of Directors and Officers of **JOLLIVILLE HOLDINGS CORPORATION** from the date of the last meeting of the shareholders on June 13, 2018 up to the date of this meeting, are hereby confirmed, ratified and approved.”

ELECTION OF DIRECTORS

The Chairman announced that the next item in the agenda is the election of the members of the Board of Directors for the ensuing year. He noted that the profiles of those nominated for election as members of the Board were included in the Company's Information Statement as well as in the Annual Report. The information included their age, nationality, qualifications, dates of first appointment and other directorships in publicly-listed companies.

After their nominations were duly made and seconded from the floor, and based on the results of voting, the following persons were elected as members of the Board of Directors of the Corporation for the year 2019-2020 after receiving the votes indicated opposite their names:

ELECTION OF DIRECTORS	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Jolly L. Ting	219,975,996	0	0
Nanette T. Ongcarranceja	219,975,996	0	0
Ortrud T. Yao	219,975,996	0	0
Melody T. Lancaster	219,975,996	0	0
Rodolfo L. See	219,975,996	0	0
Dexter E. Quintana	219,975,996	0	0
Sergio R. Ortiz-Luiz	219,975,996	0	0

Messrs. Quintana and Ortiz-Luis were elected to serve as the Corporation's Independent Directors.

APPOINTMENT OF EXTERNAL AUDITOR

The Body next considered the appointment of the Corporation's external auditors for Year 2018. Mr. Rodolfo L. See, member of the Audit Committee announced that the Corporation's Audit Committee has recommended, and the Board of Directors has endorsed for the consideration of the shareholders, the re-appointment of Constantino Guadalqiver & Co. as the Corporation's external auditor for Year 2018.

DRAFT ONLY
FOR APPROVAL on the next Stockholders' Meeting

No questions or objections having been raised by the shareholders present despite opportunity having been given by the Chairman, the proposal to re-appoint Constantino Guadalquiver & Co. as the Corporation's external auditor for Year 2018 was approved by the shareholders as follows based on the results of voting:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of Constantino Guadalquiver & Co. as External Auditor for 2018	219,975,996		0

The following resolution was likewise approved:

“RESOLVED, that Constantino Guadalquiver & Co. be re-appointed as the external auditor of **JOLLIVILLE HOLDINGS CORPORATION** for Year 2018.”

OTHER MATTERS

There were no other matters taken up during the meeting.

ADJOURNMENT

There being no other business to transact, the meeting was thereupon adjourned.

Attested:

JOLLY L. TING
Chairman

ANNA FRANCESCA C. RESPICIO
Corporate Secretary