

**DRAFT ONLY**  
FOR APPROVAL on the next Stockholders' Meeting

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF  
**JOLLIVILLE HOLDINGS CORPORATION**

Held on 20 August 2020 at 3:00 p.m.  
Via Zoom Webinar

TOTAL NUMBER OF SHARES OUTSTANDING	281,500,000
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	223,723,995

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  
ORTRUD T. YAO  
RODOLFO L. SEE  
DEXTER E. QUINTANA (Independent Director)  
SERGIO R. ORTIZ-LUIS (Independent Director)

The presence of the following officers of the Corporation and representatives of Reyes Tacandong & Co. was likewise acknowledged:

ANNA FRANCESCA C. RESPICIO (Corporate Secretary)  
WILSON P. TEO (Reyes Tacandong & Co.)

**CALL TO ORDER**

The Chairman of the Board, Mr. Jolly L. 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 Certification of Mailing, notices of the meeting were sent to all shareholders of record as of 16 July 2020 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 Corporate Secretary, 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 Fourteen Million Seven Hundred Eighty Eight Thousand Nine Hundred Ninety One (214,788,991) shares were represented by proxy and Eight Million Nine Hundred Thirty Five Thousand and Four (8,935,004) shares were present in person, or a total of Two Hundred Twenty Three Million Seven Hundred Twenty Three Thousand Nine Hundred Ninety Five (223,723,995) shares were present in person or by proxy representing an attendance of 79.48% of the total outstanding capital stock of the Corporation. Accordingly, the Secretary certified that a quorum existed for the transaction of business at hand.

**RULES OF CONDUCT AND VOTING PROCEDURES**

The Chairman then informed the Body that, while the meeting is being held in a virtual format, the Corporation is extending the shareholders every opportunity to participate therein to the same extent as if they were in an in-person meeting. He then requested the Corporate

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Secretary to briefly explain the rules of conduct and the voting procedures.

Ms. Respicio explained as follows:

- 1. Stockholders who notified the Corporation of their intention to participate in this meeting by remote communication were able to send their votes through the voting portal set up for the purpose. Stockholders participating in the meeting may send questions throughout the duration of the meeting.
- 2. Some of the questions or comments received will be read after all matters in the agenda are concluded. However, as the time dedicated for the meeting is limited, the questions and comments which will not be read out and responded to during the meeting will be answered by Management via email.
- 3. Resolutions will be proposed for adoption by the stockholders for each of the items in the Agenda. Each proposed resolution will be shown on the screen as the same is being taken up.
- 4. The proxies received and the votes cast have been tabulated by the Corporate Secretary.

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

As requested by the Chairman, the Secretary advised the Body that the minutes of the last stockholders' meeting held on 20 June 2019 was immediately made available for the stockholders to view soon after the last meeting when it was posted on the Corporation's website. The same was also made part of the documents that were recently made available to the stockholders in connection with the 2020 meeting.

The Corporate Secretary then presented the Resolution as proposed by Management, and based on the votes received, reported the approval by the stockholders of the following Resolution:

“RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of JOLLIVILLE HOLDINGS CORPORATION held on 20 June 2019 is hereby approved.”

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	223,722,995	0	0

**2019 REPORT ON OPERATIONS AND RESULTS**

*Chairman's Message*

The Chairman again welcomed the shareholders present and proceeded to deliver his message. According to the Chairman, 2019 was a milestone year for the Company as it finally completed its most ambitious project – the 10 MW Inabasan Mini Hydro Power Plant. 4.5 years was spent constructing the hydro power plant. Many challenges were encountered, including two typhoons that set the construction back two (2) years and also made the endeavor more costly. Moreover, the first year of hydro power operations coincided with one of the worst El

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Nino phenomenon in recent Philippine history. This fact, coupled with the poor performance of the BPO segment posed a struggle for the Company. Fortunately, the water and real estate businesses performed well and the Company managed to end the year with ₱88.6 Million in net income.

He continued that the year 2020 was looking bright until the COVID-19 Pandemic made the world and the Philippines seemingly come into an abrupt halt. Like many businesses, the Company was not spared from the economic effects. Clients in the leasing and BPO businesses temporarily suspended operations, but luckily, the power generation and water utility businesses remained operational, catering to the most basic of needs.

The Chairman quoted Jack Ma stating that, “2020 would be about survival”. He expressed his gratitude that the Company had diversified businesses that enabled it to survive through this difficult time, particularly its investments in water and power which had become the Company's lifeline.

The Chairman likewise thanked the Board of Directors, officers, and staff for their perseverance in the face of uncertainties.

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 2019.

*Financial Report*

***Overall Performance***

Ms. Yao presented the financial results of the Company and its operating subsidiaries for the year 2019 and the first half-year 30 June 2020.

In 2019, Jolliville Holdings Corporation breached ₱1 Billion in revenues. The water distribution and real estate businesses posted profits while the power and BPO businesses performed below targets. The Company posted a net income of ₱88.6 million for the year due to significant fair market value gain on investment properties.

The Company reached a project milestone last year as Ormin Power, Inc. (“OPI”) finally energized the 10 MW Inabasan Mini Hydro power plant last 02 February 2019. However, it was unfortunate that it was completed while the country experienced one of the worst El Nino years in history.

Jolliville Leisure and Resort Corporation (“JLRC”), the developer of Jolly Waves Waterpark and Resort, was no longer classified as a JOH subsidiary. Although the Company retained its investment in JLRC, it did not maintain its proportionate ownership after an equity call. As a result, JLRC's financials were deconsolidated from JOH as of yearend 2019.

Ms. Yao then presented an updated illustration of the corporate structure of JOH and its operating subsidiaries. She reported that Management and Technical Services were undertaken by Jolliville Group Management Inc. and Servwell BPO International, while the leasing and real estate business was through JOH parent and Ormina Realty & Development Corp. The power generation business was operated through Philippine Hydro Electric Ventures Inc. and its subsidiary Ormin Power Inc. (“OPI”). The water distribution business was under 2Big Philippines Inc, holding investment in Calapan Water.

Each of the business segments contributed significantly to the overall financial performance of the Company. For 2019, 65% of the revenues came from the power business, followed by 26% from the water distribution business. Leasing contributed 7%, and BPO or Technical services 2%. The utility businesses contributed 51% to the net income, with the water business contribution at 60% and power at -9%. Real estate

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contributed 76% and the technical business made up -27%.

For year 2019, increase in revenues was mostly driven by the power and water segments. The consolidated annual revenues reached ₱1.01 Billion for the year 2019, an increase of 26.2% from the previous year.

For the first half of the year, revenues reached ₱505.4 Million, up by 7.4% against the same period last year. Increase in revenues were mostly driven by higher revenues in the power (increase of 15.89% or ₱46.8M) and water services (increase of 0.96% or 1.3M), however the Company experienced a drop in the technical service (decrease of 14.2% or 1.2M) and rental (decrease of 34.7% or 11.8M) revenues which was a result of the temporary closure of the clients' businesses due to the COVID-19 pandemic.

Ms. Yao next reported on the gross income, which increased by 36.5% and closed at ₱332.3 Million in 2019, compared to 2018. There were significant increases in cost of services due to additional costs incurred related to IMHPP operations and lease expenses for our water business. For the first half of 2020, gross income increased by 31.0% and closed at ₱179.8 Million due to higher power and water revenues.

The operating income for the year 2019 increased by 69.7% to ₱175.4 Million as management tried to make operations as efficient as possible. For the first half of the year, operating income increased by 71.8% to ₱112.0 Million largely due to the better performance of OPI's IMHPP.

In the year 2018, the Company posted a net income of ₱382.7 Million, primarily due to one-time transactions involving the sale of Philippine H2O Ventures and Metro Agoo Waterworks Inc. These transactions contributed ₱322.8 Million in the Company's bottom line for that year. In 2019, the Company, in the absence of one-time sale transactions, posted a net income of ₱88.6 Million, or a drop of 76.9%. This was in spite of posting a fair market value gain on investment properties amounting to ₱112.2 Million. The decline in net income was inevitable as the Company had to book interest costs amounting to ₱120 Million for long-term loans.

As for the first half of 2020, net income was at ₱36.7 Million, up 198.6% largely due to the positive contribution of the renewable energy business.

As for the consolidated financial ratios, the Company's current ratio decreased to 0.33 compared to 0.44 the prior year, primarily due to decrease in cash and cash equivalents. The Debt-to-Equity Ratio decreased to 1.34 due to the exclusion of JLRC's loans payable, as a result of deconsolidation. Return on Equity was at 3.8% , 16.5% lower than last year, as the proceeds from the sale of equity investment boosted equity values in 2018. These financial ratios showed that the consolidated financial position of JOH was healthy.

Due to the deconsolidation of JLRC, the Company's assets declined and the loans payable likewise decreased.

***Calapan Waterworks Corporation***

Ms. Yao explained that Calapan Waterworks operates the water system for both Calapan and Tabuk cities under two separate divisions. In 2019, total number of subscribers for the service areas totaled 21,457, up by 8.3% from the year prior. As of the first half, it was serving 22,037 subscribers in total, an increase of 6.9% from the same period last year. There was a 10.2% increase year on year for Tabuk and 6% increase for Calapan year on year.

Non-Revenue Water ("NRW") for Calapan City for the year 2019 decreased to 13%. NRW levels had reverted to low levels after completion of pipelaying works in

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the expansion areas. For Tabuk City, NRW slightly improved and was at 41%. NRW for Tabuk had been problematic due to the deteriorating state of the LGU owned water system.

Revenues in 2019 increased by 13.4% due to additional production volume and service connections achieved in Calapan and Tabuk City. Revenues reached ₱271.5 Million compared to ₱239.5 Million in 2018.

Net income for the water business was ₱38.3 Million for 2019, a decrease of 10.1% year on year. The decrease in net income was mainly due to higher rental expense incurred, interest expense, and higher operating costs such as repairs and maintenance, manpower, and depreciation for the Calapan operations.

As for the first half, water revenues increased compared to the same period last year, ending at ₱134.9 Million, up by 1.0%. Net income for the first half decreased by 22.7% and closed at ₱28.3 Million. The decrease in net income was primarily due to the engagement of outside services for NRW recovery. Revenues were expected to increase through more service connections, which, however, proved difficult due to the lockdowns in place since the end of the 1<sup>st</sup> quarter. Revenues suffered as many commercial accounts were forced to shut down as well.

***Ormin Power, Inc. (OPI)***

Ms. Yao next reported that Ormin Power Inc, was currently the main contributor to the Company's revenues. For the past two years, the power business had been underperforming due to a low power offtake by the Oriental Mindoro Electric Cooperative ("ORMECO"). The power supply agreement with ORMECO dictated that ORMECO purchase 45,600,000 kwhrs of power from OPI. In 2019, ORMECO purchased 42,109,956 kwhs or 7.7% short of what was contracted, but 3.6% higher than the previous year. The Inabasan Mini Hydro Power Plant generated 24,670,084 kwhs in 2019 since it operated on 02 February of the same year.

Power sales in 2019 was at ₱655.0 Million, an increase of 42.1% resulting from the higher energy offtake by ORMECO and the Inabasan Mini Hydro Powerplant going online. A net loss of ₱10.6 Million was incurred or a decrease of 187.4%, compared to net income of ₱12.1 Million in 2018. Net loss resulted from higher finance costs as OPI started to report its interest expense on its IMHPP loans which was previously capitalized as part of Construction in Progress under Property, Plant, and Equipment. For the first half of 2020, ORMECO's energy offtake from OPI CDPP was 8.7% higher than the same period last year.

On 08 June 2020, OPI received an Order issued by the ERC dated 03 September 2019 wherein it approved the rate of ₱2.1522/kWh, plus pass-through fuel and lube oil charges. While this was lower than the rate in the Power Supply Agreement with ORMECO, ERC emphasized that this rate should apply not on delivered energy but rather, on dependable capacity (or contracted energy). Prior to the final rates, the Company had been billing ORMECO the ERC approved provisional rate based on the contracted energy. The financial report reflected the changes as per ERC decision for the month of June, but had not adjusted retroactively while awaiting further clarification from the ERC. For the first half of 2020, the Inabasan Hydro Plant was able to generate 18.6 million kwhr of power. This was 409% higher than the power generated for the same period last year.

For the first half of the year, revenues were up by 15.9% mainly due to increase in kilowatt hours generated and additional revenues generated from IMHPP. Net income figures for the first half reflected a net income of ₱21.1 Million compared to a net loss of ₱58.2 Million for the same period last year. This was due to the profitable outcome of IMHPP operations during the first half of year.

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***Future Outlook***

Finally, Ms. Yao presented the Company’s outlook for the near future. With the COVID-19 pandemic still affecting the economy and our daily lives, it was challenging to have a solid vision of where the country, the company, and the different stakeholders would be in the next year.

It could be expected that the real estate and BPO businesses to continue to be affected. However, Ms. Yao reassured the stockholders that Management was taking the downtime seriously and that it was reviewing many aspects of the Company’s operations, to survive the health pandemic and economic halt. In the meantime, the Company would rely on the water and power businesses, and would continue to look at opportunities and strive to work on growing these businesses.

Upon request of the Chairman, the Corporate Secretary presented the Resolution, as proposed by Management, and based on the votes received, reported the approval of the stockholders of the following Resolution:

“RESOLVED, that the 2019 Annual Report on the operations of JOLLIVILLE HOLDINGS CORPORATION together with the Audited Financial Statements and accompanying notes thereto for the year ended 31 December 2019, be approved.”

The votes for the adoption of the Resolution for the approval of the Annual Report for the year ended December 31, 2019, together with the Audited Financial Statements, are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2019 Operations and Results	223,722,995	0	0

**RATIFICATION OF CORPORATE ACTS**

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

Upon the Chairman’s request, the Corporate Secretary explained that the Board and Management sought the stockholders’ ratification for all the acts of the Board of Directors and Officers of the Corporation, from 20 June 2019 until the present date.

The Corporate Secretary then presented the Resolution, as proposed by Management, and based on the votes received, reported the approval by the stockholders of the following resolution:

“RESOLVED, that all acts of the Board of Directors and Officers of JOLLIVILLE HOLDINGS CORPORATION from the date of the last stockholders’ meeting on 20 June 2019 up to the date of this meeting, are hereby confirmed, ratified and approved.”

The votes for the adoption of the Resolution for the ratification of the acts and resolutions of the Board of Directors and Officers of the Corporation are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of all acts of the Board of Directors and Officers	223,722,995	0	0

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from the date of the last  
meeting up to the date of the  
present meeting.

**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, the Corporate Secretary presented the Resolution on the election of the nominees to the Board, as proposed by Management, and based on the votes received, reported the approval of the following Resolution:

“RESOLVED, to elect the following nominees, receiving the votes indicated opposite their names, as directors of JOLLIVILLE HOLDINGS CORPORATION for the year 2020-2021, to serve as such until their successors shall have been duly elected and qualified:

<b>ELECTION OF DIRECTORS</b>	<b>No. of Votes Received</b>
Jolly L. Ting	223,722,995
Nanette T. Ongcarranceja	223,722,995
Ortrud T. Yao	223,722,995
Melody T. Lancaster	223,722,995
Rodolfo L. See	223,722,995
Dexter E. Quintana	223,722,995
Sergio R. Ortiz-Luiz	223,722,995

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 2020. Mr. Dexter Quintana, the Chairman 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 Reyes Tacandong & Co. as the Corporation’s external auditor for Year 2020.

The Corporate Secretary, upon the request of the Chairman, presented the Resolution as proposed by Management, and based on the votes received, reported the approval by the stockholders of the following Resolution:

“RESOLVED, that JOLLIVILLE HOLDINGS CORPORATION (the ‘Corporation’) hereby approves the re-appointment of Reyes Tacandong & Co. as the Corporation's external auditor for the year 2020.”

<b>AGENDA ITEM</b>	<b>VOTES IN FAVOR</b>	<b>VOTES AGAINST</b>	<b>ABSTAIN</b>
Appointment of Reyes Tacandong & Co. as External Auditor for 2020	223,722,995		0

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**OTHER MATTERS**

After confirming with the Corporate Secretary that there are no other remaining matters on the agenda, Ms. Ongcarranceja was requested to read aloud the questions and comments sent by the stockholders.

The only question raised was an inquiry on when the expected payment date of the property dividends would be. In response, the Corporate Secretary said that the application for approval and distribution was still pending with the SEC. Once approved, payment shall be made within 18 days from the record date.

Ms. Ongcarranceja thereafter, announced that there were no other questions sent by the stockholders but any other questions received after the meeting will be responded to via e-mail by the Corporation's officers concerned.

**ADJOURNMENT**

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

Attested:

**JOLLY L. TING**  
Chairman

**ANNA FRANCESCA C. RESPICIO**  
Corporate Secretary

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