

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF

JOLLIVILLE HOLDINGS CORPORATION

Held on 14 June 2017 at 3:00 p.m.
20 Lansbergh Place
Tomas Morato Avenue corner Scout Castor Street.

TOTAL NUMBER OF SHARES OUTSTANDING	281,500,000
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	182,797,007

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

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

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: (i) certification provided by the Corporation's personnel, (ii) the official receipts from LBC, courier service engaged by the Corporation, and (iii) registry receipts from the Philippine Postal Corporation, notices of the meeting were sent to all shareholders of record as of 19 May 2017 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, One Hundred Seventy Three Million Four Hundred Thirty Seven Thousand Two Hundred Fifty Two (173,437,252) shares were represented by proxy and Nine Million Three Hundred Fifty Nine Thousand Seven Hundred Fifty Five (9,359,755) shares were present in person, or a total of One Hundred Eighty Two Million Seven Hundred Ninety Seven Thousand Seven (182,797,007) shares were present in person or by proxy representing an attendance of 64.94% 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 29 June 2016 was dispensed with and the same was approved as circulated. Meanwhile, the Chairman opened the floor for questions about the Minutes of the 2016 Annual Stockholders' Meeting but none were raised.

ORIGINAL

The Minutes of the said meeting was thereafter approved, as circulated:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	182,797,007	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 29, 2016 is hereby approved.”

2016 REPORT ON OPERATIONS AND RESULTS

Chairman's Report

The Chairman then gave a brief overview of the Corporation's performance for the year 2016. He reported that similar to 2015, last year was a year of mixed results. The water and leasing segments remained strong while difficulties were encountered with the power generation business. Nevertheless, JOH posted a very strong year end result, with Net Income increasing by 129% to ₱342 Million, due in large part to our real estate properties which reflected a ₱96 million fair market value growth.

The water revenues through Calapan Water and MAWI grew by 13.56% primarily due to additional water revenues from MAWI's first year of operations. Net income from water increased by 5.23% as most gains were offset by MAWI's first year operating losses and also Tabuk's less than ideal results. For Tabuk, the Company experienced declining connections and billed volume due to the unreliability of water supply starting last year. The local government unit, who owns the system that we maintain, has been reluctant to spend for necessary replacements of critical assets such as water pumps. As a result, Tabuk's water service has suffered.

The first quarter of this year 2017 remains challenging for the power business.

Beginning January, ORMECO's off take from Ormin Power's Diesel plant fell by 12%, resulting in lower than projected power sales. Moreover, ERC's final approved power rates for OPI were lower than the provisional rates which historically have been the basis of our power revenues. This resulted in OPI suffering a ₱1.46M net loss for the first quarter compared to a ₱2.88M net income for the same period last year. Currently, OPI is working out a Motion for Reconsideration and is hopeful that ERC will reconsider and approve OPI's rates as originally applied and prayed for.

We are now concentrating our efforts to overcome these complications, and we also have some good news in other areas.

The construction of the Inabasan Mini Hydro power plant is 80% complete and good weather permitting, will be operational by the end of the year.

The Company has also secured financial closing for the newest venture, Jolly Waves Waterpark and Resort which is the flagship project of our subsidiary Jolliville Leisure and Resort Corporation (“JLRC”). JLRC is currently constructing a 4.6 hectare themed waterpark in Calapan City that will offer visitors and residents of the Island of Mindoro an exciting water recreation facility.

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It is truly in times like these that we learn to appreciate better, the Company's diversified businesses. We have seen the power business flourish over the past 4 years while our traditional businesses in leasing and management remained solid. During difficult periods, we rely on the stability of our traditional businesses to see us through. In addition, it is encouraging to receive confirmation that our investments in real estate assets are sound following the significant increases in appraised values for 2 consecutive years.

In closing, I thank the Board of Directors for their valuable inputs and strategic guidance. I thank our shareholders for their continued support. I commend our management team and our colleagues for their resilience during this difficult time as we find solutions and explore other opportunities for growth. I look forward to exciting times ahead especially in this season of change.

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 2016.

Financial Report

Overall Performance

2016 was a year of mixed results for Jolliville Holdings and subsidiaries. The traditional business of management and leasing performed to expectations while the power business fell short of our targets. The water utility businesses in Calapan City continue to grow. Last February 2, 2016, the Company, through Metro Agoo Waterworks Inc. ("MAWI"), commenced commercial operations in Agoo town in La Union and residents of the town eagerly welcomed potable water flowing from their taps. MAWI experienced net losses as to be expected in the first few years of operations. On the property and investment front, the various property assets in the Company's portfolio appreciated in fair market value terms in 2016. The Company is also nearing completion on the construction of our 10MW Hydro Power Plant.

Each business segment contributed significantly to the overall financial performance of JOH. For 2016, 49% of our Revenues came from power generation, followed by 35% from our water business. BPO or Technical services contributed 6% and Leasing, 10%. The utility businesses contribute bulk or 79% of the net income, but the BPO business and Leasing activities, despite their smaller percentage contribution in Revenues, contribute 21% to the overall profitability of JOH.

Consolidated annual revenues reached ₱638.9 Million for the year 2016. This is 1.4% lower than the previous year. For first quarter of the year, revenues reached ₱144.5 million, up 5.2% against the same period last year.

Jolliville Holdings Corporation

Gross income dropped by 2.1% and closed at ₱259.3 Million last year. The decline was due to: (i) lower than expected energy offtake by ORMECO which in turn left the power plan operating in a less than ideal capacity, and (ii) as higher cost of services from the other sectors. For the first quarter of 2017, gross income continued to decline and closed at ₱59.2 million due to the same reasons.

Operating income for the year 2016 decreased by 5.8% to ₱135.3 Million. While operating income from our water sector improved, lower power sales exacerbated by higher cost of services offset these gains. For the first quarter of the year, operating income decreased by 25.5% to ₱28.1 Million due to lower power offtake by ORMECO as well as the expected initial losses incurred by MAWI.

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For year-end 2016, appraisal for the Group's investment properties reflected a fair market value appreciation of P272.8 million. This led net income to close at P342.2 Million, up 29.2%. For the quarter, however, our net income posted 46.9% lower compared to the same period last year. The drop is due to challenges we continue to face in our power business as well as the expected initial losses by MAWI.

Consolidated financial ratios, our current ratio fell to 0.42 compared to 0.64 the prior year due to increased short term borrowings for working capital purposes. Debt to Equity Ratio decreased but was kept at healthy levels at 1.36. Net Profit Margin slightly dropped at 21% while our Return on Equity remained flat at 17%.

Ormin Power, Inc. (OPI)

As stated, the lower power off take by ORMECO is the primary reason of less than ideal financial performance since 2016 up to present. The power supply agreement with ORMECO dictates that ORMECO purchases 45,600,000 kwhrs of power from OPI. In the year 2015, ORMECO only purchased 43,365,420 kwhrs, or 4.9% short of what is contracted and in 2016, ORMECO purchased 42,761,124 kwhrs or 6.2% short of what is contracted. The main reason for this lower-than-expected energy offtake is a disagreement in dispatch protocol. ORMECO allotted proportional offtake among its power producers, which in our position, should not be the case. Our stand is that power should be dispatched economically wherein lowest cost producers such as OPI should be given priority.

Consequently, Power Revenues decreased to P315.5 Million in 2016, or a drop of 10.1%. Net Income for 2016 increased by 12.3% to end at P36.8 Million from P32.8 Million the year prior. The higher net income despite the problem in dispatch is brought about by interest cost savings last 2016. For the 1st quarter of 2016, lower energy off take remains to be a continuing concern. Despite power supply being available, energy offtake by ORMECO is 30% lower than contracted energy. Moreover, an equally pressing matter has arisen wherein the Energy Regulatory Commission issued with finality, power rates that are P0.60 lower than previously approved rates. While we have applied for a Motion for Reconsideration, the ERC, with all the publicized problems they are facing, is taking longer than usual to act on our Motion. Meanwhile, power collections are being based on the new lower rates to the detriment of OPI's cash flows.

For the first quarter of the year revenues are up by 7.5% mainly due to increase in fuel costs which form part of our power collections. Net income figures for the first quarter reflect a net loss of P2.9 Million compared to Net income of P5.2 Million for the same period last year. The poor results are due to low energy offtake by ORMECO and further exacerbated by the unfavorable ERC approved final power rates.

Philippine H2O Ventures Corporation (H2O)

The number of subscribers we serve has continued to increase. Last year, total number of subscribers for our three service areas totaled 17,907, up 16% from the year prior. As of the end of the first quarter, we are serving 18,276 subscribers in total, up 16% from the same period last year.

Non-Revenue Water ("NRW") for Calapan City for the year 2016 decreased by 1% from 2015 levels and is now at 23%. The improvement in NRW for Calapan City was due to the replacement of old pipes and effectiveness of our leak detection program. For Tabuk City, NRW also increased by 7% to 36% for the year 2016. NRW for Tabuk has been problematic due to the deteriorating state of the LGU owned water system. For MAWI, NRW for 2016 registered at 27%, NRW is still on the high side as we are just beginning to gain new subscribers.

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Revenues in 2016 increased by 13.6% due to additional service connections achieved in Calapan City and the Municipality of Agoo. Revenues reached ₱223 Million compared to ₱196.4 Million 2015. Consolidated Net income for H2O was ₱34.6M for 2016, growing by 4.2% year on year.

As for the first quarter, Water revenues increased compared to the same period last year, ending at ₱53.3 Millio, up 3.3% percent. We foresee this trend to continue as more new subscribers are connected to the MAWI system. Net income for the first quarter declined by 42.5% to close at ₱6.9 Million for the quarter due to the operating losses from MAWI, as well as interest costs that MAWI' begin to incur from its developmental loan. We can reasonably expect this trend to continue for the first few years of operations as we slowly build up our subscriber base in Agoo.

Company's 2016 Outlook

For OPI, Management expects power offtake by ORMECO to remain inconsistent as long as the dispatch protocol remains vague. On a brighter note, it is confident that the ERC will demand for a clear dispatch protocol from Ormeco and act favorably upon our Motion for Reconsideration on the Final Rates. The ERC has begun hearings on these concerns and we are hopeful that resolution is just a matter of time.

The 10MW Mini Hydro Power Plant is nearing completion and good weather permitting we should be able to complete by the end of the year.

Management shall continue to rely on the stability of our traditional business of leasing and management services, to tie us through these difficult times.

For the water operations, despite the negative contribution of MAWI to the consolidated income, Management remains optimistic about growth opportunities within the Metro Agoo area. In Calapan, we are continuously building capacity to serve the growing subscriber base in the area.

Finally, the new venture developing a 4.6 hectare themed waterpark resort in Calapan City has completed financial closing and construction has begun and start of commercial operation is seen next 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, 2016 together with the Audited Financial Statements for the Fiscal Year ended December 31, 2016, upon motion duly made and seconded, were approved:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2016 Operations and Results	182,797,007	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 2016, together with the Audited Financial Statements for the year ended December 31, 2016, be approved.”

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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.	182,797,007	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 29, 2016 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 2017-2018 after receiving the votes indicated opposite their names:

ELECTION OF DIRECTORS	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Jolly L. Ting	182,797,007	0	0
Nanette T. Ongcarranceja	182,797,007	0	0
Ortrud T. Yao	182,797,007	0	0
Melody T. Lancaster	182,797,007	0	0
Rodolfo L. See	182,797,007	0	0
Dexter E. Quintana	182,797,007	0	0
Sergio R. Ortiz-Luiz	182,797,007	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 2017-2018. The Chairman of the Audit Committee, Mr. Dexter E. Quintana, 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 Guadalquivir & Co. as the Corporation's external auditor for Year 2017-2018.

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 2017-2018 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 2017	182,797,007		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 2017.”

OTHER MATTERS

There were no other matters taken up during the meeting.

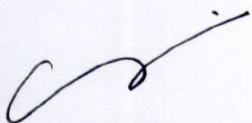
ADJOURNMENT

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

Attested:



JOLLY L. TING
Chairman



ANNA FRANCESCA C. RESPICIO
Corporate Secretary

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