

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS
OF
SOLID GROUP, INC.

Held on June 29, 2017 at 3:00 p.m.
At the Focus Function Room, Ground Floor, Green Sun
2285 Don Chino Roces Avenue Extension, Makati City

CALL TO ORDER

The Chairman of the Board, Mr. Jason S. Lim, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Roberto V. San Jose, recorded the minutes of the proceedings.

The Chairman then acknowledged the presence of the Board and the executive officers present.

Founding Chairman	- Joseph Lim
Chairman Emeritus	- Elena S. Lim
Chairman and Chairman of the Risk Management Committee	- Jason S. Lim
President / CEO, and Chairman of the Compensation Committee	- Susan L. Tan
Director /Senior Vice Pres./ Chief Finance Officer	- Vincent S. Lim
Director/Vice Pres. for Business Development	- Beda T. Manalac
Independent Director and Chairman of the Corporate Governance and Nomination Committee	- Maria Goolsby
Independent Director and Chairman of the Audit Committee	- Quintin Chua
Corporate Secretary	- Roberto V. San Jose
Asst. Corporate Secretary	- Ana Maria A. Katigbak
Vice Pres. & Treasurer	- Lita L. Joaquin
Vice Pres. & Chief Accounting Officer	- Mellina T. Corpuz
Chief Information Officer	- Josephine T. Santiago

PROOF OF NOTICE

The Chairman inquired from the Corporate Secretary if notices of the meeting were sent to all the stockholders of the Corporation. The Corporate Secretary answered in the affirmative and confirmed that notices of the meeting have been sent to all the stockholders of record as provided in the By-Laws.

CERTIFICATION OF QUORUM

The Corporate Secretary certified to the existence of quorum for the transaction of business, there being present, in person or by proxy, stockholders owning or representing at least at least 1,402,676,295 shares or 77.01% of the outstanding capital stock. (The list of attendees and proxies is available at the office of the Corporation).

APPROVAL OF MINUTES OF PREVIOUS STOCKHOLDERS' MEETING

The next item of business was the approval of the minutes of the previous meeting of the stockholders held on June 30, 2016, copies of which has been earlier distributed to the stockholders. Upon motion motion made and duly seconded, and there being no objections, the reading of the minutes of the previous annual stockholders' meeting was dispensed with and the same was unanimously approved by the stockholders holding at least 77.01% of the outstanding capital stock of the Corporation.

The Corporate Secretary noted that no stockholders voted against or abstained on the motion.

MANAGEMENT REPORT

The next item on the agenda was the Management Report presented by the President, Ms. Susan L. Tan. A copy of the Management Report is appended hereto as Annex "A" and likewise made a part of these minutes.

Upon conclusion of the Management Report, the Chairman opened the floor for any questions. There being no questions or comments on the Management Report, upon motion made and duly seconded, said the said report was duly noted and approved by the stockholders holding at least 76.91% of the outstanding capital stock of the Corporation.

The Corporate Secretary noted that no stockholders voted against or abstained on the motion.

RATIFICATION OF CORPORATE ACTS

That the next item on the agenda was the ratification of the acts of the Board of Directors, officers and Management of the Corporation from the last annual stockholders' meeting to date. There being no questions or objections from the stockholders, the Chairman requested for a motion on the matter.

Whereupon, on motion made and duly seconded, the following resolution was unanimously approved by the stockholders holding at least 77.01% of the outstanding capital stock of the Corporation:

“RESOLVED, that all acts, contracts, resolutions and actions, authorized and entered into by the Board of Directors and Management of the Corporation from the date of the last annual stockholder’s meeting up to the present be, as they are hereby, approved, ratified and confirmed.”

The Corporate Secretary noted that no stockholders voted against or abstained on the motion.

ELECTION OF DIRECTORS

The next matter on the agenda was the election of the members of the Board of Directors. The Corporate Secretary stated that in accordance with the Corporation’s Corporate Governance Manual, all nominations for director were reviewed and approved by the Nominations Committee pursuant to the rules of the Securities and Exchange Commission. These rules also provide that only nominees whose names have been submitted to and evaluated by the Nominations Committee, and whose names appear in the Final List of Candidates set forth in the Definitive Information Statement shall be eligible for election as Independent Directors. According to the Sixth Article of the Amended Articles of Incorporation, there are nine (9) Board seats available consisting of seven (7) seats for regular directors and two (2) seats for independent directors. The Corporate Secretary then announced that the following nominations were received by the Corporation:

For regular directors:

1. JOSEPH LIM
2. ELENA S. LIM
3. JASON S. LIM
4. VINCENT S. LIM
5. SUSAN L. TAN
6. BEDA T. MANALAC
7. JONATHAN JOSEPH CC. LIM

For independent directors:

1. QUINTIN W. CHUA
2. MARIA G. GOOLSBY

Upon motion made and duly seconded, and there being only nine (9) nominees to the nine (9) available seats for directors, the above nominees were unanimously elected by the stockholders holding at least 77.01% of the outstanding capital stock of the Corporation, as directors for the current year to serve as such for a period of one year and until their successors are duly elected and qualified.

The Chairman also declared that the independent directors on the Board are Ms. Maria G. Goolsby and Mr. Quintin W. Chua.

APPOINTMENT OF EXTERNAL AUDITOR

The Chairman stated that the next item in the agenda was the appointment of the external auditor for the current year.

There being no objection, upon motion made and duly seconded, the following resolution was approved by the stockholders holding at least 77.01% of the outstanding capital stock of the Corporation:

"RESOLVED, that the auditing firm of Punongbayan and Araullo be, as it is hereby, reappointed as the Company's external auditor for the current year 2017-2018."

The Corporate Secretary noted that no stockholders voted against or abstained on the motion.


OTHER MATTERS/ ADJOURNMENT

As there were no matters in the agenda, the Chairman inquired from the stockholders if there were any matters they wished to take up.


A stockholder inquired whether the Corporation intended to release any cash dividends for the year 2017. The President replied in the affirmative.

There being no other questions from the floor and no further business to transact, on motion made and duly seconded, the meeting was adjourned.

ATTEST:



JASON S. LIM
Chairman



ROBERTO V. SAN JOSE
Corporate Secretary

MANAGEMENT REPORT

The next item on the agenda is the Management Report. The President, Susan L. Tan presented the report. A summary of the report is as follows:

Solid Group, Inc. (SGI) marked its 20th year with a strong performance in 2016 posting a revenue of Php6.36 billion and net income of Php341 million driven by the digital mobile and technical services business segments.

Myphone business grew by 46% in revenue and achieved a sales record of Php5.2 billion including a corporate tie-up with Smart Telecom amounting to over Php1 billion. Profitability rebounded strongly with improved volume and margins resulting in Php114 million in net income propelled by Digital TV phones. MyPhone is revitalizing its brand to become a multi-media platform for entertainment, information and advertising. Looking ahead, the digital mobile company also seeks to expand into exciting new brands as well as explore non-traditional marketing channels.

The Technical Solutions Group performed exceptionally well in 2016. While revenue grew only 8%, profitability jumped 128% from Php38 million to Php88.6 million on higher volume in logistics, assembly and testlab services under OMNI as well as the successful International Media Center Project for APEC under SVC. More than the numbers, this segment takes pride in keeping pace with technological advancements and providing the professional quality of integration and after-sales service.

The Property and Related Services segment carries over 50% of the Company's assets amounting to Php6.5 billion. In 2016, SGI invested over Php300 million in a 6-storey building and a 4-Bay warehouse facility as well as in additional improvements for Green Sun including a new elevator and function rooms. Rental revenue grew 33% from new tenants in Laguna properties. Hotel operations improved by 55% on better occupancy of guestrooms and more event bookings. The sale of our holdings in Phil-Nanning Consortium Inc., a subsidiary of Precos Inc. for Php296.3 million resulted in a gain of Php128 million which will be utilized for future land development.