

**DRAFT**

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS  
OF  
TOP FRONTIER INVESTMENT HOLDINGS, INC.**

Held through remote communication and livestreamed from  
No. 40 San Miguel Avenue, Mandaluyong City  
via the Company's website  
<https://www.topfrontier.com.ph/index.php/investor/TFASM2022.html>  
on August 03, 2023, 3:00 p.m.

Total Number of Shares Present:	Common - 312,549,077 (93.89%)
Total Number of Shares Issued and Outstanding	
As of Record Date (June 19, 2023):	Common - 332,886,167

List of Stockholders Present: Please see Annex "A"

Voting Results: Please see Annex "B"

Incumbent and Incoming Directors Present:

Iñigo U. Zobel  
Ramon S. Ang  
John Paul L. Ang  
Aurora T. Calderon  
Consuelo M. Ynares-Santiago  
Teresita J. Leonardo-De Castro  
Ricardo C. Marquez

Officers Present:

Bella O. Navarra  
Virgilio S. Jacinto  
Maria Rosario B. Balanza  
Ramon R. Bantigue  
Irene M. Cipriano

---

**1. CALL TO ORDER**

The Chairman of the Board, Mr. Iñigo U. Zobel, called the meeting to order. Thereafter, he requested the President and Chief Executive Officer, Mr. Ramon S. Ang, to continue the proceedings on his behalf in order to ensure clear and stable connection of the livestream.

After the singing of the National Anthem, Atty. Paula Katherina A. Gan, led the invocation.

**2. CERTIFICATION OF NOTICE AND QUORUM**

Atty. Virgilio S. Jacinto, the Corporate Secretary of the Company, certified that notices to the shareholders were duly sent in accordance with the relevant rules and regulations of the Securities and Exchange Commission. He certified that based on the proxies and ballots received by the Company and which were validated by the stock transfer agent of the Company, SMC Stock Transfer Service Corporation, there are present in the meeting, stockholders owning and/or representing approximately 93.89% of the outstanding capital stock of the Company.

Atty. Jacinto stated, for the record, that pursuant to the proxies issued in favor of the Chairman of the Meeting and the ballots submitted, stockholders owning and/or representing approximately 93.87% of the outstanding common of the Company have cast their votes to favorably approve all items in the Agenda. He reiterated that voting shall be made in accordance with the procedure set forth in the Information Statement, as made available in the Company's website and in the PSE Edge, and hereto attached as Annex "C".

Atty. Jacinto acknowledged the attendance of all the incumbent directors of the Company, as well as the Company's external auditor for 2022, R.G. Manabat & Co. He advised the stockholders that after the Annual Report there will be an open forum. Questions sent to the Company's dedicated email address for the meeting will be entertained. He further explained that questions not answered during the meeting will be replied to by the Office of the Corporate Secretary. Thereafter, the full agenda of the meeting was presented, and referred to the Information Statement for the rationale for each agenda item.

**3. APPROVAL OF PREVIOUS MEETING MINUTES**

Mr. Ang proceeded to the next item on the Agenda, which is the Approval of the Minutes of the Annual Stockholders' Meeting held on July 08, 2022, a copy of which was attached to the Information Statement and made available for viewing in the Company's website.

Upon motion duly made and seconded, there being no objections, the stockholders approved the following resolution:

**Stockholders Resolution No. 2023-08-03-01**  
**Approval of the Minutes of the Annual Stockholders'**  
**Meeting held on July 08, 2022**

**"RESOLVED**, as it is hereby resolved, that the stockholders approve the Minutes of the Annual Stockholders' Meeting held on July 08, 2022."

**4. APPROVAL OF ANNUAL REPORT FOR 2022 AND OPEN FORUM**

Ms. Aurora T. Calderon, a Director and the Treasurer of the Company, as requested by Mr. Ang, delivered the Annual Report for 2022. A copy of the report is attached hereto as Annex "D".

Thereafter, Mr. Ang opened the floor for questions from the stockholders.

Atty. Jacinto announced that written questions submitted in advance will be read first.

Atty. Gan read the written questions submitted in advance as follows.

Ms. Julia Gonzales from Quezon City inquired what can be expected moving forward from the growth of the Company's major subsidiary, San Miguel Corporation, given especially its recent strong recovery. She likewise asked which of the businesses will provide the greatest growth in the coming years.

Mr. Ang responded that San Miguel has a very good future considering that the Food and Beverage business is leading the way, with the same expected to deliver at least Php350 billion in revenues in the coming year. Petron is likewise doing very well both in the Philippines and in Malaysia. Petron's revenue is at least Php800 billion on average per year. The Power business is likewise delivering reliable cashflow. The Toll business, which sees traffic of about one (1) million cars a day, is also a source of consistent cashflow. San Miguel's new business, cement manufacturing, is also promising, including the property development business. Thus, overall, Mr. Ang confirmed that he believes that the Company has a very good future.

Ms. Maria Veloso from Manila sent a question requesting an update on the New Manila International Airport ("NMIA") project.

Mr. Ang reported that the NMIA project in Bulacan will only be twenty two (22) kilometers away from the United States Embassy which is located along Roxas Boulevard, Manila City and the project is actually close to Navotas. A connection will be built from R-10 to the NMIA project and also, from the Skyway to the same. Mr. Ang added that those going to the NMIA from the Skyway-Buendia area will only need to travel for a maximum of thirty (30) minutes. From the United States Embassy to NMIA, travel is estimated to take only fifteen (15) minutes. As to the construction progress of the NMIA project, Mr. Ang reported that contractor Boskalis has developed about ninety (90) percent of the necessary land development, and is ready to deliver the platform for the first stage by December this year. Mr. Ang explained that the first stage for delivery will include the runway, taxiway, apron, passenger terminal building, and concourse. The second stage, which Boskalis will deliver by December 2024, will be the area for the airport city. Given the current timeline, Mr. Ang projected that NMIA's first stage will be constructed by the end of 2026. He also expressed confidence that the NMIA will be operational by January 2027.

Mr. Romeo Dizon of Sta. Rosa, Laguna sent a query on how the proceeds from the recently disclosed subscription by Far East Holdings, Inc. to 45,000,000 Common Shares of the Company will be used. In response to the question, Ms. Calderon answered that said proceeds will be used for general corporate purposes, including re-payment of any other existing obligations of the Company. She added that this will ensure that cash flows will be sufficient to support the Company's operating requirements.

There being no other questions received from the stockholders, upon motion duly made and seconded, and there being no objections, the stockholders unanimously resolved to close the open forum and approve the following resolution:

**Stockholders Resolution No. 2023-08-03-02**  
**Approval of the 2022 Annual Report of the Company**

“**RESOLVED**, as it is hereby resolved, that the stockholders approve and ratify the Annual Report of the Company for 2022, as presented.”

**5. RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS AND CORPORATE OFFICERS**

Mr. Ang proceeded with the next item on the Agenda, which is the Ratification of All Acts and Proceedings of the Board of Directors and the Corporate Officers since the Annual Stockholders' Meeting held on July 08, 2022 until today.

Atty. Jacinto referred to the acts and proceedings since the 2022 Annual Stockholders' Meeting provided in the Definitive Information Statement, which list was likewise presented on the screen for reference purposes, as follows.

- a. Approval of:
  - i. Minutes of Previous Meetings
  - ii. Quarterly reports on the financial performance and financial position of the Company
  - iii. Declarations of cash dividends to shareholders owning preferred shares
  - iv. 2022 Audited Financial Statements of the Company and the Annual Report (SEC Form 17-A)
  - v. Performance Assessment Self-rating forms of the Board Committees, the Board of Directors, and Management for 2022
  - vi. 2023 Internal Audit Plan and Certification on Sound Internal Audit, Control, and Compliance System
  - vii. Approval for the record date and other significant dates and details for the 2023 Annual Stockholders' Meeting, approval of the holding thereof by remote communication, and the approval of the procedure and details for attending, participating, and casting of votes in the 2023 Annual Stockholders' Meeting
  - viii. Report on the nominations and qualifications of the nominees for election to the Board
  - ix. Approval of the Appointment of the External Auditors for 2023, for approval and ratification by stockholders in the 2023 Annual Stockholders' Meeting
  - x. Report on the Corporate Governance Committee validation of the results of the 2022 Performance Assessments of the Board Committees, the Board of Directors, and the Management

- xi. Report on the Filing of the 2022 Integrated Annual Corporate Governance Report (I-ACGR) of the Company
- b. Election of lead independent director and officers;
- c. Appointment of the Members of the Board Committees;
- d. Designation of authorized signatories with the Philippine Competition Commission;
- e. Designation of depository banks, appointment of authorized signatories for banking and other corporate transactions and approval of their signing authorities and limits; and
- f. Report on the 2016 Perpetual Securities;
- g. Amendments to certain features of the 2016 Perpetual Securities;
- h. Issuance of Redeemable Non-voting Perpetual Securities;
- i. Redemption of the Preferred Shares;
- j. Adoption of Amended Company Policies;
- k. Approval of the valuation of the common shares of the Company based on the independent valuation performed by the FTI Consulting, Inc.;
- l. Opening for the subscription of 45,000,000 common shares of the Company (“Subject Shares”) and the subscription by Far East Holdings, Inc. of the Subject Shares at a subscription price of Php 241.42 per common share to be fully paid in cash on or before 30 June 2023, the appointment of authorized signatories for the transaction, and the issuance of the Subject Shares after receipt of full payment of the subscription price thereof;
- m. Listing of the Subject Shares with the Philippine Stock Exchange (“PSE”) in accordance with its Implementing Guidelines for the Listing of Issued and Outstanding Shares (the “PSE Rules”);
- n. Change in the date of the 2023 Annual Stockholders’ Meeting from July 11, 2023 to August 03, 2023 in order to include in the meeting securing the approval of the stockholders for the listing of the Subject Shares in order to timely comply with the PSE Rules, with the updated details of the holding and conduct of the 2023 Annual Stockholders’ Meeting of the Corporation via remote communication and the details thereof; and
- o. Amendments of the terms and conditions of the perpetual securities of the Corporation, which include the change in the distribution rates and the inclusion of a convertibility feature of the perpetual securities into common shares of the Corporation at a conversion price of Php 289.70 per common share, which amendments shall be effective on June 20, 2023 for the Perpetual Securities (Series “A”), June 21, 2023 for the Perpetual Securities (Series “B” and Series “C”), and June 30, 2023 for the Perpetual Securities, and the appointment of authorized signatories for the transactions.

Upon motion duly made and seconded, there being no objections, the stockholders unanimously approved the following resolution:

**Stockholders Resolution No. 2023-08-03-03**  
***Ratification of All Acts of the Board of***  
***Directors and Corporate Officers***  
**since July 08, 2022 to August 03, 2023**

“**RESOLVED**, that all acts, resolutions, and proceedings of the Board of Directors and corporate officers of the Company since the Annual Meeting of the Stockholders on July 08, 2022 until today, August 03, 2023, as set forth in the minutes of the meetings of the Board of Directors be, as they hereby are, approved, confirmed, and ratified.”

## 6. APPOINTMENT OF EXTERNAL AUDITORS

Mr. Ang proceeded to the nomination for the position of external auditors of the Company for fiscal year 2023. Gen. Ricardo C. Marquez, an Independent Director of the Company and the Chairperson of the Audit and Risk Oversight Committee, reported to the stockholders that the Audit and Risk Oversight Committee and the Board, after evaluation, confirmed, and recommended the appointment of the accounting firm of R.G. Manabat & Co. as the external auditors of the Company for the fiscal year 2023.

Upon motion duly made and seconded, there being no objections, the stockholders unanimously approved the following resolution:

**Stockholders Resolution No. 2023-08-03-04**  
**Appointment of External Auditors for 2023**

“**RESOLVED**, as it is hereby resolved, that R. G. Manabat & Co. be, as they hereby are, appointed as the external auditors of the Company for the fiscal year 2023.”

## 7. ELECTION OF DIRECTORS

Upon the request of Mr. Ang, Atty. Jacinto presented to the stockholders the names of the nominees for election to the Board of Directors, namely:

1. Iñigo U. Zobel
2. Ramon S. Ang
3. John Paul L. Ang
4. Aurora T. Calderon
5. Consuelo M. Ynares-Santiago - Independent Director
6. Teresita J. Leonardo-De Castro - Independent Director
7. Ricardo C. Marquez - Independent Director

Atty. Jacinto explained that the Information Statement circulated to the stockholders the names of the nominees for election as independent directors of the Board of Directors were mentioned and they are Consuelo M. Ynares-Santiago and Teresita J. Leonardo-De Castro, and Ricardo C. Marquez. He likewise informed the stockholders that the Board has identified the named independent directors to comply with the mandatory requirements imposed by the Securities and Exchange Commission. He further explained that as set out in the Information Statement distributed to the stockholders, Independent Director Consuelo M. Ynares-Santiago has been serving the Company for more than nine (9) years.

In accordance with the Manual on Corporate Governance of the Company and upon endorsement of the Corporate Governance Committee of the Company, the Board of Directors found that the independence of Director Santiago has not been diminished or impaired by her long service as member of the Board of Directors and it has full trust and confidence that Director Santiago will continue acting as an independent director. Moreover, Justice Santiago has brought high standards of corporate governance to the Company and her years of experience and expertise have enhanced the corporate values of the Company.

For the stated meritorious reasons, the Board of Directors approved and endorsed for the vote of the stockholders of the Company the election of the seven (7) nominees, including Director Santiago as an independent director of the Company.

Thereafter, a motion was made that considering that the number of directors to be elected is seven (7) and there are only seven (7) nominees, and as earlier reported by the Corporate Secretary that pursuant to the proxies issued in favor of the Chairman of the Meeting and the ballots submitted, stockholders owning and/or representing 93.87% of the total outstanding common shares of the Company have cast their votes for the election of all the seven (7) nominees as directors of the Company, all the seven (7) nominees be considered unanimously elected as directors of the Company for the ensuing year, until their successors are elected and qualified.

Upon motion duly made and seconded, there being no objections, the stockholders unanimously approved the following resolution:

**Stockholders Resolution No. 2023-08-03-05**  
**Election of Directors**

“**RESOLVED**, that the following be, as they hereby are, elected as members of the Board of Directors of the Company, to serve as such for the ensuing year, until their successors are duly elected and qualified:

1. Iñigo U. Zobel
2. Ramon S. Ang
3. John Paul L. Ang
4. Aurora T. Calderon
5. Consuelo M. Ynares-Santiago - Independent Director
6. Teresita J. Leonardo-De Castro - Independent Director
7. Ricardo C. Marquez - Independent Director”

On behalf of Management, Mr. Ang welcomed the newly-elected members of the Board of Directors and thanked the stockholders for their vote of confidence.

**8. APPROVAL OF THE PER DIEM ALLOWANCE FOR THE DIRECTORS**

Upon the request of Mr. Ang, Atty. Jacinto presented to the stockholders the matter on the approval of the per diem allowance for directors. Atty. Jacinto explained that as the Revised Corporation Code and the Company’s Amended By-laws allow reasonable per diem for directors in their attendance at each meeting, the Company provides each director, who are not officers of the San Miguel Group, with the reasonable per diem of Php20,000.00 and Php10,000.00 for each Board/Stockholders and Committee meeting attended, respectively.

In compliance with the provisions of Section 29 of the Revised Corporation Code, the aforementioned per diem allowance was then submitted for approval, confirmation, and ratification by the stockholders of the Company.

Upon motion duly made and seconded, there being no objections, the stockholders unanimously approved the following resolution:

**Stockholders Resolution No. 2023-08-03-06**  
**Approval of the Per Diem Allowance of the Directors**

“**RESOLVED**, as it is hereby resolved, that the per diem allowance for directors who are not officers of the San Miguel Group, for in their attendance at each Board/Stockholders and Committee meeting of Php20,000.00 and Php10,000.00, respectively, be approved, confirmed, and ratified.”

**9. RATIFICATION OF THE ISSUANCE OF COMMON SHARES TO FAR EAST HOLDINGS, INC. AND APPROVAL OF THE LISTING OF THE ISSUED SHARES WITH THE PSE**

Upon the request of Mr. Ang, Atty. Jacinto then proceeded to present to the stockholders the agenda item on the ratification of the issuance of the common shares subscribed and fully paid by Far East Holdings, Inc. (“Far East”), and the approval of the listing of the issued shares of the Company with the PSE.

Atty. Jacinto explained that on June 01, 2023, the Board of Directors of the Company (with Mr. Ramon Ang and Mr. John Paul L. Ang inhibiting themselves) approved the following matters, namely:

- (i) the valuation of the common shares of the Company, prepared and determined by the FTI Consulting, Inc., with a low-end price of Php196.14 and a high-end price of Php286.70 per common share;
- (ii) the opening for subscription of the common shares of the Company, and the subscription by Far East, a wholly-owned company of Mr. Ramon Ang, to 45,000,000 common shares out of the unissued common shares at a subscription price of Php241.42 per common share to be fully paid in cash on or before June 30, 2023 (the "Subject Shares"); and
- (iii) the listing of the Subject Shares in accordance with the Implementing Guidelines for the Listing of Issued and Outstanding Shares of the Philippine Stock Exchange ("PSE Rules"), and securing the stockholders' ratification and approval.

On June 07, 2023, the Company and Far East executed a Subscription Agreement. The subscription price of Ten Billion Eight Hundred Sixty Three Million Nine Hundred Thousand Pesos (Php10,863,900,000.00) was paid on June 30, 2023 and the Company issued the Subject Shares in favor of Far East. With such issuance, Far East is a registered owner of 45,000,000 common shares of the Company, representing approximately 11.91% of the current outstanding common shares of the Company of Three Hundred Seventy Seven Million Eight Hundred Eighty Six Thousand One Hundred Sixty Seven (377,886,167) common shares.

Thereafter, the ratification by the stockholders of the issuance of the Subject Shares and the approval of its listing in the PSE Exchange, by way of compliance with the PSE Rules, were requested.

Upon motion duly made and seconded, there being no objections, the stockholders unanimously approved the following resolution:

**Stockholders Resolution No. 2023-08-03-06**  
**Ratification of the Issuance of the Common**  
**Shares to Far East Holdings, Inc., and the**  
**Approval of the Listing of the Issued Shares**  
**with the PSE**

"**RESOLVED**, as it is hereby resolved, that the issuance of the 45,000,000 common shares subscribed and fully paid by Far East Holdings, Inc., be confirmed and ratified.

"**RESOLVED FURTHER**, that the listing of the said issued shares of the Company with the Philippine Stock Exchange, be approved, confirmed, and ratified."

**10. ADJOURNMENT**

Mr. Ang inquired if any of the stockholders have any matter to present in the assembly.

There being no other matters to be discussed, the meeting was adjourned upon motion duly made and seconded. Mr. Ang thanked all stockholders present for attending the meeting.

**A T T E S T:**

**IÑIGO U. ZOBEL**

Chairman of the Board

**RAMON S. ANG**

President

**VIRGILIO S. JACINTO**

Corporate Secretary

List of Stockholders Present<sup>1</sup>

Shareholders Present	No. of Common Shares
<b>BY BALLOT</b>	
Iñigo U. Zobel	199,601,517
Master Year Limited	49,799,900
Privado Holdings, Corp.	36,814,051
San Miguel Corporation	2,561,068
Ramon S. Ang	75,887
John Paul L. Ang	100
Aurora T. Calderon	2,360
Consuelo M. Ynares-Santiago	100
Teresita J. Leonardo-De Castro	100
Ricardo C. Marquez	100
Virgilio S. Jacinto	2,562
Bella O. Navarra	10,260
Irene M. Cipriano	1,000
Ma. Rosario B. Balanza	1,307
Ferdinand K. Constantino	14,750
Enrique Ll. Yusingco	250
Reynaldo N. Tecechian	18
Q-tech Alliance Holdings, Inc.	45,600
Marine Shore Investment Holdings, Inc.	258,767
Millennium Energy, Inc.	1,080,738
Columbus Capitana Corporation	239,233
Asiasec Equities, Inc.	12,151,531
Mandarin Securities Corporation	1,408,415
BA Securities, Inc.	1,203,671
<b>TOTAL</b>	<b>305,273,285</b>
<b>BY PROXY ISSUED IN FAVOR OF THE CHAIRMAN</b>	
SMC Retirement Plan	2,111,837
SMFI Retirement Plan	1,282,869
SMB Retirement Plan	1,863,814
SMYPC Retirement Plan	927,260
GSMI Retirement Plan	5,260
Gingog Holdings Corporation	183,008
Lucky Star Holdings, Inc.	66,628
Standard Chartered Bank	84,200
HSBC	7,302
Citibank	730,879
<b>TOTAL</b>	<b>2,111,837</b>
Margarita O. Cojuangco-Barrera (by Proxy)	12,735
<b>TOTAL SHAREHOLDERS ATTENDING BY BALLOT AND PROXY</b>	<b>312,549,077</b>
Total Outstanding Shares	332,886,167
<b>Percentage of Attendance</b>	<b>93.89%</b>

<sup>1</sup> As provided in the Definitive Information Statement, attendance of the stockholders of record as of June 19, 2023 shall be counted, and their votes will be cast, through ballots submitted by the stockholders or their proxies.

**Voting Results**  
**2023 Annual Stockholders’ Meeting**  
**August 03, 2023**

Election of the Board of Directors		
NO.	NOMINEE	TOTAL
1	INIGO U. ZOBEL	312,549,077
2	RAMON S. ANG	312,548,617
3	JOHN PAUL L. ANG	312,548,617
4	AURORA T. CALDERON	312,464,877
5	CONSUELO M. YNARES-SANTIAGO	312,548,617
6	TERESITA J. LEONARDO-DE CASTRO	312,549,077
7	RICARDO C. MARQUEZ	312,549,077
	TOTAL	2,187,757,959

RESOLUTION	FOR		AGAINST		ABSTAIN		TOTAL VOTES and Percentage out of Outstanding Common Stock	
Approval of the Minutes of the Annual Stockholders' Meeting held on June 08, 2022 (the “2022 Annual Stockholders’ Meeting”)	312,549,077	100%	0	0%	0	0%	312,549,077	93.89%
Approval of the Annual Report of the Company for year ended December 31, 2022	312,474,607	99.98%	0	0%	74,470	0.02%	312,549,077	93.89%
Ratification of all the acts and proceedings of the Board of Directors and Officers since the 2022 Annual Stockholders' Meeting to date	312,474,607	99.98%	0	0%	74,470	0.02%	312,549,077	93.89%
Appointment of R.G. Manabat & Co. as external auditors of the Company for fiscal year 2023	312,549,077	100%	0	0%	0	0%	312,549,077	93.89%
Approval of the Per Diem Allowance for Directors	312,549,077	100%	0	0%	0	0%	312,549,077	93.89%
Ratification of the Issuance of the Common Shares to Far East Holdings, Inc. and Approval of the Listing of the Issued Shares with the Phippine Stock Exchange	312,549,077	100%	0	0%	0	0%	312,549,077	93.89%

Total Number of Common Shares Present (by Ballot and by Proxy): 312,549,077

## Voting Procedure

1. Under Voting and Voting Procedure (page 6 of the Definitive Information Statement)

A stockholder may vote the number of shares held in his/her/its name in the Company's stock and transfer books as of June 19, 2023. Holders of common shares have the right to vote on all matters requiring stockholders' approval, and are entitled to vote at the meeting by submission of the ballots or proxies in accordance with the procedure set out herein. The voting and voting procedure are detailed in pages 8 and 44 of this Information Statement.

2. Under Voting Securities and Principal Holders Thereof (page 8 of the Information Statement)

The record date with respect to the 2023 Annual Stockholders' Meeting is June 19, 2023. Only stockholders of record at the close of business on June 19, 2023 will be entitled to vote at the meeting.

Holders of common shares have the right to vote on all matters requiring stockholders' approval.

Holders of the preferred shares shall not be entitled to vote except in matters provided for in the Revised Corporation Code, namely: amendment of Articles of Incorporation; adoption and amendment of By-laws; sale, lease, exchange, mortgage, pledge, or other disposition of all or substantially all of the corporate property; incurring, creating or increasing bonded indebtedness; increase or decrease of capital stock; merger or consolidation with another corporation or other corporations; investment of corporate funds in another corporation or business; and dissolution. None of the foregoing matters forms part of the Agenda of the 2023 Annual Stockholders' Meeting.

Every stockholder entitled to vote shall be entitled to one (1) vote, in person, *in absentia*, or by proxy, for each share of stock registered in his/her/its name in the books of the Company, for each matter presented for the approval of the stockholders (except for election of directors, which is set out in the immediately succeeding paragraph).

With respect to the election of directors, in accordance with Section 23 of the Revised Corporation Code, a stockholder may vote the number of common shares held in his/her/its name in the Company's stock and transfer book as of June 19, 2023, and may vote such number of common shares for as many persons as there are directors to be elected or he may cumulate said common shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of his/her/its common shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of common shares owned by him as shown in the books of the Company multiplied by the total number of directors to be elected.

The total number of votes that may be cast by a stockholder for the election of directors of the Company is computed as follows: number of common shares held on record as of record date multiplied by seven (7) directors.

3. Under Voting Procedures (page 44 of the Definitive Information Statement)

In all proposals or matters for approval (except for election of directors), each share of stock entitles its registered owner (who is entitled to vote on such particular matter) to one (1) vote. In case of election of directors, cumulative voting as set out in page 8 of this Definitive Information Statement shall be adopted. For the election of directors, the seven (7) nominees with the greatest number of votes will be elected as directors. Counting of the votes will be done by the Corporate Secretary or Assistant Corporate Secretary with the assistance of the independent auditors and the Company's stock transfer agent.

Considering that the 2023 Annual Stockholders' Meeting will be held via remote communication, votes of all stockholders on any or all of the proposals or matters submitted at the meeting can be cast through ballots or proxies submitted on or before July 20, 2023 by email sent to [stockholders@topfrontier.com.ph](mailto:stockholders@topfrontier.com.ph) or by mail sent to the SMC Stock Transfer Service Corporation office located at the 2<sup>nd</sup> Floor, SMC Head Office Complex, No. 40 San Miguel Avenue, Mandaluyong City 1550, Metro Manila, Philippines. Ballots and proxies need not be notarized. A sample of the ballot and proxy is included in this Information Statement. Validation of ballots and proxies will be on July 27, 2023 at 2:00 p.m. at the SMC Stock Transfer Service Corporation office located at the above-mentioned address.

For an individual, his/her ballot or proxy must be accompanied by a scanned copy of his/her valid government-issued identification card with photo for verification of identity. For a corporation, its ballot or proxy must be accompanied by its Corporate Secretary's certification setting the representative's authority to vote and/or represent the corporation in the meeting, where applicable. Hard copies of the ballots and proxies and notarized Secretary's Certificates are requested to be sent to the SMC Stock Transfer Service Corporation office located at the above-mentioned address within a reasonable time thereafter.

## Annual Report for 2022

Fellow stockholders, good afternoon. Welcome to the Annual Stockholders' Meeting of Top Frontier Investment Holdings, Inc.

On behalf of our Chairman, Mr. Zobel and our President, Mr. Ang, management is pleased to report that our Company delivered strong results across the group despite the lingering effects of the pandemic and, even as new challenges emerged in 2022. These challenges only strengthened our resolve to helping grow the economy and focused our priorities on what truly matters.

- The group posted its highest-ever level of consolidated revenues at P1.5 trillion, 60% higher than in 2021 and 48% better than the pre-pandemic 2019 level. This is attributed mainly to the significant lifting of COVID related restrictions especially on mobility which jump-started economic activities across the globe.
- During this period however, the businesses were also faced with rising raw material costs, inflation and foreign exchange movements. But with various cost-management initiatives and the sustained solid performance from Petron, San Miguel Food and Beverage, San Miguel Yamamura Packaging, and SMC Infrastructure, consolidated income from operations rose 10% to P132.9 billion compared to 2021 and 15% higher than the 2019 pre-pandemic level.
- The group ended the year with consolidated core net income amounting to P43.7 billion. With the depreciation of the peso and the series of interest rate hikes implemented by our fiscal regulators to stem inflation, consolidated net income ended at P23.9 billion.

Overall, 2022 was a good year for us as nearly all of our businesses delivered a strong set of results.

- The Food and Beverage business delivered solid performance metrics-- consolidated revenues grew by 16%, income from operations by 11% while net income rose 10%. This was driven by strong volume growth and better selling prices across the Beer, Spirits and Food business segments.
- Moving on to the business segments of F & B,
  - Beer sustained its growth momentum with both domestic and international operations contributing higher volumes. Consolidated revenues of P136.2 billion increased by 17% from 2021 while consolidated operating income and net income ended 10% and 6% higher, respectively.
  - The Spirits segment posted its highest-ever net income at P4.5 billion, up 9% from last year on the back of an 11% and 13% increase in revenues and operating income, respectively. This performance is on account of its sustained brand building and marketing campaigns as well as market penetration programs.

- Likewise, the Food segment delivered an all-time high record of consolidated revenues at P175.3 billion, a 16% growth from 2021., Amid rising commodity prices, inflation and the depreciating peso which impacted costs, operating income grew by 15% while net income rose by 21% pushed by the optimized utilization of company-owned facilities.
- Our Energy business under San Miguel Global Power delivered a 66% growth in consolidated revenues on account of higher offtake volumes from increased demand supported by better average realization prices. However, operating income and net income ended at P28.9 billion and P3.1 billion, respectively, both lower than last year's level. This was due mainly to the unprecedented increase in global coal prices of almost 600% (from \$65/MT to \$434/MT), the gas supply restrictions of the Ilijan plant and the steep depreciation of the peso against the US dollar (from P51.30 to the USD to P58.59).
- As mobility and travel reached near-normal levels, demand from the industrial and aviation sectors recovered while demand for gasoline and diesel remained strong. Thus, Petron grew revenues by 96% to P857.6 billion. With costs containment initiatives and continued optimization of refinery assets to pare down the impact of high crude prices, consolidated operating income increased by 12% higher and consolidated net income up by 9%.
- The Infrastructure Group on the other hand benefited the most from increased mobility. Average daily traffic volume increased by 25% versus LY, and already 14% better than 2019 pre-pandemic level. Consolidated revenues ended 47% higher than 2021 level and operating income improved by 110%.

The Group is also off to a good start this 2023. The first quarter results registered a 9% increase in consolidated revenues while consolidated operating income and net income grew 8% and 52%, respectively.

While your management remains optimistic, there is also a clear recognition that there are still uncertainties and challenges ahead. The war between Russia and Ukraine is a continuing threat, inflation while on the down trend is still elevated and the peso being dependent on the US federal moves on interest, is still unstable. Nevertheless, the general outlook for commodity prices is more stable compared to the last six months.

As Mr. Ang mentioned in his report during the stockholders' meeting of SMC last June 13, 2023, and I quote... "Our projects today serve the purpose of making meaningful change and preparing us for tomorrow. These will help our country attain food and energy security, support regional growth and local industries, and make opportunities available to many Filipinos. And when more Filipinos thrive, San Miguel also prospers and grows."

In closing, we thank you our fellow stockholders, for your continued trust and support. We also thank the management of our various businesses for continuing to be resilient and committed to do more than their best.

Again, a pleasant afternoon to all.