

**MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS OF
FILSYN CORPORATION
19 September 2024**

The stockholders of Filsyn Corporation ("**Corporation**"), a corporation organized and existing under the laws of the Republic of the Philippines, held their annual meeting of the stockholders on **19 September 2024** at 4:00 p.m. (Manila time) via remote communication.

PRESENT:

[Please see attached Summary of Attendance, Annex "A"]

1. Call to Order

The Chairman, Mr. Florentino M. Herrera III, called the meeting to order and presided over the same. The Corporate Secretary, Alain Charles J. Veloso, recorded the minutes of the proceedings.

The Chairman informed everyone in attendance that the meeting is being electronically recorded in accordance with Section 14 of the Securities and Exchange Commission ("**SEC**") Memorandum Circular No. 6 Series of 2020 which provides in part, "In case the election or meeting was conducted through teleconferencing or any other similar means, a visual and audio recording of the election or meeting should be secured."

2. Proof of sending of due notice of meeting and determination of quorum

The Corporate Secretary certified that notices of today's meeting were sent to all stockholders of record by publication and that the Definitive Information Statement was disclosed to the SEC and the Philippine Stock Exchange Inc. ("**PSE**").

The Corporate Secretary also certified that, on the basis of his examination of the record of attendance of the stockholders' present in person and by proxy, a quorum was present for the transaction of business by the stockholders, there being present at least 2/3 of the total outstanding capital stock, either in person or represented by proxy (*see* Summary of Attendance, Annex "A").

3. Consideration and approval of the Minutes of the Annual Stockholders' Meeting held on 6 October 2023

The Corporate Secretary mentioned that copies of the minutes of the annual meeting of the stockholders held on 6 October 2023 were distributed and made available to the stockholders present. The Corporate Secretary presented the following resolution:

RESOLVED, That the Minutes of the Annual Stockholders'
Meeting held on 6 October 2023 as appearing in the Minutes
Book of the Corporation be approved.

As tabulated, the votes for the adoption of the foregoing resolution providing for the approval of the Minutes of the Annual Stockholders' Meeting held on 6 October 2023 are as follows:

<u>Number of Voted Shares</u>	<u>For</u>	<u>Against</u>	<u>Abstain</u>
118,932,690	118,932,690	0	0

Upon motion made and seconded, the reading of said minutes was dispensed with and the minutes were approved.

4. Consideration of the Management Report for 2023

The Corporate Secretary mentioned that copies of the management report for the year 2023 were distributed and made available to the stockholders present and that the management report forms part of the Definitive Information Statement for this meeting.

The Corporate Secretary presented the following resolution:

RESOLVED, That the Management Report for 2023 be noted.

As tabulated, the votes for the adoption of the foregoing resolution providing for the consideration are as follows:

<u>Number of Voted Shares</u>	<u>For</u>	<u>Against</u>	<u>Abstain</u>
118,932,690	118,932,690	0	0

Upon motion made and seconded, the reading of the said management report was dispensed with and the management report was duly noted. For the record, a copy of the Management Report for the year 2023 is hereto attached as Annex “B”.

5. Ratification and confirmation of corporate acts, resolutions and proceedings of the Board of Directors and of Management from 6 October 2023 to 19 September 2024

The Corporate Secretary mentioned that the acts for ratification were listed in the Definitive Information Statement.

The Corporate Secretary presented the following resolution:

RESOLVED, That all corporate acts, resolutions, and proceedings of the Board of Directors and of Management, from 6 October 2023 up to 19 September 2024 be approved, confirmed, and ratified.

As tabulated, the votes for the adoption of the foregoing resolution providing for the consideration are as follows:

<u>Number of Voted Shares</u>	<u>For</u>	<u>Against</u>	<u>Abstain</u>
118,932,690	118,932,690	0	0

Upon motion made and seconded, the stockholders ratified all acts of the Board of Directors and Management as disclosed in the corporate records from the date of the last

annual meeting (6 October 2023) up to the date of the present meeting (19 September 2024).

6. Election of Directors for 2024-2025

The Chairman declared the table open for nominations for the election of the members of the Board of Directors of the company for the term 2024-2025.

The following persons were nominated:

1. FLORENTINO M. HERRERA III
2. DAVID WANG
3. ALAN TSAI
4. MA. BELINA B. MARIANO
5. BING CHANG
6. EVELYN LIM FORBES
7. AMY HUANG
8. MARIALEN C. CORPUZ
9. CONSOLACION A. SANCHEZ (INDEPENDENT DIRECTOR)
10. SAMUEL V. TORRES (INDEPENDENT DIRECTOR)
11. EDMUNDO A. ONG (INDEPENDENT DIRECTOR)

The Chairman noted that Ms. Sanchez was nominated as an independent director after having served for nine (9) years. The Chairman advised the stockholders that the Board had endorsed her re-nomination, subject to stockholders' approval, considering her leadership, expertise and knowledge of the business and operations of the Corporation.

The Corporate Secretary, reported that, after tabulating the votes cast, the percentage of votes garnered by the nominees mentioned in the Final List of Candidates are as follows:

Nominee	Votes
Florentino M. Herrera III	118,932,690
David Wang	118,932,690
Alan Tsai	118,932,690
Ma. Belina B. Mariano	118,932,690
Bing Chang	118,932,690
Evelyn Lim Forbes	118,932,690
Amy Huang	118,932,690
Marialen C. Corpuz	118,932,690
Consolacion A. Sanchez (Independent Director)	118,932,690
Samuel V. Torres (Independent Director)	118,932,690
Edmundo A. Ong (Independent Director)	118,932,690

Upon nominations made and seconded, the following stockholders were elected directors of the company for the term 2024-2025 and until their successors shall have been duly elected and qualified:

1. FLORENTINO M. HERRERA III
2. DAVID WANG
3. ALAN TSAI

4. MA. BELINA B. MARIANO
5. BING CHANG
6. EVELYN LIM FORBES
7. AMY HUANG
8. MARIALEN C. CORPUZ
9. CONSOLACION A. SANCHEZ (INDEPENDENT DIRECTOR)
10. SAMUEL V. TORRES (INDEPENDENT DIRECTOR)
11. EDMUNDO A. ONG (INDEPENDENT DIRECTOR)

7. Appointment of External Auditor for the term 2024-2025

The Chairman stated that the present external auditor of the Corporation is the auditing firm of SyCip Gorres Velayo & Co. (SGV).

The Corporate Secretary presented the following resolution:

RESOLVED, That the appointment of SyCip Gorres Velayo & Co. (SGV) as external auditor of the Corporation for the term 2024-2025.

As tabulated, the votes for the adoption of the foregoing resolution providing for the consideration are as follows:

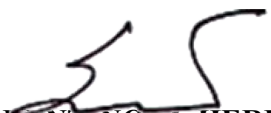
<u>Number of Voted Shares</u>	<u>For</u>	<u>Against</u>	<u>Abstain</u>
118,932,690	118,932,690	0	0

Upon motion made and seconded, the stockholders re-appointed SyCip Gorres Velayo & Co. (SGV) as the external auditor of the Corporation for the term 2024-2025.

8. Adjournment

The Chairman asked if there are still other questions and clarifications from the stockholders. There being no further business to transact, the meeting was thereupon adjourned.

A T T E S T:



FLORENTINO M. HERRERA III
Chairman of the Board



CHARLES J. VELOSO
Corporate Secretary

FILSYN CORPORATION
ANNUAL STOCKHOLDERS’ MEETING
 19 September 2024

SUMMARY OF ATTENDANCE

PRESENT

<u>STOCKHOLDER</u>	<u>NO. OF SHARES</u>
(a) In person, via remote communication (Zoom application) or by proxy	118,932,690 (equivalent to 68.82.%)
(b) Total no. of shares issued and outstanding common voting shares	172,819,683

NO.	STOCKHOLDERS' NAME	NO. OF SHARES	%	Named Proxy
1	TRANS-PACIFIC ORIENTAL HOLDINGS CO., INC.	63,578,181	36.79%	David Wang
2	FAR EASTERN INVESTMENT HOLDING LIMITED	45,065,670	26.08%	David Wang
3	MALAYSIA GARMENT MANUFACTURERS (PTE) LTD.	33,426,498 ¹	19.34 ^{2%}	David Wang
4	CAPITAL STORAGE FACILITIES CORPORATION (FORMERLY: CAPITAL GARMENT CORPORATION)	484,398	0.28%	Evelyn Lim-Forbes
5	PLLIM INVESTMENTS, INC.	2,894,000	1.67%	Evelyn Lim-Forbes
6	PHIL. CARPET MANUFACTURING CORPORATION	2,063,581	1.19%	Evelyn Lim-Forbes
7	LIPAVE MANAGEMENT CORPORATION	86,953	0.05%	Evelyn Lim-Forbes
8	LEPANTO CONSOLIDATED MINING COMPANY	4,081,651	2.36%	Ma. Belina B. Mariano

¹ Non-voting shares

² Excluded in computation of quorum.

NO.	STOCKHOLDERS' NAME	NO. OF SHARES	%	Named Proxy
9	LEPANTO INVESTMENT & DEV. CORPORATION	463,382	0.27%	Ma. Belina B. Mariano
10	FLORENTINO M. HERRERA III	1,000	0.00%	--
11	DAVID WANG	1	0.00%	--
12	AMY HUANG	49,999	0.03%	--
13	ALAN TSAI	50,000	0.03%	--
14	BING CHANG ³	0	0.00%	--
15	EDMUNDO ONG ⁴	0	0.00%	--
16	SAMUEL V. TORRES	1	0.00%	--
17	MARIALEN CORPUZ	636	0.00%	--
18	MA. BELINA B. MARIANO	1	0.00%	--
19	EVELYN LIM-FORBES	113,233	0.07%	
20	CONSOLACION A. SANCHEZ	1	0.00%	
21	DAVID EDUARDO TY LIM	1	0.00%	Evelyn Lim-Forbes
22	FELIPE U. YAP	1	0.00%	Ma. Belina B. Mariano
	TOTAL	118,932,690⁵	68.82%	

³ The transfer of Mr. Chang's one (1) qualifying share from Alan Tsai is being processed.

⁴ The transfer of Mr. Ong's one (1) qualifying share from Alan Tsai is being processed.

⁵ Excludes non-voting shares of Malaysia Garment Manufacturers (Pte) Ltd..

FILSYN CORPORATION MANAGEMENT REPORT FOR THE YEAR 2023

Filsyn Corporation (“the Corporation”) continues to derive its income mainly from leasing warehouses and commercial spaces. Given the pandemic that has affected most of the businesses in the country, the corporation is fortunate to continue to derive from its operation, sufficient income to cover all of the Company’s operating and miscellaneous expenses.

The Sta. Rosa property, which is the biggest asset of the Corporation, has a fair market value (FMV) of P10,800.00 per square meter, as determined by an independent firm of Appraise of the period ended December 31, 2023. Compared to last year’s FMV of P10,000.00 per square meter, there was an increase of P800.00 per square meter. The property has now a FMV of about P3,240.19 million, more or less.

The General Mariano Alvarez (GMA) property’s FMV likewise increased, although slightly, to P3,700.00 per square meter from P3,000.00 per square meter last year as determined by the same Independent Firm of Appraiser for the period December 31, 2023. The total FMV of the property is now about P602.05 million, more or less.

The Corporation’s Total Assets based on audited Consolidated Financial Statements is P1,909.09 million as of end of 2023. The Total Current Liabilities is P978.67 million as of end 2023. The decrease was mainly due to the conversion of debt of the Corporation with Malaysia Garments Manufacturers Pte. Ltd. (Malaysia Garments) to equity amounting to P1.4 billion

The Corporation’s outstanding loan with Chinatrust, amounting to about P1.3 billion remains. However, the ownership of the loan was transferred to another company which later sold the loan to Malaysia Garments, a company incorporated in Singapore.

In preparation for the implementation of the Corporation’s business plan as approved by the Board of Directors and Stockholders on September 21, 2017, the Corporation intends to settle its outstanding liabilities as of December 31, 2020 and obtain the release and cancellation of mortgage of its 30 has. Sta. Rosa property and to improve its financial position by wiping out deficiency.

Thus, corporate approvals were obtained on September 20, 2018 aimed at restructuring the Corporation’s equity through the following corporate actions:

1. Reduction of the par value of all common shares from P5.00 to P2.50 per share;
2. Creation of Preferred Shares with special features by reclassifying 33,426,498 Common B shares held by foreign stockholders - creditors with par value of P2.50 per share; and
3. Conversion of restructured loans and interests amounting to a total of P1,318,316,337 to additional paid in capital by considering the amount as premium from the conversion of the 33,426,498 Common B shares held by foreign stockholders - creditors into Preferred shares.

On July 23, 2019, the Corporation filed its application for amendment of Articles of Incorporation (AOI) with the Philippines Securities and Exchange Commission (SEC). On September 25, 2019, the SEC provided their initial comments on the application for amendment of AOI.

Since the September 20, 2018 corporate approvals have not been implemented yet, and acting upon the advice of the financial advisor, Sycip Gorres Velayo & Co., the Corporation intends to amend further the restructuring plan by approving and implementing various corporate actions, such that these new resolutions shall supersede and revoke the September 20, 2018 resolution approving the amendments to the Seventh Article of the AOI of the Corporation.

At the Special Meeting of the Board of Directors of the Corporation duly called and held on 11 November 2021, at least majority of the Board of Directors approved the following resolutions:

A. Decrease in Authorized Capital Stocks and Reclassification or Conversion of 33,426,498 Class B shares into 33,426,498 Preferred Shares

1. Reduction of par value of all common shares from P5.00 per share to P0.50 per share;
2. Decrease the authorized capital stock from P1,200,000,000.00 to P120,000,000.00;
3. Treatment of the capital contributed in excess of the reduced par value as additional paid in capital;
4. Creation of Preferred shares by Reclassification of 33,426,498 Class B common shares into 33,426,498 Preferred shares with special features;
5. Subscription by Malaysia Garments to the 33,426,498 Preferred shares.

B. Increase in Capital Stocks

1. Increase of the Corporation's authorized capital stock from P120,000,000.00 to P647,306,477.72 consisting of:
 - a) 440,229,812 Class A Common Shares with par Value of P0.50 per share or an aggregate par value of P220,114,906.00;
 - b) 293,486,507 Class B Common Shares with par Value of P0.50 per share or an aggregate par value of P146,743,253.50;
 - c) 33,426,498 Preferred Shares with a par value of P8.39 per share or an aggregate par value of P280,448,318.22.
2. Subscription of Malaysia Garments Manufacturers (Pte) Ltd. to increase in par value of the 33,426,498 Preferred Shares amounting to P263,735,069.22.

3. Conversion of debt owed to Malaysia Garments Manufacturers (Pte) Ltd. by the Corporation amounting to P1,389,961,828 to equity as payment for the 33,426,498 Preferred Shares with excess of the debt over the par value of preferred shares recorded as Additional Paid in Capital.

C. Use of Additional Paid in Capital (APIC) to Wipe Out Deficit

1. Use of the APIC in the amount of P2,197,924,318.28 resulting from:

- a) existing APIC
- b) decrease in capital through reduction of par value
- c) conversion of debt to Malaysia Garments

to wipe all the accumulated deficit of the Corporation.

D. Filing of the Amended AOI of the Corporation and other documentary requirements with the SEC.

On March 29, 2023, the Corporation completed all the aforementioned documents required by the SEC.

On April 4, 2023, the Corporation was notified by the SEC that it is ready to issue its assessment on the planned restructuring project upon issuance of the SEC-Markets and Securities Regulation Department (MSRD) clearance. Thereafter, a Payment Request Form was issued to the Corporation, which signified the acceptance of the SEC on the application to proceed with filing.

On 26 June 2023, the SEC approved the Corporation's Decrease/Increase in Authorized Capital Stock, Amendments to the AOI and Equity Restructuring.

The Corporation received from SEC, the Certificate of Incorporation of FYN Green PET Corporation ("FYGP"), a wholly-owned subsidiary dated 6 June 2019. This is for the Corporation's PET Recycling Plant Project.

Notice of Involuntary Delisting

On February 3, 2023, the Corporation received a Notice of Involuntary Delisting from the Philippine Stock Exchange (PSE).

On April 3, 2023, representatives of the Corporation participated in a hearing conducted by the Exchange relating to the involuntary delisting proceedings involving the Corporation. The Corporation then requested the Exchange that the involuntary delisting proceedings be suspended; and it be allowed to complete the requirements for its amended registration statement and application for the financial restructuring plan with the Securities and Exchange Commission until the end of 2023.

The grounds for the initiation of involuntary delisting proceedings involving Corporation are due to the (a) revocation of its registration of securities and permit to sell securities; and (b) negative stockholders' equity.

In the said hearing, the Corporation raised the following arguments:

- a. There was no obstinate refusal on the part of the Corporation to comply with the directives of the Exchange and the SEC.
- b. The Corporation, in utmost good faith, exerted serious efforts to comply with the SEC directives. All the corporate actions of Corporation the matter were timely and promptly disclosed to the Exchange.
- c. The SEC-Markets and Securities Regulation Department (MSRD) will only act on the Corporation amended registration statement after the approval of the Corporation's financial restructuring plan being reviewed by the SEC- Financial Analysis and Audit Division (FAAD).
- d. The Corporation will file its amended registration statement after it secures the SEC's approval of its financial restructuring plan. Thereafter, the Corporation will request SEC-MSRD to issue the corresponding Order Lifting the Order of Revocation dated August 26, 2002 against the Corporation.
- e. The conversion of the Corporation's obligation to one of the Corporation's major creditors, Malaysia Garments, amounting to P1,390.0 million into equity has effectively wiped-out the deficit amounting to P689.0 million. The debt-to-equity conversion is part of the financial restructuring plan being carried out by the Corporation. The deficit would have been wiped-out had the SEC-FAAD approved the Corporation's financial restructuring plan.
- f. The involuntary delisting will be prejudicial to the Corporation's stockholders who have been expecting that the trading suspension will be lifted soon and the financial restructuring plan approved in light of the actions being actively undertaken by the Corporation.
- g. In 2019, parallel to its efforts to solve its capital deficiency, the Corporation incorporated FYN Green PET Corporation ("FYGP"), a 100% wholly owned subsidiary, to provide cash flow and steady stream of revenues.

The Corporation requested for an extension from the PSE for its 29 December 2023 deadline to complete the SEC requirements relating to the Corporation's application for the approval of its Amended Registration Statement.

The PSE, in its Letter dated 31 January 2024, granted the Corporation's request for a six (6)-month non-extendible extension or until 26 June 2024 to complete the requirements of the SEC and obtain an effective registration of securities and permit to sell securities with the SEC; and (ii) to maintain the suspension of the involuntary delisting proceedings against the Corporation until the issuance of SEC's decision on the Corporation's application for the approval of its Amended Registration Statement or until 26 June 2024 whichever is earlier.

On 29 July 2024, the Corporation received a letter from the PSE dated 23 July 2024 terminating the PSE's involuntary delisting proceedings against the Corporation.

The Corporation currently is completing steps to complete the relisting of its securities with the PSE.

In preparation for FYGP's registration with the PEZA, on 21 February 2020, a Memorandum of Understanding and a Contract to Sell between J.Y. and Sons Realty Co., Inc. and FYGP were executed regarding sale of a parcel of land with building and improvements, located at First Cavite Industrial Estate (FCIE), Dasmariñas City, Cavite. Which is a PEZA registered location. On 25 November 2020, the sale was finalized and the property was physically turned over to FYGP on 1 February 2021.

Furthermore, at the Board Meeting of PEZA, held on 21 May 2020, the Board approved the application for registration of FYGP as an Export Ecozone Enterprise. FYGP commences its commercial operations in May 2023.