

SEAFRONT RESOURCES CORPORATION
Minutes of the Board of Directors' Regular Meeting
February 19, 2016, 12:30 p.m.
Antonio Delas Alas Executive Dining
47th Floor, Yuchengco Tower, RCBC Plaza Building
6819 Cor. Sen. Gil J. Puyat and Ayala Avenues, Makati City

PRESENT:

Ms. Helen Y. Dee	–	Chairman
Ms. Milagros V. Reyes	–	Director/President
Mr. Perry Y. Uy	–	Director/Treasurer
Mr. Nicasio I. Alcantara	–	Independent Director
Ms. Yvonne S. Yuchengco	–	Director
Dr. Reynaldo B. Vea	–	Director
Mr. Medel T. Nera	–	Director
Mr. Albert S. Yuchengco	–	Director

ALSO PRESENT:

Atty. Samuel V. Torres	–	Corporate Secretary
Atty. Arlan P. Profeta	–	Asst. Corporate Secretary
Ms. Carlota R. Viray	–	Chief Financial Officer

ABSENT:

Atty. Ernestine Carmen Jo D. Villareal-Fernando	–	Independent Director
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I. Procedural

A. Determination of Quorum/Call to Order

The Chairman, Ms. Helen Y. Dee presided over the meeting and requested the Corporate Secretary to certify the existence of a quorum. After confirmation of the presence of a quorum, the Chairman called the meeting to order. It was noted that Attorney Villareal-Fernando was out of the country and could no longer adjust her schedule in order to attend the meeting.

Atty. Torres

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B. Approval of Minutes of the Previous Meeting

The Chairman requested the Board to review the Minutes of the November 5, 2015 meeting. Upon motion duly made and seconded, the Board approved the minutes of the previous meeting.

II. MANAGEMENT REPORT

Ms. Milagros V. Reyes (MVR) showed the location map of Hermosa Ecozone Development Corporation (HEDC) to the Board then proceeded to update them on the developments in HEDC, as follows:

A. Conversion of Leisure Area into Industrial Area

It was reported that there is a proposal to convert the 320 ha of HEDC's leisure area in addition to the existing 156 ha industrial zone. About 38 ha had already been sold. The remaining saleable area is about 85 ha.

B. YH Green Energy Inc.

YH Green Energy, Inc. (YH Green), a solar company owned by Penta Capital Investment Corporation, is presently leasing 20 ha within the HEDC's 228 ha-property in Bataan at a contract price of P10 Million per year for 20 years. The rent has an escalation of 5% every two years.

YH Green's installation of 14.5 MW Green solar panels is ongoing.

C. Expressions of Interest in the 15 Ha Expansion

MVR reported that there have been expressions of interest already for the recently opened 15 ha area of HEDC.

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D. Sale of HEDC Shares

MVR reported that the Company's total investment in HEDC amounts to P87,646,116. She narrated that the Company made the initial investment in HEDC in 1997 through subscription to 1,555 shares of HEDC at P100 par value per share. In the following year, the Company subscribed to an additional 998,445 shares and paid the amount of P68.27 Million. Portions of the unpaid subscription were paid in January 2013 and June 2015, amounting to P12,102,226 and P7,114,750, respectively. The remaining unpaid amount is P12.35 Million. Please see attached **Annex "A"**.

MVR reported that had the investment been placed in the money market, the interest earned would have been bigger (about P68.79 million compared to only P7.8 Million in dividends received to date). Since the Company is not in the business of running an industrial area, the Company, as well as all the other stockholders, are interested to sell their respective shares at a share price based on a lot price of P2,750/sq. m. This will generate about P5 Billion for the entire area.

Member Mr. Nicasio I. Alcantara suggested to have a bottom price for the sale of the Company's shares of stock in HEDC.

III. FINANCIAL REPORT

A. Financial Highlights

Ms. Carlota R. Viray (CRV) presented the Financial Highlights for the month of January 2016 and the results and highlights of the 2015 Audited Financial Statements (attached hereto as **Annex "B"**).

B. Approval of the 2015 Audited Financial Statements

The Chairman of the Audit Committee, Mr. Nicasio I. Alcantara, recommended the approval of the 2015 Audited Financial Statements, following a short presentation by SGV & Co. of the results and highlights thereof. Upon motion





duly made and seconded, the Board of Directors approved the 2015 Audited Financial Statements, to wit:

RESOLVED, that the 2015 Audited Financial Statements be approved for issuance.

IV. CORPORATE MATTERS

A. 2016 Annual Stockholders' Meeting

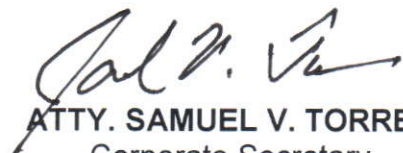
On motion duly made and seconded, the Board of Directors approved the holding of the Annual Stockholders' Meeting on May 19, 2016, at 1:30 p.m., as follows:

RESOLVED, that the Annual Stockholders' Meeting be held on May 19, 2016, at 1:30 p.m. at Rooms 526-528 YIAS, Level 5 Podium 4, RCBC Plaza Building, 6819 Ayala Avenue, Makati City.

RESOLVED, FURTHER, that the stockholders entitled to vote thereon shall be stockholders of record as of March 10, 2016.

V. ADJOURNMENT

There being no other matter to discuss, the meeting was adjourned.


ATTY. SAMUEL V. TORRES
Corporate Secretary



Minutes read and approved:


HELEN Y. DEE
Chairman

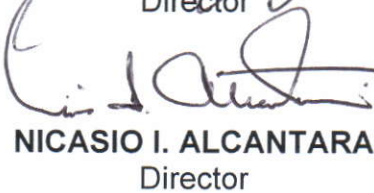

MILAGROS V. REYES
President/Director


YVONNE S. YUCHENGCO
Director

REYNALDO B. VEA
Director


PERRY Y. UY
Director


MEDEL T. NERA
Director


NICASIO I. ALCANTARA
Director


ALBERT S. YUCHENGCO
Director

Conforme:


**ERNESTINE CARMEN JO D.
VILLAREAL- FERNANDO**
Director



