

SEAFRONT RESOURCES CORPORATION

Minutes of the Board of Directors' Regular Meeting

July 26, 2016, 12:00 Noon

Conference Room 1, 47th Floor, Yuchengco Tower RCBC Plaza
6819 Cor. Sen. Gil J. Puyat and Ayala Avenues, Makati City

PRESENT:

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

ALSO PRESENT:

Mr. Porfirio S. De Guzman, Jr.	–	
Atty. Samuel V. Torres	–	Corporate Secretary
Atty. Arlan P. Profeta	–	Asst. Corporate Secretary
Ms. Carlota R. Viray	–	Chief Financial Officer

I. Procedural

A. Determination of Quorum/Call to Order

The Chairman 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.

a

B. Approval of Minutes of the Previous Meeting

The Chairman requested the Board to review the Minutes of the May 19, 2016 meeting. Upon motion duly made and seconded, the Board approved the minutes of the previous meeting.

II. MANAGEMENT REPORT

The President, Ms. Milagros V. Reyes (MVR) updated the Board of Directors on the development in the Hermosa Ecozone Development Corporation (HEDC), as follows:

A. HEDC Operations Update

1. HEIP Power Substation / Electric Power Supply

MVR gave an update on the Hermosa Ecozone Industrial Park (HEIP) power substation, as follows:

- Construction of the substation by PENELCO is ongoing;
- Transformer pads/foundations are completed;
- Imported transformers are now available at the PENELCO warehouse but awaiting completion of the site development before installation can commence;
- Construction of the control building and Installation of 69-KV transmission poles and lines by PENELCO inside HEIP is ongoing; and
- HEDC has applied with PENELCO for the extension of the 3-phase distribution lines to serve Phase 2 of HEIP.

2. HEIP Lots Registration and Titling

- a. Phase II – Lots registration and titling for the 79 lots in Phase II has been completed; tax declarations released by the Provincial Assessor on July 1, 2016.

b. Phase IIA

- SPPI is now assisting the Office of the HEDC Chairman on the release from mortgage of Lot 1328 from GSIS; SPPI to secure DAR Certification of No Obligation as required by GSIS; and
- The Request for Payment for expenses related to lots registration and titling with the Register of Deeds (RD), as well as facilitation fees, is now being processed by HEDC.

The registration and titling of the lots has to be facilitated because there is already a buyer of a large tract of lot in Phase IIA that has paid in full.

3. Sumi Philippines Wiring System (SPWS) Expansion-Phase 4

The building construction was completed on June 30, 2016. An inauguration was held on July 5, 2016 and attended by HEDC directors and executives, Bataan Governor Garcia, and Bataan 1st District Congresswoman Roman.

MVR enumerated the following requests of SPWS:

- Installation of “speed humps” across the HEIP main road at the area of the SPWS employees entrance/exit gates (SPWS-Phase 2 and SPWS-Phase 4);
- Construction of the sidewalk along the other side (south side) of the access road of HEIP from Roman National Highway; and
- Construction of a covered walkway along one side (north side) of the HEIP access road from the Roman National Highway up to the barangay road.

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B. Marketing Update on the HEIP

MVR reported that HEIP is currently negotiating with the following companies:

NATIONALITY	TYPE OF BUSINESS/OPERATION	AREA (SQM)
Filipino	Manufacturing of baseball gloves	6,459
Filipino	Manufacturing of tobacco leaf fillers	10,031
Singaporean	Boiler maintenance services	12,488

MVR also discussed other serious prospective clients, as follows:

NATIONALITY	TYPE OF BUSINESS/OPERATION	AREA (SQM)
Turkish	Fabrication of soil boring equipment	15,333
Filipino	Logistics services	20,198
Filipino	Assembly of motorcycles	8,064

It was mentioned that CONAIR did not push through with the purchase of land from HEDC and is considering other sites. It was also mentioned that Big Lift Properties & Development Corporation is interested to purchase a lot with an area size of 23,936 square meters.

III. FINANCIAL REPORT

A. Financial Highlights

Ms. Carlota R. Viray (CRV) presented the Financial Highlights for the month of June 2016 (attached hereto as **Annex "A"**).

B. Approval of the Second Quarter 2016 Financial Statements

The Chairman of the Audit Committee, Mr. Nicasio I. Alcantara, recommended to the Board the approval of the 2016 Second Quarter Financial Report (SEC Form No. 17-Q) to be submitted to the Securities and Exchange Commission.