

SEAFRONT RESOURCES CORPORATION

Minutes of the Board of Directors' Regular Meeting

February 23, 2017, 1:30 p.m.

Conference Room 1, 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
Atty. Ernestine Carmen Jo D. Villareal-Fernando	–	Independent Director
Ms. Yvonne S. Yuchengco	–	Director
Dr. Reynaldo B. Vea	–	Director
Mr. Medel T. Nera	–	Director

ALSO PRESENT:

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

ABSENT:

Mr. Nicasio I. Alcantara	–	Independent Director
Mr. Albert S. Yuchengco	–	Director

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 Mr. Nicasio I. Alcantara was out of the country and could no longer

adjust his schedule in order to attend the meeting, while Mr. Albert S. Yuchengco had an urgent matter to attend to.

B. Approval of Minutes of the Previous Meeting

The Chairman requested the Board to review the Minutes of the November 10, 2016 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 the Hermosa Ecozone Industrial Park (HEIP) to the Board then proceeded to update them on the developments in the Hermosa Ecozone Development Corporation (HEDC), as follows:

A. Sales Summary from Inception to December 2016

It was reported that, out of the existing 162 ha industrial zone, about 39.66 ha had already been sold. The total sale to date is P646.46 MM. The Net realized income from sale of lots is P245.98 MM. MVR added that the HEDC is earning P10 MM/year from YH Green Energy Corporation which is leasing 25 ha of the HEDC's Leisure area.

B. Marketing Update

MVR enumerated the current locators, as follows:

- Vignet UPVC Profile, Inc.
- Asian Nickel Research & Technology Corporation
- IWS Realty Corporation
- Bioteque Medical Phils., Inc.
- Biglift Properties and Development Corporation
- Orient Goldcrest Realty, Inc.
- Phil Bright Corporation

- Northern Castle
- Li-Yuan ventures Manufacturing Corporation
- Trident Hydrojetting Philippines Inc.

The following Companies already signed an Option Agreement and will be coming in up to March 2017:

- Bessup Inc., a Boiler Maintenance Services
- Li-Yuan Ventures Mfg. Corp., a Manufacturer of Tobacco Leaf Fillers
- Pacific Roadlink Logistics (Non-PEZA), a Logistics Services

The total sales for the three enumerated companies is around P150 MM for about 5.2 ha, because the value per square meter is now P3,200.

MVR also enumerated the following serious prospective clients:

NATIONALITY	TYPE OF BUSINESS/OPERATION
Taiwanese	Manufacturing of wires and cables
Turkish	Fabrication of soil boring equipment
French	Dairy products
American	Manufacturing of electronics
Japanese	Plastic injection
Filipino	Assembly of motorcycles
Singaporean	Bread & pastries

Should the sale of 19.5 ha for the serious prospective clients materialize, about P816 MM would be an additional to the 2017 gross revenues.

C. Construction of Pave Lanes

MVR showed some pictures of the paved 4-lane main road 1 (Eastward) and paved 3-lane Rotunda (Northward) which are under construction (attached hereto as **Annex "A"**).

III. FINANCIAL REPORT

A. Financial Highlights

Ms. Carlota R. Viray (CRV) presented the Financial Highlights for the month of January 2017 and the results and highlights of the 2016 Audited Financial Statements (attached hereto as **Annex "B"**).

B. Approval of the 2016 Audited Financial Statements

Director Medel T. Nera, recommended to wait for the final draft of the appraisal of the investment in HEDC before the Board approves the 2016 Audited Financial Statements.

CRV mentioned that on February 21, SGV & Co. commented that based on standards, investments in unquoted shares (HEDC shares) should be accounted/presented at its "Fair value" and not at cost. Thus, the valuation of HEDC shares was required.

The Company made an in-house appraisal of the investment in HEDC. However, the Audit Committee preferred the independent appraisal report from Cuervo Appraisal.

IV. CORPORATE MATTERS

A. 2017 Annual Stockholders' Meeting

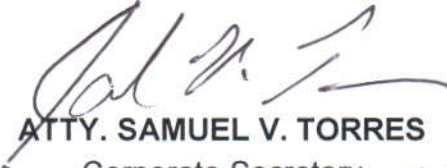

On motion duly made and seconded, the Board of Directors approved the holding of the Annual Stockholders' Meeting on May 19, 2017, at 1:30 p.m., as follows:

RESOLVED, that the Annual Stockholders' Meeting be held on May 19, 2017, 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, 2017.


V. ADJOURNMENT

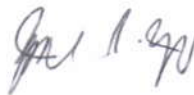
There being no other matter to discuss, the meeting was adjourned.


ATTY. SAMUEL V. TORRES
Corporate Secretary 

Minutes read and approved:


HELEN Y. DEE
Chairman


MILAGROS V. REYES
President/Director


YVONNE S. YUCHENGO
Director

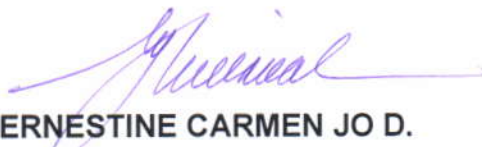

REYNALDO B. VEA
Director



PERRY Y. UY
Director

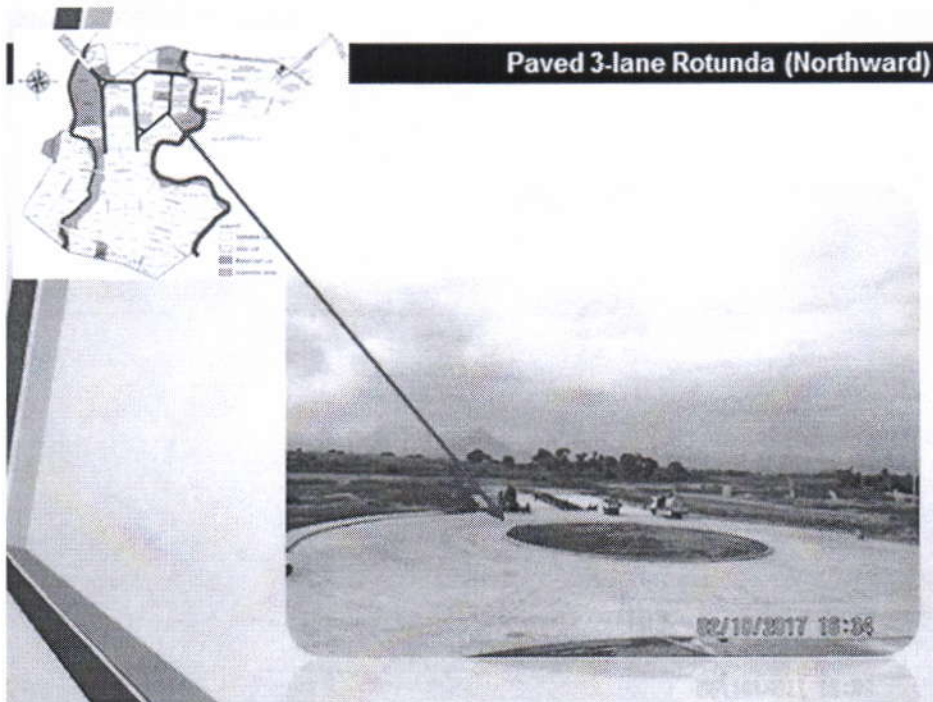
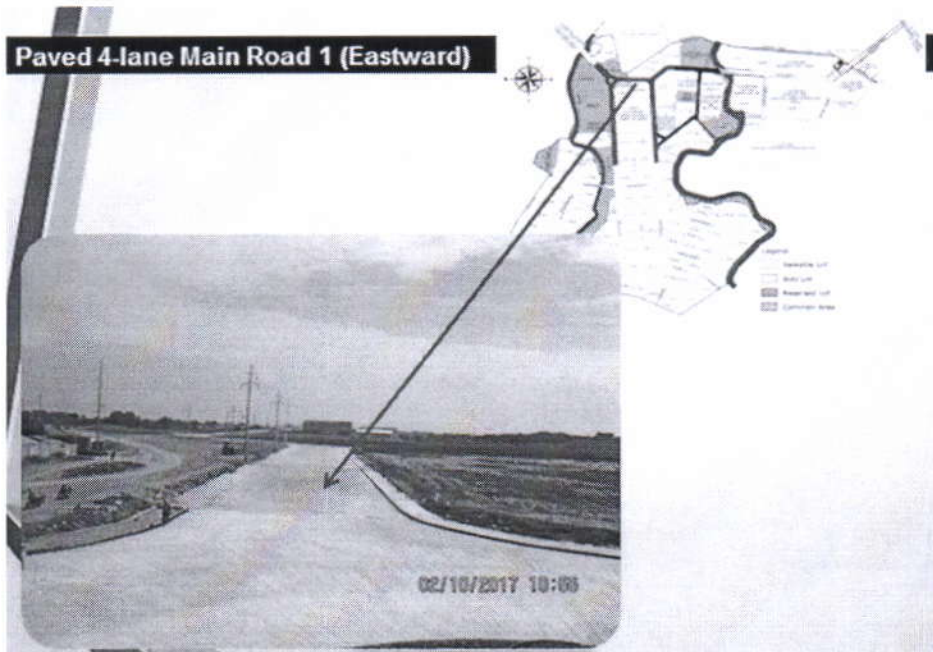

MEDEL T. NERA
Director


NICASIO I. ALCANTARA
Director

Conforme:


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


ALBERT S. YUCHENGO
Director



Financials

Amounts In Pesos	AUDITED 2016	AUDITED 2015
Total Assets	Php 186,540,524	Php 165,865,092
Total Liabilities	579,550	315,494
Total Equity	185,960,974	165,549,598
Revenues	7,633,971	8,837,519
Net Income	6,300,512	(9,486,038)
Total Comprehensive Net Income (Loss)	20,411,375	(15,186,808)
Earnings Per Share	0.0386	N/A
Stock Price	2.50	2.39
Price/Earnings Ratio	64.68 x	N/A

Financials

Amounts In Pesos	UNAUDITED January 2017	AUDITED 2016
Total Assets	Php 189,415,012	Php 186,540,524
Total Liabilities	362,652	579,550
Total Equity	189,052,360	185,960,974
Revenues	40,540	7,633,971
Net Income	3,335,702	6,300,512
Total Comprehensive Net Income (Loss)	3,075,216	20,411,375
Earnings Per Share	0.0205	0.0386
Stock Price	2.50	2.50
Price/Earnings Ratio	122.16 x	64.68 x