

**MINUTES OF THE ANNUAL SHAREHOLDERS' MEETING
OF
AG FINANCE, INCORPORATED**

Held at the Big Function Room,
Manila Golf & Country Club
Harvard Road, Forbes Park, Makati City
On 11 December 2017 at 12:00 Noon

<u>STOCKHOLDERS PRESENT</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE</u>
Stockholders represented by proxies	183,276,806	70%
Stockholders represented in person	1,295	0.0004%
Total number of shares present in and represented by proxy	183,278,101	70.0004%
Total Shares and Outstanding	261,824,002	100%

DIRECTORS PRESENT:

Mr. Isidro C. Alcantara, Jr.
Mr. Arsenio K. Sebial, Jr.
Mr. Anthony M. Te
Atty. Remegio C. Dayandayan, Jr.
Atty. Hermogene H. Real

OTHERS PRESENT:

Atty. Diane Madelyn C. Ching

I. CALL TO ORDER

The Chairman, Mr. Isidro C. Alcantara, Jr., called the meeting to order and presided over the same. The Corporate Secretary, Atty. Diane Madelyn C. Ching recorded the minutes of the meeting.

II. PROOF OF NOTICE OF MEETING AND CERTIFICATION OF QUORUM

The Chairman inquired with the Corporate Secretary whether proper notices of the meeting were sent to the stockholders of record of the Corporation and whether there is quorum to proceed with the meeting. The Corporate Secretary certified that the notice of the meeting has been sent out to each stockholder of record as of 3 November 2017. She further certified that out of the total issued and outstanding capital stock of the Corporation, there are present in person or by proxy, holders of 183,278,101 shares of stock entitled to vote, representing an attendance of 70.004%, which is more than two thirds (2/3) of the total issued

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and outstanding capital stock of the Corporation. Therefore, there exists quorum to transact business at hand.

III. READING AND APPROVAL OF THE MINUTES OF THE LAST SHAREHOLDERS' MEETING

The Chairman stated that the next item in the agenda is the reading and approval of the minutes of the last shareholders' meeting. The Corporate Secretary stated that the copies of the Minutes of the Meeting held on 16 December 2016 had been earlier distributed. On motion duly made and seconded, the reading of the minutes of the shareholders' meeting held on 16 December 2016 was dispensed with and the following resolution was approved:

"RESOLVED, that the minutes of the Annual Stockholders' Meeting of the Corporation held on 16 December 2016 be, as it is hereby, approved."

IV. APPROVAL OF THE MANAGEMENT REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

The Chairman then stated that the next item on the agenda is the Approval of the Management Report and Audited Financial Statements for the year ended 31 December 2016. Mr. Isidro C. Alcantara, Jr., as President, informed the stockholders that AGF was initially geared to venture into the business of mining, but it has deferred its plan due to regulatory uncertainty. As a result, revenue decreased by ₱28.44 million, from ₱35.22 million in 2015 to ₱6.78 million in 2016. Though there were no financing activities AGF recognized a net income of ₱4.66 million from net loss in 2015 of ₱9.82 million due to loan receivable discounting in 2015.

As to the financial position, total assets increased by ₱7.04 million mainly due to the interest income recognized, liabilities increased by ₱2.38 million due to advances from related parties to pay for AGF expenses. The stockholders' equity increased by ₱4.66 million from ₱329.24 million as of December 31, 2015 to ₱333.90 million as of December 31, 2016. The increase was attributable to the net income of ₱4.66 million in 2016.

He also informed the stockholders that on 27 November 2017, AGF was notified by RYM Business Management Corp. that the latter has entered into an agreement with ISOC Holdings Inc. for the sale of 175,422,081 common shares in AGF equivalent to 67% of the outstanding capital stock of AGF, subject to closing conditions customary to the sale transaction including the conduct of a tender offer to the minority stockholders of AGF. The Tender Offer has started last December 4, 2017 and is expected to end on January 3, 2018.

He added that ISOC Holdings Inc. is a holding company duly organized and existing under the laws of the Republic of the Philippines. Its principal shareholder and President is Mr. Michael Cosiquien. Mr. Cosiquien is the co-founder of Megawide Construction, a construction company listed with the Philippine Stock Exchange with a market capitalization of 36,355,817,449.00 per PSE data.



After the President's report, the floor was opened for any questions that the stockholders may have regarding the Management Report. A stockholder asked for clarification as to whether the sale was already completed. Mr. Alcantara responded that the sale transaction is subject to completion of the tender offer to give minority stockholders the option whether to retain their shares in AGF or not. There being no other questions raised, upon motion duly made and seconded, the shareholders noted the report and approved the Audited Financial Statement, to wit:

"RESOLVED, as it is hereby resolved, that the Management Report be noted."

"RESOLVED, FURTHER, that the Corporation's audited financial statements for the year ending 31 December 2016 be approved."

V. APPROVAL OF THE AMENDMENT OF ARTICLES OF INCORPORATION TO CHANGE THE NAME OF THE CORPORATION FROM AG FINANCE, INCORPORATED TO FERRONOUX HOLDINGS, INC.

The Chairman stated that the next item in the agenda is the approval of the amendment of Articles of Incorporation and By-Laws, to change the name of the Corporation from "AG FINANCE, INCORPORATED" to "FERRONOUX HOLDINGS, INC.," considering that the Securities and Exchange Commission (SEC) required the insertion of the word "Holdings" to allow the Company to operate as a holding company. Thereupon, upon motion duly made and seconded, the shareholders resolved as follows:

"RESOLVED, that the Corporation be authorized and empowered, as it is hereby authorized and empowered, to change its name from AG Finance Incorporated to Ferronoux Holdings, Inc. and to amend its Articles of Incorporation and By-Laws to duly reflect the same."

"RESOLVED, FURTHER, that the Corporation be authorized to change its stock symbol from "AGF" to "FERRO" to conform to the change in its corporate name from AG Finance, Inc. to Ferronoux Holdings, Inc."

VI. RATIFICATION OF PREVIOUS STOCKHOLDERS' RESOLUTION TO AMEND THE ARTICLES OF INCORPORATION TO CHANGE THE PRIMARY PURPOSE FROM LEASING AND FINANCE TO THAT OF A HOLDING COMPANY

The Chairman then stated that the next item on the agenda is the ratification of the previous stockholders' resolution to amend the Articles of Incorporation to change the primary purpose from leasing and finance, to that of a holding company. He informed the stockholders that because of the intent of ISOC Holdings, Inc. to engage in several businesses, the Company will be converted into a holding company, necessitating the change in Company's primary purpose. The shareholders already resolved to change its purpose on 17 April 2015. Hence, the



present motion is merely a reiteration for its implementation. The Corporate Secretary added that Article II of the Articles of Incorporation will be changed as follows:

"To acquire by purchase, exchange, assignment, gift or otherwise and to hold, own and use for investment or otherwise, and to sell, assign, transfer exchange, lease, let, develop, mortgage pledge, deal in, and with, and otherwise operate, enjoy and dispose of any and all properties of every kind and description and whatsoever situated, as and to the extent permitted by law, including but not limited to bonds, debentures, promissory notes, shares of capital stocks, or other securities and obligations created, negotiated or issued by any corporation, association or other entities foreign or domestic and while the owner or possessor thereof, to exercise all the rights, powers and privileges of ownership or any other interest therein, including the right to receive, collect and dispose of, any and all dividends, interest and income derived therefrom and the right to vote on any propriety or other interest on any shares of the capital stock and upon any bonds, debentures or other securities having voting power to own or held without however engaging in the business of an investment company under the Investment Company Act or a financing company or a broker or a dealer in securities of stock."

Thereupon, the shareholders resolved as follows:

"**RESOLVED**, as it is hereby resolved that the change of the Corporation's primary purpose from leasing and finance to that of a holding company be ratified and re-affirm."

VII. RATIFICATION OF MANAGEMENT'S ACTS

The Chairman stated that the next item in the agenda is the ratification of all the actions of the Board of Directors and Management for the year 2016 up to the present. Thereupon, upon motion duly made and seconded, the shareholders approved the actions of the Board of Directors and Management for the year 2016 up to the present.

"**RESOLVED**, as it is hereby resolved, that all acts, contracts, resolutions and actions of the Board of Directors and Management of the Corporation from the date of the last annual stockholders' meeting up to the present be, as they are hereby, approved, ratified and confirmed."

VIII. ELECTION OF DIRECTORS

The Chairman then proceeded to the election of directors of the Corporation for the ensuing year and until the next election. There are seven (7) seats to be filled including two (2) seats for independent directors. The Nominations Committee has nominated the following directors:

Regular Directors:

Mr. Isidro C. Alcantara, Jr.



Mr. Anthony M. Te
Atty. Remegio C. Dayandayan, Jr.
Atty. Hermogene H. Real
Mr. Rolando Santos

Independent Directors:

Mr. Ge Lin a.k.a. Gery Lam
Atty. Mathew-John Gonong Almogino

Thereafter, it was moved, seconded and unanimously resolved to close the nominations. There being only seven (7) nominees to the position of seven (7) directors, upon motion duly made and seconded, the Corporate Secretary was directed and authorized to cast all votes of the stockholders present or represented at the meeting equally among all the seven (7) nominees. The Chairman, therefore, declared the seven (7) nominees as the duly elected members of the Board of Directors for the current term to act as such until their successors are duly elected and qualified in accordance with the By-Laws. Mr. Ge Lin and Atty. Mathew-John Gonong Almogino were duly recognized as the Corporation's current independent directors.

IX. APPOINTMENT OF EXTERNAL AUDITOR

Thereafter the Chairman proceeded to the next item in the agenda which is the appointment of the Corporation's external auditor. The Audit Committee has recommended the re-appointment of Reyes Tacandong & Co. as the Corporation's external auditor.



Upon motion duly made and seconded, the shareholders re-appointed the auditing firm of Reyes Tacandong & Co. as the Corporation's external auditor for the current year, viz:

"RESOLVED, as it is hereby resolved, that Reyes Tacandong & Co. be appointed as external auditor."

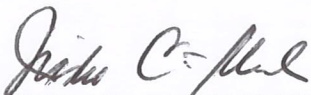
X. OTHER MATTERS AND ADJOURNMENT

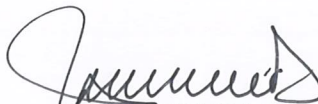
The Chairman then opened the table to discuss other matters. There being no further matters to discuss or business to conduct, upon motion duly made and seconded, the meeting was thereupon adjourned.


Prepared by:

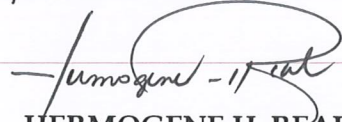

DIANE MADELYN C. CHING
Corporate Secretary
MMM|22 December 2017 

Attested by:


ISIDRO C. ALCANTARA, JR.
Chairman


ANTHONY M. TE
Vice Chairman


ARSENIO K. SEBIAL, JR.
Director


HERMOGENE H. REAL
Director

GE LIN
Independent Director


REMEGIO C. DAYANDAYAN, JR.
Director

MATHEW-JOHN GONONG ALMOGINO
Independent Director

