

**MINUTES OF THE AUDIT COMMITTEE MEETING OF
COSCO CAPITAL, INC.
AUGUST 11, 2017, 5 PM, MANILA GOLF & COUNTRY CLUB,
MAKATI CITY**

ANNEX "21"

Present:

Robert Y. Cokeng
Susan P. Co
Leonardo B. Dayao
Oscar S. Reyes
Atty. Bienvenido E. Laguesma

Also Present:

Merly Llamado
Teodoro Polinga
Gerry Teofilo

Call to Order:

Mr. Cokeng presided over the meeting and declared presence of quorum since all committee members were present.

Agenda: Presentation of the 1H – 2017 Financial Report of Cosco Capital, Inc.

Mr. Teodoro Polinga presented the attached Consolidated Financial Performance Report of the Company and its subsidiaries.

In brief, Polinga reported that in the first half of the year 2017, the Company gathered revenues of P66 billion, up 11%, from P59 billion last 1H-2016; Cost of sales/services from P49 billion to P55 billion, up by 11%; Gross profit of P11 billion, up 12%, from P9.8 billion last year; Other operating income, up by 7.%, or P1.6 billion from P1.5 billion; Gross operating income P12.6 billion, up 11%, from P11.3 billion 1H last year; Operating expenses from P6.7 billion to P7.6 billion, up 14%; Income from operations up 7% or P4.9 billion from P4.6 billion; Income before tax, P4.8 billion from P4.5 billion last year, up 6.14%; Net income for the quarter P3.4 billion from P3.2 billion, up 7% from last year. Income tax expense increased from P1.312 billion to P1.370 billion. EPS stood at P0.309 from P0.293 or 6% increase.

Financial position and cash flows were presented in the attached report.

Discussion:

After discussion, the committee approved the 1H Financial Report of the Company and Mr. Cokeng endorsed the same for final approval of the Board of Directors.

Other Matters:

Next Audit Committee meeting was set on November 6, 2017, 5 pm.

Adjournment:

No other business was discussed, the meeting was called to adjourn.

Prepared by:


Atty. Candy M. Dacanay-Datuon
Assistant Corporate Secretary

Certified correct by the members of the Audit Committee:


Robert Y. Cokeng


Susan P. Co


Leonardo B. Dayao


Oscar S. Reyes


Atty. Bienvenido E. Laguesma