

MINUTES OF THE ORGANIZATIONAL MEETING
OF THE BOARD OF DIRECTORS OF FORUM PACIFIC, INC.
HELD ON AUGUST 15, 2014 AT 3:00 P.M.
35TH FLR. ONE CORPORATE CENTER, PASIG CITY

Attendance:

Mr. Rogelio D. Garcia
Mr. Kenneth T. Gatchalian
Ms. Elvira A. Ting
Mr. Richard L. Ricardo
Mr. William T. Gatchalian
Atty. Lamberto B. Mercado, Jr.
Mr. Antonio A. Henson
Mr. Omar M. Guinomla
Mr. Byoung Hyun Suh
Atty. Miguel B. Varela

PROCEEDINGS OF THE MEETING

Mr. Rogelio D. Garcia, Chairman, called the meeting to order and thereafter presided. Atty. Mariel L. Francisco, Corporate Secretary, recorded the proceedings of the meeting.

DISCUSSION OF THE RESULT OF OPERATIONS AND FINANCIAL CONDITION FOR THE 2ND QUARTER OF 2014, MANAGEMENT PLANS AND UPDATES ON SUBSIDIARIES' PETITION FOR CORPORATE REHABILITATION

Mr. Richard L. Ricardo, Treasurer, presented to the Board the quarterly report for the 2nd quarter ended June 30, 2014 and discussed the financial position and result of operations for the 1st semester of 2014.

Financial Condition and Result of Operations

The Group's performance is gauge by the following indicators:

- 1) Revenue Growth - the company gauge its performances by determining Rental Income and the number of tenants for the year. For the 2nd quarter of 2014, the company has an average of P364,531 rental income per tenant or a decrease of P20,342 as compared to 2nd quarter of 2013. As the company terminates some of

its lease contracts with previous tenants resulted by the sale of the land with ALC, rates were raised to cover direct expenses.

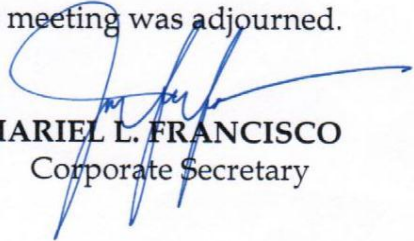
- 2) Receivables - the company assesses collection of receivables and management of credit by determining the past due ration done thru the aging of receivables. For the second quarter of 2014, ratio of past due receivables to total outstanding was 22% compared to 40% on the second quarter of 2013.
- 3) Gross Profit Margin - this is derived by dividing the gross profit over the revenues amount. Second quarter of 2014 has a gross profit margin of 54% as compared to 30% on the second quarter of 2013. Increase is attributable to lesser repairs and maintenance incurred for the current quarter.
- 4) Working Capital - to meet the obligations of the company, it is measured by determining current assets over current obligations. Working capital ratio for second quarter of 2014 was 157% as compared to 64% on the second quarter of 2013. Increase is attributable to the classification of previously recorded non-current portion of installment contract receivable as current.
- 5) Advances by the Affiliates - the Company's working capital requirements are provided by its major stockholder and affiliate, The Wellex Group, Inc. (TWGI). Total advances from TWGI as of the 2nd quarter of 2014 amounted to P2,612,300 as compared to P5,346,408 on the same quarter of 2013. The decrease pertains to minimal expenses requiring fund for the 1st semester of 2014.

Mr. Kenneth Gatchalian, President, explained that decrease in rental income from Plastic City was due to the warehouses and buildings that were already demolished in preparation for the joint venture to be entered into by the Group with the Avida Land Corp. The development of the said estate is in line with the Group's plan to shift into real estate business pending the decision of the Regional Trial Court of Valenzuela Branch 75 on the Group's Petition for Corporate Rehabilitation.

Ms. Elvira A. Ting, Vice President, gave updates on the said petition for corporate rehabilitation. The Group, according to her, will make a series of arrangement and negotiations with the plaintiff to arrive at the agreed amount of loan settlement and to allow the Group to commence on its business plans. On the other hand, the Group has strong relationship with the Avida Land partners in looking forward for a positive result of either the court decisions or the negotiations in order to materialize their plans in developing the Plastic City Compound.

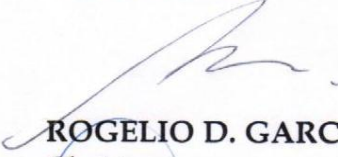
ADJOURNMENT

There being no other business to transact, the meeting was adjourned.

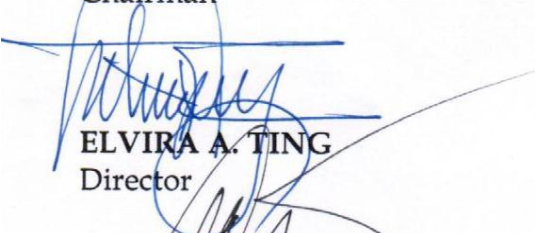


MARIEL L. FRANCISCO
Corporate Secretary

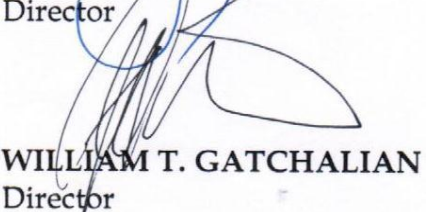
ATTESTED BY:



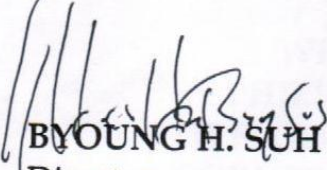
ROGELIO D. GARCIA
Chairman



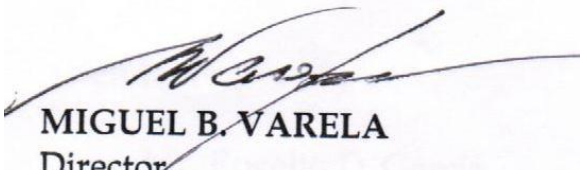
ELVIRA A. TING
Director



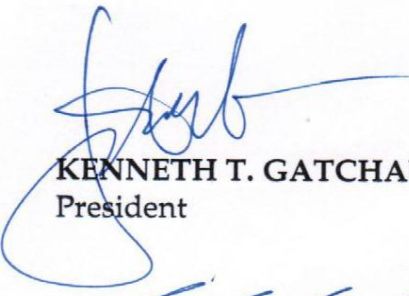
WILLIAM T. GATCHALIAN
Director




BYOUNG H. SUH
Director



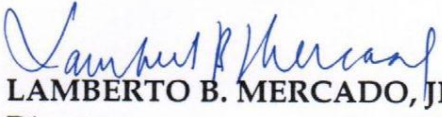
MIGUEL B. VARELA
Director



KENNETH T. GATCHALIAN
President




RICHARD L. RICARDO
Director



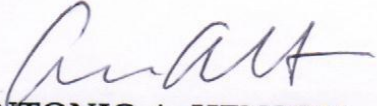
LAMBERTO B. MERCADO, JR.
Director



ABELARDO G. PALAD, JR.
Director



OMAR GUINOMLA
Director



ANTONIO A. HENSON
Director