

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING**

**OF**

**DMCI HOLDINGS, INC.**

Held on July 27, 2005, 9:00 a.m.  
at the Fairways Function Room  
Manila Golf & Country Club  
Forbes Park, Makati City, Metro Manila.

1. **Call to Order**

Mr. David M. Consunji, the Chairman of the Board of Directors, called the meeting to order and presided over the same. Mr. Noel A. Laman, the Corporate Secretary, was Secretary of the Meeting and recorded the minutes of the proceedings.

2. **Proof of Notice and Certification of Quorum**

The Secretary of the meeting said that the Definitive Information Statement and Notice of today's meeting were transmitted by personal delivery or mailed to the stockholders of record at their respective addresses as indicated in the corporate records. The Definitive Information Statement and Notice of meeting were sent at least fifteen (15) business days prior to the date of the meeting.

Likewise, the Secretary of the meeting certified that a quorum existed for the transaction of business, there being present in person or by proxies, stockholders owning 1,747,617,812 shares, representing at least 77.28% of the Corporation's total outstanding common capital stock.

3. **Approval of Previous Minutes**

Copies of the minutes of the annual stockholders' meeting held on July 28, 2004 were distributed to the stockholders. There being no comments on the minutes, upon motion made and duly seconded, the minutes of the annual stockholders' meeting held on July 28, 2004 were deemed read, and thereafter, approved, ratified and confirmed by the stockholders.

4. **Management Report**

The President, Mr. Isidro A. Consunji, presented the following Management Report, the highlights of which were put forth as follows:

a. ***Consolidated Revenue & Net Income as of December 31, 2004***

For the year 2004, of the P7.7B gross revenues of DMCI-HI, a net income after taxes of P1.3B was generated. Ninety two (92%) of this income were attributed to Semirara Mining Corporation.

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**b. Consolidated Net Income**

The 2004 net income of DMCI-HI as of the period ended December 31, 2004 was the highest amount incurred since it went public in 1995.

**c. Construction**

Construction, which is the core business of the Corporation, has been experiencing setbacks but it has managed to maintain the same level of revenue by bidding in new projects worth P8B, namely: St. Luke's Medical Center in Fort Bonifacio, Subic-Clark-Tarlac Expressway, One Adriatico Place Superstructure in Manila, and St. Francis Tower Substructure in Ortigas. Currently, DMCI has seven (7) major on-going projects with balance of work worth P2.6B.

**d. Housing Sales Report 1999-2005F**

In real estate business, DMCI Homes is currently doing ten (10) housing developments mostly located in Metro Manila.

As compared with the previous year, DMCI Homes has doubled its sales and reservations in year 2004. For the year 2005, it is also aiming to double its sales to P2.4B or 1,435 units, and to open up three (3) new residential projects in Metro Manila.

**e. Housing Sales Report**

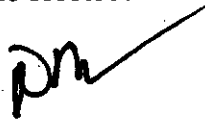
Management is optimistic in achieving the target due to the establishment of its international sales unit in Milan, London and New York. To date, 986 housing units worth P1.4B were sold which amount is above target. Management is optimistic in obtaining the target of P2.4B for the year 2005. A new marketing unit called "Online Brokers" will be opened which will concentrate in web-based sales.

**f. Bonifacio Heights**

One of the most notable projects which DMCI Homes is currently doing is the Bonifacio Heights, a residential community for the officers and enlisted personnel of the Armed Forces of the Philippines, with 17 buildings. It is a turn-key development project. A total of 1,705 units has been awarded to the Company in December 2004. Construction started early this year and two buildings with 320 units have been successfully turned-over, which turn-over was made two months ahead of schedule. This project is being undertaken by the joint efforts of AFP, HUDCC, HDMF and DMCI.

**g. Coal Mining**

The prevailing high coal prices has continuously benefited Semirara Mining Corporation ("Semirara"). Management foresees that Semirara will still dominate the 2005 consolidated revenue and net income of DMCI-HI in spite of the temporary shut down of NPC Calaca, the single biggest user of Semirara coal. As a result of this technical difficulty, Semirara has revised its 2005 forecast.



**h. Coal Mining Forecast for 2005**

The shut down of NPC Calaca and new markets coming in have no significant changes in the results. Despite the decrease of 500 thousand metric tons in Calaca coal consumption, other new markets have compensated this by increasing their consumption to almost 550 thousand metric tons of coal. Semirara's projected revenues for 2005 amount to P1.596B. Its net income for 2005 is forecasted at P1.838B.

**i. Consolidated Revenue & Net Income as of June 30, 2005**

DMCI-HI generated a revenue of P6B and a net income of P2.4B as of the interim period ended June 30, 2005. The substantial increase in DMCI-HI's net income was due to a one-time gain of P2.006B from the international and domestic placement of Semirara shares of stock, bringing down DMCI-HI's net equity from 94% to 60%.

As Mr. I. A. Consunji ended the Management Report, an open forum followed.

Upon a question raised by a stockholder, Mr. Consunji explained that of the P2.4B net income of DMCI-HI as of June 30, 2005, the amount of P2B represented a one-time earning of the Corporation, specifically when Semirara shares were sold in the international and domestic markets. The recurring earnings which form part of the P2.4B net income of DMCI-HI is about P400M. As to whether DMCI-HI has the money to declare cash dividends, Mr. I. A. Consunji disclosed that the Corporation is exploring at several options. It has more than P1B in cash at the moment and a residual debt of less than P200M from two commercial banks; said residual debt of P200M is expected to be paid within the next sixty (60) days. In the meanwhile, DMCI-HI is looking at the following courses of action in relation to the liquid assets of the Corporation: (i) possible investment in Maynilad Project, together with Marubeni Corporation and MacQuarrie; (ii) stock buy-back; and/or (iii) declaration of a cash dividend. Management is currently doing a cash flow and financial analysis which it intends to submit to the Board of Directors at its next meeting.

There being no other questions, upon motion made and duly seconded, the Management Report was approved.

**5. Ratification of the Acts of Officers and Directors**

The stockholders proceeded to the next item in the Agenda which was the ratification of the acts of officers and Board of Directors of the Corporation performed or undertaken from July 28, 2004 to date. The following resolution was then introduced, seconded and unanimously approved:

*"RESOLVED, That the stockholders of DMCI Holdings, Inc. (the "Corporation") approve, ratify and confirm, as they do hereby, all the acts, decisions and resolutions of the Board of Directors and officers made or undertaken in the year 2004 and until the date of this meeting as they are reflected in the books and records of the Corporation."*

**6. Appointment of Independent Auditors**

The stockholders then took up the item of appointment of independent auditors. Upon motion made and duly seconded, the following resolution was approved:

*DN*

*"RESOLVED, That the stockholders of DMCI Holdings, Inc. approve, ratify and confirm, as they do hereby, the appointment of SyCip, Gorres, Velayo & Co. as the independent auditors of the Corporation for the current fiscal year."*

## 7. Election of Directors

The next item on the agenda was the election of the members of the Board of Directors. Upon directive from the Chairman, the Corporate Secretary apprised the stockholders of the provisions of the By-laws on nomination and election of directors. The Secretary further announced that the Board of Directors received nine (9) nominations to the Board, namely: David M. Consunji, Cesar A. Buenaventura, Isidro A. Consunji, Victor A. Consunji, Jorge A. Consunji, Ma. Edwina C. Laperal, Herbert M. Consunji, Oscar S. Reyes, and Evaristo T. Francisco. Messrs Oscar S. Reyes and Evaristo T. Francisco were the nominees for the independent directors in compliance of the provisions of Section 38 of the *Securities Regulation Code* and the *SEC Manual on Corporate Governance*.

There being no other nominations, the Chair directed the Corporate Secretary to cast the votes of the stockholders present or represented in this meeting for the persons who have been nominated. And with the casting of votes, the Chair declared the following as directors of the Corporation for a period of one (1) year and until their successors shall have been elected and qualified:

1. David M. Consunji
2. Cesar A. Buenaventura
3. Isidro A. Consunji
4. Victor A. Consunji
5. Jorge A. Consunji
6. Ma. Edwina C. Laperal
7. Herbert M. Consunji
8. Oscar S. Reyes
9. Evaristo T. Francisco

At this point, a question was raised by a stockholder, inquiring on the status of receivables of the Corporation from Universal Rightfield Property Holdings, Inc. ("URPHI"). Mr. I.A. Consunji explained that URPHI is now under receivership. The options available are either to wait, or write-off the receivables from URPHI. Citing from the financial statements, the stockholder said that in January 2004, DMCI, as a creditor of URPHI, initiated a Petition for Rehabilitation of URPHI with the Regional Trial Court (RTC) of Mandaluyong. On February 17, 2004, the RTC of Mandaluyong issued an Order prohibiting URPHI from selling, encumbering, transferring or disposing any of its property in any other manner, except in the ordinary course of business. The question posed by the stockholder was what has happened as of today. Mr. I.A. Consunji replied that so far there was no development; some creditors were questioning the partiality of the Rehabilitation Receiver.


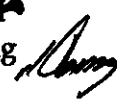
In relation to new technology, another query posed was the possibility of converting coal into gas. Mr. I.A. Consunji explained that notwithstanding the fact that Semirara has the largest coal mine/coal reserves in the country, it is still very small to be even considered for such kind of technology. However, it shouldn't be a problem because the requirement of the Philippine coal market is 10M tons a year, and Semirara is only guaranteed at 3M tons a year. He added that he could not see a reason why Semirara can not get 80% of the available local requirement.


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8. **Adjournment**

There being no further questions nor business to transact before the meeting, the same was, upon motion duly made and seconded, adjourned.

ATTEST:

  
DAVID M. CONSUMI  
Chairman of the Meeting 

  
NOEL A. LAMAN  
Secretary of the Meeting

*Annual Stockholders' Meeting July 27, 2005*