

COVER SHEET

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S.E.C. Registration Number

L B C E X P R E S S H O L D I N G S ,
I N C , (f o r m e r l y F E D E R A L
R E S O U R C E S I N V E S T M E N T
G R O U P I N C .)

(Company's Full Name)

L B C H A N G A R , G E N E R A L
A V I A T I O N C E N T R E , D O M E S T I C
A I R P O R T R O A D , P A S A Y C I T Y
M E T R O M A N I L A

(Business Address : No. Street/City/Province)

Mahleene G. Go

Contact Person

8880999

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

SEC FORM 20-IS

FORM TYPE

2nd Monday of June of
each year

Month

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

SECURITIES AND EXCHANGE
COMMISSION

RECEIVED
JUN 28 2019
MARKET REGULATION DEPT.

[Signature] *[Signature]*

1. Check the appropriate box:

☐ Preliminary Information Statement

☒ Definitive Information Statement

2. Name of Registrant as specified in its charter : LBC EXPRESS HOLDINGS, INC.
(Formerly Federal Resources
Investment Group, Inc.)
("LBCEH" or the "Company")

3. Province, country or other jurisdiction of incorporation
or organization : Philippines

4. SEC Identification Number : AS093-005277

5. BIR Tax Identification Number : 002-648-099-000

6. Address of Principal Office : LBC Hangar, General Aviation
Centre, Domestic Airport Road,
Pasay City, Metro Manila

Postal Code : 1300

7. Registrant's telephone number, including area code : (632) 856 8510

8. Date, time and place of the meeting of security holders : 29 July 2019
2:00 PM
Sofitel Philippine Plaza Manila,
Boracay Room

9. Approximate date on which the Information Statement
is first to be sent or given to security holders : 5 July 2019

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor: : Not applicable

Address and Telephone No. : Not applicable

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA
(information on number of shares and amount of debt is applicable only to corporate registrants):

Title of each class

Number of Common Stock Outstanding
or Amount of Debt Outstanding
(as of 28 May 2019)

Common Shares

1,425,865,471

12. Are any or all of registrant's securities listed on a Stock Exchange?

Yes [☒] No [☐]

If yes, disclose the name of such Stock Exchange and the class of securities listed therein.

The Common Shares of LBC Express Holdings, Inc. are listed on the Philippine Stock Exchange.

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

GREETINGS:

Please take notice that the Annual Meeting of Stockholders of LBC EXPRESS HOLDINGS, INC. will be held on **29 July 2019**, 2:00 PM at Sofitel Philippine Plaza Manila, Boracay Room, to discuss the following:

AGENDA

1. Call to Order
2. Proof of Service of Notice
3. Certification of Presence of Quorum
4. Approval of the Minutes of the Annual Stockholders' Meeting held on 9 July 2018
5. Ratification of all acts of the Board of Directors and Officers since the 2018 Annual Stockholders' Meeting adopted in the ordinary course of business
6. Approval of the Annual Report and Audited Financial Statements of the Company for the year ended 31 December 2018
7. Report of Management
8. Election of the Members of the Board of Directors including the Independent Directors for the Ensuing Year and the Directors for the Newly Created Board Seats
9. Appointment of the Company's External Auditors for Fiscal Year 2019
10. Re-filing of the Registration Statement in relation to the public offering by the Company (the Follow-on Offering) of up to 69,101,000 common shares.
11. Other Matters

For purposes of the meeting, only stockholders of record as of **3 June 2019** are entitled to attend and vote in the said meeting.

For your convenience in registering your attendance, please have some form of identification such as a passport, driver's license or voter's I.D.

The Company is not soliciting proxies.


CRISTINA S. PALMA GIL-FERNANDEZ
Corporate Secretary

INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time, and Place of Meeting of Security Holders

Date : 29 July 2019
Time : 2:00 PM
Place : Sofitel Philippine Plaza Manila, Boracay Room

Complete mailing address of the principal office of the Company : LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City, Metro Manila

Approximate date when the Information Statement is first to be sent out to stockholders of record: : 5 July 2019

**WE ARE NOT ASKING YOU FOR A PROXY AND
YOU ARE REQUESTED NOT TO SEND US A PROXY.**

Item 2. Dissenters' Right of Appraisal

Under Section 80 of the Revised Corporation Code, the following are the instances when a stockholder may exercise his appraisal right:

1. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets of the Company; and
3. In case of merger or consolidation.
4. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation

In order that a dissenting stockholder may exercise his appraisal right, such dissenting stockholder must have voted against the proposed corporate action at the annual meeting. Within thirty (30) days after the date of the annual meeting at which meeting such stockholder voted against the corporate action, the dissenting stockholder shall make a written demand on the Company for the fair value of his shares held. If the proposed corporate action is implemented, the Company shall pay the dissenting stockholder upon surrendering the certificates of stock representing his shares, the fair value of said shares on the day prior to the date on which the vote was taken. If the dissenting stockholder and the Company cannot agree on the fair value of the shares within sixty (60) days from the date of stockholders' approval of the corporate action, then the determination of the fair value of the shares shall be determined by three (3) disinterested persons, one (1) of whom shall be named by the dissenting stockholder, one (1) by the Company and a third to be named by the two (2) already chosen. The findings of the majority of the appraisers shall be final and their award shall be paid by the Company within thirty (30) days after such award is made. The procedure to be followed in exercising the appraisal right shall be in accordance with Sections 80 to 85 of the Revised Corporation Code.

There are no matters or proposed actions as specified in the Notice of Annual Stockholders' Meeting that will give rise to a possible exercise by shareholders of their appraisal rights as provided in the Corporation Code of the Philippines and summarized above.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

Other than the election to office to include the nomination and election of directors and independent directors, there are no matters to be acted upon in which any director or executive officer is involved or had a direct, indirect, or substantial interest. Furthermore, no director has informed the registrant, in writing or otherwise, that he/she intends to oppose any action to be taken by the registrant at the Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of 28 May 2019, the number of shares outstanding of LBC Express Holdings, Inc. ("LBCEH" or the "Company") is 1,425,865,471 shares with par value of One Peso (Php1.00) per share.

All stockholders of record at the close of business hours on 3 June 2019 (the "Record Date") are entitled to notice and to vote at the Annual Stockholders' Meeting.

A common stockholder entitled to vote at the Meeting shall have the right to vote in person or by proxy the number of shares registered in his name in the stock and transfer book of the Company as of the Record Date. With respect to the election of directors, said stockholder may vote such number of shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

Security Ownership of Certain Record and Beneficial Owners as of 28 May 2019

The Company has no knowledge of any person who, as of 28 May 2019, was directly or indirectly the beneficial owner of more than five percent (5%) of the Company's outstanding shares of common stock or who has voting power of investment with respect to shares comprising more than five percent (5%) of the Company's outstanding shares of common stock except as stated below:

| Title of Class | Name | Address | No. of Shares Held | Name of Beneficial Owner | Citizenship | % |
|-----------------------|-----------------------------|--|---------------------------|--|--------------------|----------|
| Common Shares | LBC Development Corporation | LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City | 1,206,178,232 | The record owner is the beneficial owner of the shares indicated | Filipino | 84.58% |
| TOTAL | | | 1,206,178,232 | | | 84.58% |

Security Ownership of Directors and Management as of 28 May 2019

The following table shows the shareholdings beneficially held by the directors and executive officers of the Company as of 28 May 2019.

| Title of Class | Name of Beneficial Owner | Amount and Nature of Beneficial Ownership | | Citizenship | % of Total Outstanding Shares |
|-----------------------|---------------------------------|--|-----------------|--------------------|--------------------------------------|
| | | Direct | Indirect | | |
| Common | Rene E. Fuentes | 1 | N/A | Filipino | 0.0 |
| Common | Enrique V. Rey, Jr. | 1 | N/A | Filipino | 0.0 |
| Common | Augusto Gan | 1 | N/A | Filipino | 0.0 |
| Common | Miguel Angel A. Camahort | 1 | N/A | Filipino | 0.0 |
| Common | Jason Michael Rosenblatt | 1 | N/A | American | 0.0 |
| Common | Mark Werner J. Rosal | 1,000 | N/A | Filipino | 0.0 |
| Common | Solita V. Delantar | 1 | N/A | Filipino | 0.0 |
| Common | Luis N. Yu, Jr. | 1 | N/A | Filipino | 0.0 |
| Common | Anthony A. Abad | 101 | N/A | Filipino | |
| TOTAL | | 1,107 | | | 0.0 |

Voting Trust Holders of 5% or More

As of 28 May 2019, the Company is not aware of any voting trust or similar agreements involving the securities of the Company or of any person who holds more than five percent (5%) of a class of securities under a voting trust or similar agreements.

Change in Control

On May 18, 2015, LBC Development Corporation subscribed to 59,101,000 common shares of the Company (equivalent to 59.10% of the total issued and outstanding capital stock of the Company as of said date) which resulted in LBC Development Corporation acquiring control of the Company.

On September 18, 2015, LBC Development Corporation subscribed to an additional 1,146,873,632 common shares which were issued on October 12, 2015 following the approval by the SEC of the Company's application to increase its authorized capital stock from ₱100,000,000.00 divided into 100,000,000 common shares with par value of ₱1.00 per share, to ₱2,000,000,000.00 divided into 2,000,000,000 common shares with par value of ₱1.00 per share. As of the date of this Report, LBC

Development Corporation holds a total of 1,206,178,232 common shares of the Company or 84.58% of the Company's total issued and outstanding capital stock of the Company.

Item 5. Directors and Executive Officers

The following served as Directors of the Company for the year 2018:

| Name | Age | Nationality | Position |
|--------------------------|------------|--------------------|-----------------------|
| Miguel Angel A. Camahort | 56 | Filipino | Chairman of the Board |
| Enrique V. Rey, Jr. | 48 | Filipino | Director |
| Rene E. Fuentes | 45 | Filipino | Director |
| Mark Werner J. Rosal | 44 | Filipino | Director |
| Augusto Gan | 56 | Filipino | Director |
| Anthony A. Abad | 55 | Filipino | Independent Director |
| Jason Michael Rosenblatt | 42 | American | Director |
| Luis N. Yu, Jr. | 63 | Filipino | Independent Director |
| Solita V. Delantar | 75 | Filipino | Independent Director |

The business experience of each of the directors is set forth below.

Miguel Angel A. Camahort

Chairman of the Board and President

Mr. Miguel Angel A. Camahort is a Director, Chairman of the Board and President of the Company. He is also the President of LBC Express Corporate Solutions, Inc., the subsidiary operating the "Print and Mail" business of LBC Express, Inc. Mr. Camahort concurrently serves on the Board of Directors of the United Football League. Prior to joining the LBC Group, Mr. Camahort was a Senior Vice President and the Chief Operating Officer of Aboitiz One, Inc. from 2007 to 2009 and Aboitiz Transport System Corporation (ATSC) Solutions Division from 2004 to 2007. He also served as a Senior Vice President and the Chief Operating Officer of Aboitiz Transport System Corp. (formerly, William, Gothong & Aboitiz, Inc.) in the Freight Division from 1999 to 2003, prior to which he was the President of Davao Integrated Stevedoring Services Corporation (DIPSCCOR) from 1999 to 2003. Mr. Camahort holds a Bachelor of Science degree in Business Administration and Economics from Notre Dame de Namur University (formerly, the College of Notre Dame) in California, U.S.A.

Enrique V. Rey, Jr.

Director

Mr. Enrique V. Rey Jr. assumed the position of Investor Relations Officer of the Company in September 2015. Mr. Rey, Jr. was also a director of LBC Systems, Inc. from 2008 to 2010 and LBC Mundial Inc. from 2005 to 2008. Prior to joining the Company, Mr. Rey, Jr. worked for Coca-Cola Phil ATS, where he was the Senior Head of Sales from 2003 to 2005 and the Associate Vice President for Institutional Sales from 2000 to 2003. Mr. Rey, attended De La Salle University and completed a Management program at the Ateneo Business School. Mr. Rey, Jr. has also received training in Finance. Since 2010, Mr. Rey, Jr. has been a member of the Institute of Internal Auditors.

Rene E. Fuentes

Director

Mr. Rene E. Fuentes is currently the Senior Vice President for Global Retail Operations of LBC Express, Inc. Prior to joining the Company, Mr. Fuentes served as President of Documents Plus, Inc. from 1996 to 2001, and as Regional Manager, Vice-President of EFC Food Corporation from 1996 to 2001. Mr. Fuentes attended De La Salle University and completed a Key Executive Program in November 2013 at the Harvard Business School.

Mark Werner J. Rosal

Director

Atty. Rosal became a director of the Company on 28 April 2015. Born in Cebu City, Atty. Rosal, prior to taking up law, has a Bachelor's Degree in Physical Therapy from Cebu Velez College and is a

licensed Physical Therapist. Atty. Rosal graduated in the top 5% of his law school batch at the University of San Carlos, Cebu City, in 2002 and was admitted to the Philippine Bar in 2003. He spent his early years in the practice of law at Balgos and Perez Law Offices and Angara Cruz Concepcion Regala and Abello (ACCRALAW). Currently, he is the Managing Partner of Rosal Diaz Bacalla and Fortuna Law Offices, a Cebu-based law firm. As part of his law practice as retained counsel of private corporations, he is a director (holding nominal shares) of Cebu Agar Motors Inc., Wide Gain Property Holdings, Inc., and Sem-Ros Food Corp. (a non-operational corporation).

Augusto Gan

Director

Mr. Augusto G. Gan was appointed Director of the Company in November 2013. Mr. Gan concurrently serves as a Director of Atlantic Gulf and Pacific Company, Investment and Capital Corp of the Philippines, Pick Szeged ZRT, Sole-Mizo Zrt and Netvoice Inc. He is also the Managing Director of Ganesp Ventures and the Chairman of the Board of Anders Consulting Ltd. Previously, Mr. Gan was the President of the Delphi Group from 2001 to 2012 and the Chief Executive Officer of Novasage Incorporations (HK) from 2006 to 2007. He has also served as a Director of AFP Group Ltd. (HK) from 2005 to 2007 and ISM Communication from 2003 to 2004, as well as the Chairman of the Boards of Cambridge Holdings from 1995 to 2000 and Qualibrand Industries from 1988 to 2001. Mr. Gan holds a Master in Business Management degree from the Asian Institute of Management.

Anthony A. Abad

Independent Director

Atty. Anthony A. Abad is currently the CEO and Managing Director of TradeAdvisors, as well as a partner of Abad Alcantara & Associates. He graduated from the Harvard University – John F. Kennedy School of Government with a Master's Degree in Public Administration, and a Fellow in Public Policy and Management at the Harvard Institute for International Development. Atty. Abad graduated from the Ateneo de Manila School of Law with a Juris Doctor degree, and a Bachelor of Arts degree, Major in Economics (Honors). Other current engagements include: Bloomberg Philippines, Anchor; Ateneo Center for International Economic Law, Director; Ateneo de Manila University, Professor; World Trade Organization, Panelist. Previously, Atty. Abad was Key Expert, Trade Policy & Export Development Trade Assistant for the European Union, Chairman and Secretary's Technical Advisor at the Department of Agriculture, and President and CEO of the Philippine International Trading Corporation.

Jason Michael Rosenblatt

Director

Mr. Jason Rosenblatt was appointed Director of the Company on March 2, 2018. He is currently a Partner at Crescent Point, a private equity and investment firm based in Singapore. Mr. Rosenblatt assumed a director position at LBC Express Holdings, Inc. in March 2018. His previous positions include: Laurasia Capital Management, Director; Standard Bank, Global Head of Special Situations; DKR Oasis, Head of Principal Strategies; Ritchie Capital Management, Director; McKinsey Company, Associate; and Bank One, Associate.

Solita V. Delantar

Independent Director

Ms. Solita V. Delantar was appointed Director of the Company in March 2014. Previously, Ms. Delantar served as Vice-President, Human Resources Management & Development Administration (November 1999 - September 2003), Consultant (July 1997 - July 1998), Vice-President, Finance & Administration (May 1988 - June 1996) and various other positions at Honda Philippines, Inc. Ms. Delantar is a Certified Public Accountant, Fellow in Personal Management and professional business mediator. From September 1998 to March 2007, she served as a Member of the Professional Board of Accountancy, which administers licensure examinations for CPAs. Ms. Delantar received her Bachelor of Science degree in Commerce with a major in Accounting from Far Eastern University and participated in a Bachelor of Laws program at Ateneo de Manila University.

Luis N. Yu, Jr.
Independent Director

Mr. Luis Yu, Jr. is the Founder and Chairman Emeritus of the 8990 Holdings, Inc. Mr. Yu is also the Chairman Emeritus of IHoldings, Inc. (2012 to present). He is also the Chairman of 8990 Cebu Housing Development Corporation, 8990 Visayas Housing Development Corporation, 8990 Davao Housing Development Corporation, 8990 Mindanao Housing Development Corporation, 8990 Iloilo Housing Development Corporation and 8990 Luzon Housing Development Corporation (2009 to present), 8990 Housing Development Corporation (2006 to present), Ceres Homes, Inc. (2002 to present), N&S Homes, Inc. (1998 to present), L&D Realty Holdings, Inc. (1998 to present), and Fog Horn (1994 to present). Mr. Yu is currently the President of DECA Housing Corporation (1995 to present). Mr. Yu holds a Master in Business Management degree from the Asian Institute of Management. Mr. Yu has more than 30 years of experience managing and heading companies engaged in Mass Housing subdivision development.

The following served as Officers of the Company for the year 2018:

| Name | Age | Nationality | Position |
|---------------------------------------|------------|--------------------|---|
| Miguel Angel A. Camahort .. | 56 | Filipino | Chief Executive Officer and President |
| Enrique V. Rey, Jr. | 48 | Filipino | Investor Relations Officer and Chief Finance Officer |
| Rosalie Infantado | 43 | Filipino | Treasurer |
| Cristina S. Palma Gil-Fernandez. | 50 | Filipino | Corporate Secretary |
| Mahleene G. Go. | 38 | Filipino | Assistant Corporate Secretary, Corporate Information Officer and Compliance Officer |
| Ernesto C. Naval III | 26 | Filipino | Assistant Corporate Information Officer |

The business experience of each of the Company's officers is set forth below.

Miguel Angel A. Camahort
Chief Executive Officer and President

Please refer to the table of directors above.

Enrique V. Rey Jr.
Investor Relations Officer and Chief Finance Officer

Please refer to the table of directors above.

Rosalie Infantado
Treasurer

Ms. Infantado assumed the position of Treasurer of LBCEH in September 2017. She graduated with a Bachelor of Science degree, Major in Accountancy from the Polytechnic University of the Philippines in 1997. She is currently Vice-President - Financial Reporting and Analysis at LBC Express, Inc., and has been a Certified Public Accountant since 1998. With 20 years of experience in accounting, audit, and financial reporting, Ms. Infantado's previous professional experiences include employment at prestigious companies such as KPMG Philippines (Manabat Sanagustin & Co.), Concordia Advisors (Bermuda) Ltd., CITI Hedge Fund Services, Ltd. (Bermuda), and PriceWaterhouseCoopers Philippines.

Cristina S. Palma-Gil Fernandez
Corporate Secretary

Atty. Palma Gil-Fernandez assumed the position of Corporate Secretary of the Company in September 2015. Atty. Palma Gil-Fernandez graduated with a Bachelor of Arts degree, Major in History (Honors) from the University of San Francisco in 1989, and with a Juris Doctor degree, second honors, from the Ateneo de Manila University in 1995. She is currently a Partner at Picazo Buyco Tan Fider & Santos Law Offices and has over 24 years of experience in corporate and commercial law,

with emphasis on the practice areas of banking, securities and capital markets (equity and debt), corporate reorganizations and restructurings and real estate. She serves as corporate secretary to a number of Philippine corporation, including four (4) publicly-listed companies.

Mahleene G. Go

Assistant Corporate Secretary, Corporate Information Officer and Compliance Officer

Atty. Mahleene G. Go assumed the position of Assistant Corporate Secretary, Compliance Officer and Corporate Information Officer of the Company in September 2015. Born on 25 April 1980, Atty. Go graduated with the degree of Bachelor of Arts, Major in Political Science, from the University of the Philippines in 2001, and with the degree of Juris Doctor from Ateneo De Manila University-School of Law in 2005. She also received a Certificate of Mandarin Language Training for International Students from 2011 to 2012 in Peking University, Beijing, China. She served as a Junior Associate at Picazo Buyco Tan Fider & Santos Law Offices from 2007 to 2010 and 2012 and is currently a Partner at the same office. She currently serves as Trustee and Corporate Secretary for Center for Empowerment and Resource and Development, Inc.

Ernesto C. Naval III

Alternate Corporate Information Officer

Atty. Ernesto C. Naval III assumed the position of Alternate Corporate Information Officer of the Company in June 2018. Born on November 4, 1992, Atty. Naval graduated with the degree of Bachelor of Science, Management, from the Ateneo De Manila University in 2013, and with the degree of Juris Doctor from Ateneo de Manila School of Law in 2017. He is a Junior Associate at Picazo Buyco Tan Fider & Santos Law Offices from 2018 to present.

| | Audit Committee | Board Risk Oversight Committee | Corporate Governance Committee | Related-Party Transaction Committee |
|--------------------------|------------------------|---------------------------------------|---------------------------------------|--|
| Miguel Angel A. Camahort | | | | |
| Rene E. Fuentes | | | | |
| Enrique V. Rey, Jr. | | | M | |
| Solita V. Delantar | C | M | M | |
| Mark Werner J. Rosal | | | | |
| Luis N. Yu, Jr. | M | M | C | M |
| Augusto G. Gan | | | | M |
| Anthony A. Abad | M | C | | C |
| Jason Michael Rosenblatt | | | | |

Information Required of Directors and Executive Officers

Directors and Executive Officers

As of the date of this Information Statement, the following persons have been nominated to the Board for election at the Annual Stockholders' Meeting and have accepted their nomination:

MIGUEL ANGEL A. CAMAHORT

ENRIQUE V. REY, JR.

MARK WERNER J. ROSAL

LUIS N. YU, JR. as independent director

SOLITA V. DELANTAR as independent director

ANTHONY A. ABAD as independent director

RENE E. FUENTES

AUGUSTO G. GAN

JASON MICHAEL ROSENBLATT

The nominees were formally nominated to the Nomination Committee of the Board by a shareholder of the Company, LBC Development Corporation. Ms. Solita V. Delantar, Mr. Luis N. Yu, Jr. and Mr. Anthony A. Abad are being nominated as independent directors. The nominated independent directors, having possessed the qualifications and none of the disqualifications of an independent director, were nominated by Klarence Tan Dy in accordance with the guidelines for the nomination and election of independent directors pursuant to Rule 38 of the Securities Regulation Code (SRC). Klarence Tan Dy is not related to any of the nominees including Ms. Solita V. Delantar, Mr. Luis N. Yu, Jr., and Mr. Anthony A. Abad.

The qualifications of all nominated directors, including the nominated independent directors, have been pre-screened in accordance with the Corporate Governance Manual and By-Laws of the Company. Only the nominees whose names shall appear on the final list of candidates are eligible for election as directors (independent or otherwise), in accordance with the procedure set forth in the By-Laws of the Company. No other nominations will be entertained after the preparation of the final list of candidates and no further nominations shall be entertained or allowed during the Annual Stockholders' Meeting.

Certifications of Independent Directors are attached hereto as **Annexes "A", "A-1", and "A-2"**.

The Secretary's Certificate attesting to the fact that none of the directors and officers of the Corporation holds any position in any capacity in any government agency or instrumentality is hereto attached as **Annex "B"**.

Significant Employees

None at the moment. The intention, however, is to build a workforce to support the Company's intended expansion in operations or investment activity.

Family Relationships

None amongst the directors, executive officers and persons nominated to be directors and executive officers of the Company have family relationships up to the fourth civil degree either by consanguinity or affinity.

Involvement in Certain Legal Proceedings

The Company believes that, except as discussed below, none of the Company's directors, nominees for election as director, or executive officers have in the five-year period prior to the date of this Information Statement: (1) had any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two-year period of that time; (2) have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses; (3) have been the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or (4) have been found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, such judgment having not been reversed, suspended, or vacated.

On 9 September 2011, pursuant to Monetary Board Resolution No. 1354, the Monetary Board (MB) of the Bangko Sentral ng Pilipinas (BSP) prohibited LBC Bank (which is controlled by the Araneta Family) from doing business in the Philippines, ordered it closed, and placed it under the receivership of the Philippine Deposit Insurance Corporation (PDIC) based on the following:

1. LBC Bank has insufficient realizable assets to meet liabilities;

2. LBC Bank cannot continue in business without involving probable losses to its depositors and creditors; and
3. LBC Bank has willfully violated the Cease and Desist Order of the Monetary Board dated 12 March 2010 for acts or transactions which are considered unsafe and unsound banking practices and other acts or transactions constituting fraud or dissipation of the assets of the institution and considering the failure of the Board of Directors/management of LBC Bank to restore the bank's financial health and viability despite considerable time given to address the financial problems, and that the bank had been accorded due process.

The Philippine Deposit and Insurance Corp. (PDIC) thereafter stepped in as receiver and prepared its report on LBC Bank's status. Based on the Rehabilitation Report of PDIC, the conclusion/recommendation was that LBC Bank could not be rehabilitated or otherwise placed in such a condition that it can be permitted to resume business with safety to its depositors, creditors, and the general public considering that:

1. the estimated realizable value of its assets (ERVA) as of 31 December 2011 in the amount of Php1.7 billion is deficient by Php4.96 billion to cover estimated liabilities aggregating to Php6.6 billion. Additional capital infusion of Php5.96 billion is needed to meet the Php1 billion minimum capital requirement for a thrift bank with head office located in Metro Manila; and
2. the rehabilitation proposal submitted by the LBC Group of Companies and the Rizal Commercial Banking Corporation via asset purchase agreement was found not viable.

On 5 July 2012, the MB of the BSP issued Resolution No. 1088 directing PDIC to proceed with the liquidation of LBC Bank on the basis of the Rehabilitation Report.

The PDIC has filed various criminal and administrative complaints against certain members of the Araneta Family in relation to the receivership of LBC Bank, which are described below. The Araneta Family owns and controls LBC Development Corporation, which, in turn, is the controlling shareholder of the Company.

- Mr. Juan Carlos Araneta, Mr. Santiago Araneta, Mr. Fernando Araneta and Ms. Ma. Monica G. Araneta (the "Araneta Siblings") were named as respondents in their capacity as stockholders and/or directors LBC Bank in a complaint for estafa, falsification of commercial documents and conducting business in an unsafe and unsound manner that was filed by the PDIC with the Department of Justice (the "DOJ"). PDIC alleged that the Araneta Siblings, in conspiracy with the other respondents, made it appear that they infused capital into LBC Bank in the amount of approximately Php39 Million to cover a capital deficiency as required by the BSP. The Araneta Siblings denied the allegations, stating that they actually paid for the subscription, as shown by PDIC's own evidence, that no evidence was presented to show conspiracy, and that as mere stockholders and/or directors, they are not involved with the day-to-day management of the bank and how the bank used the money subject of the case. On April 18, 2016, the complaint against all the respondents was dismissed by the investigating prosecutor. The PDIC filed a Petition for Review with the Secretary of Justice ("SOJ") on May 25, 2016. The appeal is currently pending with the SOJ.
- Mr. Juan Carlos Araneta, Mr. Santiago Araneta and Mr. Fernando Araneta were named as respondents in their capacity as stockholders and/or directors of LBC Bank in a complaint for syndicated estafa, falsification of commercial documents and conducting business in an unsafe and unsound manner that was filed by the PDIC with the DOJ. PDIC alleged, among others, that LBC Bank took out a Php30 Million loan from Chinabank "to generate funds for the purpose of remittance." The loan, however, was allegedly not recorded as "Bills Payable" nor as any other liability in LBC Bank's books. PDIC claims that the loan proceeds were transferred to LBC Development Corporation who used the funds to partially pay LBC Bank for advances of remittances. LBC Bank then allegedly paid the loan to Chinabank prior to maturity date using LBC Bank's own funds. The Aranetas denied the allegations, stating, among others, that the approval of the resolution granting the corporation the authority to

obtain a loan was a regular action of the members of the board of directors in the normal and ordinary course of business, and they cannot be held liable individually as directors for the mere approval of a regular corporate action. The case was submitted for resolution of the investigating prosecutor on March 28, 2016 and is still currently pending.

- Mr. Juan Carlos Araneta, Mr. Santiago Araneta and Mr. Fernando Araneta were named as respondents in their capacity as stockholders and/or directors of LBC Bank in a complaint for syndicated estafa, falsification of commercial documents and conducting business in an unsafe and unsound manner that was filed by the PDIC with the DOJ. PDIC alleged that LBC Bank obtained three loans from Chinabank in the amount of approximately Php50 Million, which were secured by a Hold-Out Agreement on LBC's existing Foreign Currency Deposit Unit Time Deposits of various LBC affiliate companies with Chinabank. The loans all indicated that the proceeds were intended for LBC Bank's "working capital" and yet were not recorded as "Bills Payables" or liabilities in the books of LBC Bank. The proceeds from the loan were allegedly credited by Chinabank to LBC Bank's Current/Savings Bank Account, and then used as partial payment for "advance to affiliates". Thereafter, LBC Bank used the proceeds of the matured time deposits to pay the loans to Chinabank. The Aranetas denied the allegations, stating, among others, that the approval of the resolution granting the corporation the authority to obtain loans was a regular action of the members of the board of directors in the normal and ordinary course of business, and they cannot be held liable individually as directors for the mere approval of a regular corporate action. The case was submitted for resolution of the investigating prosecutor on May 25, 2016 and is still currently pending.
- Mr. Juan Carlos Araneta, Mr. Santiago Araneta and Mr. Fernando Araneta were named as respondents in their capacity as stockholders and/or directors of LBC Bank in a complaint for syndicated estafa, falsification of commercial documents and unsound business practices that was filed by the PDIC with the DOJ. PDIC alleged that Foreign Currency Remittances received by LBC Mabuhay were not deposited to LBC Bank's Dollar Account with CalBank resulting in funding gaps or "short remittances." Despite this, LBC Bank continued to pay the full amount of the remittance instructions resulting in Advances by LBC Bank in favor of LBC Mabuhay, supposedly in violation of the Memorandum of Understanding between LBC Bank and the BSP. The Aranetas denied the allegations, stating, among others, that as mere stockholders and/or directors, they are not involved in the day-to-day management and operations of the bank and thus could not have participated in the actions alleged in the complaint. The case was submitted for resolution of the investigating prosecutor on May 25, 2016 and is still currently pending.
- Mr. Juan Carlos Araneta, Mr. Santiago Araneta, Mr. Fernando Araneta and Mr. Carlos G. Araneta were named as respondents in their capacity as stockholders and/or directors of LBC Bank in a complaint for unsafe and unsound business practices that was filed by the PDIC with the prosecutor's office. PDIC alleged that the respondents committed acts or omissions constituting unsafe and unsound business practice by entering into Service Agreements with LBC Express, Inc., whose terms were supposedly manifestly and grossly disadvantageous to Bank. The respondents allegedly failed to enforce payment of service fees, thereby causing undue injury and/or unwarranted benefits, advantage, or preference to LBC Express, Inc. through manifest partiality and bad faith that resulted in a material loss or damage to the liquidity or solvency of LBC Bank and to the latter's depositors, creditors, and the general public. The Aranetas denied the allegations, stating, among others, that as mere stockholders and/or directors, they are not involved in the day-to-day management and operations of the bank and thus could not have participated in the actions alleged in the complaint. They further allege that the complaint does not actually impute any specific criminal action to each of them individually. The case was submitted for resolution of the investigating prosecutor on August 11, 2016 and is still currently pending.
- An administrative complaint was filed by the PDIC before the Office of the Special Investigation (OSI) BSP against Mr. Juan Carlos Araneta, Mr. Santiago Araneta, and Mr. Fernando Araneta, together with other respondents in their capacity as stockholders and/or directors of LBC Bank. The administrative complaint is based on the same complaint discussed in the preceding paragraph. The Aranetas adopted the same defences as discussed in the preceding paragraph. After a preliminary investigation, the OSI issued a

Resolution dated September 14, 2017, finding a *prima facie* case of unsound banking practice against the Aranetas and the former LBC Bank president, while dismissing the case against the other respondents who were former employees of LBC Bank for lack of evidence. The OSI denied the Aranetas' motion for reconsideration in a Resolution dated March 6, 2018. The OSI filed formal charges against the Aranetas and the former LBC Bank president with the Supervised Banks Complaints Evaluation Group (SBCEG) of the BSP on or about March 12, 2018. The Aranetas intend to file their respective Answers to the formal charges and present their evidence when the case is set for trial. The Aranetas also intend to pursue other remedies against the resolutions of the OSI.

- Mr. Juan Carlos Araneta, Mr. Fernando Araneta, and Mr. Santiago Araneta were named as respondents in their capacity as directors of LBC Bank in a complaint for violation of Section 55.1 (a) of the General Banking Law and Subsection X306.3 of the Manual of Regulations for Banks in relation to Section 36 of the New Central Bank Act that was filed by the BSP with the DOJ. The complaint alleged that the amortizations for certain loans by related parties were allegedly simulated and that the Bank did not receive actual payment. Furthermore, the same loans by such related parties were allowed to be renewed and restructured under terms favourable to the borrowers, to the prejudice of the bank. The case is currently undergoing preliminary investigation before the city prosecutor. The Aranetas have denied the accusations and emphasized that they were not aware of nor did they participate in any alleged simulation of payments. They also maintain that the evidence filed by the BSP does not show their knowledge or involvement. They also approved the renewal and restructuring terms only after the Credit Group of LBC Bank performed due diligence and made recommendations. The case was submitted for resolution of the investigating prosecutor on October 4, 2017 and is still currently pending.
- On November 16, 2018, Mr. Santiago Araneta and Mr. Juan Carlos Araneta received, via registered mail, letters from the BSP ISD II, informing them that the Monetary Board, under Resolution No. 1716 dated October 28, 2018 has approved the inclusion of their names in the BSP Masterlist of Watchlisted Persons – Disqualification File "B" (Temporary) (the "BSP Watchlist") and temporarily disqualifying them from becoming a director and/or officer in any BSP-supervised financial institution. Mr. Fernando Araneta received the same letter on November 21, 2018. As a result of their inclusion in the BSP Watchlist, Mr. Santiago Araneta and Mr. Fernando Araneta vacated their positions as directors of LBC Express, and an election was held last December 6, 2018 to fill in the positions they vacated.

Certain Relationships and Related Transactions

The Company and its subsidiaries in their ordinary course of business, engage in transactions with related parties and affiliates consisting of its parent company (LBC Development Corporation) and entities under common control. These transactions include royalty, service and management fee arrangements and loans and advances.

It is a policy of the Company that related party transactions are entered into on terms which are not more favorable to the related party than those generally available to third parties dealing at arm's length basis and are not detrimental to unrelated shareholders. All related party transactions shall be reviewed by the appropriate approving authority, as may be determined by the board of directors. In the event of a related party transaction involving a director, the relevant director should make a full disclosure of any actual or potential conflict of interest and must abstain from participating in the deliberation and voting on the approval of the proposed transaction and any action to be taken to address the conflict.

Please refer to Note 17 (Related Party Transactions) of the Notes to the 2018 Consolidated Financial Statements.

The Company has the following major transactions with related parties:

Royalty Fee and Licensing Agreement with Parent Company

LBC Express, Inc. and LBC Development Corporation have entered into a trademark licensing agreement dated November 29, 2007 under which LBC Development Corporation has granted the Company the full and exclusive right within the Philippines to use LBC Marks including the names "LBC Express, Inc.," "LBC Express," "LBC", "Hari Ng Padala" (Tagalog for "King of Forwarding Services"), "We Like to Move It", and "WWW.LBCEXPRESS.COM" as well as the "LBC" corporate logo, the "Team LBC Hari Ng Padala" logo, and the "We Like to Move It" logo.

Cash Advances to and from Related Parties

LBC Express, Inc. regularly makes advances to and from related parties to finance working capital requirements and as part of their cost reimbursements arrangement. These unsecured advances are non-interest bearing and payable on demand.

Fulfillment Fee

In the normal course of business, LBC Express, Inc. fulfills the delivery of balikbayan boxes, documents, parcels and money remittances, and performs certain administrative functions on behalf of its international affiliates. LBC Express Inc. charges delivery fees and service fees for the fulfillment of these services based on agreed rates.

Guarantee Fee

LBC Express, Inc. entered into a loan agreement with BDO which is secured with real estate mortgage on various real estate properties owned by the Group's affiliate. In consideration of the affiliate's accommodation to the LBC Express, Inc. request to use these properties as loan collateral, the Group agreed to pay the affiliate, every April 1 of the year starting April 1, 2016, a guarantee fee of 1% of the outstanding loan and until said properties are released by the bank as loan collateral.

Dividends

On December 20, 2018, the Board of Directors of the Company approved the declaration of cash dividends amounting to ₱285.17 million or ₱0.20 for every issued and outstanding share.

On February 8, 2019, through a Memorandum of Agreement, LBC Development Corporation and the Company agreed to offset the dividends payable by the Company to LBC Development Corporation against the latter's payable to the Group amounting to ₱229.37 million of the total amount of dividends declared by the Company as aforesaid. The ₱241.19 million pertains to the share in dividends of LBC Development Corporation while the ₱43.98 million pertains to the share of other minority shareholders in the Company.

Resignation of Directors

No director has resigned from, or declined to stand for re-election to the Board since the date of the 2018 Annual Stockholders' Meeting due to any disagreement with the Company relative to its operations, policies and practices.

Item 6. Compensation of Directors and Executive Officers

Compensation

The Company's president and its next highest ranking officers are as follows:

| Name | Position |
|--------------------------|---|
| Miguel Angel A. Camahort | President |
| Enrique V. Rey, Jr. | Chief Finance Officer, Investor Relations Officer |

| Name | Position |
|---------------------------------|---|
| Rosalie Infantado | Treasurer |
| Cristina S. Palma Gil-Fernandez | Corporate Secretary |
| Mahleene G. Go | Assistant Corporate Secretary, Corporate Information Officer and Compliance Officer |

The following table identifies and summarizes the aggregate compensation of the Company's President and the four most highly compensated executive officers of the Company in fiscal years 2016, 2017 and 2018:

| | Year | Salary | Bonus | Others | Total⁽¹⁾ (P) |
|--|-------------|---------------|--------------|---------------|------------------------------------|
| President and the four most highly compensated executive officers named above..... | 2016 | 27,796,930 | n/a | 4,318,165 | 32,115,095 |
| | 2017 | 37,475,126 | 4,187,220 | 6,296,621 | 47,958,967 |
| | 2018 | 45,602,385 | 8,332,656 | 7,652,330 | 61,587,371 |
| Aggregate compensation paid to all other officers as a group unnamed | 2016 | 27,796,930 | n/a | 4,318,165 | 32,115,095 |
| | 2017 | 37,475,126 | 4,187,220 | 6,296,621 | 47,958,967 |
| | 2018 | 45,602,385 | 8,332,656 | 7,652,330 | 61,587,371 |
| | Q1 | 9,198,879.0 | | | |
| | 2018 | 0 | n/a | 1,679,216 | 10,878,095 |
| | Q2 | 10,732,025. | | | |
| | 2018 | 50 | n/a | 1,679,216 | 12,411,242 |

Note:

(1) Includes salary, bonuses and other income.

EMPLOYMENT CONTRACTS

Standard Arrangement

The directors of the Company are not compensated, or were compensated, directly or indirectly, for any services provided as a director and for their committee participation or special assignments for 2010 up to the present.

Currently, the directors are not entitled to a per diem allowance for each attendance in the Company's board meetings.

Other Arrangements

There are no other arrangements pursuant to which any director of the Company was compensated, or to be compensated, directly or indirectly, during 2018 for any service provided as a director.

Warrants and Options Outstanding

There are no outstanding warrants or options held by the President, the named executive officers, and all officers and directors as a group.

Item 7. Independent Public Accountants

The external auditor of the Company is the accounting firm of SyCip Gorres Velayo & Co. ("SGV & Co."). The Board, upon the recommendation of the Company's Audit Committee, approved the reappointment of SGV & Co. as the Company's independent auditor for 2018 based on their performance and qualifications.

The reappointment of SGV and Co. will be presented to the stockholders for their approval at the Annual Stockholders' Meeting.

Representatives of SGV & Co. for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The consolidated financial statements of the Company as of and for the year ended 31 December 2018, 2017, 2016, 2015 and 2014 were audited by SGV & Co., a member firm of Ernst & Young Global Limited. The consolidated financial statements as of and for the years ended 31 December 2012 and 2013 were audited by Isla Lipana & Co., the Philippine Member Firm of the PriceWaterhouseCoopers Global Network.

SGV & Co. has acted as the Company's independent auditor since fiscal year 2014. Cyril Jasmin B. Valencia is the current audit partner for the Company and has served as such since fiscal year 2014. The Company has not had any material disagreements on accounting and financial disclosures with its current independent auditor for the same periods or any subsequent interim period. SGV & Co. has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

Audit and Audit-related Fees

The following table sets forth the aggregate fees billed for each of the last two years for professional services rendered by SGV & Co.:

| | 2018 | 2017 |
|--|--------------|--------------|
| In millions | | |
| Audit and Audit-Related Fees ⁽¹⁾ | P8.00 | P3.45 |
| Transaction Support Services-Related Fees ⁽²⁾ | 0.80 | 1.45 |
| Total | <u>P8.80</u> | <u>P4.90</u> |

(1) *Audit and Audit-Related Fees. This category includes the audit of annual financial statements, review of interim financial statements and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those calendar years*

(2) *Transaction Support Services - Related Fees. This category includes the due diligence performed in relation to the acquisition of ownership interest in another entity.*

In relation to the audit of the Company's annual financial statements, the Company's Corporate Governance Manual, provides that the audit committee shall, among other activities, (i) review the reports submitted by the internal and external auditors; (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors; and (iii) coordinate, monitor and facilitate compliance with laws, rules and regulations.

The Audit Committee consists of at least three members of the board of directors, at least one of whom is an independent director, including the chairman of the committee. The Audit Committee, with respect to an external audit, shall:

- (i) Perform oversight functions over the Company's external auditors. The Audit Committee should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.
- (ii) Prior to the commencement of the audit, discuss with the external auditor the nature, scope, and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.
- (iii) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's annual report.
- (iv) Review the reports submitted by the external auditors.

Item 8. Compensation Plans

During the Annual Stockholders' Meeting held on 13 August 2007, the stockholders owning or representing at least two thirds (2/3) of the outstanding capital stock approved the stock option for the Company's deserving employees, officers and board members to be derived from the Company's unissued authorized capital stock up to the extent of ten percent (10%) of the outstanding capital stock of the Company, subject for approval by the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).

The terms and conditions governing the stock option plan still have to be determined and approved by the Board of Directors. The application for said stock option plan has not been filed yet with the SEC and PSE. There are no stock warrants or options outstanding.

While the Company currently does not have any intention of issuing stock option plans, it reserves the right to issue the same in the future subject to applicable regulations.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There are no actions or matters to be discussed in the Annual Stockholders' Meeting with respect to the authorization or issuance of any securities.

Item 10. Modification or Exchange of Securities

There are no actions or matters to be discussed in the Annual Stockholders' Meeting with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one (1) class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

- (i) Management's Discussion and Analysis of Financial Condition and Results of Operations are attached hereto as **Annex "C"**.

- (ii) The Annual Report for the year ended 31 December 2018 are attached hereto as Annex "D".

Item 12. Mergers, Consolidations, Acquisitions, and Similar Matters

There are no actions or matters to be discussed in the Annual Stockholders' Meeting with respect to mergers, consolidations, acquisitions, sales, or other transfers of all or any substantial part of the assets of the Company, liquidation or dissolution of the Company, and similar matters.

Description of the business of the registrant and its significant subsidiaries

As of 28 May 2019, this is the list of the subsidiaries of LBC Express, Inc.:

| <u>Name</u> | <u>Country of Incorporation</u> | <u>Principal Activities</u> |
|---------------------------------------|--|------------------------------------|
| LBC Express - MM, Inc. | Philippines | Logistics and money remittance |
| LBC Express - CL, Inc. | Philippines | Logistics and money remittance |
| LBC Express - NL, Inc. | Philippines | Logistics and money remittance |
| LBC Express - VIS, Inc. | Philippines | Logistics and money remittance |
| LBC Express - SL, Inc. | Philippines | Logistics and money remittance |
| LBC Express - SCS, Inc. | Philippines | Logistics and money remittance |
| LBC Express Corporate Solutions, Inc. | Philippines | Logistics and money remittance |
| LBC Express - CMM, Inc. | Philippines | Logistics and money remittance |
| LBC Express - EMM, Inc. | Philippines | Logistics and money remittance |
| LBC Express - MIN, Inc. | Philippines | Logistics and money remittance |
| LBC Express - SMM, Inc. | Philippines | Logistics and money remittance |
| LBC Express - SEL, Inc. | Philippines | Logistics and money remittance |
| LBC Express - WVIS, Inc. | Philippines | Logistics and money remittance |
| LBC Express - SEM, Inc. | Philippines | Logistics and money remittance |
| LBC Express - SCC, Inc. | Philippines | Logistics and money remittance |
| South Mindanao Courier Co., Inc. | Philippines | Logistics and money remittance |
| LBC Express - NEMM, Inc. | Philippines | Logistics and money remittance |
| LBC Express - NWMM, Inc. | Philippines | Logistics and money remittance |
| LBC Systems, Inc. | Philippines | Logistics and money remittance |
| LBC Express Bahrain, LLC | Bahrain | Logistics |
| LBC Express WLL | Kuwait | Logistics |
| LBC Express LLC | Qatar | Logistics |

On 27 June 2018, the Board of Directors of the Company approved the purchase of 100% of the shares in the following companies:

1. LBC Australia PTY Limited – a company which operates as a cargo company in Australia
2. LBC Money Transfer PTY Limited – a company which operates a remittance company in Australia
3. LBC Express Airfreight (S) PTE. LTD. – a company which operates as a cargo company in Singapore
4. LBC Aircargo (S) PTE. LTD, – a company registered in Singapore which operates a cargo branch in Taiwan

On June 27, 2018, the Company signed separate Share Purchase Agreements for the acquisition of the shares in the aforementioned companies. The purchase of the shares in the aforementioned companies have already been completed.

On August 14, 2018, the Board of Directors of the Company approved the purchase of 92.5% of the shares in LBC Mabuhay (Malaysia) SDN BHD, a company which is engaged in the business of courier services in Malaysia. On the same date, the Company signed the Share Purchase Agreement

for the acquisition of the shares. The purchase of the shares in LBC Mabuhay (Malaysia) SDN BHD have already been completed.

On October 15, 2018, the Board of Directors of the Company approved the purchase of 50% of the shares in the following companies:

1. LBC Mabuhay Remittance SDN BHD – a company engaged in the business of remittance in Brunei
2. LBC Mabuhay (B) SDN BHD – a company engaged in the business of logistics in Brunei

On October 15, 2018, the Company signed separate Share Purchase Agreements for the acquisition of the shares in both companies. The purchase of the shares in both companies have been completed.

Patents, Trademarks, Licenses, Franchises, Concessions, Royalty, Agreement or Labor contracts including duration

The Company uses a variety of registered names and marks, including the names "LBC Express, Inc.," "LBC Express," "LBC," "Hari Ng Padala" (Tagalog for "King of Forwarding Services") and "WWW.LBCEXPRESS.COM" as well as the traditional and the re-designed "LBC" corporate logos (including the new slogan "We like to move it"), the "Team LBC Hari Ng Padala" logo and "LBC Remit Express" logo in connection with its business. Except for the "LBC Remit Express" design and logo registered on July 26, 2012 and expires on July 26, 2022) and the LBC in rectangular box and Pesopak logo (registered on May 31, 2012 and expires on May 31, 2022), which are owned directly by the Company, these marks (collectively, the "LBC Marks") are owned and licensed to the Company by LBC Development Corporation, the Company's parent company, pursuant to a trademark licensing agreement entered into on November 9, 2007. Under the terms of this agreement, the Company has the full and exclusive right to utilize the LBC Marks in consideration for a fixed royalty fee of 3.5% of the Company's annual gross revenues (defined as all revenue from sales of products and services, direct and indirect, relating to the Company's business operations). Pursuant to an addendum signed on October 25, 2013, the fixed royalty fee was lowered to 2.5%, effective December 1, 2013. Under the agreement, the Company also has the right to extend the use of the LBC marks to its subsidiaries (defined as companies in which the Company holds at least 67% of the voting rights) within the Philippines, as well as to its remittance and cargo/courier/freight forwarding fulfillment service partners and agents in the Philippines and abroad, subject to certain terms and conditions. In practice, foreign agents of the Company are granted very limited use of the "LBC" brand and logos pursuant to the individual agency agreements entered into between them and the Company.

Governmental approval of principal products and services

Republic Act No. 776 ("RA 776") and Executive Order No. 514 ("EO 514") are the principal statutes that provide the regulatory framework for freight forwarding by air and sea, respectively.

Freight Forwarding by Air

Under RA 776, an air freight forwarder is defined as an indirect air carrier which, in the ordinary and usual course of its undertaking, assembles and consolidates or provides for assembling and consolidating such property or performs or provides for the performance of break-bulk and distributing operations with respect to consolidated shipments, and is responsible for the transportation of property from the point of receipt to point of destination and utilizes for the whole or any part of such transportation the services of a direct air carrier. As mandated by RA 776, an airfreight forwarder shall only be allowed to engage in its allowed activities as stated in the law if it has, in force, a permit or any other form of authorization issued by the Civil Aeronautics Board ("CAB"). RA 776 states that only "citizens of the Philippines" may engage in domestic air commerce or air transportation, which includes air freight forwarding. For this purpose, a "citizen of the Philippines" means (a) an individual who is a citizen of the Philippines, or (b) a partnership of which each member is such an individual, or (c) a corporation or association created or organized under the laws of the Philippines, of which the directing head and two-thirds or more of the Board of Directors and other managing officers are

citizens of the Philippines, and in which 60% of the voting interest is owned or controlled by persons who are citizens of the Philippines.

Each permit/certificate issued by the CAB shall be effective from the date specified therein and shall continue in effect until suspended or revoked or until the CAB shall certify that operation thereunder has ceased. If any service authorized by a permit/certificate is not inaugurated within a period of 90 days after the date of authorization as shall be fixed by the CAB or after such other period as may be designated by the CAB, the CAB may by order or direct that such permit/certificate shall thereupon cease to be effective to the extent of such service. No permit/certificate shall be issued for a period of more than 25 years.

Freight Forwarding by Sea

Under EO 514, the Philippine Shippers' Council was converted into a regular agency of the Department of Trade and Industry ("DTI") known as Philippine Shippers' Bureau ("PSB").

Under the PSB Rules, an international freight forwarder ("IFF") is defined as a local entity that acts as a cargo intermediary and facilitates transport of goods on behalf of its client without assuming the role of a carrier. An IFF can also perform other forwarding services, such as booking cargo space, negotiating freight rates, preparing documents, advancing freight payments, providing packing/crating, trucking and warehousing, engaging as an agent/representative of a foreign Non-Vessel Operating Common Carrier ("NVOCC") cargo consolidator named in a Master Bill of Lading as consignee of a consolidated shipment, and other related undertakings. The required minimum paid up capital of an IFF is ₱2,000,000.00 while its required minimum insurance coverage is ₱500,000.00. In contrast, a domestic freight forwarder ("DFF") is defined as an entity that facilitates and provides the transport of cargo and distribution of goods within the Philippines on behalf of its client. The required minimum capital of a DFF is ₱250,000.00 while its required minimum insurance coverage is ₱250,000.00.

An IFF and DFF shall secure an accreditation with the PSB in order to conduct sea freight forwarding activities. The PSB issues a Certificate of Accreditation to a DFF and IFF to engage in the specific sea freight forwarding functions and/or category/ies it can operate. Every branch of a DFF and IFF must first be accredited before said branch can legally engage in the freight forwarding business. The Certificate of Accreditation has a life span of two years unless sooner cancelled under the PSB Rules. Its life span may also be cut short when it is automatically, or deemed revoked. The said Certificate shall not be transferred, alienated or inherited, in any manner. Official representatives of an accredited IFF or DFF firm are required to obtain PSB IDs. The life span of a PSB ID is co-terminus with the life span of the Certificate of Accreditation. Thus, the cancellation, suspension, expiration or automatic/deemed revocation of the Certificate of Accreditation shall result in the automatic cancellation, suspension, expiration or revocation of the PSB ID.

Regulation of Private Express and Messengerial Delivery Services in the Philippines

Under Republic Act No. 7354, otherwise known as the "Postal Service Act of 1992", the Department of Transportation and Communications (the "DOTC") was given the exclusive power and authority to regulate the postal delivery services industry or those engaged in domestic postal commerce, including the registration and prequalification of any natural or juridical person, other than freight forwarders, who engage in the business of letter and parcel messengerial services, door-to-door delivery, or the transporting of the property of others that are similar to mail or parcel. Pursuant to such authority, on January 23, 2001, the DOTC issued Department Circular No. 2001-01 known as the "Rules and Regulations in the Processing, Hearing and Adjudication of Applications for Authority to Operate Private Express and/or Messenger Delivery Service, and in Investigation of Complaints in connection with the Operation of such Services" (the "DOTC Rules").

The DOTC Rules provide that only Filipino citizens or corporations or partnerships duly registered with the Securities and Exchange Commission, at least 60% of whose capital stock or shares is owned by Filipino citizens may apply to operate private express and/or messenger delivery services in the Philippines. Further, the executive and managing officers of such applicant are also required to be citizens of the Philippines. If assessed favorably, and after complying with the substantive and procedural requirements under the DOTC Rules, the applicant may be granted an authority by the Secretary of the DOTC to operate private express and/or messenger delivery services, which

authority may be renewed, upon application, on a graduated scale (i.e., 1 to 5 years) and shall be renewable thereafter every five years. A copy of the authority granted shall also be furnished to the Private Express and Messengerial Association of the Philippines. Moreover, the authority granted may be amended, suspended, or cancelled when the public interest so requires or whenever the holder thereof has violated any order, rule or regulation prescribed by the DOTC.

The Commission on Information and Communication Technology ("CICT") was created in 2004 and attached to the Office of the President by Executive Order No. 269. The CICT was the primary policy, implementing, and regulating entity for the promotion and development of integrated and strategic information and communications technology systems and communication facilities and services. Among the functions transferred to the CICT included the responsibilities of the DOTC relating to communications, and the authority to establish and prescribe rules and regulations for the operation and maintenance of a nationwide postal system that shall include mail processing, delivery services, and money order services.

In 2011, President Aquino issued Executive Order No. 47 renaming the CICT as the Information and Communications Technology Office ("ICTO"), transferring the former's functions to the latter, and placed the ICTO under the technical and administrative supervision of Department of Science and Technology ("DOST"). Among others, the ICTO is tasked with the implementation of the government's ICT-related initiatives.

Applications for authority or renewal of authority to operate private express and/or messengerial delivery entities as described earlier, are currently dealt with by the ICTO.

Regulation of Remittance Agents in the Philippines

Under BSP Circular No. 471, series of 2005, all qualified persons or non-bank institutions who intend to act as foreign exchange dealers/money changers and/or remittance agents are required to register with the BSP, before they can operate as such. Upon approval of the application of the foreign exchange dealer/money changer or remittance agent, a certificate of registration shall be issued by the BSP.

All foreign exchange dealers/money changers and/or remittance agents are likewise required to comply with the applicable provisions of Republic Act No. 7653 (The New Central Bank Act) and Republic Act No. 9160, as amended by Republic Act No. 9194, and further amended by Republic Act No. 10167, or the Philippine Anti-Money Laundering Act of 2001.

Effect of existing or probable government regulations on the business

The Company has been intently monitoring the effects of Republic Act No. 10963, otherwise known as the "Tax Reform for Acceleration and Inclusion" Act (the "TRAIN Act") on prices, focusing on utilities and oil as these have a direct and indirect effect on the Company's costs. As the Company continues to expand its branch network, warehouse & distribution network, an increase in utility and oil prices will affect the Company's costs which are directed to support increases in sales volumes. The Company is likewise preparing for the effects that an increase oil prices may have on its carriers and service partners (airlines, shipping lines, trucking companies).

Aside from the TRAIN Law, there are no existing or probable governmental regulation that are material to the business of the Company.

Major risks involved in each of the business of the company and subsidiaries.

A significant portion of the Company's business activities are conducted in the Philippines and a significant portion of its assets are located in the Philippines, which exposes the Company and its subsidiaries to risks associated with the Philippines, including the performance of, and impacts of global conditions on, the Philippine economy. Some of these risks include the following:

- Any political instability in the Philippines may adversely affect the Company's business, results of operations or financial condition.

- There is no guarantee that future events will not cause political instability in the Philippines. Such instability may disrupt the country and its economy, as well as commercial traffic into and out of the Philippines, which could materially and adversely affect the Company's business, financial condition and results of operations. Acts of terrorism, clashes with separatist groups and violent crimes could destabilize the country and could have a material adverse effect on the Company's business and financial condition.
- Territorial and other disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.
- Investors may face difficulties enforcing judgments against the Company.
- Corporate governance and disclosure standards in the Philippines may be less stringent than those in other countries.
- The sovereign credit ratings of the Philippines may adversely affect the Company's business.
- The occurrence of natural catastrophes could adversely affect the Company's business, financial condition or results of operations.
- Volatility in the value of the Peso against the U.S. dollar and other currencies could adversely affect the Company's business.

Legal Proceedings

Due to the nature of the Company's business, however, it is involved in various legal proceedings, both as plaintiff and defendant, from time to time. Such litigation involves, among others, claims against the Company for non-delivery, loss or theft of packages and documents, mis-release of remittances, labor disputes, as well as cases filed by the Company against employees and others for theft and similar offenses.

Except as disclosed below, neither the Company nor any of its subsidiaries have been or are involved in, or the subject of, any governmental, legal or arbitration proceedings which, if determined adversely to the Company or the relevant subsidiary's interests, would have a material effect on the business or financial position of the Company or any of its subsidiaries.

On November 2, 2015, LBC Bank, through its receiver/liquidator, the PDIC, filed a case against LBC Express, Inc. and LBC Development Corporation, together with other respondents, for a total collection of ₱1.82 billion. The PDIC seeks to collect allegedly unpaid service fees due from June 2006 to August 2011 and service charges on remittance transactions from January 2010 to September 2011. The case was raffled to Branch 143 of the Makati City Regional Trial Court.

On December 28, 2015, the summons, together with a copy of the Complaint of LBC Development Bank, Inc., and the writ of preliminary attachment were served on the former Corporate Secretary of LBC Express, Inc. The writ of preliminary attachment resulted in the (a) tagging of the 1,205,974,632 shares of LBC Express Holdings, Inc. owned by LBC Development Corporation and; (b) the attachment of various banks accounts of LBC Express, Inc. totalling ₱6.90 million. The tagging of the shares in the record of the stock transfer agent had the effect of preventing the registration or recording of any of the said shares in the records, unless the writ of attachment is lifted, quashed or discharged.

On January 12, 2016, LBC Express, Inc. and LBC Development Corporation filed with the court a Motion to Dismiss the Complaint for the collection of the sum of ₱1.82 billion. On January 21, 2016, they also filed an Urgent Motion to Dismiss the Complaint for the collection of the sum of ₱1.82 billion and on January 21, 2016, filed its Urgent Motion to Approve the Counterbond and Discharge the Writ of Attachment.

On February 17, 2016, the court issued an order to lifting and setting aside the writ of preliminary attachment. The said order directed the sheriff of the court to deliver to LBC Express Inc. and LBC Development Corporation all properties previously garnished pursuant to the writ of preliminary attachment. The counterbond delivered by LBC Express, Inc. and LBC Development Corporation, which is for an amount equal to ₱1.82 billion (the total amount of the claim) shall stand in place of the properties so released and shall serve as security to satisfy any final judgement against LBC Express, Inc. or LBC Development Corporation in the case. Furthermore, LBC Development Corporation has expressly undertaken to both the Company and LBC Express, Inc. to fund, through additional equity in LBC Express, Inc., any amount that the latter may be adjudged to pay in the case.

Pursuant to the said order setting aside the writ of preliminary attachment and garnishment, RCBC Stock Transfer Department has effected, as of July 13, 2016, the lifting of the (i) tagging of LBC Express Development Corporation's 1,205,974,632 shares in the Company and (ii) garnishment of PLDT preferred shares of LBC Development Corporation.

In a Joint Resolution dated June 28, 2016, the court resolved to deny the Motion to Dismiss filed by LBC Express, Inc., as well as the other defendants. On July 18, 2016, LBC Express, Inc., together with the other defendants, filed motions for reconsideration of the Joint Resolution. In its Resolution dated February 16, 2017, the court resolved to deny the defendants' Motion for Reconsideration and directed the defendants to file their respective Answers within the remaining period.

On 24, April 2017, LBC Express Inc. and LBC Development Corporation filed a Petition for Certiorari with the Court of Appeals, assailing the Joint Resolution denying the motions to dismiss. The Petition for Certiorari is pending resolution with the Court of Appeals.

On April 10, 2017, the other defendants filed their respective Answers while LBC Express Inc. and LBCDC filed their Answer on April 11, 2017. Initially, the court issued a resolution dated June 15, 2017 declaring the LBC Express, Inc., LBC Development Corporation and the other defendants in default. On July 7, 2017, LBC Express, Inc., LBC Development Corporation and the other defendants filed their respective Verified Omnibus Motions for Reconsideration, to Lift the Order of Default, and to Suspend Proceedings, praying for the reversal of the order of default and the suspension of the proceedings pending such motion. The other defendants also filed an Urgent Motion for Inhibition. The court then issued a Joint Resolution dated July 20, 2017, lifting the order of default and admitting all of the Answers filed by the defendants, including LBC Express Inc. and LBCDC. The judge of Branch 143 also granted the urgent motion for inhibition and the case was re-raffled to Branch 142.

The PDIC filed a Motion for Reconsideration dated August 7, 2017 of the Joint Resolution. The defendants, including LBC Express Inc. and LBCDC, have filed oppositions and the said motion is currently pending resolution.

From August 10, 2017 to January 19, 2018, LBCE, LBCDC, the other defendants and PDIC were referred to mediation and Judicial Dispute Resolution (JDR) but were unable to reach a compromise agreement. The RTC ordered the mediation and JDR terminated and the case raffled to a new judge.

On or about September 3, 2018, PDIC motions to issue alias summons to five individual defendants, who were former officers and directors of LBC Bank. For reasons not explained by PDIC, it had failed to cause the service of summons upon five of the individual defendants and hence, the court had not acquired jurisdiction over them.

On October 26, 2018, the Motion to Defer Pre-Trial scheduled on November 15, 2018 was filed because the PDIC was still trying to serve summons on the five individual defendants and thus, for orderly proceedings, pre-trial should be deferred until the court acquires jurisdiction over them.

At the hearing held on November 9, 2018, which the PDIC did not attend, the judge directed PDIC's counsel to coordinate with the Sheriff and cause the service of summons promptly. The judge then rescheduled the pre-trial to January 23, 2019. On November 21, 2018, comment from the PDIC was received, arguing that pre-trial can proceed, even without the presence of the five individuals because there are merely necessary parties to the case, and not indispensable parties.

As of early January 2019, the alias summons was served on only two of the individual defendants, in which they filed Motion to Dismiss on November 2018 and January 2019. The PDIC filed its comments thereto and both Motions to Dismiss were deemed submitted for resolution.

On January 18, 2019, PDIC filed a Pre-Trial Brief. LBCE and the other defendants, on January 21, 2019, filed a Motion, asking the RTC to direct the PDIC to explain in writing its compliance with the

previous order to cause the service of summons on the remaining five individual defendants and to defer pre-trial until the court has acquired jurisdiction over them.

On January 23, 2019, the judge ordered the PDIC to file its comment to the Motion and rescheduled the pre-trial to February 21, 2019.

The PDIC filed a Comment with Motion to Declare Defendants in Default, arguing that the pre-trial should proceed and that the current defendants are just delaying the proceedings. The PDIC also explained its efforts to serve summons on the five individuals but admitted that it had only served summons of two of the individual defendants. The PDIC also stated that it is filing another motion for the issuance of another round of alias summons for the three remaining defendants.

On February 4, 2019, a Reply was filed arguing that: (a) the PDIC never explained the three-year delay in serving summons on the other defendants, (b) it is the PDIC's omission which have made the proceedings disorderly because not all of the defendants are at the pre-trial state, and (c) to avoid complications, the pre-trial should be deferred until the court has acquired jurisdiction over all defendants.

The court conducted a hearing on February 1, 2019 on the Motion to Declare Defendants in Default and granted time to submit comment thereto. A comment opposition was filed on February 11, 2019, arguing that there is no basis to consider the current defendants in default because they are appearing at every hearing and that there are pending motions citing just and valid reasons to defer pre-trial, considering that summons are still being served on some defendants. Emphasis was given in particular that once jurisdiction is acquired over individual defendants, they will file their own answers, raising their own defenses, which should be considered at pre-trial. Also, it is mandatory to refer them to mediation and JDR for possible amicable settlement of the entire case. Even if mediation and JDR fail, the current judge is required by procedural rules to raffle the case to another branch so that his judgment is not influenced by matters discussed during JDR.

On February 18, 2019, a Pre-Trial Brief was filed by LBCE and the other defendants, without prejudice to the defendants' pending motions to defer Pre-Trial.

At the hearing scheduled on February 21, 2019, the judge took note of all the pending motions and said that they are deemed submitted for resolution. In the meantime, the judge directed the parties to perform a pre-marking of all their documentary exhibits before the clerk of court. The judge then rescheduled Pre-Trial to March 28, 2019.

The PDIC has pre-marked its evidence during pre-marking conferences held on March 6 and 11 2019. LBCE started pre-marking its evidence on March 22, 2019 and will continue on April 10, 11 and 24, 2019.

LBCE was informed by the court staff that due to the order of Executive Judge for court records inventory and disposal, the pre-trial scheduled for March 28, 2019 will be reset to May 2, 2019.

On March 6, 2019, LBCE and LBCDC received a copy of the Court of Appeals' Decision dated February 28, 2019, denying the Petition for Certiorari. The Court of Appeals ruled that the RTC correctly denied the motion to dismiss the civil case because the PDIC representative was sufficiently authorized to sign the verification and the PDIC does not need to secure prior approval of the liquidation court to file the case.

LBCE and LBCDC filed a motion for reconsideration last March 21, 2019, which is currently pending.

In relation to the above case, in the opinion of management and in concurrence with its legal counsel, any liability of LBCE is not probable and estimable at this point in time.

Item 13. Acquisition or Disposition of Property

There are no actions or matters to be discussed in the Annual Stockholders' Meeting with respect to the acquisition or disposition of any significant Company property.

Item 14. Restatement of Accounts

There are no actions or matters to be discussed in the Annual Stockholders' Meeting with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following are to be submitted for approval during the Annual Stockholders' Meeting:

- (i) Minutes of the Annual Stockholders' Meeting held on 9 July 2018;
- (ii) President's Report based on the Annual Report and 2018 Audited Consolidated Financial Statements of the Company;
- (iii) Approval of the Annual Report and Audited Financial Statements for the fiscal year ended 31 December 2018;
- (iv) Election of Directors, including Independent Directors;
- (v) Election/appointment of External Auditor;
- (vi) General ratification of all the acts and proceedings of the incumbent Board of Directors and Management from the date following the last annual stockholders' meeting which are covered by resolutions duly adopted in the normal course of trade or business such as:
 - a. Approval of the minutes of previous meetings;
 - b. Approval of the audited financial statements;
 - c. Changing of bank account signatories; and
 - d. Approval of the schedule, venue, and agenda of the Annual Stockholders' Meeting.

Item 16. Matters Not Required to be Submitted

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 18. Other Proposed Actions

- (i) Election of the members of the Board of Directors, including independent directors, for the ensuing calendar year
- (ii) Reappointment of external auditors
- (iii) Re-filing of the Registration Statement in relation to the public offering by the Company (the Follow-on Offering) of up to 69,101,000 common shares and re-filing of the listing application with the Philippine Stock Exchange (as necessary)

Item 19. Voting Procedures

Manner of Voting

In all items for approval, except in the election of directors, each share of stock entitles its registered owner to one vote.

For the purpose of electing directors, a stockholder may vote such number of his shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them in the same principle among as many candidates as he shall see fit.

Unless required by law, or demanded by a stockholder present or represented at the meeting and entitled to vote thereat, voting need not be by ballot and will be done by show of hands.

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies.

Vote Required

With respect to the election of directors, candidates who received the highest number of votes shall be declared elected.

With respect to the adoption of the Audited Financial Statements for the year ended 31 December 2018, approval of minutes of the annual stockholders' meeting held on 9 July 2018, the approval of the President's Report, election of the members of the Board of Directors, including independent directors, for the ensuing calendar year, and reappointment of external auditors, the approval or ratification of the other actions set forth under item no. (vi) above, as well as the approval of the corporate guaranty of the Corporation, the vote of majority of the outstanding capital stock entitled to vote and represented in the meeting is required to approve such matters.

With respect to the approval for the refiling of the of the Registration Statement in relation to the public offering by the Company (the Follow-on Offering) of up to 69,101,000 common shares and re-filing of the listing application with the Philippine Stock Exchange (as necessary), the approval or ratification of majority of the outstanding capital stock entitled to vote and represented in the meeting is required to approve such matters.

Method

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at the Annual Meeting of the stockholders.

Unless required by law, or demanded by a stockholder present or represented at the meeting and entitled to vote thereat, voting need not be by ballot and will be done by show of hands.

UNDERTAKING

UPON WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. SUCH WRITTEN REQUEST SHOULD BE ADDRESSED TO:

THE OFFICE OF THE CORPORATE SECRETARY
Penthouse, Liberty Center,
104 H.V. dela Costa Street,
Salcedo Village, Makati City

UNDERTAKING

WE UNDERTAKE TO FURNISH THE STOCKHOLDERS DURING THE ANNUAL STOCKHOLDERS' MEETING ON 29 JULY 2019 A COPY OF THE COMPANY'S QUARTERLY REPORT ON SEC FORM 17-Q FOR THE QUARTER ENDED 31 MARCH 2019.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on **JUN 27 2019**.

LBC EXPRESS HOLDINGS, INC.

By:



MIGUEL ANGEL A. CAMAHORT
President